

# ANNEX

## TEMPLATE FOR INTERREG PROGRAMMES

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# **1. Joint programme strategy: main development challenges and policy responses**

## **1.1. Programme area**

*Reference: Article 17(4)(a), Article 17(9)(a)*

*Text field [2 000]*

The Programme Area (PA) is composed of 4 counties on the Romanian side and 4 counties (NUTS 3 political and administrative units) on the Hungarian side, as follows: Szabolcs-Szatmár-Bereg (HU323), Hajdú-Bihar (HU321), Békés (HU332), Csongrád-Csanád (HU333) in Hungary; Satu Mare (RO115), Bihor (RO111), Arad (RO421), Timiș (RO424) in Romania. These counties are included in the following NUTS II statistical regions in Romania: North-West (RO11)- Bihor County, Satu Mare County and West (RO42) - Arad County and Timiș County. In Hungary: NUTS II Northern Great Plain (HU32)- Hajdú-Bihar County, Szabolcs-Szatmár-Bereg County and Southern Great Plain (HU33)- Békés County, Csongrád-Csanád County.

The PA administrative surface amounts to 50,435.31 km<sup>2</sup>, out of which around 56.3% represents Romanian administrative area (11.9% of total national territory) and 43.7% Hungarian administrative area (14.15% of total national territory). In terms of administrative size of the component counties (NUTS3), these go from 8,691.5 km<sup>2</sup> (Timiș) to half that (4,252.8 km<sup>2</sup>, Csongrád-Csanád). The total length of the border is 450 km, crossed by 12 road corridors and 5 railways border crossing points. Four counties in the northern and southern border area (notably Szabolcs-Szatmár-Bereg and Satu Mare in the north, and Csongrád-Csanád and Timiș counties in the south) share the border area with neighbouring countries (Ukraine in the north and Serbia in the south).

The PA is composed of a total of 117 urban settlements and 672 rural settlements. Romania's border area has 36 urban settlements and 307 rural settlements, whilst the Hungarian's border area has 81 urban settlements and 365 rural settlements.

The PA has almost 4 million people (3,846,734 inhabitants), out of which around 52.5% on the Romanian side and 47.5% on the Hungarian side of the border.

## **1.2. Joint programme strategy: Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.**

*Reference: Article 17(4)(b), Article 17(9)(b)*

*Text field [50 000]*

### **1.2.1 Common challenges and investment needs**

The territorial analysis shows that there are common challenges related to economic, social and territorial areas, which may be addressed more impactful in the CB area through cooperation and / or joint investments.

**Climate change adaptation** strategies and the management of natural and anthropic hazards, especially linked to the incidence of floods (notably in the northern and southern areas of the PA), land-slides and fires deriving from draughts and land abandonment have emerged as important investment needs and priorities. The territorial analysis also shows that, although the **renewable energy potential** (i.e. solar, biomass, geothermal)

is substantial, this potential is not fully exploited, nor fully mapped at micro-zone level, which also represents a joint investment need and a priority area for future cooperation. The PA is characterized by a **green border** and high potential for the valorisation of natural resources. However, the current management of protected sites is hardly coordinated and does not reflect the real cross-border nature of the natural landscape. Additionally, both the sides of the border are affected by deforestation trends, which may further deteriorate the exposure of the territory to natural hazards and the impact of climate change. Cooperation in the field of protection and valorisation of natural resources, including green infrastructure, has thus been highlighted as common investment need for the PA.

The territorial analysis shows that the **uneven distribution of public services** is a significant barrier impeding balanced development and internal cohesion, with Romanian regions having a lower degree of public functions distribution (**especially in the health cultural and touristic infrastructure**), except major urban centres. In relation to resilient and modern health infrastructure and services, which is a major investment priority of all EU countries, following SARS-CoV-2 pandemics, the basic endowment in the PA looks still inadequate compared to needs, especially in relation to emergency response, exchange of information and community, tailor-made health services for specific target groups. The PA is endowed with rich natural and cultural heritage, providing the basis for cross-border valorisation in touristic routes and cultural initiatives focussing on local traditions, as catalysers of social inclusion. However, the area is still not able to attract and retain high flows of tourists (which is suggested by the decreasing overnight average stay, in terms of number of days), whilst many local and county strategies put great accent on touristic resources and potentials in their territories, in close connection with traditional economic sectors such as local agriculture and food production. The analysis thus suggests that the valorisation of cultural resources and tourism for the socio-economic development of the PA is also a priority, common, investment need for the whole area.

Detailed conclusions for each field of the analysis are presented below:

#### **1.2.1.1 Conclusions related to the general demographic context**

In 2019, the programme area was home to 3.85 million people, representing 13.2% of the total inhabitants of Hungary and Romania combined, and distributed territorially in eight counties with varying population volumes (from 338,025 inhabitants in Békés to 701,499 in Timiș) and densities ranging from 54.1/km<sup>2</sup> (Arad) to 93.9 inhabitants per km<sup>2</sup> (Csongrád-Csanád). The territory presents localized clusters of high-density population in the southern part (areas around Szeged, Timișoara, Arad) and north (areas around Oradea, Debrecen, and to a large degree the territory of Szabolcs-Szatmár-Bereg and northern half of Satu Mare). The area Békés – Arad is characterized by lower density, these being also the counties on each side having the most pronounced negative natural change rate of population in 2018 (-7.4% in Békés and -4% in Arad), pointing to complex underlying reasons for the more reduced attractiveness.

In the last 10 years, the PA has consistently recorded a decrease in population, with Timiș being a significant outlier due to its positive natural and migratory population change (+1.1, +0.5%). Outmigration represented a problem specifically for the counties of Hajdú-Bihar, Bihor and Satu Mare, which form a contiguous area in the north part of the PA. The intra-regional population dynamic trends highlight the existence of the peri-urbanisation phenomena, especially around Timișoara and Oradea, but also Szeged and Arad, which point to increasing urban-rural divides and a more intensive pattern of urbanisation with implications in service and infrastructure demand, but also environmental impact. The aging of population in the area over the last 10 years and consequently the age dependency ratio has increased constantly, albeit with a more accentuated pace in Békés (158.5% aging index ratio in 2018) and Csongrád-Csanád (147.9%), which are the outliers in the PA. The negative natural change rate in the Hungarian PA territory is two times that of the Romanian territory (-3.8‰, versus -1.9‰), a significant difference recognized in European demographic trend projections (ESPON ESCAPE, 2019), showing Békés and Szabolcs-Szatmár-Bereg as significantly shrinking rural regions.

At county level, as far as population dependency ratios are concerned, clear disparities between Békés (33%) and Csongrád-Csanád (31.2%) and the rest of the counties (from 22.4% in Timiș to 27.7% in Arad) can be observed. However, a more in-depth assessment of LAU2 level demographic dependency ratios highlights a different pattern, where predominantly rural areas in the eastern part of the Romanian counties (especially Arad and Bihor) recording a more vulnerable, elderly population and values of the dependency ratio over 50.

This difference between the county average, which shows positive values for Romanian counties, and the situation at LAU2, underlines more accentuated urban-rural disparities in Romanian counties and the formation of inner peripheries in the Békés-Arad-Bihar rural areas.

The demographic trends and the territorial concentration of population suggest that the two sides of the border have common challenges related to the depopulation, demographic aging and suburbanisation trends in main cities, whilst rurality is also an important feature of the PA, generating inner peripheries and rururban disparities.

### **1.2.1.2 Conclusions on human capital and availability of basic social services**

#### **General human capital development indicators**

The programme area is characterised by generally positive trends in human capital development, with raising life expectancy, lowering rates of social exclusion and unemployment. However, the PA is still lagging behind the European level in the performance for some of these indicators, including life expectancy at birth (83.7 for women and 78.2 for men in EU-27 in 2018, as opposed to only 77.27 years for women and 70.08 years for men in Satu Mare, the lowest performer), whilst some indicators highlight internal disparities. In this respect, an internal disparity in the PA can be observed in the infant mortality rate, which is double than the European average in Bihor and Satu Mare (6.8 and 7 as opposed to 3.4 in 2018 for EU-27), and half that in Hajdú-Bihar (1.7), although not all Hungarian counties record under-average values (Szabolcs-Szatmár-Bereg has a rate of 5.1). This is a significant weakness which needs to be addressed with better healthcare service access, both attainable through PO 4 at CB level.

Similarly, there is a significant diversity of social challenges in the PA, although these are assessed using different methodologies at country level (different definition of disadvantaged areas), nevertheless specific patterns can be deduced regardless of differences in methodologies: Satu Mare and Szabolcs-Szatmár-Bereg represent a cross-border area with a prevalence of population with human capital challenges, whereas notable challenges especially in urban areas are also clustered in Bihor and Hajdú-Bihar.

Although social assistance stands in the realm of a typical national policy level of governance, common challenges related to human capital development identified in the PA, corroborated with demographic trends and settlements' concentration patterns, underline territorial vulnerabilities and specific target groups, that can be addressed through joint actions in the field of healthcare and people-to-people actions, whilst the multidimensional character of disadvantage in certain areas can be approached by mainstreaming internal socioeconomic cohesion of the PA into all future joint interventions.

#### **Health-care infrastructure and services**

Population access to healthcare services is extremely important for quality of life and is dependent on health infrastructure. The PA is endowed with a well-developed health infrastructure with performance indicators similar to the European ones, especially in counties hosting university centres (Timiș, Csongrád-Csanád, Hajdú-Bihar). However, the distribution of public health functions is significantly denser in the Hungarian counties (i.e. a much higher number of ambulance headquarters) and intra-regional disparities in health infrastructure are present between the more-developed counties of Timiș, Bihor, Csongrád-Csanád and Hajdú-Bihar, recording numbers of hospital beds and medics per inhabitants over the national and European averages, and the other counties in the north (Satu Mare and Szabolcs-Szatmár-Bereg) and center of the region (Arad, Békés). The number of hospital beds in Hungarian counties is higher on average than the Romanian side, varying between 2429 (Békés) and 3558 (Szabolcs-Szatmár-Bereg). The number of hospital beds/1000 inhabitants is largest in Timiș (8.2‰) and Bihor (8.1‰), and lowest in Satu Mare (5.5‰), with all figures over the EU-27 average.

Timișoara is one of first five most important university centres for medicine in Romania, and Oradea (capital of Bihor county), Debrecen (Hajdú-Bihar), Szeged (from Csongrád-Csanád) and Nyíregyháza (Szabolcs-Szatmár-Bereg) have a medicine university or faculty (case of Nyíregyháza). This is a factor for the high number of medics in Timiș county (5722), Bihor (4581), Hajdú-Bihar (3047) and Csongrád-Csanád (2502). The biggest number of medics/1000 inhabitants is registered in Csongrád-Csanád (6.3‰) and Timiș (6.2‰),

while the lowest is in Satu Mare (1.9‰), Arad (2.7‰) and Szabolcs-Szatmár-Bereg (2.7‰), lower than the national averages.

Significantly higher wages in the public administration and health sectors are recorded in Romania, whilst the wage distribution on NACE2 (the Statistical Classification of Economic Activities in the European Community) categories in Hungary is more evenly distributed.

Lastly, complementarities in the higher education offer in sectors relevant for public health policies, in the PA can represent cross-border cooperation opportunities, boosting synergies among local public authorities and the higher education institutions in this specific sector especially in the following fields: Medicine, supported by a favourable labour market with high wages in the sector; Bioeconomy – environmental and food engineering; Applied science, advanced materials, engineering; Information technology.

However, considering the challenges of some human capital indicators, the overall status of population health (which is not fully mapped), as well as recent challenges deriving from unprecedented health crisis and the need to ensure a resilient, modern and coordinated EU health system, the current endowment of health infrastructure and, above all, the functionality and the emergency-response capacity of health services do not seem adequate to emerging needs.

Cross-border cooperation and investments in the field of health, beside and beyond typical infrastructure, focussing on exchange of experience, joint trainings, resilient, modern, well-managed and performant health institutions, offering personalised health services, towards excellence and standard procedures, shall thus be considered a high priority in the next programming period.

### **1.2.1.3 Conclusions on the economic development**

#### **Overall economic performance**

All four NUTS 2 regions included in the PA are still eligible under the Cohesion Policy 2021-2027, which represents an opportunity to benefit from ERDF, ESF +, Cohesion Fund, as well as Just Transition Fund (JTF) and other funds and instruments that will be available in the next programming period, in important economic domains but is also an indicator of distance to be travelled compared to the European averages.

There is an economic performance imbalance in the region, which still did not manage to catch up to national levels. The PA now records a lesser share of national GDP in 6 out of the 8 counties compared to 2009, pointing to a stagnating attractiveness level. Furthermore, while the Hungarian counties make up 10.51% of the population and 10.40% of the national Hungarian GDP, in Romania the population represents 18.70% of the total, yet the region only produces 10.33% of the national GDP (2018), although the gap may be partly due to the way turnover is reported in Romania (at headquarter level, often in Bucharest). In terms of GDP per capita, the northern part of the PA (Satu Mare and Szabolcs-Szatmár-Bereg) records values still a little over a quarter of the EU-27 average, and even half that at national level.

Timișoara is the economic powerhouse of the region, with the Timiș county recording the highest GDP/capita value, at 144% above the PA average (9,728 EUR/capita PPS 2018) yet still half the average one at EU-27 level (27,630 EUR/capita PPS). Timiș Foreign Direct Investment (FDI) per capita is three times the average in the PA (6,213 EUR versus 1,963 EUR), and seven times that in the best-performing Hungarian county (Csongrád-Csanád, 889 EUR), and has increased by 22.3% between 2016-2018. The pull effect of Timișoara, which is also endowed with the largest international airport and four public universities is important and observable on both sides of the border. In practice, a more balanced territorial development should be pursued and this can be achieved with complementarity and cooperation.

#### **Overall business environment and innovation**

While national averages for enterprise number per thousand inhabitants continue to decline in both Romania (43 in 2017) and Hungary (49 in 2017), the PA actually records a positive trend. Entrepreneurship continued to grow between 2011 and 2017, except in Szabolcs-Szatmár-Bereg, and recorded the highest growth in Bihor and Arad (26.8% and 26.3% increase). However, while entrepreneurship grows, new jobs actually decline: the founders may start businesses without employed human resources, only based on their own knowledge and

experience. The records of the analysed period showed that a newly established company created, on average, a single job, a level considered very low, even against the background of the maturity of the entrepreneurial ecosystem mentioned above.

The Regional Innovation Scoreboard (RCI) evaluation shows a positive convergence trend of the Romanian regions and the Hungarian ones, in relation to the EU average, however with clear underperformance especially in basic infrastructures, business sophistication, health, infrastructure, innovation.

Szeged, Debrecen and Timișoara are the regional innovation powerhouses, with Csongrád-Csanád recording an R&D GDP expenditure of 2.34%, above the European level (2018), followed by Hajdú-Bihar (1.86%) and Timiș (0.65%) at a distance, however, over the Romanian national level (0.50%). The PA, however, is only responsible for 9.30% of the total R&D cost spent by the PA countries in 2018, in spite of housing 13.2% of inhabitants.

In conclusion, the analysis showed that the PA has an overall weak business environment, low innovation capacity, limited business sustainability and important imbalances at territorial level, with the concentration of GDP production and R&D expenditures in some main cities, acting as engines of the economic growth in the PA.

#### **1.2.1.4 Conclusions on tourism sector development and cultural assets**

##### **Tourism sector development**

The growth of the tourism sector in the PA has been documented through an increase of accommodation capacities in the component counties over time (13.45% increase in 10 years). However, there is a national disparity between Romania and Hungary, where the latter has double the number of beds in tourist accommodations per capita (36/1,000 inhabitants, as opposed to only 18/1,000 inhabitants in Romania). Compared to this national level, both sides of the PA are underperforming, at 26 beds /1,000 inhabitants (Hungarian PA) and 15 beds /1,000 inhabitants (Romanian PA) respectively.

Looking at tourist flows' indicators, the occupancy rate is generally low and very low, with an average of 35-38% in the best performers (Hajdú-Bihar, Bihor) and in Satu Mare (which has a very low number of structures to begin with) and going down to 18% in Csongrád-Csanád and 19.08% in Szabolcs-Szatmár-Bereg. Since 2010, tourist overnight stays have grown throughout the area, except in Satu Mare (-19% between 2010-2018), with a significant 35% increase in Csongrád-Csanád and remarkable increases in Békés (83%), Timiș (77%) and Bihor (72%). However, overnight stays have decreased, on average from 2.78 nights per stay to 2.41 (2010-2018). Disparities in overnight stays have been higher in Romania, with an actual increase in Timiș (+4%), and a 44% decrease in Bihor, which was welcoming tourists for an average of 5 days in 2009, much more than the rest of the counties. Although shorter stays may indicate a low attractiveness of the touristic sites as destination for medium and long-term holidays, shorter stays may also suggest a change in tourists' behaviour, with a higher mobility and willingness to experience itinerary tourism in the area: this can be turned into an asset and regional strongpoint, which, however, can be achieved only through cooperation between actors involved in the management of tourist sites (i.e. through the creation of thematic / niche routes and itineraries).

##### **Cultural capital**

In terms of cultural capital, the PA strongpoints and cultural centres are promoted at European level, however these rank in the bottom 25 percentile as far as cultural and creative infrastructure and services are concerned. Low local and international cultural connections could be supported through the CBC programme. Similarly, there are common elements of potential in the form of shared cultural heritage (such as architectural art nouveau heritage, as well as religious and rural heritage) which can represent a collaboration point and an opportunity to promote the area's joint strengths. Intangible cultural heritage elements and contemporary cultural values have the potential to actively contribute to developing a long-term preservation instrument of the common cultural heritage of the whole target area, including under a common touristic destination management approach. Set-up and cooperation of cross-border clusters, cultural hubs and people-to-people actions promoting cultural exchanges and their respective infrastructure has the potential of being developed through joint cooperation in the field of culture and tourism, as means for the socio-economic development of

the cross-border area, taking into account also the need to actively involve rural settlements in order to ensure the balanced development and the cohesion of the region.

The growth potential of tourism in the PA is thus considered high and can produce leverage effects in the PA, under the condition of adopting a unitary approach, by developing “cross-border touristic brands” that will trigger synergies in the less visited counties. A common agenda could be considered for the management of destinations, as well as for the friendly orientation of tourists to the key tourist sites and cross border routes. In this respect, cooperation on natural, cultural (including religious) or spa tourism is especially valuable, taking into account existing common resources and common interest in cooperation.

### **1.2.1.5 Conclusions on the environmental protection and capital**

#### **Overall framework**

Environmental and ecosystem protection, climate change adaptation, energy transition and the low carbon economy represent vital issues at the core of the European policy for the 2030 time-horizon. Both Romania and Hungary have committed to ambitious targets through their respective National Energy and Climate Plans 2030 in order to reduce GhG emissions, reach RES shares of 30.7% (Romania) and at least 21% (Hungary) and to contribute to the overall European goal of reaching at least 32.5% improvement in energy efficiency by 2030. In this respect, the European, macroregion and national contextualisation is relevant for any subsequent PO2 action in the CBC area, and it strongly supports environmental action.

#### **PA landscape and climate change**

The PA is characterized by a plain geomorphology that is favourable to settlement development and agriculture, with a higher landform diversity in the Romanian counties, due to the existence of Oriental and Banat Carpathians, as well as Apuseni Mountains as macroregional units partly covering the PA. Landscape diversity overall is moderate, but coherent across the border, which offers no natural impediment to landscape and protected site integration. A consequence of the vast plain terrain and urbanisation is the high degree of landscape fragmentation, which, albeit lower than in the western parts of Europe, is still a concern in particular in the Hungarian counties, with Szabolcs-Szatmár-Bereg recording over half of the county surface as medium and highly fragmented. There is a rich hydrographic network in the PA, which is crossing the border between Romania and Hungary almost in its entirety, producing contiguous riparian areas, generating a high potential of joint valorisation. Due to the topography and river density, the area is also one of Europe’s most prone regions to floods: high flood recurrence is recorded in Hajdú-Bihar, Timiș, Arad, Bihor, while very high flood recurrence is a significant risk for the two northernmost counties of Szabolcs-Szatmár-Bereg and Satu Mare. Bihor and Satu Mare have historically been the most affected by flood class 1 events. Landslide susceptibility is relatively low, throughout the whole PA (with the exception of Bihor, in the Apuseni Mountains), with some areas prone to landslides concentrated along rivers. Cross-border disasters and risk management in the area is incipient: although there are some ongoing initiatives in this field, there is still significant room for improvement of coordination, risk prevention and joint response capacity, which substantiates the need for joint investments and future cooperation actions. With respect to the quality of environmental factors, the water bodies in the Romanian PA are evaluated as being good and transitioning to „medium” towards the border. A significant amount of river sections in the Hungarian side has a quality status considered „poor” or „bad” (eg. Létai-ér, Kösely, Körös) by the EEA under parameters of the Water Framework Directive, especially around Szeged city. Water pollution thus represents a vulnerability in the area, which could be addressed through joint actions under non-climate change risk prevention strategies.

#### **Renewable energy**

Common potentials are sustained by the very concrete opportunity to use biodegradable waste for biomass energy, facilitating the energy transition. High and very high potential of geothermal district heating (very high – 171-1932 ktoe – in Csongrád-Csanád, Hajdú-Bihar, Szabolcs-Szatmár-Bereg, Timiș and Bihor), with geothermal resources being a distinct endowment of the PA. While wind energy, large hydropower and, to a degree, biomass energy, are reduced, there is still a high photovoltaic energy potential, with circa two thirds



of the territory being suitable for installation of photovoltaic production (Csongrád-Csanád, Békés, Timiș, partly Arad, Bihor and Hajdú-Bihar - 3.30-3.51 kWh/kWp/day).

### **Natural resources**

Natural endowments of the PA are rich and diverse, ranging from floodplain-specific landscapes to spa heritage, natural reservations, Karst areas rich in caves, RAMSAR wetland areas, and including a UNESCO world Heritage site, Hortobágy National Park (Hungary). Natural areas are very well represented across the whole PA, with Natura 2000 sites covering between 14.63% (Timiș) and 47.29% (Hajdú-Bihar) of the surface of the counties. However, they are not always contiguous across both sides of the border, and this is an indication of a need to improve cooperation in managing the Natura 2000 sites, as well as of joint investments and a coordinated action for the development of green infrastructure along the green border (including buffer zones). Even though the region has a varied, but consistent natural heritage, there is no common branding or understanding of the natural potential of the region and its diverse opportunities, which may contribute to the decreasing touristic performance of the PA, with shortening of the number of nights spent in touristic accommodations. The recent Covid-19 pandemic may accentuate this decline; however, it may also represent an argument for nature-oriented tourism and rural development, as a counter-offer to the city break tourism concentrated in the big urban centers.

#### **1.2.1.6 Conclusions on governance and cooperation**

##### **Local governance and centre of the decision-making process**

There are commonalities in the way the multi-level administrative structure of the two states is organized, where NUTS 3 and LAU 2 levels are the most relevant in terms of competencies. There are similar patterns in the implementation of vertical governance coordination, with the use of public authority associations and federations, which are involved to a general large degree in promoting local development. However, there is a generally high level of territorial fragmentation at administrative unit level (albeit the border area in Hungary is less fragmented than the national average) and although the countries have a similar administrative structure, the NUTS 3 units in Hungary also have delegated functions in the field of regional development strategies, whilst in Romania these are coordinated by Regional Development Agencies (which will also become regional Managing Authorities for ERDF-funded Programmes in 2021-2027). Additionally, many local administrations in rural areas (such as parts of Arad, Bihor, Hajdú-Bihar counties) may face reduced administrative capacity and/or resources for implementing cooperation, whilst larger urban centres are typically more experienced and endowed with proper administrative capacity to manage complex investment projects with larger budgets in both countries. The quality of Government Index performance on the lower comparative scale with the rest of Europe, for all NUTS 2 regions involved (places 155-193/202, 2017) indicates that the PA is a lagging region, especially in terms of quality of government services, with existing disparities between the Hungarian regions and the Romanian ones. All these administrative capacity disparities across the PA can potentially affect the capacity of potential beneficiaries to access cooperation funds and to modernise public services to the benefit of cross-border communities. In this context, economies of scale for services' planning and delivery, peer-to-peer exchange, joint analysis of barriers to cooperation, capacity building activities can be pursued through cooperation under the future programme, for better territorial coverage and an increased quality and innovation of cross-border governance.

##### **Formal and informal cooperation**

The area is characterised by a long history of informal cooperation, or expressed willingness for cooperation, through twinning initiatives, the constitution of Euroregions and the establishment of EGTCs. Twinning is a typical model applied along the border including the non-standardized and non-institutionalised cooperation of the neighbouring regional authorities (e.g. Szabolcs-Szatmár-Bereg and Satu Mare), large urban centres (e.g. Oradea and Debrecen), as well as smaller settlements. According to the official websites of the local municipalities, altogether 144 twinings exist within the programming area. The agenda of these twinings is mainly characterised by cultural and sports activities, exchanges. On the other hand, intercommunity and voluntary associations of public administrations are mainly dependent from bottom-up financing and, for the

same reason, the CSO sector is relatively weak. Similarly, although EGTCs represent a growing cooperation reality of the PA, their financial and human resources capacities are differentiated and also depend on top-down financing.. In general terms, the analysis showed that the community interaction (exchanges, connections) in the PA is not fully understood, which suggests there is the need to invest more in people-to-people actions which may enable the mobilisation of local communities, increasing their capacities to express shared needs and to propose joint solutions to common community problems, under a truly bottom-up approach.

### 1.2.2 Lessons learnt from the Interreg V-A Romania-Hungary Programme

Main lessons learnt from the current ROHU Interreg Programme (2014-2020), suggested by the Programme implementation Evaluation Report (2020) are recalled below:

- The large number of priorities covered by the programme and the limited matching of the priorities of the eight counties led to a less focused concentration of the funds. For the next programming period, **a more focused concentration of the funds would support and improve the potential to produce visible and perceptible impacts in the programme area.**
- In terms of Programme effectiveness, the Evaluation proposes an **earlier launching of the calls for proposals as well as more simplified systems for project evaluation, contracting and monitoring** that would improve the Programme effectiveness.
- The **sustainability of the cross-border cooperation** depends firstly on the capacity and experience of the beneficiaries but also on a proper monitoring system that should timely depict possible Programme evolutions and external factors and take the right measures in due time.

Based on the Programme implementation Evaluation Report findings, the assessment of the expected territorial impact deriving from the implementation of the current Interreg V-A Romania-Hungary Programme, an important lesson learnt in terms of Programme intervention logics is related to the need to reinforce the linkages between needs observed, envisaged interventions and programme indicators, in order to be able to better assess programme and projects' results, territorial and social impacts. The analysis of assessment grids aimed at analysing main **project weaknesses** observed during Concept Notes and Full Applications' selection stages for Flagship Projects, which may have further affected projects' smooth implementation and may also have **a negative effect on the expected results** in the future. The analysis allowed the following conclusions:

- The overall **relevance** of Flagship projects interventions and partnerships has been high, with strong linkages with previous projects and existing networks;
- However, the applicants encountered problems in defining **baseline indicators on existing needs**, defining methodologies for quantifying and selecting target groups and, consequently, they had difficulties in quantifying expected impacts on territories and people, which is probably caused by important **data gaps** and limited capacity to prepare ex ante impact analysis of interventions (which actually suggests a low quality of feasibility studies). This aspect reduced the possibility to assess the expected territorial impact of Flagship projects implemented within ROHU 2014-2020 Programme;

Additionally, from a sector-wise analysis perspective, the main conclusions from the review of the Ips performances and reallocations of funds during the programming period 2014-2020 can be summarised as follows:

- i. Great needs and interest from stakeholders have been observed in relation to interventions in the field of health and social infrastructure, which concentrates more than half funds available for restricted calls and nearly one third of those available for contracting under open calls (42% on total share for both types of calls).

ii. Interventions in the field of sustainable transport have revealed to be less attractive than initially planned, especially for projects of strategic importance, where all funds initially allocated to Ip 7c have been reallocated to other measures, whilst the allocations to Ip7b were decreased (as a result the share of Ip7 on total funds available for contracting on total has decreased to 9% from the initial 16%).

iii. Interventions in the field of employment friendly growth, especially under open calls, where they had been initially granted high share of allocated funds, have revealed to be less attractive than planned (and thus the share of Ip8b on total funds available for contracting for all types of calls has decreased to 17%, from the initial 29%).

iv. On the other hand, measures aiming at valorising natural and cultural resources revealed to be very attractive for stakeholders, and were thus finally allocated 22% of ERDF allocation available for contracting (overall, both restricted and open calls), whilst allocations to water management have been decreased to 2%.

v. Interventions in the field of risk prevention (funded only under open calls) also revealed to be more attractive than initially planned and finally received an increase of funds (from 9 to 13% total funds available for open calls, representing 6% on the total programme available ERDF funds).

vi. Finally, people-to-people interventions funded under Ip 11, only through open calls, were as attractive as initially estimated (with around 4% of ERDF available under open calls, representing 2% of total).

It shall be underlined that, although the above considerations provide an insight on the potential attractiveness of different types and fields of intervention in terms of stakeholders' response to calls, still, one important lesson learnt from the current programming period, based on stakeholders' consultation under both the Programme evaluation and programming exercises, is that **changing needs and changing context, as well as specific funding rules, timing and conditions for accessing the funds are also important factors** which may affect Programme implementation and absorption rates. In this respect, the experience of the current Programme shall be certainly corroborated with identified needs for the future and with perceived difficulties in accessing funds as experienced by the stakeholders. From one side, a certain flexibility shall be envisaged for reallocation of funds among priorities in the next programming period, as already acknowledged by the EC under proposed CPR. From the other side, it shall be mentioned that the reduction of bureaucracy, a clear communication on funding rules (including details on types of intervention and related indicators), the involvement of the appropriate governance level, networking and partnership development for project generation and support offered for better communication and coordination procedures among partners, as well as for the organisation of procurement procedures (especially for projects of strategic importance) may increase the attractiveness of the different interventions to potential beneficiaries, thus facilitating the attainment of the estimated levels of funds' absorption.

From the perspective of cross-border impact and character of operations, case studies<sup>1</sup> reveal a great cross-border potential in soft measures aiming at promoting peer-to-peer exchange, dissemination of information in national languages for population involvement and awareness, joint training and joint recognition of results, joint strategic planning and the involvement of the appropriate level of governance to tackle common needs that require a joint and coordinating action. Additionally, cross-border impact of joint interventions is usually expected as an indirect effect on cross-border population and final targets (i.e. patients, vulnerable groups, local communities in general) whenever applicable depending of the type of intervention.

The above lessons learnt suggest that, in the programming period 2021-2027:

- The **Programme intervention logics** shall ensure a closer link between the needs identified, the expected changes and the related monitoring and performance framework. In this respect, the concentration of resources on key challenges and common potentials allows, itself, to reinforce “ex ante” the intervention

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<sup>1</sup> Analysed under the 2014-2020 Programme evaluation study report (2020).

logics, as it ensures that only interventions with the highest possible impact and cross-border character are actually envisaged for funding;

- Where **data gaps** or identifiable barriers do exist, these shall be solved before planning any investment, in order to ensure that the proposed interventions are both relevant to needs and are able to produce expected results on these, better quantified, needs. Linking soft measures to investment measures (when applicable) is thus a key instrument to reach both projects' and programme success;
- Reinforcing **potential beneficiaries' capacities** to think strategically at cross-border level and to maintain their partnership relations for a common goal is also a key issue to be solved directly through the future Programme, by promoting a larger range of soft measures in support of building capacities, promoting exchanges and strengthening institutional relations, towards higher sustainability of cross-border interventions;
- The concentration in the allocation of resources and priority identification shall pursue the pattern of **funds' attractiveness** to potential beneficiaries, corroborated with **identified needs**. In this respect, the experience of the current programming period has suggested that great stakeholders' interest and high cross-border relevance, providing cascading, direct and indirect effects on territories and communities, are attributed to the following fields: **cooperation in health and social infrastructure; cooperation in risk prevention and management; cooperation in the valorisation of natural and cultural resources, in close connection with tourism; strengthening cross-border strategic planning capacities, reducing barrier to cooperation and people-to-people exchanges as foundations for more structured and strategic cooperation.**

### 1.2.3 Lessons learnt from the EUSDR

Lessons learnt on EUSDR contribution to increased cooperation (from higher to lower contribution) in the macro-region show that<sup>2</sup>:

- I. The MRS process brings together actors across countries
- II. Continuing on from previous cooperation and building on existing transnational networks
- III. The MRS process brings together (new) actors across sectors (cross-sectoral cooperation)
- IV. The MRS process brings together actors across levels (national/regional) and type (public/private)
- V. The cooperation brings legitimacy to the work and increases recognition of issues/needs/challenges
- VI. The MRS process facilitates synergies between policies; helps better understand the big picture at the policy level
- VII. The MRS process facilitates access to funding (the cooperation leads to an increase in funding).

Lessons learnt thus suggest that, whilst MRS brings added value to cooperation, by leveraging existing cooperation and promoting new partnerships, there is still room for improving the capacity of the MRS to increase policy legitimacy of working together, create synergies between policies and leveraging funds.

As concerns EUSDR outcomes, lessons learnt<sup>3</sup> show that MRS contributes (from higher to lower contribution) to:

- I. The development of new tools (technical excellence) in the area
- II. Increase in implementation of EU policies in the macro-region
- III. Increase the technical capacity of actors

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<sup>2</sup> From survey results included in the EC STUDY ON MACROREGIONAL STRATEGIES AND THEIR LINKS WITH COHESION POLICY, Data and analytical report for the EUSDR (2017); sum of "strongly agree" and "somewhat agree" responses in order of preferences (from highest score, 94%, to lowest score, 64%).

<sup>3</sup> From survey results included in the EC STUDY ON MACROREGIONAL STRATEGIES AND THEIR LINKS WITH COHESION POLICY, Data and analytical report for the EUSDR (2017); sum of "strongly agree" and "somewhat agree" responses in order of preferences (from highest score, 69%, to lowest score, 38%).

- IV. The development of new or improved services/products/training
- V. The development of new funding concepts (e.g. private, International Financial Institutions)
- VI. The development of common standards in the area
- VII. Changes and improvements in national policy.

As concerns outcomes, lessons learnt thus suggest that EUSDR projects have been effective<sup>4</sup> in developing tools, contributing to increase technical capacities, contributing to EU policies and developing new or improved services / products / training. However, there is room for improving the outcomes in terms of developing new funding concepts (i.e. encompassing the complementarity of funds and funding instruments), common standards and to bring effective changes in national policies.

The second Report on the implementation of the EUSDR (2019) has further shown that several initiatives and projects developed within the EUSDR have a significant **impact on policies** – or derive from and implement sectoral policies, including crucial EU policies, as in the areas of transport, energy and environment. The report stresses that the link between projects and policies is extremely important since policies need to be fed with concrete project results and, in turn, they set the conditions for successful projects and joint initiatives. In particular, EUSDR-related activities helped shaping national activities by adopting a **transnational approach** (as examples, the report mentions the case of national programmes against natural disasters in several countries). In this respect, the European Parliament has also acknowledged the **political relevance of the ongoing initiatives and the importance of funds allocated to pilot projects and innovative actions**. Finally, it has emerged that the EUSDR contributes to effective multi-level governance. However, the MRS governance still needs to be improved through higher ownership and an active role of national coordinators (line ministries) and a more effective embedding of the MRS into mainstream and cross-border cooperation programmes, starting from the programming phase and across the implementation phase. In this respect, the EC Report (2019) calls for a closer coordination of the different sources of funding and Managing Authorities, suggesting, among the others, that “*specific measures and projects, programmes could develop and apply specific project selection criteria to encourage the creation of projects that support the priorities of an MRS (e.g. budget earmarking, specific calls for macro-regional projects, allocation of extra points to projects contributing to macro-regional targets and actions, etc.)*”.

The future Interreg Programme between Romania and Hungary will thus reinforce the delivery of the EUSDR by embedding the priority actions planned in the macro-region strategy into the Programme intervention logics (detailed measures to be funded) and projects’ selection criteria, whilst tackling all main weaknesses observed in the delivery of the macro-strategy by: promoting higher policy relevance and complementarity of funds; promoting, from one side, higher involvement of the national governance and decision-making level, including from the perspective of assessing and solving barriers to cooperation; promoting, from the other side, higher mobilisation of cross-border communities, in order to consolidate the legitimisation of joint actions bottom-up, as well as based on evidence provided by a reinforced analysis and strategic planning capacity of cross-border actors.

#### 1.2.4 Relevance

The EC recommends to both cross-border Member States, as individual states<sup>5</sup> and as a cross-border area<sup>6</sup>, to support:

- The concentration of resources on **digital and green transition** (i.e. including promoting ITC, e-government services, as well as developing joint strategies for the sustainable valorisation of natural resources, assessing vulnerabilities and increasing joint emergency response capacity);

<sup>4</sup> Although to a lower extent as compared to the contribution to increased cooperation.

<sup>5</sup> [https://ec.europa.eu/info/sites/info/files/2020-european-semester-csr-comm-recommendation-hungary\\_en.pdf](https://ec.europa.eu/info/sites/info/files/2020-european-semester-csr-comm-recommendation-hungary_en.pdf),  
[https://ec.europa.eu/info/sites/info/files/2020-european-semester-csr-comm-recommendation-romania\\_en.pdf](https://ec.europa.eu/info/sites/info/files/2020-european-semester-csr-comm-recommendation-romania_en.pdf)

<sup>6</sup> [https://interreg-rohu.eu/wp-content/uploads/2019/10/BOP\\_CE\\_May\\_2019.pdf](https://interreg-rohu.eu/wp-content/uploads/2019/10/BOP_CE_May_2019.pdf)

- **The resilience of the health sector** (including mapping needs and developing a joint strategy, as well as strengthening the health emergency response capacity, reducing territorial disparities in the accession to health services and promoting patients' mobility and exchange of information);
- **The recovery of economy and labour market** following Covid-19 crisis (including by mapping labour market exchanges, reinforcing labour active measures and ensuring a closer relevance of education and vocational training to skills required in the cross-border labour market, promoting high value-added clusters and cross-border value chains, as well as supporting the recovery of tourism and culture as drivers for the socio-economic development of the PA, hardly affected by the Covid-19 crisis);
- The improvement of **governance and decision-making processes** (including assessing legislative barriers to cooperation, reduce language barriers, improving the exchange of data and information, improving coordination with mainstream programmes and the involvement of stakeholders and the involvement of stakeholders and social partners).

The recommendations related to governance and decision-making processes are also strongly connected and in line with the future **EU Territorial Agenda 2030**, which calls for strengthening the evidence base for informed territorial policies (i.e. better understanding functional flows and experimenting TIA exercises), building institutional capacities, creating opportunities for peer-to-peer learning, knowledge / best practices sharing, horizontal and vertical coordination of policies.

The following elements also confirm the relevance of selected POs in relation to national policies and strategic framework, which define national development priorities:

- Both countries have a vision on their **territorial and spatial development strategy**, which puts great accent on the need to reduce regional disparities and to ensure the sustainable use of natural and land resources;-
- Both countries are negotiating the Partnership Agreement with the EU for the next programming period. The available drafts show that, in line with EU development targets for 2030, great accent is put on **digital and green economy and societies**. In this respect, both countries have advanced **integrated plans for energy and climate change** with accent on extending the use of renewable energies and improving the capacity of emergency services to tackle climate changes, unpredictable and extreme conditions;
- Priorities in the **health sector** (from primary health care services and infrastructure, to research and telemedical services) emerge under the draft Operational Programme on Health in Romania, respectively, under the Hungary National Strategy for the Health Sector 2021-2027;
- Equally, both countries have a **long-term vision on tourism development**, with a tourist destination management approach, the extensive use of digital and marketing tools, as well as an increasing capacity to collect and manage data and statistics related to tourism.

In the next **governance level (NUTS3)**, the **county administrative level**, strategies and plans, which provides the framework for the delivery of county sector policies, are generally referred to the current programming period 2014-2020. However, they are still relevant to highlight the importance attributed to cross-border territorial cooperation, the medium and long-term vision on the territorial role of the county, the relevance for future Policy Objectives (POs) and the opportunity to build on past experience in acceding ROHU Interreg Programme 2014-2020, to ensure continuity of both investments and project partnerships. The majority of counties in the PA have identified **cross-border development strategic objectives and priorities**, thus reflecting the **strong vocation** of the territories **towards interregional cooperation on a wide range of sectors, from economic development, to green economy, culture, tourism, welfare and health**. This is further confirmed by the analysis of some city strategies, where great accent is on cross-border cooperation in the cultural field and the increasing role of cities as economic development engines beyond their administrative border. Following the adoption of Agenda 2030 and EU Climate Change and Energy targets for 2030, several

counties have drafted **energy and climate change plans** or are planning to draft one. Additionally, the great majority of counties puts great accent on cultural cooperation and touristic potential of local resources, including under a wider perspective of territorial cooperation with neighbouring counties and cities from the other side of the border.

The future Programme shall build on existing cooperation relations, in order to consolidate them and further facilitate their institutionalisation and the continuity of long-term joint projects that many administrations are already promoting.

### 1.2.5 Complementarities and synergies with other funding programmes and instruments

On 10 November 2020, the European Parliament and EU Member States in the Council, with the support of the European Commission, reached an agreement on the largest package ever financed through the EU budget, of €1.8 trillion. Following the coronavirus crisis and its consequences, the package will help rebuild a **greener, more digital and more resilient** Europe.<sup>7</sup>

The MFF 2021-2027 (amounting to around 1,074 EUR billion) will be combined with a temporary recovery instrument, called Next Generation EU (additional 750 EUR billion resources), mainly allocated to Cohesion, Resilience and Values heading. Key programmes including **Erasmus+, EU4Health and Horizon Europe**, will be reinforced, in line with EU priorities, linked to a more resilient Europe, innovation, research, digital and green economy.

Both Romania and Hungary are negotiating the **Partnership Agreement with the EU** for the next programming period. According to the draft available versions, the list of operational programmes that will be proposed by each side of the programme area are detailed in the table below:

Romania <sup>8</sup>	Hungary <sup>9</sup>
<ul style="list-style-type: none"> <li>Operational Programme for Smart Growth, Digitalisation and Financial Instruments;</li> <li>Operational Programme for Health;</li> <li>Operational Programme for Education and Employment;</li> <li>Operational Programme for Social Inclusion and Dignity;</li> <li>Operational Programme for Sustainable Development;</li> <li>Operational Programme for Transports;</li> <li>8 Regional Operational Programmes;</li> <li>Operational Programme for Aquaculture and Fishing;</li> <li>Operational Programme for a Just Transition;</li> <li>Technical Assistance Operational Programme.<sup>10</sup></li> </ul>	<ul style="list-style-type: none"> <li>Operational Programme for Business Development and Innovation (VINOP);</li> <li>Green Infrastructure and Climate Protection Operational Programme (ZIKOP);</li> <li>Mobility Operational Programme (MIOP);</li> <li>Competitive Hungary Operational Programme (VMOP);</li> <li>Operational Programme for Human Development (HOP);</li> <li>Digital Renewal Operational Programme (DIMOP) and</li> <li>Hungarian Aquaculture Development Operational Programme (MAKOP).</li> </ul>

Additionally, the following table shows the list of other Operational Programmes under the ETC objective where Romania and Hungary could also benefit of:

Romania	Hungary
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<sup>7</sup> [https://ec.europa.eu/info/publications/eus-next-long-term-budget-nextgenerationeu-key-facts-and-figures\\_en](https://ec.europa.eu/info/publications/eus-next-long-term-budget-nextgenerationeu-key-facts-and-figures_en)

<sup>8</sup> [2021 - 2027 - Fonduri Structurale \(fonduri-structurale.ro\)](https://fonduri.structurale.ro/)

<sup>9</sup> <https://www.palyazat.gov.hu/operativ-programok>

<sup>10</sup> <https://mfe.gov.ro/timeline-consultari-publice/>

Interreg VI-A Romania-Bulgaria Interreg IPA-III-CBC Romania-Moldova Interreg IPA-III-CBC Romania-Ukraine Interreg IPA-III-CBC Romania-Serbia Black Sea Basin Programme	Interreg VI-A Austria-Hungary Interreg VI-A Slovenia-Hungary Interreg VI-A Hungary-Croatia Interreg VI-A Slovakia-Hungary Interreg IPA-III-CBC Hungary-Serbia
<b>Common programmes under the ETC objective</b>	
INTERREG EUROPE Programme Interreg Programme Hungary-Slovakia-Romania-Ukraine URBACT Programme INTERACT Programme Danube Transnational Programme ESPON Cooperation Programme	

The relevance of draft mainstream Operational Programmes and other Operational Programmes falling under the Territorial Cooperation objective resides in the need that interventions under the future Interreg Programme between Romania and Hungary shall be **complementary and synergic**, thus boosting a **mutual leverage effect on investments, whilst avoiding overlapping**. In this respect, the proposed priorities for the future Interreg Programme between Romania and Hungary will reinforce the strategy adopted by each MS to implement national and regional priorities, with a specific attention paid to needs and opportunities that can be better addressed through cross-border cooperation, adding value to other ERDF and ESF + interventions funded under MS' operational programmes and will contribute to further translate transnational cooperation programmes and, in particular, the EUSDR and ESPON related programmes into specific interventions tailor-made on the specificities of the Romania - Hungary border area.

### **1.3. Justification for the selection of policy objectives and the Interreg specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure**

The guiding principles leading to the proposed strategy and Intervention Logics can thus be defined as follows:

- maximising the **concentration of resources on interventions where cross-border cooperation brings added value and the Interreg programme represents the main option for funding**;
- promoting the **higher possible cross-border impact on territorial disparities and communities**, focussing on policy objectives with the possible higher and more direct impacts on the population well-being (i.e. health, environmental protection and green infrastructure), safety (i.e. protection from natural disasters and climate change adaptation strategies) and equal opportunities (i.e. equal access to health services, tailor-made solutions for patients, involving youth, rural population and marginalised communities in cultural activities and in the valorisation of resources for the socio-economic development of the area);
- **bridging territories and communities based on common territorial and intangible assets**, which may create common socio-economic opportunities for the economic recovery (i.e. renewable energies and the opportunity of creating “renewable energy / green communities”, as well as culture and tourism, as fields of common interest capable of leveraging funds and partnerships under a common territorial marketing vision);



- **promoting people-to-people interventions as foundation for more structured cooperation**, with a demonstrative value for building sustainable and inclusive communities and an open business environment, which may support in designing tailor-made solutions for future community-led local development initiatives and integrated socio-economic strategies at cross-border level, thus making people-to-people actions “laboratories” for the animation of local communities;
- **building the knowledge basis, capacities, joint systems and joint working procedures** as a precondition for projects sustainability and effective results (i.e. soft measures across all selected POs and specific measures under ISO1 on other themes not related to selected POs). Using ISO 1 as a resource to systematise lessons learnt at the end of the programme implementation, drawing lessons on cooperation in different fields, in what concerns: the development of joint strategies, effective cross-border systems and institutional cooperation frameworks throughout the selected POs; the resolution of legal and administrative barriers; the creation of more cohesive local and business communities through people-to-people exchanges.

The synthesis of main development challenges and programme policy response is presented below:

<b>Policy objective</b>	<b>Specific objective or dedicated priority*</b>	<b>Justification (summary)</b>
<b>PO 2</b>	<b>RSO 2.4 Promoting climate change adaptation, risk prevention and disaster resilience</b>	<p>The cross-border region is characterised by a rich hydrographic network, which is crossing the border almost in its entirety, producing contiguous riparian areas which have a high potential of joint valorisation. Due to the topography and river density, the area is also one of Europe’s most prone regions to floods: High flood recurrence is recorded in Hajdú-Bihar, Timiş, Arad, Bihor, while very high flood recurrence is a significant risk for the two northernmost counties of Szabolcs-Szatmár-Bereg and Satu Mare. Bihor and Satu Mare have historically been the most affected by flood class 1 events. Landslide susceptibility is relatively limited, throughout the whole cross-border areas (with the exception of Bihor, in the Apuseni Mountains region), with some areas prone to landslides concentrated along rivers.</p> <p>Cross-border disasters and risk management in the area is incipient: although there are some ongoing initiatives in this field, there is still significant room for improvement of coordination, risk prevention and joint response capacity, which substantiates the need for joint investments and future cooperation actions , building on the Water management Convention signed at country level and on the previous experience gained by public administrations involved in relevant initiatives, including at macroregional level (EUSDR).</p> <p>An increased cooperation and capacity of joint risk prevention and response to extreme weather events, mostly generating floods, rural and urban landscape destruction, as well as to other climate change-related phenomena, such as draught and fires, is considered a priority by the majority of stakeholders. Non-intervention or inappropriate (i.e. not coordinated) intervention, may generate high social, economic and environmental costs.</p>
	<b>RSO 2.2 Promoting renewable energy</b>	<p>Environmental and ecosystem protection, climate change adaptation, energy transition and the low carbon economy represent vital issues at the core of the European policy for the 2030 time-horizon. Both Romania and Hungary have committed to ambitious targets through their respective National Energy and Climate Plans 2030 in order to reduce GhG emissions, reach RES shares of 30.7%</p>

Policy objective	Specific objective or dedicated priority*	Justification (summary)
		<p>(Romania) and at least 21% (Hungary) and to contribute to the overall European goal of reaching at least 32.5% improvement in energy efficiency by 2030.</p> <p>High and very high potential of geothermal district heating (very high – 171-1932 ktoe – in Csongrád-Csanád, Hajdú-Bihar, Szabolcs-Szatmár-Bereg, Timiş and Bihor), is a distinct endowment of the programme area. While wind energy, large hydropower and, to a degree, biomass energy, are reduced, there is still a high photovoltaic energy potential, with circa two thirds of the territory being suitable for installation of photovoltaic production (Csongrád-Csanád, Békés, Timiş, partly Arad, Bihor and Hajdú-Bihar - 3.30-3.51 kWh/kWp/day). However, although the renewable energy potential is substantial, this potential is not fully exploited, nor fully mapped at micro-zone level.</p> <p>Considering the high policy support, both at European, Danube Macro-region, central and local level, for the transition to a low-carbon economy, a better understanding and exploitation of existing resources for renewable, alternative energies, is considered a priority for the cross-border area, which may have an important leverage and indirect effect, and generate strong synergies with other components of development, such as the business sector, research and innovation (to be funded under other national and European funds). In this respect, investments in regenerable energies under the future Interreg Programme may contribute to create a favourable, enabling, environment for further developments of the renewable energy in the area, the creation of green communities or jobs and certainly the improvement of local environment.</p>
	<p><b>RSO 2.7 Enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution</b></p>	<p>The Programme area is characterized by a plain geomorphology that is favourable to settlement development and agriculture, with a higher landform diversity in the Romanian counties (Oriental and Banat Carpathians and Apuseni Mountains). Landscape diversity overall is moderate, but coherent across the border, which offers no natural impediment to landscape and protected site integration. The PA is thus characterized by a “green border”, generating a high potential for the valorisation of natural resources. The soil biodiversity potential in the area is moderate, with lower potential recorded in the south (Csongrád-Csanád, Timiş) and Hajdú-Bihar, and higher in the eastern parts of the Romanian counties (Apuseni Mountains), however with significant potential to support further development of biodiversity in the border area south of Nyíregyháza, and with exceptional potential in the regions already protected by Natura 2000 classification (Hortobágy in Hungary, Lipovei Hills, Zarand Mountains in Romania). However, the current management of protected sites is hardly coordinated and does not reflect the real cross-border nature of the natural landscapes and both the sides of the border are affected by deforestation trends, which may further deteriorate the exposure of the territory to natural hazards and the impact of climate change.</p> <p>An increased level of cooperation in the sustainable management of natural resources, in line with EUSDR action plan for biodiversity and landscape protection, is expected to directly contribute to a more effective protection of these areas and to an increased carbon-</p>

Policy objective	Specific objective or dedicated priority*	Justification (summary)
		storage capacity, with the possible direct contribution to the reduction of the GhG emissions accounting. Non-intervention or inappropriate (i.e. not coordinated) intervention, may generate high social, economic and environmental costs, generating the further deterioration of precious natural heritage, whilst potentially compromising local population safety (notably from the adverse effects of climate change) in the cross-border area.
<b>PO 4</b>	<b>RSO 4.4 Ensuring equal access to health care through developing infrastructure, including primary care</b>	<p>The programme area is characterised by generally positive trends in human capital development, with raising life expectancy, lowering rates of social exclusion and unemployment. However, the PA is still lagging behind the European level in the performance for several of these indicators, including life expectancy at birth. In particular, this indicator suggests that the quality of life and the health status of population still need to be improved.</p> <p>The uneven distribution of public services is a significant barrier impeding balanced development and internal cohesion. In relation to health infrastructure, the basic endowment in the PA looks still inadequate compared to needs, as suggested by the average number of beds per 100 000 (below the national averages), as well as to the disparities related to the territorial concentration of ambulatories (with the Romanian side of the border lagging behind) and the number of medics / 1000 inhabitants (generally lower in the norther counties of the PA).</p> <p>An increased resilience of the health sector is considered a high priority at all governance levels, from EU, to national and local governments. Resilience does not mean only infrastructure and endowments (although it certainly includes them too) but also encompasses the quality of services, their flexibility, adaptability to target groups / specific challenges and response capacity to emergency situations, as the Covid-19 pandemic has dramatically showed. An increased level of cooperation in the health sector is expected to improve health staff' skills and the overall health-care system quality, including its capacity to reach target groups most in need. This will be achieved starting from the exchange of experience and best practices, the capitalisation of existing resources, networks and previous cooperation in this field, in order to reach a coordinated response, if need arises, based on common working procedures and standards.</p>
	<b>RSO 4.5 Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation <sup>11</sup></b>	<p>The PA is endowed with rich natural and cultural heritage, as well as a dense network of local actors already cooperating for the organisation of international cultural events and tourism niches' development (i.e. religious and rural/eco-tourism) providing the basis for cross-border valorisation in touristic routes.</p> <p>The growth of the tourism sector is demonstrated by the increased accommodation capacities in the PA counties over time (13.45% increase in 10 years). However, occupancy rate is low and very low, with an average of 35-38% in the best performers (Hajdú-Bihar, Bihor) and in Satu Mare and going down to 18% in Csongrád and 19.08% in Szabolcs-Szatmár-Bereg. Since 2010, tourist overnight</p>

<sup>11</sup> Based on current formulation of this specific objective included in PO 4, under revised EDRF Regulation (December 2020).

Policy objective	Specific objective or dedicated priority*	Justification (summary)
		<p>stays have generally grown, except in Satu Mare (-19%, 2010-2018), with a significant 135% increase in Csongrád-Csanád and remarkable increases in Békés (83%), Timiș (77%) and Bihor (72%). However, overnight stays have decreased, on average from 2.78 nights per stay to 2.41 (2010-2018). Disparities in overnight stays have been higher in Romania, with an actual increase in Timiș (+4%), and a 44% decrease in Bihor.</p> <p>The cross-border area is thus still not able to attract and retain high flows of tourists, but many local and county strategies put great accent on touristic resources and potentials in their territories, in close connection with traditional economic sectors such as local agriculture and food production, which makes tourism a relevant sector for the diversification of local economies, especially rural and marginalised areas. However, cross-border cooperation is needed and would provide high added value, in order to fully exploit the local potential, through a strategic destination management approach, which shall be able to consolidate existing tourist flows, to the benefit of a larger possible area of intervention in the cross-border region.</p>
ISO 1	<p><b>(ii) Enhance efficient public administration by promoting legal and administrative cooperation and cooperation between citizens, civil society actors and institutions, in particular, with a view to resolving legal and other obstacles in border regions</b></p>	<p>In terms of governance, the cross-border area presents commonalities in the way the multi-level administrative structure of the two states is organised, where NUTS 3 and LAU 2 levels are the most relevant in terms of competencies. Furthermore, there is a similarity in the implementation of vertical governance coordination. The governance and policy analysis showed that, although there are many examples of cooperation (cultural, economic, and so on) among public administrations and with private and non-governmental actors, the policy decision-making centres and services delivery competences remain anchored on traditional administrative units on both sides of the border.</p> <p>Additionally, the analysis of the current programming, consultations and interviews show that there is still need to improve potential beneficiaries' capacities (especially smaller local public administrations, without being limited to) to design results-oriented projects, to consolidate cross-border partnerships, as well as, in general, to think strategically on common objectives, based on well-defined common opportunities and challenges.</p> <p>The region thus presents the need to support better understanding of processes and phenomena at cross-border level, in several fields (notably climate change and energy consumption, labour market flows, transports and connectivity and others), especially in view to mitigate the border effects and overcoming barriers to cooperation, starting from evidence-based joint strategies and more effective and sustainable partnerships.</p> <p>Finally, there is an increasing trend of territorial disparities between rural and urban areas and between larger urban centres and minor urban centres, which is reflected in a still</p>
	<p><b>Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders (i)</b></p>	
	<p><b>Build up mutual trust, in particular by encouraging people-to-people actions (iii)</b></p>	

Policy objective	Specific objective or dedicated priority*	Justification (summary)
		<p>limited capacity of rural areas and small cities to provide quality infrastructure and services for the inhabitants. Additionally, there is a significant diversity of social challenges in the region, underlying disadvantaged areas, whilst similar disparities and indicators lagging behind in the whole PA area are observed also at the level of economic development.</p> <p>In this complex and differentiated socio-economic context, people-to-people actions represent an opportunity to build trust, through mutual learning, exchange and mutual support for the realisation of a variety of socio-economic actions (such as sport and competitions, performing arts, cultural events, non-curricular education activities, exchange of experience among the business sector, facilitated by social partners) with high potential to bridge communities, with low access to main public services especially in scattered settlements, as well as to animate the business community.</p> <p>Given the needs identified above, the next Interreg Programme should also improve the understanding and knowledge basis of barriers to cooperation, as well as of relevant cross-border patterns, flows, quality of public services, characteristics of specific target groups. This will allow to better tackle existing barriers whilst building evidence-based joint strategies, in line with the EU Territorial Agenda 2030. In this respect, trainings, joint events, peer-to-peer exchanges are cross-cutting measures needed to build capacities and institutional relations able to manage future interventions with a more cross-border character and an increased potential impact on both the territorial development and the cooperation dimension.</p>