



Hungary-Romania
Cross-Border Co-operation
Programme 2007-2013

Two countries, one goal, joint success!

European Union
European Regional Development Fund



Common Territorial Strategy – 4th draft

“Strategic planning based on the analysis of the eligible programme area of CBC Programme between Romania and Hungary”

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18 June 2014
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1 Introduction and background

1.1 Definition and purpose of the document

This document is **the strategy of the Cross-Border Area between Romania and Hungary (further on: eligible area)**, laying the foundations of the 2014-2020 Cross-Border Cooperation Programme between Romania and Hungary. In order to design the programme, an extensive strategic planning process has taken place.

As a result of this planning process two interrelated documents have been produced:

- A Strategic Territorial Analysis (STA),
- A Common Territorial Strategy (CTS).

Altogether, these documents will provide the basis for elaborating the 2014-2020 Cross-Border Cooperation Operational Programme between Romania and Hungary.

The Strategic Territorial Analysis has been approved on the 3rd of December 2013 and updated on 15th of May 2014 with the outcomes of the decisions reached in the 8th JWG meeting regarding the thematic objectives; that is the document, which – together with the results of the analysis of the various planning documents, interviews and workshops – provides a sound basis to initiate the elaboration of the common strategy.

The process of developing the strategy presented in the CTS process has followed a balance between strictly evidence-based planning and an iterative process of strategic choice done by the stakeholders.

The framework for the strategy has been provided by the thematic objectives and investment priorities of the European Union¹, the long-term vision established at the cross-border thematic workshops and the main conclusions of the STA.

As an important step in the strategy development process, a questionnaire survey has been conducted allowing the representatives of all 8 counties of the eligible area and the JWG representatives of the Romanian and Hungarian national level to provide detailed information regarding to their development priorities, already structured alongside the thematic objectives and investment priorities.

These have been processed, reviewed and structured, in order to provide further valuable input to the Common Strategy and make sure that the final strategy reflects the consensus of all the stakeholders such as:

- the 4 Romanian and 4 Hungarian counties (represented by the County Councils)
- the national level representatives of Romania and Hungary (relevant ministries and other institutions).

The document includes various changes resulting from the extensive discussions carried out at a series of JWG meetings and by a written discussion procedure. It also reflects the methodological

¹ The thematic objectives and the investment priorities are listed in Annex 5.1.



guidelines presented in the Aide Memoire of the European Commission published recently (21 January 2014.)².

In this document, we **present the following key elements:**

- The background of the planning process – including the key planning principles followed and the frame of reference and the relevant lessons from the evaluation of the current programme – the most important conditions providing the framework and limitations for the preparation of the strategy;
- Introduction of the methodology used in preparing the strategy;
- Description of the strategy development process, the logic and key elements of the strategy, as well as information on important strategic choices;
- Past experiences – summary of the lessons learned from the current programme;
- SWOT analysis, together with the identification of the key challenges and untapped potentials of the eligible border area;
- The joint vision of the eligible cross-border area;
- Possible scenarios for the future cross-border cooperation programme;
- The strategic objectives, the proposed thematic objectives and investment priorities, the priority axes and key areas of intervention to serve as a basis for the 2014-2020 operational programme of the eligible area;
- Coherence of the strategy.

1.2 Key planning principles

In designing the common territorial strategy of the eligible area involving altogether 8 NUTS III level counties – 4 from Romania and 4 from Hungary, a number of key planning principles have been used as important orientations. Below we briefly summarize these planning principles.

- Major functions of cross-border cooperation programmes:** in the introductory stipulations (point 5) of the ETC regulation³ it is clearly defined, that “cross-border cooperation should **aim to tackle common challenges** identified jointly in the border regions ... and aim to **exploit the untapped growth potential in border area** ... while **enhancing the cooperation process**”. This principle clearly signals the character of the interventions to be implemented in EU co-financed cross-border cooperation programmes.
- Limited resources:** the funding available for cross-border cooperation programmes is quite limited, even in comparison with the mainstream programmes implemented on national level. Taking into account the geographical coverage of the eligible area (8 NUTS III level counties), these limited resources are far from being sufficient to tackle all joint problems and challenges of the area, let alone the individual problems of the counties and settlements from the eligible area. That’s why having a clear targeting towards the most critical joint interventions could give a significant boost in further attracting other (external) resources.
- Harmonization with mainstream programmes:** both Romania and Hungary will be recipients of significant EU co-financing in addition to their joint cross-border cooperation programmes. These funds are implemented through territorial and sectoral operational programmes. It is crucial that funds from the European Union are allocated in a harmonized manner, without major overlaps – consequently, the cross-border cooperation programme needs to be

² http://admin.interacteu.net/downloads/8525/Aide_Memoire_on_the_strategy_and_managment_financial_and_control_arrangements.pdf

³ REGULATION (EU) No 1299/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal



complementary to the respective mainstream OPs of Romania and Hungary instead of repeating interventions already included in those programmes. In addition, there are various challenges in the eligible area that may be more efficiently addressed from national programmes, or interventions that are simply too costly to be funded from the limited budget of the European Territorial Cooperation Programme.

- d) **CBC is not only about funding and creating infrastructure, but is set to strengthen cooperation:** one of the key ideas behind cross-border cooperation programmes is to facilitate a territorially oriented programming process and enable a common division of resources to tackle challenges and exploit potentials. This, however, can only be done through establishing the conditions of cooperation and strengthening the actual cooperation initiatives.
- e) **Solid cross-border character:** given the financial limitations of the CBC fund and the definition of cross-border cooperation programmes, primarily interventions of real cross-border character should be funded from the programme – this is the main differentiating character of interventions funded from the CBC programme.
- f) **Balance and reciprocity:** cross-border cooperation programmes are implemented from the joint EU co-financed budget of the two countries involved. Still, it is important that this budget is used in a balanced way, which has two major aspects: a) the interests and priorities of both countries are equally taken into account, and b) funds are spent in a manner that both sides of the border benefit in a balanced way.

1.3 The frame of reference

During the preparation of the strategy of the eligible area, there is a complex environment, a frame of reference that needs to be taken into account. In this section, we briefly present the frame of reference in which we need to operate.

- **Europe 2020 strategy:** in its Communication of 3.3.2010 the European Commission presented EUROPE 2020 – a strategy to turn the EU an economy, delivering high levels of employment, productivity and social cohesion. This strategy puts forward the three “mutually reinforcing priorities” of smart, sustainable and inclusive growth. The document also stipulates that “EU-level instruments, notably the single market, financial levers and external policy tools will be fully mobilised to tackle bottlenecks and deliver the Europe 2020 goals”⁴. As this strategy will serve as the basis for the Operational Programme to be co-financed by the European Union, the strategy proposed needs to be in line with the Europe 2020 priorities
- **European regulatory framework:** the most relevant EU level regulations are, as follows:⁵
 - Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 regarding the “Common Provisions” laying down the common rules applicable to the ERDF, ESF and EAFRD as well as EMFF. Such provisions shall apply where provisions are not covered in other fund-specific regulations (e.g. ERDF, ETC), moreover stipulating the thematic objectives.
 - Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Development Fund and on specific provisions

⁴ Communication from the Commission Europe 2020 - Brussels, 3.3.2010, COM(2010) 2020 final

⁵ Other EU-regulations are also taken into consideration (e.g. rules regarding Community horizontal policies, rules for competition and entry into the markets, the protection of the environment, intellectual property rights, the equal opportunities between men and women and public procurement).



concerning the Investment for growth and jobs goal (ERDF regulation) stipulating common rules for ERDF programmes,

- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Fund to the European territorial cooperation goal (ETC regulation) laying down the detailed provisions of the ETC programmes.

The Regulations present the 11 thematic objectives and related investment priorities: any interventions identified need to be in line with either of these thematic objectives and investment priorities (more precisely, a maximum of 4 thematic objectives can be selected for 80% of the programme's allocation).

These Regulations entered into force on 17 December 2013– in Annex 5.2 we provide the links to the final versions and the related implementing and delegated acts.

- **Methodological guidelines provided by the European Commission:** the European Commission published its informal working document – “Aide Memoire on the Strategy & Management, Financial & Control Arrangements” for cooperation programmes 2014-2020 on the 21st of January 2014⁶. This document proposes clear guidelines and methods for the establishing cooperation strategies as well as providing input for elaborating the Operational Programmes.
- **European Code of Conduct on Partnership⁷:** the European Commission adopted a delegated act on a European code of conduct that is intended to provide a framework for partnership in the Member States. The Code of Conduct presents the key principles of partnership, emphasizes the importance of consultation with stakeholders in all phases of programme preparation (and implementation).
- **The current situation of the eligible area:** challenges, bottlenecks and potentials of cooperation are explored properly in the STA, and distilled into a SWOT analysis, which is presented in this document.
- **Relevant lessons learned from the current programme:** the implementation of the current programme offers various important lessons that need to be taken into account when designing the new programme. Therefore, a summary of relevant key lessons is included from the Final report on the on-going evaluation in terms of the implementation and results of the 2007-2013 programme.
- **County / local level needs and priorities:** the programme based on the CTS is to be implemented in the eligible area comprising of 8 counties – these counties all have their (in some areas understandably differing) priorities and needs articulated. Both needs and priorities have already been explicitly communicated by the wide range of stakeholders on various occasions, including the individual interviews, the county level workshops, at the JWG meetings, and also through the subsequent „questionnaire survey”. In fact, the proposed set of priority axes and areas of interventions builds upon the processed and structured information provided by the stakeholders.
- **National level priorities – Romania and Hungary:** the CTS (and the subsequent OP) also needs to fit in the wider national level strategies of both Romania and Hungary, and they have to be in line (harmonized with, and definitely not duplicate) the content of other national level operational programmes of the two counties. In Hungary, there is a government decision (1195/2013) listing

⁶ http://admin.interacteu.net/downloads/8525/Aide_Memoire_on_the_strategy_and_managment_financial_and_control_arrangements.pdf

⁷ COMMISSION DELEGATED REGULATION (EU) No .../. of 7.1.2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (http://ec.europa.eu/regional_policy/what/future/pdf/preparation/da_code_conduct_en.pdf)



the Hungarian Government's priorities for 2014-2020 cross-border cooperation programmes (see Annex 5.1 for the list of priorities), there is no similar legislation in Romania, however in the draft version of the Partnership Agreement and during the subsequent questionnaire survey clear and definite inputs in terms of needs have been provided for the Romanian side also.

Although there may be certainly other factors that have an impact on the process, these are the **crucial ones that strongly orient the strategy development process**, and its **final result clearly needs to reflect a compromise** that respects these framework conditions.



2 Methodology applied

This section presents the methodology behind the strategy development process.

2.1 General approach

In line with our methodology presented and approved first in our Technical Proposal and then in the Inception Report, we have used an **approach that builds on a combination of evidence-, vision- and participation based strategy development process**. The joint strategy is thus the result of an iterative and cooperative planning process, that seeks to deliver a rigorous evidence-based strategy development, while taking into consideration and building on the most important priorities of the key stakeholders in the area.

While the exclusively evidence-based approach certainly has its merits with regard to careful planning, it also has some major inherent risks:

- In some cases it may ignore a number of crucial factors that are not present in the hard evidence base – thus sometimes key trends, important soft factors are not taken into account.
- More often than not it results in a plan that may be technically and methodologically solid, but of which there is limited level of awareness and acceptance – which carries high level of risks with regard to implementation.
- Local level needs, priorities and political agenda are quite often slightly different from what comes out from a strictly evidence-based planning exercise – this again increases implementation risks.

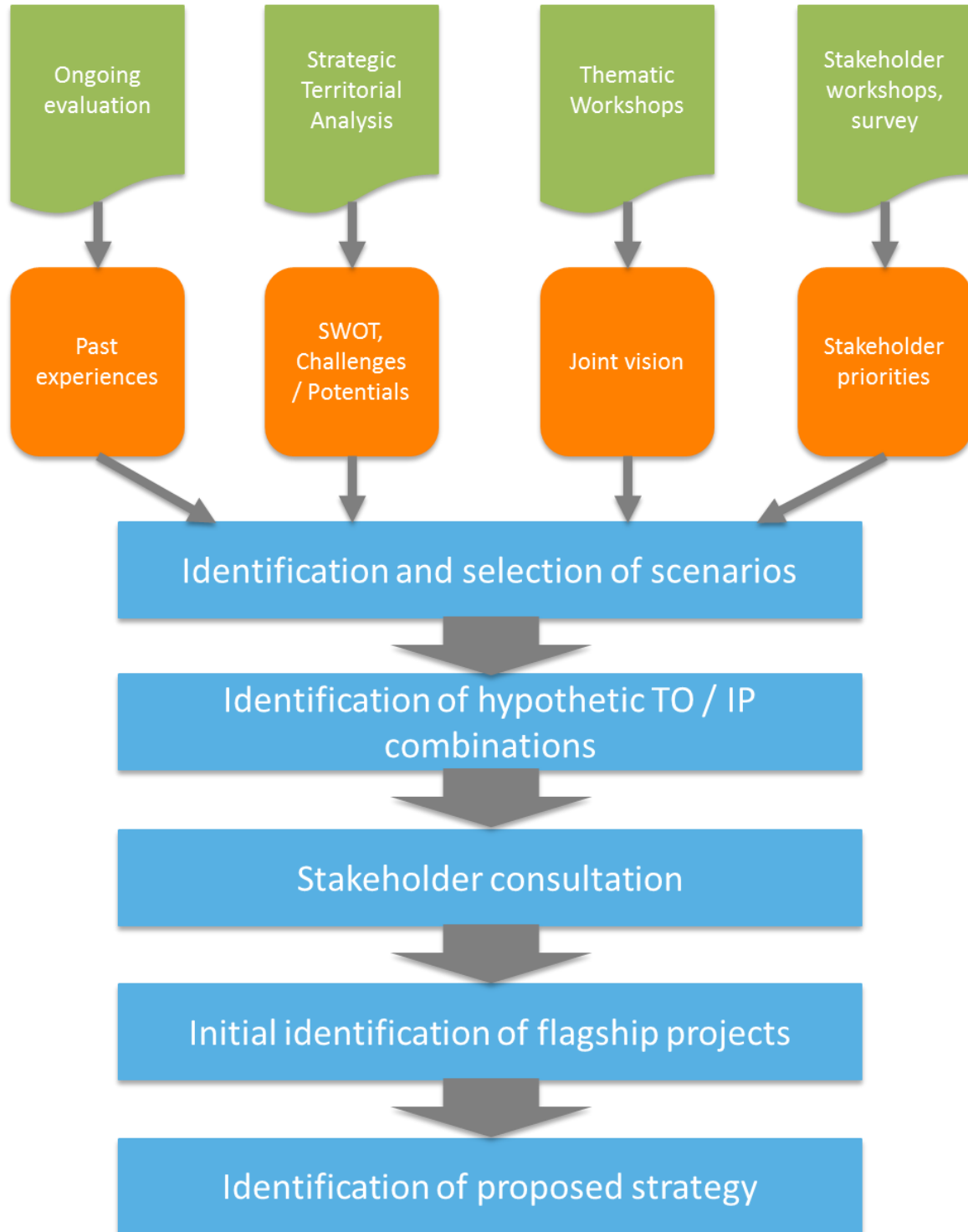
Consequently, our **approach is based on a combination of the different approaches**. Hard evidence is provided by the analysis of statistics and also of existing documents (such as national level strategic documents, county strategies, integrated urban development strategies), while the more soft factors are brought in by the interviews, county and thematic workshops. An important feature of this approach is that – in line with the partnership principles presented in the *European Code of Conduct on Partnership*, consultations with the local stakeholders have been delivered to guide not only the analysis and identification of needs, but also the selection of priorities and related specific objectives. Inputs from the consultations have certainly been constantly cross-checked and validated using the evidence-base, and confronted with priorities defined on EU level.



2.2 Methodological tools and steps

The figure below presents a summary overview of the main steps and key elements of the strategy development process.

Figure 1 – Main steps and key element of the strategy development process





2.2.1 Ongoing evaluation to summarize lessons learned from the current programme

In any strategic process and according to the recommendation of the European Commission⁸ it is crucial to build on past experiences. In this respect, it is fortunate that the strategic planning process has been preceded by the on-going evaluation of the Hungary-Romania Cross Border Cooperation Programme 2007-2013. This evaluation looked at the programme from numerous aspects, and provided valuable inputs to the design of the strategy – highlighting good practices as well as bottlenecks, both in terms of the types of interventions and the procedures used in programme lifecycle.

Building on the evaluation results, this document contains a chapter on the past experiences – summary lessons from the current programme (Chapter 3.1) focusing not only on the thematic issues, but also on horizontal issues such as legislation and working procedures.

2.2.2 Strategic territorial analysis for a detailed overview of the current situation of the eligible area

An important ingredient of the strategy development process is a clear, evidence-based picture of the area that is the subject of the strategic development. Consequently, the preparation of a detailed Strategic Territorial Analysis (STA) was the starting point of the process.

While preparing the STA the following main sources of information have been consulted:

- **Statistical analysis** – using statistical data that was available on the same territorial level and in the similar structures in both countries. Main data sources included EUROSTAT and the national statistical offices of Romania and Hungary, but data from other sources was also used where it was necessary. In order to ensure dynamic analysis of the area, time-series have been used whenever appropriate instead of static data.
- **Review of documents:** the most relevant European and national development strategies, studies and other relevant documents were selected and reviewed in order to identify the most important implications for the strategy. The findings of this process (as well as the list of reviewed documents) were presented in details in the STA document.
- **Individual interviews:** to complement the information from the statistical sources and also from the documents, interviews have been conducted⁹ with national level stakeholders (representatives of relevant ministries) and territorial level stakeholders (presidents of county councils, mayors of county seats) both in Romania and in Hungary.
- **County workshops:** finally, interactive workshops were delivered¹⁰ in all 8 counties of the border area, involving county level stakeholders. At these workshops, additional information to the analysis has been collected along with the topics of bottlenecks of cooperation, joint potentials and necessary interventions.

Analysing all relevant information to date, a **Strategic Territorial Analysis** reflecting the current situation was prepared. Based on this analysis, a detailed SWOT analysis was elaborated, broken down by thematic objectives, included in Chapter 3.2.

⁸ Aide Memoire (2014) 126651 – 21/01/2014

⁹ Details of the interviews held were provided in Annex 6.5 of the STA.

¹⁰ Details of the workshops held were provided in Annex 6.5 of the STA.



2.2.3 Thematic cross-border workshops to identify the joint vision of the area

The long-term joint vision of the entire eligible area is a key element of the strategy to be devised, providing a clear guidance for the entire planning process. The vision presents the expected future status of the area, thus facilitating the setting of objectives. The only appropriate way to project a vision is through the direct and active involvement of the stakeholders – in the case of a cross-border programme, stakeholders from both sides of the border.

Therefore, several parallel cross-border workshops were delivered in Békéscsaba, on 9 April 2013. At this event, nearly 100 people – various professionals from county and national levels¹¹, both from Romania and Hungary, as well as representatives of programme bodies – worked together using participative methods in parallel thematic workshops, each focusing on two major aspects (vision and proposed interventions).

The objective of the thematic event was threefold:

- To provide participants – stakeholders in cross-border cooperation – with information about the strategic planning process and the interim results of the strategic territorial analysis;
- To jointly identify crucial elements of the joint vision of the eligible area and possible areas of intervention;
- To bring together stakeholders from both sides of the border to jointly and actively take part in a co-creation process laying the foundations of the current cooperation strategy.

The event was started with a plenary session to familiarize participants with the planning process and key preliminary conclusions from the Strategic Territorial Analysis. The session was then followed by 4 parallel workshops, each with a specific focus area, altogether covering thematic objectives 1-10. (Thematic objectives 11 – being more of a cross-cutting nature – was not specifically designated to one single workshop.)

Stakeholders had the opportunity to delegate at least one representative to each thematic workshop where, professionals from both Romania and Hungary worked together; thus a balanced setup of these was ensured.

Table 1– Thematic cross-border workshops in the framework of the strategy development process

Workshop theme	Corresponding thematic objectives
Workshop 1. Improving the competitiveness of SMEs, strengthening research, technological development and innovation	1. Strengthening research, technological development and innovation 3. Enhancing the competitiveness of SMEs
Workshop 2 – Sustainable mobility, eliminating the bottlenecks in key network infrastructure	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
Workshop 3 – Environment, energy and adaptation to climate change	4. Supporting the shift towards a low-carbon economy in all sectors 5. Promoting climate change adaptation, risk prevention and management 6. Preserving and protecting the environment and promoting resource efficiency
Workshop 4 – Employment, investing in education, skills and lifelong learning;	8. Promoting sustainable and quality employment and

¹¹ The list of entities was provided in Annex 6.5 of the STA.



Workshop theme	Corresponding thematic objectives
promoting social inclusion and combating poverty (that also includes health care)	supporting labour mobility 9. Promoting social inclusion, combating poverty and discrimination 10. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure

The 4 thematic workshops ran in parallel, each in two rounds. At the beginning of each workshop a brief overview of the respective thematic area was provided. In the first round, participants worked together to identify key elements of a joint vision in the given thematic area. First possible elements of the vision were brainstormed in smaller groups, than the ideas were discussed on the level of the thematic group, and finally participants selected the most important elements of the vision.

In round 2, participants worked together to brainstorm major needs and possible interventions, following the same basic process as in round 1. In both rounds, the agreed results were recorded.

The entire thematic event was closed with a plenary session, where representatives of each thematic group presented the results they arrived at.

The outcomes of these parallel workshops were then processed, structured, and from this rigorous process the joint vision of the eligible area resulted. Thus, **the Vision is the result of a genuine Romanian-Hungarian co-creation process.** (For the vision, see chapter 3.5.)

2.2.4 Workshop and survey to identify stakeholder priorities

In our general methodology, strongly rooted in participative approaches, the inputs from the stakeholders play a crucial role during the elaboration of the strategy. At the June 6, 2013 JWG meeting in Satu Mare the vision has been presented and the stakeholder priorities have been discussed; following the workshop and building on its results, a detailed survey was conducted among members of the JWG, representing the 8 counties and both national levels.

In this survey, the JWG members were requested to provide information, using a pre-defined standard structure, on:

- their priorities regarding thematic objectives,
- their preferred investment priorities within the selected thematic objectives,
- the types of interventions they propose.

Elements of the questionnaire are presented in the sample table below.

Table 2 – Sample table of the questionnaire to identify stakeholder priorities

Thematic objectives	Preference TO (max. 4)	Investment priorities	Preference IP (max. 4)	Types of interventions foreseen	Specific projects foreseen
TO1.		IP(a)			
		IP(b)			
		IP(c)			

Using this standard format, all the major stakeholders presented their priorities. This **information was processed, structured and consolidated to support the identification of possible scenarios, and, finally, the common territorial strategy.**



2.2.5 Identification of possible scenarios for the 2014-2020 cross-border cooperation programme between Romania and Hungary

In order to identify relevant strategic objectives and feasible interventions, an iterative process – consultations with the key stakeholders – has been carried out to discuss challenges and potentials, hypothetic thematic objectives and investment priorities, as well as specific interventions of strategic importance – the precursors of flagship projects. These consultations have been delivered through:

- Interactive workshops with the members of the Joint Working Group, representing the most important stakeholders from the eligible border area;
- Individual interviews with the representatives of national level ministries, organizations and county level stakeholders both in Romania and in Hungary;
- County level workshops in each county that facilitated consultations with a wider range of target groups.

While the evidence base provides a strong foundation for identifying strategic directions for the area, there are many other factors affecting the strategy finally proposed. Also, it is clear that devising a strategy addressing all problem areas and exploiting all potentials of the area is hardly possible. Therefore, using the past experiences, the SWOT, the challenges and potentials, the joint vision and the stakeholder priorities as inputs, more than one possible scenario have been identified by the consultant and will be presented in this strategy document. The scenarios have been assessed, and based on this assessment, one of the scenarios is proposed as a basis of the strategy.

2.2.6 Identification and consultation of hypothetic TO / IP combinations

Based on the scenario selected and using the results of the phases described above, a hypothetic combination of thematic objectives and investment priorities has been proposed.

This combination of thematic objectives and investment priorities – and the proposed related interventions – has been discussed, developed, and repeatedly amended, improved in consecutive workshops held at JWG meetings. While time-consuming, this iterative process has gradually led to a pool of potential priorities that address the most important challenges and potentials, and also respond to the most pressing needs of the stakeholders. While still a long list, this combination has served as a suitable basis for the common strategy.

2.2.7 Identification of possible flagship projects

The success of the programme highly depends on the interventions implementing the selected priorities. While in the previous programme all projects have been selected on a competitive basis through a system of open calls, it is the strong intention of the stakeholders to apply a more strategic focus by identifying large projects of strategic importance (strategic or flagship projects) already in the strategy phase. This approach is also reinforced by the Aide Memoire issued by the European Commission, which clearly presents that **„The system of flagship projects should be used to meet the objectives”, and that „the flagship projects might account for some 25-50% of the programme allocations”**.

Therefore, the identification of strategic projects has been initiated: as a first step, an interactive workshop was carried out on 26 February 2014 in Arad to present the proposed strategic projects of the counties. Next, a standard template and procedure was used to further develop and select the strategic projects for implementation in the frame of the 2014-2020 CBC programme between Romania and Hungary. The initial pool of proposed flagship projects has also been used as an input to the strategy, while later, as the level of preparedness of flagship projects reaches its final stage, they will be included at the description of the relevant key areas of intervention.



3 Foundations of the strategy

3.1 Past experiences – summary of lessons from the current programme

3.1.1 Summary information on the programme and general lessons

In the frame of the Hungary-Romania Cross Border Cooperation Programme 2007-2013 several different types of interventions have been supported. The experiences gained from these interventions can provide important inputs to the design of the upcoming programming period.

During 2007-2013, the following 8 key areas of intervention were covered correlating with the respective actions of the Operational Programme:

- 1.1 Improvement of cross-border transport facilities
- 1.2 Improvement of cross-border communication
- 1.3 Protection of the environment
- 2.1 Support for cross-border business cooperation (including 2.1.3 Development of tourism: tourism attractions and infrastructure¹²)
- 2.2 Promotion of co-operation in the field of R+D and innovation
- 2.3 Cooperation in the labour market and education – joint development of skills and knowledge
- 2.4 Health care and prevention of common threat
- 2.5 Cooperation between communities

The following table presents the links between the thematic areas investigated in the STA and the 8(+1) key areas of intervention covered by the Programme 2007-2013.

Table 3 – Links between the Interventions of the HU-RO CBC Programme 2007-2013 and the thematic areas covered by the STA

Thematic areas investigated in the STA	Key Areas of Intervention of the HU-RO CBC Programme (2007-2013)
Infrastructure and mobility	1.1 Improvement of cross-border transport facilities
Environment and climate change	1.3 Protection of the environment
Economy and labour market	1.2 Improvement of cross-border communication 2.1 Support for cross-border business cooperation 2.3 Cooperation in the labour market (and education)
Tourism and leisure	2.1.3 Development of tourism: tourism attractions and infrastructure
Education, research and development	2.2 Promotion of co-operation in the field of R+D and innovation 2.3 Cooperation in the (labour market and) education
Society and health care	2.4 Health care and prevention of common threat 2.5 Cooperation between communities

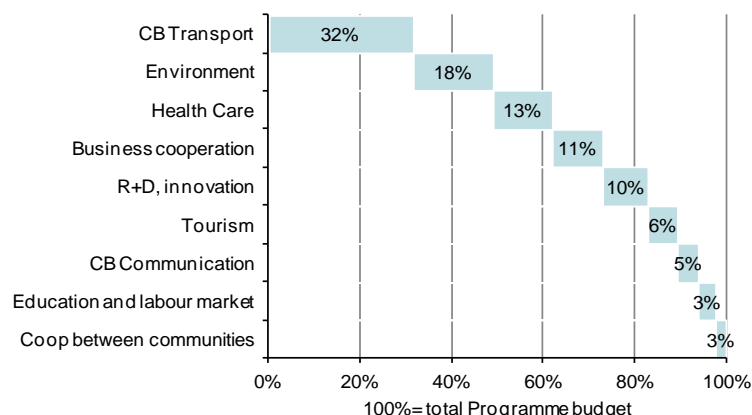
Source: Ongoing Evaluation Report (2007-2013)

¹² Although tourism is a project category of the KAI 2.1 Support for cross-border business cooperation, it is handled as a thematic area because of its importance.



The figure below shows the distribution of the committed funds by key areas of intervention in the programming period 2007-2013. Almost one-third of the total budget has been used for CB transport development. Environment and health care related projects have also absorbed a significant part of the total budget: together they have accounted for another third of the total funds.

Figure 2 – Distribution of the committed funds of the HU-RO CBC Programme 2007-2013



Source: Final Report on the Ongoing Evaluation

The smallest amounts of funds were committed to Cooperation between communities and Education and labour market. Both have reached a share of around 3%.

The 8 key areas of intervention and the large number of project categories unfortunately have resulted in the Programme becoming fragmented. This led to less focus and the interventions could not reach a critical mass in certain areas. The Programme has highly focused on infrastructure developments. 78% of the total budget supported this type of projects. However, the programming period 2007-2013 had limited focus on the actual utilisation of the facilities created.

In addition to the thematic issues, the programme has faced other important challenges that hindered implementation. One such challenge – as presented in the on-going evaluation report – is that there are differences in the national legislations (laws and decrees) influencing the implementation of projects, sometimes resulting in different obligations of project partners from Romania and Hungary (Annex 5.3 presents an indicative list of the regulations where stronger harmonization needs to be considered).

Moreover – based on the result and statement of the on-going evaluation – in the absence of the harmonization of national legislation, or the existence of bilateral agreements in some areas, the cross-border effect of several projects is limited.

This is particularly valid for the free movement of persons and goods: due to the fact that Romania has not yet become a member of the Schengen Area, the cross-border effects of several projects could not reach their full potential. Using border-crossing roads, for instance will only be possible either when the borders between Hungary and Romania become open or special agreements are put in place.

Health care services represent another area where harmonized legislation would be necessary: there is a need for health care development and coordinated use of facilities in the region; without the relevant legislation in place in both countries, however, efficient joint use of capacities is not possible. The lack of coordination also means that the consistency with the national health care strategies is only partially ensured. Cross-border financing of treatments is also a challenge: until the national social security systems do not have regulations and specific procedures in place that would facilitate cross-border financing of various treatments, real harmonization is not possible. Directive (2011/24/EU) on the application of patients’ rights in cross-border health care was adopted in March 2011 by the European Parliament and the Council. The Directive clarifies the rules on access to health care in another EU country, including reimbursement. EU countries have to pass their own laws implementing the Directive, which enhances the possibility for cross-border treatments in the region.



Another major issue was the existence of differences between the working procedures and protocols of the implementation bodies (MA, RONA, JTS). The on-going evaluation of the HU-RO CBC 2007-2013 Programme revealed major conclusions on working procedures of the institutions involved as follows: the allocation of tasks and responsibilities on its own is well-defined among the key participants which supports the efficient decision-making and the achievement of the Programme objectives. Moreover there are no overlapping, but shared tasks within the implementation system requiring close cooperation between the Programme Bodies. The cooperation between the MA, the RO NA and the JTS is adequate which promotes the smooth implementation of the Programme. However, as mentioned before, there is no reason behind the existence of the two Committees (JMC and JSC): the delegated members are the same, practically the decisions are made by the same actors. Based on the above-mentioned statements, best practices should be kept and further used, while new solutions contributing to smoother and faster procedures should be adopted.

Finally, the programme level indicators have not properly facilitated the aggregation of outputs and results achieved by the projects. According to the understanding of the Regulations, it has to keep in mind that not only the thematic objectives and investment priorities will be focused but also the corresponding indicators (output, result, programme, specific) contributing to the fine-tuning and reconsidering of the existing ones which also have an obligation to meet.

3.1.2 Summary of lessons by key areas of intervention

Table 4 – Key lessons of the HU-RO CBC Programme 2007-2013 by key areas of intervention

Key area of intervention	Types of projects	Main conclusions
1.1 Improvement of cross-border transport facilities	<ul style="list-style-type: none"> • Border-crossing road construction • Road construction • Border-crossing bicycle road construction • Bicycle road construction • Studies and plans 	<ul style="list-style-type: none"> • Almost one-third of the funds supported CB Transport infrastructure development. However, no resources remained to enhance the traditional mobility (e.g. public transport, multimodal logistic solution); • The project selection was carried out on competitive basis, led by applicant’s activity. Thus, could not be based on a joint strategy of the region; • The Programme aims to double the border crossings between Hungary and Romania. However, these crossings cannot be opened permanently due to the Schengen regulations and the lack of a bilateral agreement, which risks meeting the target value of related result indicators. • Not only the road infrastructure development but also the cycle path infrastructure developments also aim to improve the tourism potential, health- and living conditions and the labour market of the area, besides improvement of accessibility;
1.2 Improvement of cross-border communication	<ul style="list-style-type: none"> • Broadband development • WiFi network development • Community access programme • Cross-border newscast 	<ul style="list-style-type: none"> • Limited interest of potential beneficiaries; • Several of the projects are driven by existing local needs rather than real cross-border needs; • As a result of the intervention several homepages have been created with similar content. Between these homepages the cooperation is limited;
1.3 Protection of the environment	<ul style="list-style-type: none"> • Protection of nature and natural values • Water 	<ul style="list-style-type: none"> • High relevance due to the cross-border nature of the key issues; • Water and waste management projects implemented in the immediate proximity of the border have a clear cross-border



Key area of intervention	Types of projects	Main conclusions
	<p>management</p> <ul style="list-style-type: none"> Waste management Studies and plans 	<p>nature, while the ones more remote from the border have served rather local needs;</p> <ul style="list-style-type: none"> Projects supporting studies and plans foster a common approach for problems affecting both side of the border. Several of these projects expect resources from the next programming period and without further support will not be implemented due to the lack of resources; Different legal environment in RO and HU made joint waste management projects hard to be elaborated and rather implemented.
2.1 Support for cross-border business cooperation	<ul style="list-style-type: none"> Business infrastructure development Cooperation between businesses 	<ul style="list-style-type: none"> In some cases the business facilities established serve rather local needs, with limited cross-border impact; The soft activities (trainings, conferences, exhibitions) have a comprehensive nature besides the infrastructural element with stronger cross-border character; The long-term utilisation of some business infrastructure facilities may be difficult – which may cause difficulties in achieving the target value of related result indicators. There is limited motivation of the SMEs to take part in business cooperation initiatives due to the low visibility of the activities; Lack of sectoral focus on key sectors of the region led to limited impact;
2.1.3 Development of tourism: tourism attractions and infrastructure	<ul style="list-style-type: none"> Development of tourism attraction Religious tourism development Promotion of tourism attraction Thematic routes 	<ul style="list-style-type: none"> Projects with a joint thematic concept and with a common strategy could reach a higher impact and contain a higher CB character; Typically, the thematic routes possess a high CB character, as these projects create well established connections among the attractions from both sides of the border; In case of promotion activities, projects introducing a joint brand, theme and / or focusing on common target groups could reach a higher impact; Several of the promotion activities could not reach a critical mass; therefore, had a lower visibility and could achieve a limited impact;
2.2 Promotion of co-operation in the field of R+D and innovation	<ul style="list-style-type: none"> Non-region specific research activity Region-specific research activity 	<ul style="list-style-type: none"> Majority of the beneficiaries are universities; Support to research centre development projects have had overlaps with mainstream programmes; Lack of sectoral/thematic focus in the support of research and development projects has resulted in limited impacts while making the evaluation process more demanding from professional point of view; Several of the R&D projects are rather opportunity-driven and have had a limited real cross-border character;
2.3 Cooperation in the labour market and education	<ul style="list-style-type: none"> Labour market Vocational training and life-long learning Higher education Primary and secondary education 	<ul style="list-style-type: none"> The open character of the call invited several small NGOs with limited outreach to apply; In most cases the key employers of the area have not been involved or at least consulted; The relatively high number of fragmented small projects has not been able to elicit a significant labour market impact; Many higher education projects involving joint training, joint doctoral programmes and introduction of joint curriculum have adequate cross-border character; The cooperation of primary and secondary schools – aimed



Key area of intervention	Types of projects	Main conclusions
		<p>at joint activities of students – are important as they bring people together at an early age, and thus have a solid cross-border character;</p> <ul style="list-style-type: none"> • Considering the small size of projects of primary and secondary education, in most cases the application and implementation procedures created an unproportional administrative burden; • Overall, this intervention can actually strengthen the real cooperation of educational institutions;
<p>2.4 Health care and prevention of common threat</p>	<ul style="list-style-type: none"> • Health care • Risk prevention 	<ul style="list-style-type: none"> • There is a need for health care infrastructure developments in the region; however, this could be supported from mainstream Programmes as well; • The soft activities (e.g. knowledge transfer, surgery with a joint team) possess a high CB character; • There is a high need for cross border health care services in the region. However, there are still questions regarding the regulatory environment, consistency with the national health care strategies and the transparency of the joint treatments.
<p>2.5 Cooperation between communities</p>	<ul style="list-style-type: none"> • Cooperation in social affairs • Organising a “village-day”, preserving traditions • Organising joint sport events • Preserving and exploring common cultural and historical heritage 	<ul style="list-style-type: none"> • The cooperation between communities in the border area has a strong CB dimension. Contrary, the sustainability of these projects is low compared to the other interventions. On the other hand, they create and could maintain long-lasting relationship between communities in the border region. • From an administrative point of view the application and implementation procedures are rather complicated for the beneficiaries, especially when considering the small grant amounts; • In overall, this type of intervention requires small amount from the Programme’s budget, and significantly increases the visibility of the Programme;



3.2 SWOT analysis – structured alongside the thematic objectives

Table 5 – SWOT analysis structured alongside the thematic objectives¹³

Strengths	Weaknesses
1. Strengthening research, technological development and innovation	
<p>1.1.1 Growing R&D spending of universities and businesses in many of the counties of the eligible area – STA 2.3.2</p> <p>1.1.2 The eligible area has a vivid academic life, universities also attract research, development and innovation (R+D+I) activity – STA 2.3.1</p> <p>1.1.3 More than 6,200 people in the border region worked as full-time R&D employees in 2011 (increasing trend from 2005 by 20%) – STA 2.3.2</p> <p>1.1.4 The innovation attractiveness and potential is relatively high – STA 2.3.2</p>	<p>1.2.1 Territorial concentration of R&D activities and employees – correlating with the presence of the biggest universities (Hajdú-Bihar, Csongrád and Timiș counties) – STA 2.3.2</p> <p>1.2.2 Despite the rise of R&D spending the expenditure in the share of GDP is rather low, well below the EU27 average (2.01%) – with the exception of Hajdú-Bihar and Csongrád counties – STA 2.3.2</p> <p>1.2.3 The majority of the eligible area can be classified as “creative imitation area”, exhibiting low knowledge and innovation intensity, entrepreneurship, and creativity – STA 2.3.2</p>
2. Enhancing access to, and use and quality of, ICT	
<p>2.1.1 Despite the low values of the ICT indicators the trends are clearly positive (the share of individuals regularly using internet was 50% in the eligible area in 2011 and increases exponentially)– STA 2.2.1.5</p>	<p>2.2.1 In terms of the percentage of individuals regularly using internet in 2011, the CBC area has lower values (50%) than EU27+4 space¹⁴ (71%) – STA 2.2.1.5</p> <p>2.2.2 The number of IP addresses per 1000 inhabitants shows a high internal disparity – STA 2.2.1.5</p> <p>2.2.3 Former cross-border projects were driven by existing local needs rather than real cross-border needs – STA 3</p>
3. Enhancing the competitiveness of SMEs	
<p>3.1.1 GDP/head of the counties progressed rapidly on a 10-year spectrum (between 2001-2010, in the Hungarian counties the average increase was 28%, in the Romanian counties 99%) – STA 2.2.1.1</p> <p>3.1.2 The eligible area has a traditionally solid agriculture with quality (and also complementary) products, long-standing traditions of food processing – STA 2.2.1.1</p> <p>3.1.3 Eight large cities with a total population of over 1 million – STA 2.1.1</p> <p>3.1.4 Businesses from a wide range of industrial sectors are present in the area – STA 2.2.3</p> <p>3.1.5 Business infrastructure (60 industrial parks, 20 incubators) are provided for local businesses and</p>	<p>3.2.1 The economic performance of the eligible area is relatively low (GDP/capita value of all counties are under the EU27 average and the vast majority are located in the third quarter of NUTS3 regions’ ranking list) – STA 2.2.1.1</p> <p>3.2.2 Limited ability to attract capital (the relevant regions in the eligible area have only less than 7% and 10% of the total FDI of Hungary and Romania) – STA 2.2.1.2</p> <p>3.2.3 Business density of the eligible area (48 enterprises/1000 inhabitants) is far below the national averages(RO – 52, HU – 66) – STA 2.2.1.4</p> <p>3.2.3 Limited competitiveness of (local) businesses (lack of capital, low access to credit) – STA</p>

¹³ Thematic objectives are defined in Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 regarding the Common Provisions of ERDF, ESF, EAFRD and EMFF.

¹⁴ EU 27+4 means the EU Member States as well as Iceland, Liechtenstein, Norway and Switzerland.



Strengths	Weaknesses
<p>for international investors – STA 2.2.1.3</p>	<p>2.2.1.1</p> <p>3.2.4 Most of the industrial parks are characterized by low utilization rate (main reasons: insufficient infrastructure, poor location, low levels or absence of business services) – STA 2.2.1.3</p> <p>3.2.5 Lack of business incubators to support technology transfer processes and help the technology development of SMEs – STA 2.2.1.3</p> <p>3.2.6 Inadequate level of cross-border business cooperation and clusters – STA 2.2.1.3</p>
<p>4. Supporting the shift towards a low-carbon economy in all sectors</p>	
<p>4.1.1 Remarkable geothermal capacity – STA 2.4.3</p> <p>4.1.2 High potential in solar and wind energy and hydropower utilisation – STA 2.4.3</p> <p>4.1.3 The amount of renewable energy obtained from biomass and renewable wastes is far above the European average (67%) both in Hungary (90%) and Romania (72%) – STA 2.4.4</p> <p>4.1.4 In the year 2010 the share of renewable energy in the gross final energy consumption was 23.4% in Romania (higher than the EU-average) – STA 2.4.4</p>	<p>4.2.1 Outdated power plants on both side of the borders (infrastructure is over 20 years old in Hungary and Romania) – STA 2.4.2</p> <p>4.2.2 Low level of investment in hydro and solar energy especially in the Hungarian side – STA 2.4.3</p> <p>4.2.3 Hungary is – compared with Romania – is poorly endowed with natural resources, and has to import more than half of its energy needs – STA 2.4.3</p> <p>4.2.4 In the year 2010 the share of renewable energy in the gross final energy consumption was 8.7% in Hungary (lower than the EU-average) – STA 2.4.4</p>
<p>5. Promoting climate change adaptation, risk prevention and management</p>	
<p>5.1.5 Transboundary water agreement ensures risk prevention of floods and inland waters – STA 2.4.1</p>	<p>5.2.1 The risks of floods in certain parts of the eligible area is still high (53% of the population live in areas with risk of flood) – STA 2.4.1, STA 4.6</p> <p>5.2.2 In the eligible area 5 out of 8 counties are facing medium negative impact of climate change, while only have low adaptive capacity – STA 2.4.5</p>
<p>6. Preserving and protecting the environment and promoting resource efficiency</p>	
<p>6.1.1 The eligible area is rich in protected environmental areas (159 Natura2000 territories) – STA 2.4.1</p> <p>6.1.2 The air quality in the eligible area is mainly good or average – STA 2.4.1</p> <p>6.1.3 The types of soil provide favourable conditions for agricultural activities – STA 2.4.1</p> <p>6.1.4 Installation of modern waste disposal systems in the eligible area recently – STA 2.4.1</p> <p>6.1.5 Recultivation of small municipal landfills – STA 2.4.1</p> <p>6.1.6 The rate of recycled and composted municipal solid waste is steadily increasing for years (mainly due to the spread of selective waste collection) – STA 2.4.1</p> <p>6.1.7 The eligible area has a rich joint water base (surface and underground) – STA 2.4.1</p> <p>6.1.8 A Hungarian program aiming at improvement of</p>	<p>6.2.1 Some parts of the public drinking water supply does not comply with the quality standards – STA 2.4.1</p> <p>6.2.2 Around major cities and close to main roads air pollution is high – STA 2.4.1</p> <p>6.2.3 Major sources of soil degradation include soil erosion due to wind/water, landslides, drought and extraction of mineral resources – STA 2.4.1</p> <p>6.2.4 Landfills are still the primary way to get rid of solid waste – STA 2.4.1</p> <p>6.2.5 Recycling rate of municipal solid waste is below the EU average (39.6%) in both countries (HU 19.6%, RO 1.3%) – STA 2.4.1</p> <p>6.2.6 The tourists in the eligible area are overwhelmingly of domestic origin (almost 80% of the visitor nights spent belong to domestic guests) – STA 2.6.1</p> <p>6.2.7 The tourism offer is not competitive on</p>



Strengths	Weaknesses
<p>quality of drinking water is in progress –STA 2.4.2</p> <p>6.1.9 In the case of waters which form the boundary or cross the boundary, in the past 10 years the water quality indicators has shown improved quality in 65% – STA 2.4.1</p> <p>6.1.10 Transboundary water agreement ensures the prevention and joint investigation of occasional accidental pollution of natural waters – STA 2.4.1</p> <p>6.1.11 Active environmental cooperation between the two countries – STA 2.4.1</p> <p>6.1.12 The area is rich in historical and cultural heritages, which can be used as touristic values – STA 2.6.1</p> <p>6.1.13 A certain level of cross-border tourism is already in place – STA 2.6.1</p> <p>6.1.14 The eligible area is fairly strong in spa and health tourism, cultural tourism, active and sports tourism as well as rural tourism – STA 2.6.1</p>	<p>international level – STA 2.6.1</p> <p>6.2.8 Imbalanced touristic infrastructure, with some counties of the eligible area (Hajdú-Bihar, Bihor) having above average infrastructure – STA 2.6.1</p> <p>6.2.9 The eligible area is rich in attractive events, but these are neither properly coordinated nor professionally communicated – STA 2.6.2</p> <p>6.2.10 Many of the natural and historic values, touristic facilities are standalone attractions – STA 2.6.2</p> <p>6.2.11 Lack of cross-border programme packages – STA 2.6.2</p>
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	
<p>7.1.1 Regarding the motorways, in the past ten years significant improvements have been accomplished, especially on the Hungarian side – STA 2.5.1</p> <p>7.1.2 There are five international airports in the region (Debrecen – DEB, Arad – ARW, Oradea – OMR, Satu Mare – SUJ, Timișoara – TSR) – STA 2.5.1</p>	<p>7.2.1 Mobility problems, long access times, limited number (10 roadway and 5 railway) of border stations – STA 2.5.1</p> <p>7.2.2 Romania has still not joined the Schengen Area, the newly built 10 additional border crossing roads may not be opened yet – STA 2.5.1</p> <p>7.2.3 No motorways connecting large cities – STA 2.5.1</p> <p>7.2.4 Insufficient quality and quantity of small roads connecting villages in the border areas – STA 2.5.1</p> <p>7.2.5 Lack of bus public transport services crossing the border – STA 2.5.1</p> <p>7.2.6 Cut-off railway links, relatively low number of cross-border trains (18 pairs of trains per day), passenger rail transport is slow, of low quality – STA 2.5.1</p> <p>7.2.7 Lack of plans and long administrative procedure of international agreement for North-South transport links – STA 2.5.1</p>
8. Promoting sustainable and quality employment and supporting labour mobility	
<p>8.1.1 Four million people live in the eligible area, representing 12.7% of the two countries' inhabitants – STA 2.1.1</p> <p>8.1.2 The majority of the population is aged between 15 and 64 (2.77 million people, cc. 70% of the total population), which can be considered as the basis of the employment-friendly growth of the eligible area – STA 2.1.1, STA 2.7.1</p>	<p>8.2.1 Low employment, high level of unemployment (with major intraregional differences) – STA 2.2.2</p> <p>8.2.2 The long-term unemployment rate is somewhat higher than the EU-27+4 value, and shows intraregional disparities – STA 2.2.2</p> <p>8.2.3 The total number of economically active population in the eligible area (1.36 million) is low and decreasing – STA 2.1.1</p> <p>8.2.4 Regarding the distribution of employees in</p>



Strengths	Weaknesses
	<p>Romania the high share of agriculture (32%) and low share of financial intermediation/real estate and public administration (5%) is remarkable – STA 2.2.2</p> <p>8.2.5 Cross-border labour market mobility is negligible – STA 2.2.2</p> <p>8.2.6 Lack of cross-border institutional cooperation to develop a joint labour market – STA 2.2.2</p> <p>8.2.7 Fragmentation of former funds resulted in minimal labour market impacts – STA 2.2.2</p>
9. Promoting social inclusion, combating poverty and any discrimination	
<p>9.1.1 Relatively high number of hospitals (76) with some intraregional disparities – STA 2.7.3</p> <p>9.1.2 Well-equipped hospitals in the Hungarian county seats – STA 2.7.3</p> <p>9.1.3 In Debrecen and Szeged clinics operate with services, training and research background of international standards – STA 2.7.3</p> <p>9.1.4 There is an existing cross-border cooperation between the hospitals of the eligible area – STA 2.7.3</p> <p>9.1.5 Providing health care services to patients from across the border (mainly from Romania to Hungary – 4763 patients in 2012) already has traditions – STA 2.7.3</p>	<p>9.2.1 Poor health care indicators – STA 2.7.3</p> <p>9.2.2 In terms of health care, there is a major difference between the conditions (facilities, staff, administration) of the two countries – STA 2.7.3</p> <p>9.2.3 Health care spending is under the EU average (8,5%) in both countries, especially in Romania (HU: 7,6%, RO, 5,3% in 2012) – STA 2.7.3</p> <p>9.2.4 The reduction of the health care expenditure raises problems in the maintenance of the quality of services in the health system, investment in new equipment, thus in access to services in both countries – STA 2.7.3</p> <p>9.2.5 Lack of interconnected emergency response service – STA 2.7.3</p> <p>9.2.6 The accessibility of the rural population to the health care and social services is limited because these are predominantly concentrated in the county capital and other towns – STA 2.7.4</p> <p>9.2.7 High rate of people at risk of poverty (cc. 15-25%) – STA 2.7.2</p> <p>9.2.8 17,4% of the total population of the eligible area actually lives in poor areas characterized with struggling economy, underdeveloped infrastructure and services, compromised accessibility, low income of people, social problems, often high proportion of extremely poor Roma communities, intensive outmigration – STA 4.3</p>
10. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	
<p>10.1.1 The eligible area has a vivid academic life, universities also attract research, development and innovation (R+D+I) activity – STA 2.3.1</p> <p>10.1.2 Outstanding EU performance in the percentage of the total population having completed at least upper secondary education (HU: 82.1%, RO: 75.9%) – STA 2.3.1</p> <p>10.1.3 Number of active higher education students in the area is 200,000 – STA 2.3.1</p>	<p>10.2.1 High number of early school leavers especially in Romania among the age group of 18-24 (11.5% in Hungary and 17.4% in Romania) – STA 2.3.1</p> <p>10.2.2 Despite the cooperation between universities the offer of joint trainings, doctoral programmes and curriculum does not reached the required level – STA 2.3.1</p>
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	



Strengths	Weaknesses
through actions to strengthen the institutional capacity and the efficiency of public administration and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration	
<p>11.1.1 Long-standing traditions and sustainable results of small-scale cooperation between institutions, municipalities, business entities and civil organisations (e.g. joint protocols, trainings and events) – STA 2.1.2</p> <p>11.1.1 Positive examples of P2P cooperation (between 2007-2013 156 683 people have participated in 571 P2P projects)– STA 2.1.2, STA 3</p> <p>11.1.2 Minority cross-border ethnic groups create a favourable multicultural environment for different cultural and economic activities – STA 2.1.2</p>	<p>11.2.1 The Schengen regulation – still maintains the state border as artificial obstacle thus making daily contacts more complicated – STA 2.5.1</p> <p>11.2.2 Differences in national legislation, language problems, trust deficiencies, limited financial sources and lack of regular opportunities to meet result in irregular connection and partly unsustainable cooperation between institutions and communities – STA 3</p>

Opportunities	Threats
1. Strengthening research, technological development and innovation	
<p>1.3.1 Stronger sectoral / thematic focus of the R&D activities – STA 3</p> <p>1.3.2 More intensive cooperation between business sector and high education sector – STA 2.3.2</p>	<p>1.4.1 Because of the prolongation of the economic crisis R&D spending stay low both in the public sector and in the business sector – STA 2.3.2</p> <p>1.4.2 In case of direct support to enterprises the application of state aid rules significantly reduces support rate, which can decrease the interest of beneficiaries.</p>
2. Enhancing access to, and use and quality of, ICT	
<p>2.3.1 Changes are rapid in this area, driven mainly by market forces and proliferation of mobile internet devices (smartphones and tablets) – STA 2.2.1.5</p>	<p>2.4.1 Certain social groups and age groups face being left behind primarily in isolated and poor areas – STA 2.2.1.5</p> <p>2.4.2 In case of direct support to enterprises the application of state aid rules significantly reduces support rate, which can decrease the interest of beneficiaries.</p>
3. Enhancing the competitiveness of SMEs	
<p>3.3.1 Market size – together the eligible area represents a 4 million market within reach for local (also cross-border) businesses – STA 2.1.1</p> <p>3.3.2 Increasing consumer interest to market and use locally and regionally produced goods – STA 2.2.1.1</p> <p>3.3.3 The relative proximity of some large cities (Szeged – Timisoara, Oradea – Debrecen) offer mutual opportunities for businesses – STA 2.5.1</p> <p>3.3.4 Multimodal logistics hubs can offer opportunity for new business development (Railport Arad, Timișoara Intermodal Freight Centre, Trimodal Logistics Base at Airport Debrecen) – STA 2.5.1</p> <p>3.3.5 Strengthening of cross-border business cooperation contributes to the competitiveness and capital strength of the local enterprises –</p>	<p>3.4.1 Sustaining administrative burdens and trust deficiencies hinder more widespread cooperation of businesses – STA 2.2.1.1, 2.2.1.4</p> <p>3.4.2 Further delay in Romania joining the Schengen area – STA 2.2.1.1</p> <p>3.4.3 Undercapitalisation of small businesses and low access to finance can danger the development of SME sector – STA 2.2.1.1</p> <p>3.4.4 The prolongation of the economic crisis hinders the expansion of cross-border cooperation – STA 2.2.1.4</p> <p>3.4.5 In case of direct support to enterprises the application of state aid rules significantly reduces support rate, which can decrease the interest of beneficiaries.</p>



Opportunities	Threats
<p>STA 2.2.1.4</p> <p>3.3.6 Need for stronger cross-border character and more stable long-term utilisation of business facilities – STA 3</p> <p>3.3.7 Strengthening sectoral focus on key sectors – STA 3</p>	
4. Supporting the shift towards a low-carbon economy in all sectors	
<p>4.3.1 Availability of funds for developing renewable energy producing facilities – STA 1.2.1.4, 1.2.2.4</p> <p>4.3.2 Favourable changes in the EU-regulations regarding renewable sources of energy – STA 2.4.3</p> <p>4.3.3 Population has growing sensibility to environmental issues, which is an important stimulating factor for efficient energy consumption – STA 2.4.1</p> <p>4.3.4 According to the Hungarian National Renewable Energy Action Plan (NREAP) by 2020 14.65% of the total energy consumption will be fulfilled from renewable energy sources – STA 2.4.4</p>	<p>4.4.1 Uncoordinated exploitation of thermal water may lead to overuse, decreasing stocks – STA 2.4.3</p> <p>4.4.2 Not sufficient investment in outdated power plants can danger the economic activities of the eligible area – STA 2.4.2</p> <p>4.4.3 Unused renewable energy resources can result a higher dependence status of the eligible area in energy consumption – STA 2.4.3</p> <p>4.4.4 Unfavourable changes in the national legal and regulatory environment can hinder a more widespread use of renewable sources of energy – STA 2.4.3</p> <p>4.4.5 In case of direct support to enterprises the application of state aid rules significantly reduces support rate, which can decrease the interest of beneficiaries.</p>
5. Promoting climate change adaptation, risk prevention and management	
<p>5.3.1 Population has growing sensibility to environmental issues, which is an important stimulating factor for climate change adaptation and risk prevention – STA 2.4.1</p>	<p>5.4.1 Risks of cross-border surface water pollution – STA 2.4.1</p> <p>5.4.2 Negative impacts of climate change, more frequent weather extremities result in increased risks of floods and drought – STA 2.4.4</p> <p>5.4.3 The eligible area can expect a strong increase in mean temperature, in summer days, and a strong decrease in frost days and in precipitation during summer months, which requires higher adaptation of agriculture and other sectors – STA 2.4.4</p>
6. Preserving and protecting the environment and promoting resource efficiency	
<p>6.3.1 With the increasing global importance of water – if properly managed – this could be an important common asset of the area – STA 2.4.6</p> <p>6.3.2 Population has growing sensibility to environmental issues, which is an important stimulating factor for efficient water consumption and protection of cultural and natural heritage – STA 2.4.1</p> <p>6.3.3 Growing importance of complementary touristic attractions and values – STA 2.6.1</p> <p>6.3.4 Potentially increasing number of international tourists in the eligible area – STA 2.6.1</p> <p>6.3.5 Increasing interest towards nearer tourism destination – STA 2.6.1</p>	<p>6.4.1 Risks of cross-border surface water pollution – STA 2.4.1</p> <p>6.4.2 Uncoordinated exploitation of thermal water may lead to overuse, decreasing stocks – STA 2.4.3</p> <p>6.4.3 Lack of elimination and disposal of illegal landfills – STA 2.4.1</p> <p>6.4.4 Strengthening of human activity as agriculture, forestry, transport, certain industrial sectors, and tourism can threaten the nature – STA 2.4.1</p> <p>6.4.5 One day cross-border visits do not generate appropriate revenues – STA 2.6.1</p> <p>6.4.6 Failure to improve tourism infrastructure deters international visitors – STA 2.6.1</p>



Opportunities	Threats
6.3.6 Escalating significance of (cross-border) programme packages – STA 2.6.1	
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	
<p>7.3.1 With Romania’s accession to the Schengen Agreement and with building and upgrading of roads with cross-border impact, the travelling conditions will be easier and travel times shorter in the eligible area – STA 2.5.1</p> <p>7.3.2 The TEN-T network (in the eligible area the Orient/East-Med Corridor) improvement and its better availability got high priority in the last years within the EU – STA 2.5.1</p> <p>7.3.3 There are plans for the completion of the motorway network both in Romania (A1, A3) and in Hungary (M35-M4, M43) – STA 2.5.1</p> <p>7.3.4 Railways connecting large cities of the eligible area (Szegeed-Timisoara, Debrecen-Oradea) can reduce the travel distance and travel time – STA 2.5.1</p> <p>7.3.5 Rise of new logistic centres related to the development of transport links – STA 2.5.1</p> <p>7.3.6 Development of public transportation system and bicycle road infrastructure can enhance the mobility of people living in the border area – STA 2.5.1</p> <p>7.3.7 A major road that constitutes part of the TEN-T comprehensive network runs along a long section of the border(e.g. E671 in Romania) – STA 2.5.1</p> <p>7.3.8 As a result of the current programme, 10 new cross-border roads are in place – STA 2.5.1</p>	<p>7.4.1 Further delays in joining the Schengen Area can prolong the opening of additional border crossing points – STA 2.5.1</p> <p>7.4.2 Railway development receives lower priority on the national agenda of the two countries and therefore the small number of potential beneficiaries could be less interested in investment – STA 2.5.1</p> <p>7.4.3 Planned motorway network and small roads will not be developed and the accessibility of the eligible area will not be improved – STA 2.5.1</p> <p>7.4.4 Postponement of the development of joint public transportation system can hinder the economic and labour market integration of the eligible area – STA 2.5.1</p>
8. Promoting sustainable and quality employment and supporting labour mobility	
<p>8.3.1 Through Romania’s joining the Schengen Area a joint labour market can be developed – STA 2.2.2</p> <p>8.3.2 Elimination of institutional and administrative obstacles regarding labour market mobility (lack of information or insufficient information; differences between the social security and taxation systems, etc.) – STA 2.2.2</p> <p>8.3.3 Involving key employers in the joint labour market programmes enhance the efficiency of them – STA 3</p> <p>8.3.4 Equalization of intraregional and cross-border differences in employment levels, demand and supply through integrated development of specific territories – STA 2.2.2</p> <p>8.3.5 Cross-border coordination of employment-friendly development of areas with unfavourable labour market indicators – STA 4.3</p>	<p>8.4.1 Growing outmigration especially of the highly educated workforce and in the Hungarian side of the eligible area – STA 2.1.1</p> <p>8.4.2 The scenarios for the change in number of persons in labour force between 2005 and 2050 presume extremely high labour force reductions by 2050 for the complete CBC area – STA 2.2.2</p> <p>8.4.3 Population decline is a major threatening phenomenon in the border area – more prominently present in the rural areas (29% of the population live in settlement with significant level of decline) – STA 4.5</p> <p>8.4.4 Administrative obstacles and lack of harmonisation of employment conditions limit free flow of workforce – STA 2.2.2</p> <p>8.4.5 Persistent economic stagnation can hinder the positive trends in labour market indicators – STA 2.2.2</p> <p>8.4.6 In case of direct support to enterprises the application of state aid rules significantly reduces</p>



Opportunities	Threats
	support rate, which can decrease the interest of beneficiaries.
9. Promoting social inclusion, combating poverty and any discrimination	
<p>9.3.1 EU directive on cross-border health care sets key European-wide rules related to among others e-health, cross-border communication and telemedical infrastructure – STA 2.7.3</p> <p>9.3.2 Availability of EU-funds for developing health care infrastructure and services – STA 1.2.1.4, 1.2.2.4</p> <p>9.3.3 Population health can be improved by early detection and prevention – STA 2.7.1</p> <p>9.3.4 Cross-border coordination of health care services can result in more efficient use of specialized services – STA 3</p> <p>9.3.5 Cross-border approach to the development of poor areas can offer additional potentials – STA 4.3</p>	<p>9.4.1 Failure to create proper administrative conditions for cross-border health care financing may lead to increase of semi-legal or illegal practices – STA 2.7.3</p> <p>9.4.2 Failure to improve the infrastructure and equipment in Romanian hospitals leads to rapid deterioration of health care services in the Romanian border area – STA 2.7.3</p> <p>9.4.3 Differences between national health care strategies (including emergency) and inconsistency among development plans of the hospitals in the eligible area – STA 2.7.3</p> <p>9.4.4 Growing number of people at risk of poverty and of population living in poor areas – STA 2.7.2</p>
10. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	
<p>10.3.1 Stronger pool of higher education institutions with (partly) complementary training offer to ensure the student mobility within the eligible region, and to decrease the outmigration – STA 2.3.1</p> <p>10.3.2 Better orientation of secondary school students towards profession having a higher labour market demand – STA 2.3.1</p> <p>10.3.3 The cooperation of primary and secondary schools is an important confidence-building tool as it brings people together at an early age – STA 3</p>	<p>10.4.1 Unfavourable changes in national legislation relating higher education cause the outmigration of potential students of the eligible area – STA 2.3.1</p>
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administration and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration	
<p>11.3.1 Romania's entering the Schengen zone eases border crossing and also drastically increases the density of border crossing points – STA 2.5.1</p> <p>11.3.2 Using multiculturalism as a resource on the field of business cooperation, labour market, education, research, tourism, and other sectors – STA 2.1.2</p> <p>11.3.3 Better sustainability of institutional and P2P long-term cooperation (e.g. through creation of joint protocols or harmonization of national legislation) increase trust and inner coherence of the eligible area – STA 3, STA 5</p>	<p>11.4.1 Further delay in Romania joining the Schengen area – STA 2.5.1</p> <p>11.4.2 Language barriers of communication between different ethnic groups of the eligible area (lack of the common language, or better knowledge of each other language) – STA 2.1.2</p> <p>11.4.3 Low level of utilization of newly created joint infrastructure – STA 3</p>



3.3 Challenges and potentials

3.3.1 Identification of the main challenges and untapped potentials

In this step of the strategic programming the main challenges and the untapped potentials are identified based on the statements of the SWOT – in compliance with the requirements formulated in the Aide Memoire (2014) 126651 – 21/01/2014.

Table 6 – Challenges and potentials of the eligible area

Challenges	Potentials
1. Strengthening research, technological development and innovation	
CH1. As a result of the low level of RTDI expenditure and the lack of sectoral focus of the research activities the innovation potential of the eligible area is not used to its full extent.	P1. The universities of the eligible area have a solid academic background and RTDI capacity providing a good foundation for better utilizing research results.
2. Enhancing access to, and use and quality of, ICT	
CH2. The ICT indicators reflect modest level of ICT development hindering the competitiveness of the area. CH3. Social and territorial disparities of ICT indicators reduce the competitiveness of the business sector and of the population as labour force.	P2. Proliferation of mobile internet devices enhances and accelerates the positive trends relating the ICT indicators.
3. Enhancing the competitiveness of SMEs	
CH4. Sustaining administrative burdens and trust deficiencies hinder more widespread cooperation of businesses, which has a long-term negative influence on economic performance and attractiveness of the eligible area. CH5. The technology transfer processes and the innovation potential of SMEs are weak. CH6. Although a number of industries are present in the eligible area, the lack of sectoral focus makes the comprehensive and concentrated economic development of the whole cross-border region difficult.	P3. The 4 million population of the eligible area, including 8 large cities represent not only a potential joint market, but also a competitive labour force pool for SMEs. P4. Local SMEs – based on their traditional (partly agricultural) quality products – could sell more of their products within the wider (cross-border) region, which is essential for the better economic performance of the eligible area. P5. Better utilisation of the existing business infrastructure and – if necessary – building new ones at appropriate locations contribute to the stability and the interconnection of the joint economy of the eligible area.
4. Supporting the shift towards a low-carbon economy in all sectors	
CH7. Existing power plants are mainly outdated and rarely use renewable sources of energy, which enhance the energy dependence. CH8. The inadequate energy efficiency of the public infrastructure increases the dependence on energy resources and energy import of the eligible area.	P6. The eligible area has remarkable geothermal, solar, wind, hydropower, and biomass capacity offering a strong potential for increasing the currently modest share of renewable sources of energy in total energy consumption (which is much lower in the Hungarian side of the area).
5. Promoting climate change adaptation, risk prevention and management	
CH9. Natural disasters and civilization-origin hazards threaten localities (e.g. risk of floods threatens 376 towns and villages) including their population, businesses and agriculture which causes permanent uncertainty and material damages.	P7. Population has growing sensibility to environmental issues, which is an important stimulating factor for climate change adaptation and risk prevention.



Challenges	Potentials
<p>CH10. The eligible area can expect a strong increase in mean temperature, in summer days, and a strong decrease in frost days and in precipitation during summer months, which requires higher adaptation of agriculture and other sectors.</p>	
6. Preserving and protecting the environment and promoting resource efficiency	
<p>CH11. Increasing human activity in agriculture, forestry, transport, certain industrial sectors, tourism and the increasing amount of the municipal solid waste may threaten the nature (air pollution, water pollution, biodiversity loss, etc.), which causes a reduction in quality of life.</p> <p>CH12. The insufficient public transport links to the sights, the lack of the tourism infrastructure, services, and programme packages reduce the attractiveness of the eligible area, and make the joint development of complementary attractions difficult.</p> <p>CH13. The eligible area is rich in surface water – preserving its quantity and quality requires coordination and major resources.</p>	<p>P8. Joint natural assets, primarily water base – if properly protect and managed – could be important common assets of the eligible area because of the increasing global importance of surface and groundwater water (irrigation, energy production, drinking water, spa and health tourism).</p> <p>P9. With common waste collection and management the rate of municipal solid waste stored in landfills can reduce and the rate of the recycled and composted waste can further increase, which results in better resource efficiency.</p> <p>P10. Natural, historical and cultural heritages of the eligible area (thermal water and spas, natural protected areas, castles, churches, watermills and other historical and archaeological sites) provide stable base for the higher level of cross-border/international tourism.</p>
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	
<p>CH14. Deficiencies of the cross-border public transportation system (railway and bus) hinder the economic and labour market integration, and indirectly make difficult the achievement of the CO2 reduction targets.</p> <p>CH15. Problems with the density and the quality of roads with cross-border impact cause mobility inconveniences (long access time, risk of accidents, etc.) directly and economic disadvantages indirectly.</p> <p>CH16. Shortcomings of the bicycle road infrastructure weaken the mobility of people living in the border area.</p>	<p>P11. The new border crossing points can multiply the mutually beneficial interactions between people and businesses living and functioning in the border region.</p> <p>P12. Existing and potential new logistic centres can contribute to strengthened cross-border transport and business connections.</p>
8. Promoting sustainable and quality employment and supporting labour mobility	
<p>CH17. Due to the weak economic potential of the eligible area and to the partial lack of adequate job opportunities the selective outmigration is growing. Because of it and of the natural decrease of the population the labour force potential of the eligible area reduces, which – as a self-reinforcing process – weaken the economic performance of the cross-border region in the long run.</p> <p>CH18. Administrative obstacles, language issues, improper flow of information make cross-border labour market mobility marginal and the development of a joint labour market more difficult.</p>	<p>P13. Development of joint labour market – through elimination of institutional and administrative obstacles – can reduce the intraregional and cross border differences in employment levels and can raise the activity and employment rate and mitigate structural problems in the labour market in the whole eligible area.</p> <p>P14. Improving the infrastructure conditions for enterprises in the eligible area can increase their competitiveness, which can result in higher employment rate.</p>
9. Promoting social inclusion, combating poverty and any discrimination	
<p>CH19. Inequalities in health and social care infrastructure and services contribute to patient</p>	<p>P15. Based on the existing cross-border cooperation between the hospitals of the eligible area the health</p>



Challenges	Potentials
<p>migration from Romania to Hungarian hospitals, worse health status on the Romanian side of the border.</p> <p>CH20. Failure to create proper administrative conditions for cross-border health care financing may lead to the increase of semi-legal or illegal practices and hinders the evolvement of a consistent cross-border health care system</p> <p>CH21. High number of people at risk of poverty and of population living in poor areas results in permanent problem of the eligible area because the socio-economic marginalization of the concerned social groups and areas.</p>	<p>care infrastructure and services can be better harmonized to address the needs of potential patients, ensure efficient use of capacities and to improve health care indicators as life quality factors directly and as employment factors indirectly.</p>
<p>10. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure</p>	
<p>CH22. The high number of early school leavers and the inadequate cooperation between the education system and the business sectors erode long-term the labour market potential of the eligible region.</p>	<p>P16. The strong pool of higher education institutions with (partly) complementary training offer ensures a high number of well-educated labour force in the eligible area which increase attractiveness of the eligible region for investors.</p>
<p>11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administration and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration</p>	
<p>CH23. Administrative and institutional burden, trust deficiencies and language barriers reduce the possibility to create regular connection and sustainable cooperation between institutions (e.g. labour market and emergency response institutions) and communities of the eligible area.</p> <p>CH24. Many of the existing institutional cooperations are one-off, project-based initiatives with limited sustainability partly because of the restricted financial capacity of the partners.</p>	<p>P17. Long-standing traditions and positive examples of small-scale collaborations between institutions, municipalities, business entities and civil organisations provide a basis for more intensive, more frequent and closer cross-border relations due to the joint outputs of the cooperation (e.g. joint protocols and teams in various fields) directly, and to the strengthening confidence indirectly.</p> <p>P18. Cross-border cooperation, joint use of capacities by neighbouring communities can improve their resilience and contribute to the quality of life of their residents.</p>

3.3.2 Ranking of the identified challenges and potentials

For the ranking of challenges and potentials and for reasonable narrowing of the list several criteria have to take into consideration:

- coherence with EU legislation, objectives and targets,
- cross-border character of the issue (e.g. cross-border impact, level of current cooperation),
- relevance and justification of the challenges and potentials,
- issues of implementation (e.g. time horizon, funding needs),
- complementary character and synergy with mainstream programmes.

After defining the ranking criteria, the challenges and potentials have to be examined and evaluated to identify those ones, which potentially can be addressed in the framework of the 2014-2020 CBC Programme between Romania and Hungary.



3.3.3 Identification of challenges and potentials to be addressed in the framework of the ETC

Based on the criteria mentioned above, the challenges and potentials can be classified into three main categories. The first category contains the challenges and potentials, i) which have strong cross-border character; ii) addressing them can bring about major benefits for the eligible area and contribute to the strengthening and extending future cooperation; iii) show strong coherence with the EU-targets:

- improving conditions of sustainable mobility (CH14, CH15, CH16, P11, P12),
- cross-border water protection and management (P8, CH13),
- creating a joint labour market and economic area (CH4, CH5, CH6, CH17, CH18, P3, P4, P5, P13, P14).

The second category incorporates challenges and potentials that are important for the eligible area, but have less pronounced cross-border character, addressing them offers slightly weaker socio-economic advantages or have weaker coherence with EU-targets:

- strengthening cross-border RTDI activities (CH1, P1),
- climate change adaptation (CH9, CH10, P7) – though the problem of climate change is extremely complex, addressing it is very resource-intensive, some of its elements requires cross-border solutions;
- nature protection (CH11),
- protection and development of natural and cultural heritages as basis for tourism (CH12, P10),
- harmonization of health care infrastructure and services (CH19, P15),
- reducing the number of people at risk of poverty and of population living in poor areas (CH21),
- enhancing institutional and civil cooperation (CH22, CH23, CH24, P16, P17, P18).

The elements of the third category are significant, but for several reasons indicated below, they are not proposed to be addressed in framework of the current strategy:

- improvement of ICT infrastructure and services (CH2, CH3, P2) – while important, these challenges are properly addressed by commercial operators; besides, for regulatory reasons this area can be better addressed on national level;
- increasing the share of renewable sources of energy in total energy consumption and improving energy efficiency (CH7, CH8, P6) – on the one hand, this objective is supported from mainstream programmes in both countries, and on the other hand it would have limited cross-border effects;
- improvement of administrative conditions for cross-border health care financing (CH20) – while it is an important issue for cross-border cooperation, addressing it requires national level agreements and legislation.
- common waste collection and management (P9) – in addition to the significant funding needs of this issue, i) it can generate disapproval among the population, who can interpret this as “waste import” ii) the joint treatment of solid waste has significant regulatory obstacles.

3.4 Stakeholder priorities

On 9 July 2013 a questionnaire survey was launched with the aim of having an initial overview of stakeholder priorities – the thematic objectives and investment priorities the stakeholders consider most important. The intention was to have a snapshot of what the stakeholders found important to



steer and orientate the strategic planning process as one input. The members of the Joint Working Group were involved in the survey, which – after consultation with their partners submitted their opinion. Below the results of this survey are presented in two tables. It is not a ranking – it is only a list that reflects the order of importance (as seen by the JWG members) of the areas covered by the thematic objectives and the investment priorities at the time of the survey. (The list of thematic objectives and investment priorities at the time of the survey was presented in the draft regulations, so below we use the numbers and descriptions as presented in those documents.)

Table 7 – List of the thematic objectives reflecting the order of importance as seen by the stakeholders

	Thematic objectives
1	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
2	6. Preserving and protecting the environment and promoting resource efficiency
	9. Promoting social inclusion, combating poverty and any discrimination
3	4. Supporting the shift towards a low-carbon economy in all sectors
4	8. Promoting sustainable and quality employment and supporting labour mobility
5	1. Strengthening research, technological development and innovation
	3. Enhancing the competitiveness of SMEs
	11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administration and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration
6	2. Enhancing access to, and use and quality of, ICT
	5. Promoting climate change adaptation, risk prevention and management
	10. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure

From the list of investment priorities, altogether 31 were chosen by the JWG members, the table below shows the order of importance (as seen by the JWG members at the given stage of the planning process) of the top 15.

Certainly, as described in Chapter 2.2, this information has only been used as one input – together with the identification of challenges and potentials, past experiences and the vision –to the formulation of development scenarios.

Table 8 –List of the top15 investment priorities reflecting the order of importance as seen by the stakeholders

	Investment priorities of the regulation proposals
1	7(b) enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure
2	9(a) investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
3	6(b) investing in the water sector to meet the requirements of the Union’s environmental acquis and to address the needs identified by the Member States, for investment that goes beyond those requirements
4	9(c) providing support for social enterprises
5	6(c) conserving, protecting, promoting and developing cultural and natural heritage
6	7(c) developing and improving environment-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility



Investment priorities of the regulation proposals	
7	9(b) providing support for physical economic and social regeneration of deprived communities in urban and rural areas
8	4(a) promoting the production and distribution of energy derived from renewable sources
9	7(d) developing and rehabilitating comprehensive, high quality and interoperable railway system, and promoting noise-reduction measures
10	7(a) supporting a multimodal Single European Transport Area by investing in the TENT-T
11	6(a) investing in the waste sector to meet the requirements of the Union's environmental acquis and to address the needs identified by the Member States, for investment that goes beyond those requirements
12	4(c) supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector
13	8(a) supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation
14	Promoting social inclusion, combating poverty and any discrimination by promoting gender equality, equal opportunities and the integration of communities across borders (ETC)
15	6(d) protecting and restoring biodiversity and soil and promoting ecosystem services including NATURA 2000 and green infrastructure



3.5 Long-term (2030) vision of the eligible area

3.5.1 Introduction

The long-term vision of the eligible area is the synthesised result of statistical analysis, the review of strategic documents, as well as various consultations delivered during the planning process (including personal interviews and county level workshops, as well as a series of joint cross-border thematic workshops).

Major changes in regional development require longer period to take place than the 7-year financial programming cycle approach used in planning EU funds. It means that the longer-term impacts of interventions implemented in the 2014-2020 period definitely cannot be experienced by 2022, date until which all operations financed need to be concluded. Thus 2030 was selected as the target date for the vision. As a result, a more ambitious vision was created, that can provide guidance for interventions in the 2014-2020 period and also beyond.

Using the inputs from the analysis, document reviews, interviews and county workshops, all the joint teams at the thematic workshops produced quite advanced results, needing only limited post-processing to combine them into a coherent long-term vision of the area. During this post-processing, the proposed elements were combined and structured, overlaps were eliminated, thus arriving at an overall vision and 7 specific elements. This vision contains all key elements that have been raised by the stakeholders present at the thematic workshops.

Below we present both the overall vision and the description of its specific elements. As the themes of the workshops were structured according to the thematic objectives, the vision is in line with these, as well.

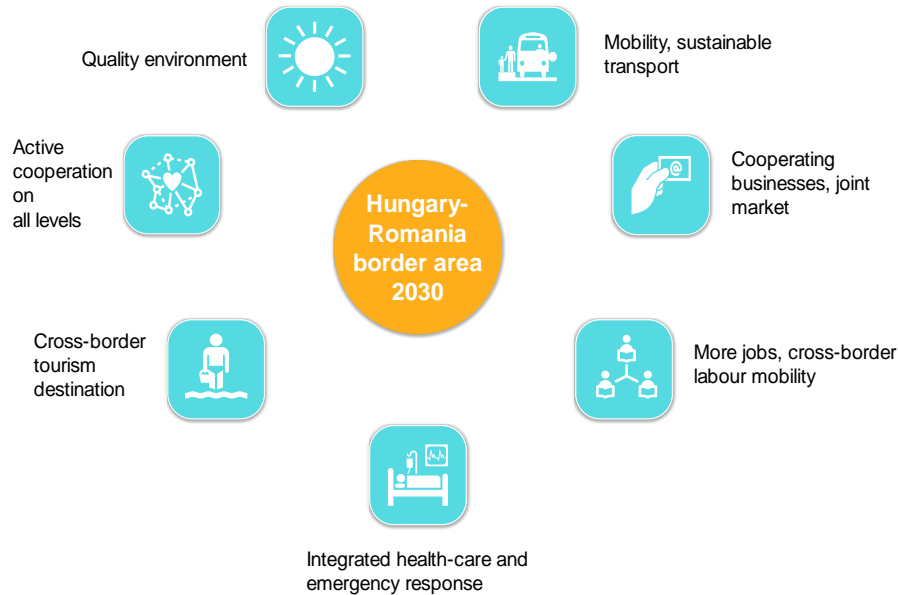
3.5.2 Overall vision

In 2030, the eligible area is a functional European cross-border region, where – despite the existence of the national borders – there is a strong integration in many of the most important areas. Romania is member of the Schengen zone, thus there are no real physical barriers remained in the way of cooperation, borders can be crossed without being stopped for control purposes. Cooperation across the borders is not only possible, but it is also simple: there is no additional administrative burden for people businesses and institutions are working together across the border. In fact, cooperation is an integral and natural part of the daily life of the people living here.

3.5.3 Specific elements of the vision

The figure below provides an overview of the key elements of the vision.

Figure 3 – Key elements of the vision



a) Conditions of mobility in place, with an increasing role of sustainable forms of transport



Mobility is a key condition of cross-border cooperation. We foresee an integrated and harmonized multimodal transport network – both passenger and freight (e.g. Ro-La, airport-based multimodal hubs) in place in the eligible border area. The county seats are connected with high-speed roads and also with properly functioning, rapid railway connections that enable people and also goods to move quickly within the area.

There is also network of interconnected international and national airports, with quick access from across the region, with harmonized operation – destinations and timetables. The immediate proximity of the border is characterized by increased density of cross-border road connections between small neighbouring settlements. Together with a well-functioning, quality public transport system (bus and railway) operating across the border, and also a good network of bicycle connections, this facilitates daily relations between communities living in the proximity of the border.

b) The environment is of good quality, the negative effects of climate change are minimized



Although there are many cross-border rivers and streams, risks of floods alongside the rivers is limited, jointly run early warning system operates and the protection is organized and coordinated; cross border water management is adapted to the effects of climate change and the resulting weather extremities. The joint surface and underground water base is clean and well-protected against pollution, in case of emergencies joint, coordinated interventions take place.



The natural values – including protected areas, NATURA 2000 sites – are in good conditions, attracting visitors from both the eligible area and also from outside of it. In the border area the quantity of landfills is reduced, increasing part of waste is reused in energy generation. Biomass and geothermal potentials are also utilized jointly, in a coordinated manner, the latter for both energy generation and touristic purposes.

c) Cooperating businesses use the potentials offered by a larger market



Business cooperation offers an important potential for the area. Joint business infrastructure facilities host businesses from both countries (business incubators, industrial parks, business centres, etc.). With the increased mobility and reduced administrative barriers there is an increasing number of well-functioning Romanian-Hungarian joint ventures, capitalizing on common opportunities. In addition to joint ventures, cross-border supply networks and clusters also operate in a number of key areas.

Joint B2B markets operate to better serve the border area with local products (mainly agriculture, food), providing both physical and electronic marketplace for producers – thus extending markets and outcompeting products from outside the eligible area.

Businesses in the area work closely with the universities and research centres also across the border on joint development products, driven by the real needs of the enterprises. The cooperation of businesses and innovation solutions are supported by cross-border business support network efficiently operating.

d) More jobs and increased cross-border labour mobility in an integrated cross-border labour market



A genuinely integrated labour market can more efficiently cope with structural issues and fluctuations in the labour market. Therefore it is foreseen that there is a free flow of labour force across the border to flexibly respond to the needs of businesses.

To facilitate this, labour services operate in a coordinated manner to harmonize supply and demand in the CB labour market. Employment from across the border is easy, simple and quick, without any additional administrative requirement, hands-on assistance is available in the labour offices across the entire eligible area. To better serve the integrated labour market the higher education facilities and vocational schools have complementary training offer and run joint degree programmes responding to the needs of local businesses.

e) The health care and emergency capacities – facilities and services – are used and developed in a coordinated manner



One of the key potentials of cross-border cooperation is the coordinated use and development of various facilities and services. Health care and emergency response are typically such services – proper coordination can result in increased efficiency and higher quality of services. To facilitate proper cooperation, there are working standards of cross-border health service financing in place between the two countries.

Good quality basic health care services is in place and accessible across the entire eligible area, while the development and use of specialized infrastructure (large capacity, expensive medical machines) of hospitals



are coordinated, also taking into account the needs of patients across the border.

The basic health care protocols are standardized and comparable also across the border, and there are cross-border telemedical systems in place to address special cases to facilitate quick exchange of information and experience.

In addition, there is a harmonized emergency response and ambulance system in the eligible area – especially in the close proximity of the border to quickly and effectively tackle emergency situations, accidents.

f) The eligible area is a joint, integrated tourism destination



The eligible area is rich in cultural and touristic values, historic building and traditions. These values / attractions are properly maintained and combined into a joint destination instead of being stand-alone attractions. There is a strong cross-border tourism based on these values, and the mutual visits to each other's attractions contributes to building trust and establishing stronger relations.

The tourism offer of the eligible area is integrated into a joint portfolio, which – also as a result of the coordinated promotion – is competitive also on international level. Thus the eligible area is an important joint destination of international tourism – visitors arriving to Hungary extend

their visit to the Romanian side of the border and vice versa.

g) Cooperation is integral part of daily life, especially in communities in the immediate neighbourhood of the border



Communities close to the state border share and develop in a coordinated way their facilities, infrastructure and capacities in order to ensure maximum efficiency and to avoid wasteful parallel capacities.

Cooperation, joint cultural, educational and sports programmes are natural part of everyday life already from an early age – this approach builds trust among people and communities become more open to each other.

3.6 Possible scenarios

In this chapter we present three scenarios that build on the following inputs:

- past experiences,
- SWOT analysis, challenges and potentials,
- the joint vision of the eligible area,
- the priorities / preferences of stakeholders.

The three scenarios consist of different combinations of thematic objectives and investment priorities. In this chapter we briefly present and assess each scenario, in order to provide a strong foundation for the JWG to select the one that will serve as a basis of the strategy for the eligible border area.



Consequently, the main function of the scenarios is to facilitate the decision-making process—strategic choice – by providing strategic alternatives to select from.

3.6.1 Scenario 1: Improving cross-border mobility

Main focus

Scenario 1 has a very distinct and extreme focus on establishing the basic conditions of cross-border cooperation between Hungary and Romania and eliminating the most important obstacles that currently hinder cooperation. Its basic premise is that it is not worth supporting actual cooperation initiatives until all the crucial conditions are created and in place.

It is a problem and challenge oriented scenario – with no major interventions aimed at exploiting existing joint potentials. In this respect, it sets the foundations for future cooperation programmes, which then – with the key obstacles eliminated – can maintain a strong focus on exploiting the joint potentials.

Its starting point is that in order to create a truly joint cross-border area and facilitate cooperation to become an integral part of life, mobility is essential – people and goods need to be able to move across the area without obstacles and swiftly. Therefore, this scenario is solely focusing on establishing the key mobility conditions of cross-border cooperation and eliminating the most important obstacles.

Interventions would focus on creating an integrated road network, drastically improving public transport – railway and bus alike, and enhance multimodality while considering the eligible border area as a whole.

Instead of open calls, the scenario envisages a strategic approach to mobility development, the selection of interventions – specific development projects named as flagship projects – should be based on a truly joint mobility development strategy.

The scenario in the light of past experiences

The experiences of the 2007-2013 programme demonstrate that there's a clear need for developing the conditions of mobility in the eligible border area. The programme itself allocated a major part of its budget to transport related investments. The evaluation has concluded that although there has been a clear need, selection of projects based on open calls does not facilitate proper strategic orientation of mobility development. The evaluation has also demonstrated, that the institutional players responsible for road development in Romania and in Hungary have had limited capacity, and thus the implementation sometimes struggled and took more time than originally planned.

Another important finding is that while the roads have been built, in the lack of Romania's membership of the Schengen Agreement they cannot fulfil their purpose to convey traffic and enhance cross-border mobility.

It also important to note, that as the road development projects are just approaching their completion, and the Schengen limitations hinder their use, achieving the results of these projects is still questionable. Recognizing this issue, though, the Romanian and Hungarian Governments work jointly towards solving this problem.

While railway development was high on the agenda, the relatively modest budget of the programme (at least as compared to the investment needs of railway development) has not facilitated the implementation of actual railway development projects.



Altogether, the scenario has relevance in the light of past experiences, but there are some factors that may carry implementation risks.

Addressing the challenges and potentials

It is clear that there are crucial mobility challenges in place in the border area; the low density and quality of roads with cross-border impact result in long access times, risk of accidents, and, indirectly contribute to also economic disadvantages and limited labour mobility.

Public transport is not competitive with individual, road-based transport: the passenger rail transport is slow and of poor quality, the bus public transport is limited – even between the county seats.

With all this in mind, this scenario responds to pressing existing challenges in the border area. On the other hand though, even with this extreme level of focus (concentrating all funds on improving cross-border mobility) would not solve this issue – the investment needs of establishing a proper road, railway and public transport system that facilitates seamless cross-border mobility would many times exceed the expected budget of the programme. This is a major difficulty, as improving direct cross-border mobility development cannot be supported either from the mainstream programmes, or from the Connecting Europe Facility.

Coherence with the joint vision

The joint vision of the eligible area foresees „*conditions of mobility in place, with an increasing role of sustainable forms of transport*”. The vision describes an integrated and harmonized multimodal passenger and freight transport network that “enable people and also goods to move quickly within the area”, and that gradually shifts towards more sustainable forms of mobility.

Altogether, this scenario strongly contributes to one crucial element of the vision; it is important to note though, that even if there is such a strong focus, projects need to be selected very carefully to facilitate sustainable cross-border mobility.

Coherence with the stakeholder priorities

Even if a strategy responds to existing challenges and is in line with the vision, has very limited chance of success if its acceptance level is low among the stakeholders. From this perspective, this scenario has both positive and negative outlook. On the one hand, mobility development – especially road development, the rehabilitation of existing roads (but also other types of transport development projects) is high on the agenda of most of stakeholders, as expressed in workshops and also in the questionnaire survey. On the other hand though, a strategy solely focusing on mobility development for the entire 7-year period is unacceptable for the stakeholders, who expressed the need for more balanced investments.

Coherence with thematic objectives and investment priorities

Improving cross-border mobility – road development, railway development and the development of public transport – potentially contributes to TO 7 – “Promoting sustainable transport and removing bottlenecks in key network infrastructures”. Under this thematic objective, there are two investment priorities (7b – “Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes” and 7c – “Developing and improving environment-friendly (including low-noise), and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility”). Thus generally, the scenario and the foreseen investments



are in line with this TO and the related investment priorities. Taking a closer look, though, reveals that road development either needs to have a strong TEN-T network orientation, or – as it becomes clear after closer inspection and based on communications from the Commission – should serve other thematic objectives together with other investments (a good example could be enhancing labour mobility).

Strategic focus

This scenario has an extreme strategic focus – it concentrates all the efforts and funds available on removing the physical obstacles hindering cross-border cooperation. This way the risk of programme fragmentation can be avoided, while interventions in subsequent programme periods can build on and existing good cross-border transport infrastructure.

Cross-border character

With a focus on investments directly facilitating, improving cross-border mobility, this scenario has a strong cross-border character and also a major positive impact on cross-border cooperation.

Main advantages of the scenario

- This scenario has a strong focus – both in terms of content and in terms of budget allocation – thus avoids the fragmentation of resources.
- Even with relatively modest fund, it can make a visible contribution to improving cross-border mobility, especially if it is combined with a territorial focus on investments in the close proximity of the state border.
- It has a clear, unquestionable cross-border character.
- It sets out to create one of the most basic conditions of cross-border cooperation – mobility – and may free future programmes from costly transport investments.
- Mobility investments are mostly large projects – if the technical management is ensured properly on both sides, they can be managed resource-efficiently from the programme's side.

Main disadvantages and risks

- Romania is still not member of the Schengen zone; while it is expected that this will change before the foreseen investments are completed, if for some reasons it does not happen, the projects will a) either not be able to make a real contribution to improving mobility across the border, or, b) only be able to facilitate cross-border mobility at an additional cost financed by the beneficiaries or the Member State; while this risk is modest, if the entire budget of the programme is focused on mobility, it can have a major negative impact – the programme may not be able to deliver its intended results – not even partly.
- While mobility is an important pre-condition of cross-border cooperation, it is far from being the only one; if an entire 7 year period (and its total budget) is dedicated to this issue (and, even so, without actually fully solving the problem), no progress will be made towards eliminating other important obstacles (like, for instance, trust deficiencies, or lack of cross-border information on specific areas).
- If no steps are taken to exploit current potentials, some of them may disappear and thus turn into a lost opportunity for the eligible border area.



3.6.2 Scenario 2: Integrated interventions to exploit joint potentials and address common challenges

Main focus

To some extent, Scenario 2 reflects a more traditional approach to cross-border strategy: a mix of developments to address the most important challenges and also exploit the most promising joint potentials of the eligible border area. It avoids the extreme focus of Scenario 1 (though still focused on a number of selected areas, and not trying to address all possible problems of the eligible area); in addition, it addresses the selected challenges and potentials in an integrated manner, foreseeing interventions that build on each other, a characteristic clearly differentiating it from the previous (2007-2013) programme:

This scenario sets out to focus on the following areas:

- Risk prevention, protection and joint use of common resources (water management, rehabilitation and use of joint natural and cultural heritage);
- Improving key conditions of mobility, contributing to the shift towards sustainable mobility (road development investments strengthening other interventions and laying the foundations of improved cross-border public transport);
- Strengthening the economy and increasing employment through the development of business infrastructure, support to enterprise development and building on the endogenous potential of specific territories;
- Improving the situation of deprived areas - both rural and urban;
- Improving health through the harmonized use and development of health care facilities;
- Contributing to reduced CO₂ emissions through the production and distribution of renewable energy and also through improving energy efficiency in public infrastructure;
- Enhancing cooperation initiatives of institutions and communities.

The scenario in the light of past experiences

Many of the planned interventions have precursors in the current programme, while some are entirely new.

With regard to risk prevention and use of common resources, past experiences show many positive examples, especially in the field of water management. Rehabilitation of natural and cultural heritages also proved to be successful, but only when this was done in an integrated manner, instead of developing standalone attractions, focus on developing and promoting a cross-border network.

In terms of transport development, a more strategic approach is proposed, and all projects need to build on an agreement and strong commitment of the relevant players on both sides of the border. It is also important that the implementation risks are minimized, and the development projects are harmonized with other national developments in the field.

The soft labour market-oriented measures of the previous programme supported small projects with limited effect on the cross-border labour market, and did not involve employers – clearly, a different approach is necessary in this field.

There has been no experience in helping deprived areas, even though many such (rural and urban) territories exist in the eligible border area.

In terms of health care development, there have been many good projects in the 2007-2013 Programme, suggesting that the necessary technical implementation capacity is in place. Ongoing evaluation of the programme, however, suggests that demarcation from similar national investments was sometimes problematic. In addition, while the coordinated development and use of specialized



equipment is a potentially efficient solution, there is a need to have a stronger national policy support in place.

There has been very limited experience from the previous programme in the field of renewable energy and reducing emissions.

Community to community and institutional cooperation have also used a small part of the programme budget, but they had strong cross-border character, and many of them could really promote trust – an essential precondition of cooperation on a larger scale. As these were small projects, their administration and management during the whole lifecycle including selection process and implementation has been very time and resource intensive – a simplified procedure would be better suited to this type of interventions.

Addressing the challenges and potentials

Chapter 3.2 contains a detailed SWOT analysis, while in Chapter 3.3 we list the most important challenges and potentials of the border area.

Without repeating the statements from the above chapters, it is obvious that all the focus areas of Scenario 2 are supported by either existing challenges or potentials of the border area (which are based on evidence presented in the STA).

Coherence with the joint vision

The joint vision depicts a border area that from many aspects exist as one, and the counties enjoy the benefits, rather than suffer from the disadvantages of being on the state border. (Cross-border) cooperation is present in various key areas.

The vision highlights seven key areas, from mobility through joint labour market to quality environment, and the intervention areas foreseen in this scenario are fully targeted towards the vision, making some contribution in all areas of the vision.

Coherence with the stakeholder priorities

Stakeholder priorities are not uniform: they change from stakeholder to stakeholder, county to county, even there are some differences between the two countries. Strategy development is also about harmonizing these differing priorities and arriving at a consensus that serves the best interests of the area, while still acceptable for the stakeholders.

From the focus areas of Scenario 2, not all are equally important for all stakeholders; nevertheless, these are all areas of interventions that reflect the priorities of many stakeholders, and that are all acceptable for every stakeholder.

Altogether, this is a strategy that is very much in line with the combined and harmonized priorities of the key stakeholders.

Coherence with thematic objectives and investment priorities

This scenario builds upon an interlinked mix of interventions that mutually enhance each other. The following table provides an overview of the thematic objectives the interventions foreseen under this scenario contribute to, and the investment priorities they are in line with.



Table 9 – Types of interventions foreseen of the Scenario 2

Type of intervention foreseen	Related thematic objective	Related investment priority
Contributing to reduced CO2 emissions	4. Supporting the shift towards a low-carbon economy in all sectors	4/a Promoting the production and distribution of energy derived from renewable sources
		4/c Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector
Risk prevention, protection and joint use of common resources (water management, rehabilitation and use of joint natural and cultural heritage)	6. Preserving and protecting the environment and promoting resource efficiency	6/b Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the MS, for investment that goes beyond those requirements
		6/c Conserving, protecting, promoting and developing natural and cultural heritage
Improving key conditions of mobility, contributing to the shift towards sustainable mobility (road development investment strengthening other interventions and laying the foundations of improved cross-border public transport)	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (Note: some of the road investments – depending on their locations and links to other investments – will contribute to other TOs.)	7/b Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
		7/c Developing and improving environment-friendly (including low-noise), and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
Strengthening the economy and increasing employment building on the endogenous potential of specific territories	8. Promoting sustainable and quality employment and supporting labour mobility	8/a supporting the development of business incubators and investment support for self-employment, micro enterprises and business creation
		8/b Supporting employment friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources
Improve health care through the harmonized use and development of health care facilities	9. Promoting social inclusion, combating poverty and any discrimination	9/a Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services



Type of intervention foreseen	Related thematic objective	Related investment priority
		and transition from institutional to community-based services
Improving the situation of deprived areas		9/b Providing support for physical economic and social regeneration of deprived urban and rural areas OR 8/b Supporting employment friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources
Enhancing cooperation initiatives of institutions and communities	11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration	11/a Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions

Strategic focus

This scenario has no real strategic focus as a fairly high number of thematic areas are selected for development. Given the limited budget of the programme, even if certain level of concentration is applied within the thematic areas, this scenario exhibits a risk of fragmentation.

Cross-border character

This scenario has some elements that have a strong cross-border character (for instance improving cross-border mobility, supporting people to people or institutional cooperation), while some others involve more local investments, with very limited cross-border character (for instance development of deprived urban areas or improving the energy efficiency of public infrastructure). Overall, the cross-border character of this scenario can be considered medium level (assuming in project selection there's a focus on selecting projects that have a cross-border nature and direct cross-border benefit).



Main advantages of the scenario

- This scenario addresses the most important challenges and potentials of the eligible border area.
- Although it disperses the funds on various types of intervention, it can enable more complex and integrated answers to the challenges.
- By addressing more of the key challenges, this scenario has a higher level of acceptance among stakeholder, and thus also a stronger commitment.
- This scenario can build on the outputs and results of the current programme in a number of areas.
- By implementing a balanced mix of interventions, this scenario can contribute to actual cooperation initiatives in a wide range of areas.

Main disadvantages and risks

- With a fairly limited budget of the programme, the wider range of interventions may risk fragmentation of funds.
- In some of the areas, stakeholders may incline to opt for interventions that have modest cross-border character.
- Demarcation from mainstream programmes is more challenging in some areas of interventions.
- If integrated approach is not applied in selecting the specific interventions, real results of the programmes may be limited.

3.6.3 Scenario 3: Integrated interventions *with strong strategic and cross-border focus to exploit joint potentials and address common challenges*

Main focus

Scenario 3 can be considered as a “spin-off” of Scenario 2: it contains mostly the same interventions, builds on its strengths, all the while is intended to eliminate (or at least mitigate) its major disadvantages.

Just like Scenario 2, it contains a mix of investments to address the most important challenges and also exploit the most promising joint potentials of the eligible border area. It addresses the selected challenges and potentials in an integrated manner, just like Scenario 2. It has, however, two important aspects that sets it apart from Scenario 2:

- a) while also addressing a mix of challenges and potentials, it has a stronger thematic focus and cross-border character than Scenario 2;
- b) instead of exclusively relying on the system of open calls, this scenario envisages that the majority of funds are invested into projects of strategic importance – flagship projects – thus significantly enhancing the strategic character of the programme.

This scenario sets out to focus on the following areas:

- 1 Risk prevention, protection and joint use of common resources (water management, rehabilitation and use of joint natural and cultural heritage);
- 2 Improving key conditions of mobility, contributing to the shift towards sustainable mobility (road development investments strengthening other interventions and laying the foundations of improved cross-border public transport);
- 3 Strengthening the economy with a strong territorial focus, building on the endogenous potential of specific territories, including deprived urban and rural areas;



- 4 Improve health through the harmonized use and development of health care facilities;
- 5 Improve the key conditions of harmonized disaster prevention and management
- 6 Enhancing cooperation initiatives of institutions and communities.

While this scenario does not focus thematically on energy efficiency and the use of renewable energy, it brings in this aspect as a horizontal objective, requiring improved energy efficiency in the case of all investments where this might be relevant. Moreover it is also proposed that energy efficiency and the use of renewable energy are also required as part of the investment projects supported under TO8.

The scenario in the light of past experiences

Practically all the proposed interventions under this scenario have their precursors in the current programme. For the more detailed presentation of relevant lessons see the description of past experiences under Scenario 2.

In summary:

- In the field of water management, it is important to rely upon the initiatives already launched under the current programme;
- In the field of rehabilitating natural and cultural heritages, instead of developing standalone attractions, focus on developing and promoting a cross-border network of such attractions is needed;
- More strategic approach to transport development is proposed; all projects need to build on an agreement and strong commitment of the relevant players on both sides of the border;
- In the field of employment, more active involvement of employers is necessary;
- Strong coordination of health care development and the use of facilities is crucial;
- In the field of community-to-community and institutional cooperation a simplified procedure would be better suited to the type of interventions foreseen.

In addition, this scenario also addresses the issue of fragmentation, mainly through the introduction of strategic / flagship projects.

Addressing the challenges and potentials

Chapter 3.2 contains a detailed SWOT analysis, while in Chapter 3.3 we list the most important challenges and potentials of the border area.

Without reiterating the statements from those chapters, it is obvious that all the focus areas of Scenario 3 are supported by either existing challenges or potentials of the border area.

Coherence with the joint vision

The joint vision depicts a border area that from many aspects exist as one, and the counties enjoy the benefits, rather than suffer from the negative effects of being on the state border. (Cross-border) cooperation is present in various key areas.

The vision highlights seven key areas, from mobility through joint labour market to quality environment, and the intervention areas foreseen in this scenario are fully lead towards the vision, making some contribution in most of the areas of the vision.



Coherence with the stakeholder priorities respecting multi-level governance approach

Certainly, just like it is the case with Scenario 2, from the focus areas of Scenario 3 not all are equally important for all stakeholders, either. Nevertheless,

- a) these are all areas of interventions that reflect the priorities of many stakeholders;
- b) almost all of them are in line with the thematic objectives and investment priorities that are on the top of the list of stakeholder priorities;
- c) the combination of thematic objectives and investment priorities reflects the relevant JWG decision;
- d) all of them are acceptable for every stakeholder.

Altogether, this scenario reflects a strategy that is very much in line with the combined and harmonized priorities of the key stakeholders.

Coherence with thematic objectives and investment priorities

The following table provides an overview of the thematic objectives the interventions foreseen under this scenario contribute to, and the investment priorities they are in line with.

Table 10 – Types of interventions foreseen of the Scenario 3

Type of intervention foreseen	Related thematic objective	Related investment priority
Developing the emergency response and disaster management capacity in the eligible border area	5. Promoting climate change adaptation, risk prevention and management	5/b Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems
Protection and joint use of common resources (water management, rehabilitation and use of joint natural and cultural heritage)	6. Preserving and protecting the environment and promoting resource efficiency	6/b Investing in the water sector to meet the requirements of the Union’s environmental acquis and to address needs, identified by the MS, for investment that goes beyond those requirements
		6/c Conserving, protecting, promoting and developing natural and cultural heritage
Improving key conditions of mobility, contributing to the shift towards sustainable mobility (road development investment strengthening other interventions and laying the foundations of improved cross-border public transport)	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (Note: some of the road investments – depending on their locations and links to other investments – will contribute to other TOs.)	7/b Enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes
		7/c Developing and improving environment-friendly (including low-noise), and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility



Type of intervention foreseen	Related thematic objective	Related investment priority
Strengthening the economy and increasing employment building on the endogenous potential of specific territories	8. Promoting sustainable and quality employment and supporting labour mobility	8/b Supporting employment friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources
Improve health care through the harmonized use and development of health care facilities	9. Promoting social inclusion, combating poverty and any discrimination	9/a Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and transition from institutional to community-based services
Improving the situation of deprived areas		9/b Providing support for physical economic and social regeneration of deprived urban and rural areas
Enhancing cooperation initiatives of institutions and communities	11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration	11/a Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions

Strategic focus

This scenario intends to strike a balance between integrated approach and strategic focus: it concentrates on a smaller number of thematic areas than Scenario 2, and through the proposed use of strategic projects, it promotes focus within the thematic areas as well. Altogether, this scenario has a fairly strong strategic focus. Also, with a smaller number of thematic objectives and investment priorities selected, this scenario is more in line with the requirements of the European Commission.



Cross-border character

As compared to Scenario 2, the thematic areas that are included in the Scenario are those that are of more cross-border character – those with a more local focus have been mostly eliminated (except in IP 9b, where the interventions – by their nature – are more of local character). Together with an intention to select specific projects with real cross-border nature, this scenario potentially has a strong cross-border character.

Main advantages of the scenario

- This scenario still addresses the most important challenges and potentials of the eligible border area.
- While it can enable more complex and integrated answers to the challenges, it also has a relatively strong thematic focus.
- With the use of strategic / flagship projects, this scenario ensures a more strategic approach to key investments, on the other side small-scale projects and ideas can also be realized through an open call for proposals and a simplified mechanism.
- By avoiding the extreme focus of Scenario 1, this scenario addresses a number of the key challenges and can still have a high level of acceptance and strong commitment while comprehensively respecting multi-level governance approach.
- It can build on the outputs and results of the current programme in a number of areas, which is also a pre-condition according to the recommendation of the EC.
- By implementing a balanced mix of interventions, this scenario can contribute to actual cooperation initiatives in a fairly wide range of areas.

Main disadvantages and risks

- Although this Scenario has a stronger focus than Scenario 2, there is still some risk of fragmentation of funds (although this can be mitigated by the proper use of flagship projects).
- Similarly to Scenario 2, even here in some areas stakeholders may incline to opt for interventions that have modest cross-border character.
- Demarcation from mainstream programmes is a challenge also in this Scenario.
- Failure to apply integrated approach in selecting specific interventions may lead to limited programme level results.

3.6.4 Ranking the three scenarios

In this chapter, we rank the three scenarios, based on the criteria alongside which they have been investigated.

At each criterion, we compare the three scenarios; the best performing scenario receives 2 scores, the second best receives 1, while the weakest one receives 0.

There might be, however, some criteria, where it is impossible to select between two (or even among all three) – in such cases, both (or all three) scenarios receive the same score.



Table 11 – Pair ranking of the possible scenarios of the cross-border cooperation programme

Criteria	Scenario 1	Scenario 2	Scenario 3	Comment / explanation
The scenario in the light of past experiences	2	2	2	In the light of past experiences, all three scenarios are equally relevant.
Addressing the challenges and potentials	1	2	2	All three scenarios address important challenges of the eligible area, but while Scenario 1 is quite narrow, both Scenario 2 and Scenario 3 intend to address more challenges in a complex manner.
Coherence with the joint vision	1	2	2	While Scenario 1 contributes to only one (albeit crucial) element of the vision, Scenario 2 and Scenario 3 intend to contribute to most of the elements described in the joint vision.
Coherence with the stakeholder priorities	1	2	2	While stakeholder find mobility development important, the scenarios that address more challenges definitely reflect better the stakeholder priorities and thus expected to enjoy a much stronger support.
Coherence with thematic objectives and investment priorities	2	2	2	All three scenarios are in line with the thematic objectives and investment priorities.
Strategic focus	3	1	2	Scenario 1 has an extreme strategic focus, Scenario 3 still has a strong strategic focus, while Scenario 2 has very weak focus, with high risk of fragmentation.
Cross-border character	2	1	2	Both Scenario 1 and Scenario 3 have strong cross-border character, while Scenario 2 has a medium level cross-border character.
Main advantages	1	1	2	All three scenarios have their distinct advantages – but altogether, Scenario 3 offers the most balanced mix.
Main disadvantages / risks	0	1	2	All three scenarios face potentially a number of risks. In the case of Scenario 1, there is one risk on which the programme has very little or no influence – but which may risk the success of the entire programme. In the case of Scenario 2 and Scenario 3, there is no risk that would endanger the entire programme. In the case of Scenario 3, risks can be mitigated or even eliminated.
Total score	13	14	17	

Based on the ranking, the selection of **Scenario 3** as the basis for the strategy is proposed – and this is also in line with the relevant decision of the JWG.



4 The strategy

In Chapter 3, possible development scenarios have been presented, analyzed and compared. Based on this, Scenario 3 – “**Integrated interventions with strong strategic and cross-border focus to exploit joint potentials and address common challenges**” has been proposed as the basis for the strategy.

The three scenarios and the proposed strategy had been presented to the JWG members in the Draft2 version of the CTS. Following the submission of this document, a Joint Working Group meeting was held on 16-17 April 2014 in Oradea. At this meeting the draft CTS – including the scenarios and the proposed strategy – was presented and discussed in details.

As a result of this discussion, the Joint Working Group selected the thematic objectives and investment priorities that provide the foundation for Scenario 3 – thus Scenario 3 was endorsed to serve as the basis of the strategy.

In this chapter we present all important elements of the strategy, including the strategic objectives, the indicators, priority axes and key areas of intervention.

4.1 Strategic objectives 2020

Using the selected scenario as a starting point, it is important to identify what changes the interventions foreseen shall contribute to in the eligible border area. The strategic objectives can be identified using the challenges and potentials identified and also the joint vision of the area.

Given the limitations (possible scope, budget, its distinct cooperation character) of the programme, the strategic objectives are more focused, **not intended to tackle all elements of the vision in their entirety**. Also, only part of the interventions may be implemented from the budget of the cross-border cooperation programme; in fact, the majority of the interventions require massive contributions from the respective mainstream operational programmes, while some others necessitate other measures like, for instance, joint decisions of the Romanian and Hungarian governments, mobilisation of national resources, or „simply” removing administrative obstacles. Below there’s a long list of objectives – reflecting all areas covered by the scenarios. At each strategic objective we indicate which scenario(s) are they in line with.

The strategic objectives are as follows:

SO1: Protect and jointly use values and resources of the eligible area

The natural and cultural values, just like the resources are truly joint assets – they cannot stop at the state border. Thus, their protection, rehabilitation and responsible use are common tasks – they have to be carried out together, in a coordinated manner.

SO2: Improve the key conditions of cross-border mobility

Better performance of the eligible border area necessitates the gradual elimination of barriers – including physical and also other (like administrative) obstacles. Without proper mobility, the various players at the area cannot use the joint opportunities. Mobility, therefore, is a basic condition, and it should not be limited in any way by the state border in the middle of the eligible area. It requires appropriate density of roads, easily “permeable” state borders, attractive alternatives to individual car transport across the border.



SO3: Increase employment in the eligible area

Better performance of the area also require a healthy economy – competitive businesses, high activity level and quality employment to all. Employment is also an essential goal of the Europe 2020 strategy. While most of the conditions of increased employment need to be established on national level, the programme can contribute to complex interventions aimed at improving the employment situation of specific territories, based on their endogenous resources.

SO4: Reduce inequalities in the eligible area

Reducing poverty and inequalities are major priorities in the whole Europe – they are important goals of the Europe 2020 strategy. Poverty is concentrated in deprived rural and urban areas – improving the situation of these areas is mainly the responsibility of the national (and also regional or county) governments. Nevertheless, in case of territories located in the proximity of the Hungarian-Romanian border joint actions, reducing the peripherality can significantly contribute to the development of the area. Health care services are important ingredients of the quality of life in a given area, their accessibility is crucial for everyone – especially for people living in deprived areas. Major inequalities in a cross-border area lead to health care migration of those who can afford, and poor services for most of the people (which in turn can result in higher than average death-rate). In a cross-border area these inequalities can be more efficiently mitigated based on cross-border cooperation, coordinated use of specialized services and also through the exchange of know-how.

SO5: Improve efficiency of joint emergency response

Climate change contributes to the increase in the frequency of extreme weather conditions, which often result in disasters and emergency situations. Many of these disasters – like for instance floods – are cross-border in the sense that they affect both sides of the border. It is important, therefore to have harmonized emergency response protocols and appropriate capacities - that can be used jointly – in place.

SO6: Strengthen trust as key condition of cross-border cooperation

The good performance of a border area certainly highly depends on the extent to which the various barriers – many of them physical, tangible – can be eliminated. But cooperation – or, rather, making cooperation an integral, natural part of everyday life – also requires a mindset, and, above else, a trust in the counterparts. Trust is not something that can be forced – but it can be promoted through small-scale initiatives, projects that bring together people already at an early age, initiatives through which people, institutions and settlements may “pilot” cooperation without major risks.

4.1.1 Indicators of the strategic objectives

Table 12 – Identification of the main result indicators of the strategic objectives

Strategic objective	Result indicator
SO1: <i>Protect and jointly use the values and resources of the eligible area</i>	Increase in the number of visitors to the rehabilitated facilities
SO2: <i>Improve the key conditions of cross-border mobility</i>	Increase in the number of passengers crossing the border annually
SO3: <i>Increase employment in the eligible area</i>	Increased employment rate
SO4: <i>Reduce inequalities in the eligible area</i>	Improved access to services and facilities in deprived areas Improved access to health and prevention services



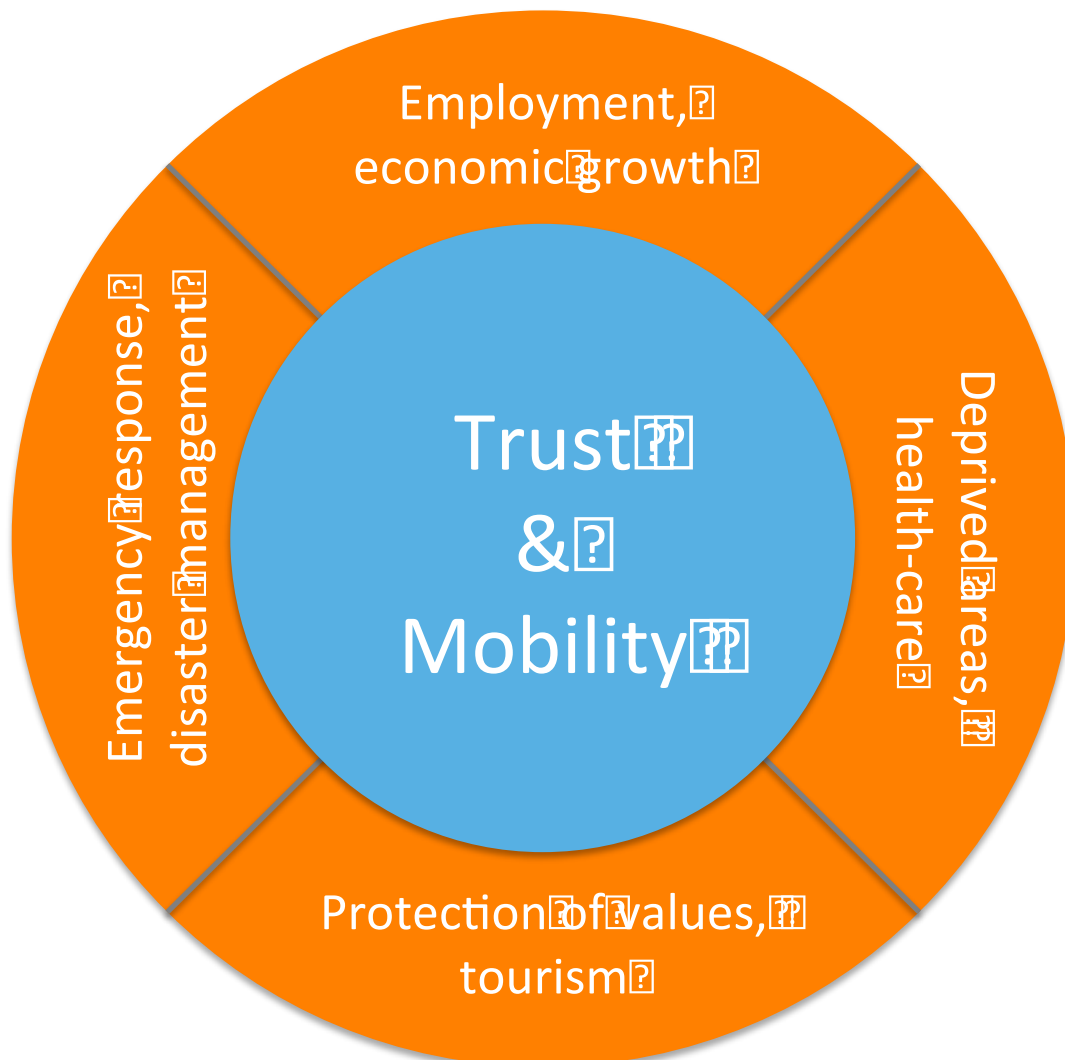
	addressing the primary risk factors
SO5: <i>Improve efficiency of joint emergency response</i>	Reduced response time to emergency situation in the border area
SO6: <i>Strengthen trust as key condition of cross-border cooperation</i>	Improved general perception of the partner country



4.2 Priority axes and key areas of interventions

4.2.1 Introduction, summary of priority axes and key areas of intervention

Figure 4 – Overview of the priority axes



Looking at the strategic objectives, it is clear that the proposed strategy both has interconnecting elements, that build on each other, and together provide an integrated answer to the key challenges, while simultaneously intend to exploit some of the joint potentials.

Strengthening trust and improving cross-border mobility are in the heart of the strategy as key conditions of cooperation-based integrated development of the eligible border area. Without easy and quick access across the border, joint actions to address key challenges and making use of the common potentials are almost impossible. Similarly, trust is also a key factor: without knowing and trusting each other, no cooperation initiatives can be sustained over time.

Building on trust and gradually improving mobility, there are four (interdependent) main challenges (some of which – if addressed properly – may turn into valuable potentials in the long run) the eligible area intends to address with joint solutions:

- a) Increasing employment, enabling joint economic growth through better and more coordinated use of the labour force in the area based on the potentials of specific territories;



- b) Enhancing disaster resilience, facilitating rapid and coordinated response to emergency situations based on the harmonized development and coordinated use of existing capacities
- c) The protection of joint values and resources, using them as attractions to build common thematic routes around and develop mutually advantageous common tourism;
- d) Addressing jointly the challenges of deprived areas – rural and urban, and health care challenges to provide better services across the entire area, using the existing resources more efficiently and eliminating major inequalities in service provision;

The **proposed strategy can only be implemented by appropriate interventions**. The strategy behind Scenario 3 is implemented through a pool of **6 thematic objectives with 9 investment priorities**. **These have been selected and agreed upon** and reflect the consensus of the Joint Working Group, and will be implemented through 6 priority axes with 10 corresponding key areas of intervention. This is a combination of interventions that can serve as a solid basis for a joint programme enabling the concentrated use of limited resources thus avoiding fragmentation.

Figure 5 introduces a summary of the proposed priority axes and key areas of intervention, and they are presented in more details in the subsequent chapters.

In the subsequent chapter we present the proposed priorities and key areas of interventions in details. In the description of the KAIs we include the key elements of the intervention logic in this document. Nevertheless, the first version of the operational programme will contain a structured presentation of the intervention logic: it will present altogether the challenges, needs, justifications, specific objective, activities, as well as the relevant result and output indicators.

Furthermore, it is also important to note that, though the KAI descriptions will already include information on the potential beneficiaries (recipients of financial support) that may apply under the given KAI, it is by no means a final list, only a set of examples; the list of eligible beneficiaries reflecting the decision of the Joint Working Group will be presented in the operational programme.

The same is true for the indicative actions: the description contains a general description of the types / examples of actions that may be supported, but the final list of specific eligible activities (again, reflecting the decision of the JWG) will be presented in the operational programme.



Figure 5 – Summary of priority axes and key areas of intervention

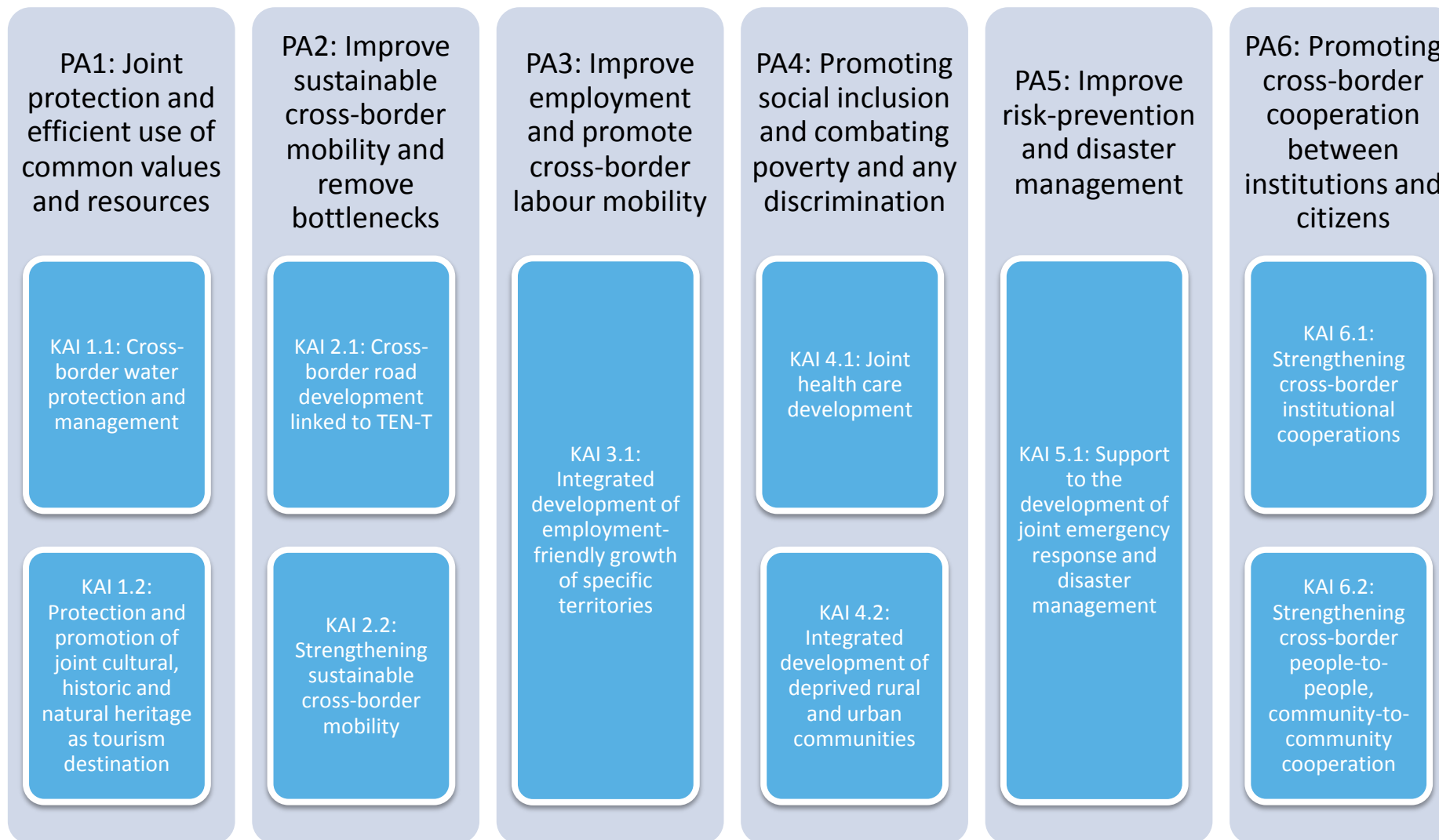
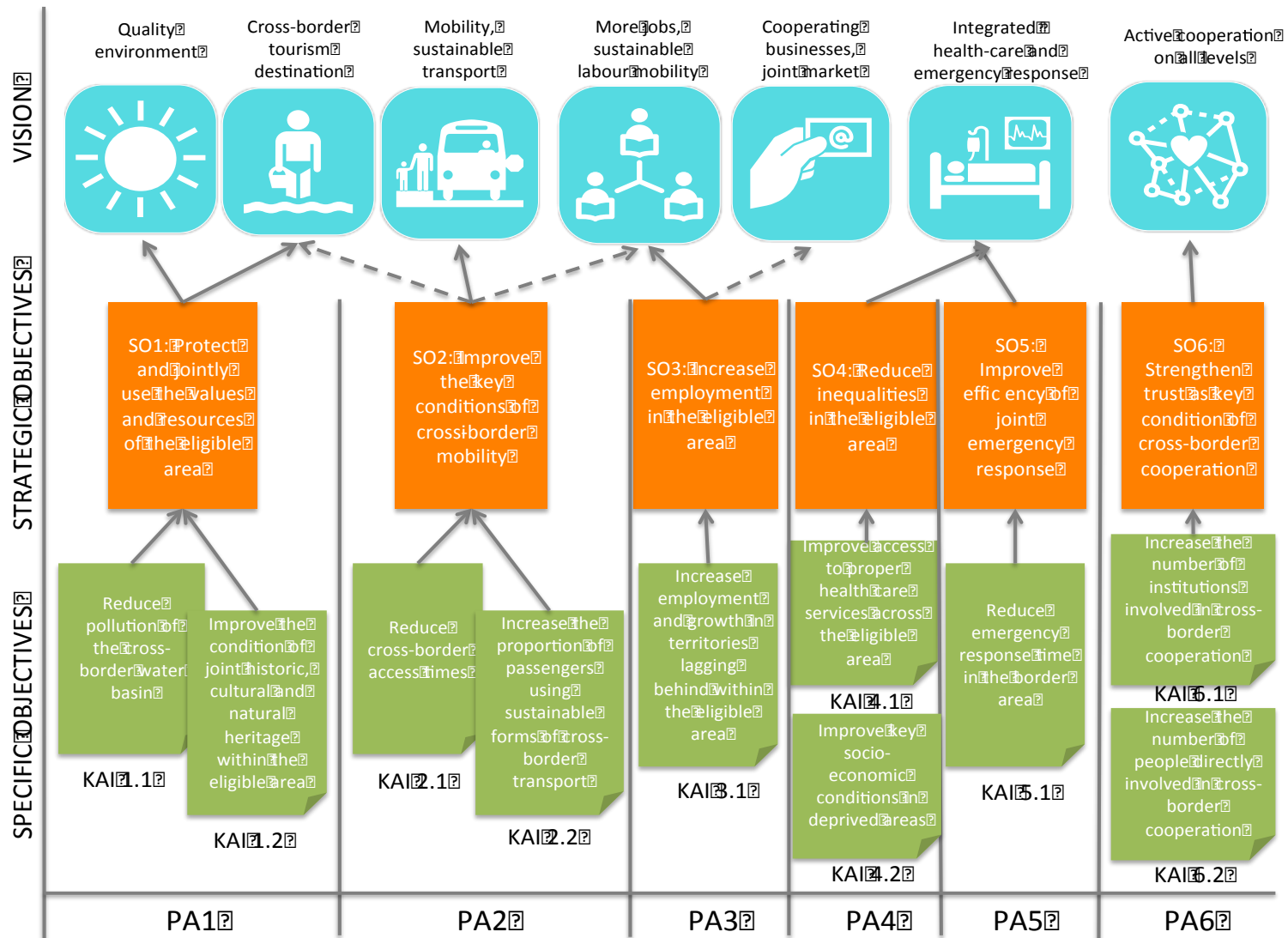




Figure 6– Contribution of the envisaged interventions to the vision





4.2.2 Priority Axis 1: Joint protection and efficient use of common values and resources

Table 13 – Intervention logic of the Priority Axis 1

Priority axes / key areas of intervention	Corresponding thematic objective and investment priority	Strategic / specific objectives
PA1 Joint protection and efficient use of common values and resources	6. Preserving and protecting the environment and promoting resource efficiency	SO1: Protect and jointly use values and resources of the eligible area
<i>KAI 1.1 Cross-border water protection and management</i>	6/b Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the MS, for investment that goes beyond those requirements	Reduce pollution of the cross-border water basin
<i>KAI 1.2 Protection and promotion of joint cultural, historic and natural heritage as tourism destinations</i>	6/c Conserving, protecting, promoting and developing natural and cultural heritage	Improve the condition of joint historic, cultural and natural heritage within the eligible area

Key Area of Intervention 1.1: Cross-border water protection and management

Needs, challenges and justification

One of the most important resources of the eligible area is the abundance of surface and ground – including thermal – water. The surface waters, with generally good water quality offer good potentials but also carry some risks of flood and pollution. 65% of rivers, streams or lakes that form or cross the border, in the past 10 years have shown improved quality, while 35% have shown a negative trend. One of the most vulnerable areas is the Ier Valley / Cris river area. In some settlements the drinking water quality did not fulfil the legal requirements (mainly in Békés county in Hungary).

With the increasing global importance of the long-term availability of quality water it is crucial that this unique resource is efficiently used, and its quality and quantity is safeguarded in the long run. With the water being a truly cross-border resource, this can only be done jointly, with coordinated actions. Fortunately, such actions and the cooperation of relevant bodies look back on several decade history, secured by a bilateral interstate agreement dealing with the issues of floods, drainage water protection and emergency response activities related to transboundary water. Within the framework of the agreement regular water investigations are executed on both sides of the border (alternately on the Hungarian and on the Romanian side) also covering the joint investigation of occasional accidental pollution of natural waters. This provides a solid foundation for the future cooperation of relevant institutions in order to effectively tackle emergency situations.

Improving water quality is an important priority of also the Danube Strategy, with several types of interventions envisaged (e.g. fostering an active process of dialogue and cooperation between authorities, assure the proper control and progressive substitution of substances that are considered problematic for Danube Region).

Focus of interventions



Integrated water management actions related to cross-border surface water – rivers, streams, flows – and ground water, including water quality monitoring, information and data exchange, as well as the rehabilitation of natural waters, flood-protection, agricultural and energy generation use of water, protection of the common water basin.

Indicative actions

1.1.1 Joint investments and actions (monitoring, management, pollution control, etc.) to protect and improve water quality and quantity and ensure sustainable use of water resources, in line with the provisions of the Water Framework Directive¹⁵.

Water management is a traditionally important field of cross-border cooperation on the Romania-Hungary eligible border area. Water management organizations have jointly implemented various projects already under the current programme, and future actions are foreseen (and even planned) to further improve the quality and safeguard the quantity of joint water resources. Types of investments foreseen include the development of water replacement system, weir reconstruction and small stream reconstruction in the border area, as well as the collection and use of excess water.

Types of potential beneficiaries may include – among others:¹⁶

- public authorities,
- bodies governed by public law,

that have their seats or a regional/local branch registered in the programme area.

Table 14 – Types of activities foreseen in the framework of the Key Area of Intervention 1.1

Activity 1.1.1	
Target groups	The target groups of this KAI are people living in the eligible area.
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG
Possible strategic / flagship projects	Elaboration of and support to an integrated water management and protection project covering the entire area, or, alternatively, 4 integrated water management and protection projects be developed and implemented by the county water management organizations, in close cooperation with county councils is proposed, selected in the frame of restricted calls.
Cross-border character	The primary focus of this intervention is to improve the quality and quantity, as well as to ensure the sustainable use of common water resources, thus it has a strong cross-border character.

Table 15 – Specific flagship projects proposed under Key Area of Intervention 1.1

Code and short name	Title	Proposing county	Project owner	Main CB project partner
BK2 Water mgmt	Integrated water management by the rehabilitation of natural water flows crossing the border	HU - Békés	Körös Valley District Water Authority	Bihar County Water Authority Arad County Water Authority

¹⁵ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for the Community action in the field of water policy

¹⁶ These are only examples of potential beneficiaries that may apply; the final list of types of beneficiaries corresponding to the JWG decision will be included in the Operational Programme.



Key Area of Intervention 1.2: Protection and promotion of joint cultural, historic and natural heritage as tourism destinations

Needs, challenges and justification

The entire eligible area is rich in historical, natural and cultural values. In addition to physical places, attractions, a rich tradition of events and festivals (gastro, music, theatre, dance, wine and other drinks, ethnography, religious, etc.) has also developed in the area in recent years. These values are crucial for the identity of the eligible area, and their protection and development can contribute to strengthening cross-border relations, especially if they are developed as potential targets of responsible and sustainable tourism.

With regard to its current touristic offer, the area has similarities, but also many complementary elements. The balneary and health tourism is significant, based on the existence of mineral and thermal water (the most popular ones are Arad, Băile Felix, Tășnad and Buziaș in Romania and Gyula, Makó, Hajdúszoboszló and Nyíregyháza in Hungary). Further typical forms of tourism in the area are

- cultural tourism: medieval monuments, architectural buildings, religious tourism (eg. Károlyi Castle in Carei, place of pilgrimage of Máriapócs, joint promotion of Romanian Orthodox Churches in Békés and Arad county),
- rural (and ethnographic) tourism (eg. historical site of Ópusztaszer),
- active and sports tourism (eg. water sports on the river Tisza), and in the area of mountains (in Romania) are great for hiking trips, winter sports, and speleological tourism.

This complementarity offers the potential of increasing mutual visits from both sides of the eligible area, but also of establishing a joint proposition strong enough to compete also on international level. With cross-border programme packages and joint promotion the number of tourists and nights spent can be increased.

The former and current CBC-projects have already proved that these types of cooperation have strong cross-border character as a result of joint theme and common target groups (e.g. Plum Route in Szatmár/Satu Mare, Ecumenical Religious Route in Temes and Csongrád counties). Strengthening mutual tourism – Romanian visitors coming to the Hungarian part of the eligible area and vice-versa – can also have major economic and cooperation benefits.

In addition, as many of these heritages are located in less developed rural areas (e.g. the Reformat Church of Hodod in Satu Mare county, Castle of Vaja in Szabolcs-Szatmár-Bereg county), such interventions can also contribute to the development of areas lagging behind.

However, many of the natural, historic and cultural values that may serve as touristic attractions are in poor conditions, and, although there are some good examples, most of them are not organized in an integrated, competitive thematic package; in addition, the promotion is not well organized, either.

Building on the cultural heritage and developing tourism are also present in the Danube Strategy. To exploit these potentials the strategy proposes actions such as building on cultural diversity, improving the quality of tourism products and promoting sustainable and wellness tourism. In addition, protection of natural values is considered an important priority (e.g. preservation of biodiversity and landscapes, improvement of soil and air quality).

Focus of interventions

Taking into account the differentiating elements of the eligible area's touristic offer – historic and cultural heritage and values –, as well as the focus of the corresponding investment priority, the focus of tourism development should be the development of thematic routes built around natural, historic and cultural values, including gastronomy and folk traditions, with complementary health and active tourism elements.



In order to better use the joint touristic potential offered by the area, concerted actions are necessary to protect and rehabilitate the key natural, historic and cultural heritages, values on both sides of the border, their accessibility needs to be improved, attractive and internationally competitive thematic routes need to be developed, joint tourism destinations have to be established, managed and promoted. There are some similar initiatives funded from the current programme, aimed at the creation attractive cross-border thematic routes; interventions can build on these initiatives.

This, however, requires a truly integrated approach: instead of standalone investments, complex developments that are parts of a wider concept need to be implemented: buildings, historic and natural values to be rehabilitated have to belong to a cross-border thematic route, together they have to be able to attract a critical mass of visitors to be sustainable (major increase in visitor number is an expectation), and there has to be a joint institutional structure in place that ensures destination management and promotions.

Indicative actions

1.2.1 Rehabilitation, conservation and joint promotion of natural, as well as cultural and built heritage, that can be jointly promoted and sustainably exploited.

Instead of the development of standalone, individual natural and built values, within this KAI support can be provided to complex interventions, including the rehabilitation of various natural and cultural and historic values, as well as of facilities contributing to the protection of the joint cultural heritage on both sides of the border. Support can also be provided to creating competitive thematic routes for the rehabilitated values and facilities, as well as to the promotion of these routes and to improving their accessibility.

1.2.2 Creation and rehabilitation of facilities based on the sustainable use of common geothermal potential of the cross-border area.

Thermal water is an important asset – resource of the eligible border area. Support can be provided to investments aimed at protecting and efficiently using the geothermal potential of the eligible area. The main priority is the improvement of existing facilities with the focus on more efficiently protecting and using the geothermal resources. Only projects of strong cross-border character may be implemented.

Types of potential beneficiaries may include – among others:

- public authorities,
- bodies governed by public law,
- non-profit organizations governed by private law,
- EGTCs,
- churches,

that have their seats or a regional/local branch registered in the programme area.

Table 16 – Types of activities foreseen in the framework of the Key Area of Intervention 1.2

	Activity 1.2.1	Activity 1.2.2
Target groups	People living in the eligible area and tourists visiting the area from outside	
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG	open calls and / or restricted calls, depending on JWG further decisions
Possible strategic / flagship projects	Flagship project of county pairs, or even more counties aimed at the development, protection and introduction of existing natural, historic and cultural heritage.	Not relevant



	Activity 1.2.1	Activity 1.2.2
Cross-border character	Joint development of natural and cultural values, linking and promoting them as thematic routes has a strong cross-border character.	The development of facilities has a modest cross-border character.

Table 17 – Specific flagship projects proposed under Key Area of Intervention 1.2

Code and short name	Title	Proposing county	Project owner	Main CB project partner
HB1 Cultural Cradle	Preservation of cultural heritage by facilitating cross-border access via the “cultural cradle” of the Latinovits Theatre	HU - Hajdú-Bihar	Municipality of Debrecen	Municipality of Oradea, Municipality of Satu Mare



4.2.3 Priority Axis 2: Improve sustainable cross-border mobility and remove bottlenecks

Table 18 – Intervention logic of the Priority Axis 2

Priority axes / key areas of intervention	Corresponding thematic objective and investment priority	Strategic / specific objectives
PA2 Improve sustainable cross-border mobility and remove bottlenecks	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	SO2: Improve the key conditions of cross-border mobility
<i>KAI 2.1 Cross-border road development linked to TEN-T</i>	7/b Enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure	Reduce cross-border access times
<i>KAI 2.2 Strengthening sustainable cross-border mobility</i>	7/c Developing and improving environment-friendly (including low-noise), and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	Increase the proportion of passengers using sustainable forms of cross-border transport

Key Area of Intervention 2.1: Cross-border road development linked to TEN-T

Needs, challenges and justification

When it comes to cross-border cooperation, mobility is a crucial issue, which of course requires proper transport infrastructure in place. Romania and Hungary share a 450 km long borderline, currently with 10 road and 5 railroad border-crossing points, with 10 further road BCPs completed or being built. Unfortunately though, until Romania's joining the Schengen Area these additional crossing points will not increase capacity until the conclusion of a bilateral agreement in this sense. This also presents the risk of not fulfilling the target values of indicators. Therefore, while cross-border road development is crucial to facilitate better mobility, roads to be developed have to be strategically selected, having the agreement of both parties.

In general, access times – especially across the border – are long, which limits cross-border mobility: access of TEN-T networks from many peripheral settlements in the neighbourhood of the state border is complicated and time-consuming, but also connections between larger cities show deficiencies.

The current level of cross-border traffic is fairly limited. The existing infrastructure can cope with this level of traffic without major problems. On the other hand, in view of future developments and attractiveness, it would be useful to open further crossing possibilities, especially where these could significantly improve the general accessibility of micro-regions or settlements (surveys suggest that there might be public demand for the establishment of further 26 border crossings), thanks to that the average distance of border crossing points can be reduced and the isolation of the affected settlements can be eliminated.



The Danube Strategy also includes a priority to improve mobility and multimodality through improvement rail and road transport and development multimodal links.

Focus of interventions

In order to improve cross-border mobility, further development of the road infrastructure cannot be neglected. Road development, however, needs to rely on a strategic approach: only roads that are on a joint priority list agreed by both countries (national level and county level alike) should be supported and bilateral – international – agreements need to be signed. Also, the cross-border programme needs to support the development of road links that truly enhance cross-border mobility: major connections (cross-border roads) creating direct links between the two countries, as well as roads in the proximity of the border, linking cross-border roads with TEN-T infrastructure. Priority should be given to roads that eliminate bottlenecks – longer stretch of border without road connection and also to ones that drastically reduce access time.

Indicative actions

2.1.1 Improving the access of inhabitants of the cross-border region to core and comprehensive TEN-T network

Support to building, modernization and upgrading of roads with cross-border impact to improve the opportunities for transboundary mobility. In line with the relevant investment priority, the development of roads only with direct link to secondary and tertiary nodes of TEN-T networks may be supported under this KAI.

Types of potential beneficiaries may include – among others:

- Public authorities that have their seats or a regional/local branch registered in the programme area
- National Infrastructure Development Ltd. (Hungary)

Table 19 – Types of activities foreseen in the framework of the Key Area of Intervention 2.1

	Activity 2.1.1
Target groups	People living in the eligible area
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG
Possible strategic / flagship projects	Flagship project of county pairs aimed at the implementation of jointly agreed road developments.
Cross-border character	The development of cross-border roads and roads improving the accessibility of the border have a strong cross-border character.

Table 20 – Specific flagship projects proposed under Key Area of Intervention 2.1

Code and short name	Title	Proposing county	Project owner	Main CB project partner
CS1 XB Road	1. Kiszombor(HU) – Beba Veche (RO)/ Pordeanu (RO) road 2. Kübekháza (HU) – Beba Veche (RO) road	HU - Csongrád	Nemzeti Infrastruktúra Fejlesztő Zrt. (National Infrastructure Developing Co. Ltd.)	Timis County Council/Beba Veche – Pordeanu
CS2 XB Road with Bridge	Magyarcsanád (HU) – Cenad (RO) road	HU - Csongrád	Nemzeti Infrastruktúra Fejlesztő Zrt. (National Infrastructure Developing Co. Ltd.)	Timis County Council/Cenad



Key Area of Intervention 2.2: Strengthening sustainable cross-border mobility

Needs, challenges and justification

The majority of border-crossings still happen by passenger cars and lorries, the most polluting forms of transport. Other, more environmentally friendly means of transport – including bicycle – account only for a negligible part of transport. This combined with the fact that vehicles need to stop and sometimes wait at the border increases potential pollution. Also, this reduces mobility of people who cannot afford cars, as cross-border road public transport is only provided on a very limited scale by private enterprises. Particularly the cross-border cycle path constructions can create direct connections between local communities and can contribute also to improvement of tourism potential of isolated tourist attractions (in 2011 the bicycles represent only 1% of the total transit traffic).

In cross-border passenger and freight transport currently railways, that are significantly less polluting than road transport, play a minor role in the eligible area. The number of passengers of the 5 railway lines and the 18 pairs of trains is low (200 thousand, and has decreased since 2005 steadily) but this is not surprising, as access times between major cities across the border are unacceptably high (due to rundown railroad infrastructure), service is limited, altogether posing no competition whatsoever to road-based transport means. In the long run, however, it is crucial to foster the shift towards more sustainable forms of transport. In addition, proper cross-border railway links between the major cities of the area would facilitate more intense mobility and cooperation in many fields.

Although several airports exist in the eligible area (including two major ones with fairly significant international traffic – Timisoara with 830 994 passengers and Debrecen with 130 000 passengers in 2013), their use by cross-border passengers is negligible, as they are not part of a cross-border multimodal system that would contribute to the more efficient utilization of these capacities.

Focus of interventions

Public transport development (including timetable harmonization, establishment of cross-border public transport links between major settlements of the eligible area), enhancing multimodal transport by creating links between various transport modes. Also, as cross-border travel often covers shorter distances (between two settlements in the proximity of the border), development of bicycle roads is also proposed. (Such projects, however, need to demonstrate that they either serve daily work commute or become part of a touristic thematic route.)

With regard to improving railway transport, the programme with its fairly limited budget can only undertake to induce and catalyse investments from other sources (like mainstream OP-s of the two countries) by supporting the preparation phase (feasibility studies, engineering designs) of the development of major railway infrastructure developments between the two countries. And, even with this limitation in place, it is proposed that the programme may only support preparation measures related to cross-border links enjoying the joint commitment of the two national governments and also of the national railway companies.

Indicative actions

2.2.1 Coordinated development of key railway and tram-train lines connecting major cities in the eligible area

Support can only be provided to the preparation phase (feasibility studies, engineering designs) of the investments into major railway infrastructure projects between the two countries.

2.2.2 Development of cross-border public transport services

Support to improving the key conditions of environment-friendly forms of public transport other than railway. The focus of activities is the improvement of road-based (bus) public transport, including the purchase of environment-friendly vehicles, development of complementary facilities



(like charging stations), provision of non-fossil fuel for the vehicles. Support can only be provided to projects that directly serve cross-border public transport.

2.2.3 Development of key conditions of cross-border bicycle transport

Investments into the development of new cross-border bicycle roads, extension of existing cross-border bicycle roads, development of complementary infrastructure (for instance bicycle parking and storage) directly linked to cross-border bicycle transport.

Providing support to building, modernization and upgrading of bicycle roads and the complementary infrastructure particularly to improve the labour force mobility and the access of tourism destinations.

Types of potential beneficiaries may include – among others:

- public authorities,
- bodies governed by public law,
- non-profit organizations governed by private law,
- EGTCs,

that have their seats or a regional/local branch registered in the programme area.

Table 21 – Types of activities foreseen in the framework of the Key Area of Intervention 2.2

	Activity 2.2.1	Activity 2.2.2	Activity 2.2.3
Target groups	People living in the border area		
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG		open calls and / or restricted calls, depending on JWG further decisions
Possible strategic / flagship projects	Flagship project aimed at the joint preparation (technical plans and documentation) of jointly agreed cross-border railway lines	Establishment of pilot cross-border public transport network linking the county seats of neighbouring counties, using environment-friendly vehicles – for instance electric buses. The project would include the purchase of vehicles as well as the development of the charging stations. The project could be implemented by the county councils, in cooperation with the county seat cities and the public transport companies	not relevant
Cross-border character	Strong cross-border character		



Table 22 – Specific flagship projects proposed under Key Area of Intervention 2.2

Code and short name	Title	Proposing county	Project owner	Main CB project partner
CS3 Railway Design Szeged-Timis	Technical design for approval concerning Szeged-Timisoara railway line	HU - Csongrád	DKMT	tbd
SzSZB1 GREEN transport	HURO GREEN transport path between Nyíregyháza and Satu Mare (HURO GREENPORT)	HU - Szabolcs-Szatmár-Bereg	Szabolcs-Szatmár-Bereg County Regional Development and Environmental Management Agency Ltd.	Satu Mare County Council



4.2.4 Priority Axis 3: Improve employment and promote cross-border labour mobility

Table 23 – Intervention logic of the Priority Axis 3

Priority axes / key areas of intervention	Corresponding thematic objective and investment priority	Strategic / specific objectives
PA3 Improve employment and promote cross-border labour mobility	8. Promoting sustainable and quality employment and supporting labour mobility	SO3: Increase employment in the eligible area
<i>KAI 3.1 Integrated development of employment-friendly growth of specific territories</i>	8/b Supporting employment friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to and development of specific natural and cultural resources	Increase employment and growth in territories lagging behind within the eligible area

Key Area of Intervention 3.1: Integrated development of employment-friendly growth of specific territories

Needs, challenges and justification

The eligible cross-border area between Romania and Hungary is not an area with unified characteristics; on the contrary, there are different geographical areas with distinct characteristics that often require special treatment. Although many of these challenges may not be addressed as part of a cross-border cooperation programme, but concentrating on some socio-economic and infrastructural factors can contribute to the catching-up of the affected territorial categories.

The eligible area as a whole can be characterized mainly as rural with a few important large cities accompanied by a number of smaller cities. The majority of the population, the economic performance and the services concentrate in and around the county seats and bigger cities, which results in a significant gap between the rural and the urban areas.

Despite this duality, there is an overall problem in almost all parts of the eligible area: the low employment rate (even if the data show major intraregional differences). The labour market data show a negative picture: the total number of economically active population (1.36 million) in the eligible area decreased since 2001 and the share of total active population within total population show a lower number for all counties than the EU average. The long-term unemployment rate of the eligible area is somewhat higher than the EU-27+4 value. Every scenario that aims to predict the change in number of persons in labour force between 2005 and 2050 presumes extremely high labour force reductions by 2050 for the complete CBC area.

In the 2007-2013 Programme, there have been two dedicated KAIs aimed at strengthening the economy and improving employment in the eligible area – KAI 2.1 Support for cross-border business cooperation and KAI 2.3 Cooperation in the labour market (and education). KAI 2.1 has involved providing support for the development of business infrastructure facilities. One of the key lessons from the interventions has been (as presented earlier in this document) that in some cases the facilities established serve rather local needs, with limited cross-border impact. Also, the on-going



evaluation has found that the long-term utilisation of some business infrastructure facilities may be difficult – which can cause difficulties in achieving the target value of related result indicators. Thus, one of the key messages for the future programme is that instead of standalone business infrastructure development projects, more integrated, employment-focused interventions are needed, that build on the endogenous potential and the strengths of specific territories.

The Europe 2020 Strategy for smart, sustainable and inclusive growth sets a target of 75% of 20-64 year old in employment by 2020 (Romania's target – 70%, Hungary's target – 75%), and ETC programmes have to be able to potentially contribute to its achievement. In this context, the main challenges in the eligible area can be identified as follows:

- low level of job creation because of the poor economic performance (GDP/capita value of all counties are under the EU27 average and the vast majority take place in the third quarter of NUTSIII regions' ranking list), the restricted ability to attract capital (the relevant regions in the eligible area have only less than 7% and 10% of the total FDI of Hungary and Romania), and the limited competitiveness of the SMEs;
- underused potential of tourism due to the lack of connection and complementarity of attractions (e.g. lack of cross-border programme packages and of joint promotion activities);
- inadequate transboundary mobility conditions, which separates potential workforce and workplace from each other.

The integrated addressing of these challenges, which can be defined as the basis of employment-friendly growth, requires territorial focus, too: “following the settlement patterns there are potentials within the programme area to further strengthen the development of non-metropolitan cross-border regions centres on the smaller urban areas”¹⁷, which partially are also poor areas or are surrounded by poor areas (17,4% of the total population of the eligible area actually lives in poor areas). There is a major potential in the stronger integration of these regions (that are mostly lagging behind and relatively peripherally located from their capitals or the growth poles).

Focus of interventions

For the employment-friendly growth of specific territories – in line with the key principles and philosophy of the relevant investment priority (IP8b) -, complex interventions building on the endogenous potential and territorial specificities of the given areas need to be implemented. The actions to be supported may differ from territory to territory, examples could include:

- improving the environment of businesses, enhancing cooperation based on mutual advantages, development of facilities enabling cross-border sales of local products
- improving the cross-border accessibility of the entire area, or that of important facilities, cultural or natural values to strengthen the local economy and employment through the development and rehabilitation of roads.

Indicative actions

3.1.1 Support to integrated programmes enabling the employment-friendly growth of less developed areas

Instead of supporting individual projects, this priority is aimed at supporting groups of projects of cross-border partnerships of municipalities, aimed at jointly improving the local conditions of employment friendly growth. Integrated programmes may include – among others – investments into the physical environment of businesses, rehabilitating cultural or natural values, improving accessibility or cross-border labour mobility. It is proposed that this intervention focuses on the integrated development of micro-regions located in the immediate neighbourhood of the border.

¹⁷ ESPON Factsheet Hungary-Romania (ESPO Project TERREVI, November 2012)



Types of potential beneficiaries may include – among others:

- public authorities,
- non-profit organizations governed by private law,
- EGTCs,

that have their seats or a regional/local branch registered in the programme area.

Table 24 – Types of activities foreseen in the framework of the Key Area of Intervention 3.1

Activity 3.1.1	
Target groups	People living in micro-regions (HU) and ATUs ¹⁸ or groups of ATUs(RO) in the immediate proximity of the state border
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG
Possible strategic / flagship projects	Territorial strategies of cross-border partnerships may be submitted and approved already in the planning phase.
Cross-border character	Strong cross-border character

Table 25 – Specific flagship projects proposed under Key Area of Intervention 3.1

Code and short name	Title	Proposing county	Project owner	Main CB project partner
HB2 Joint agro EGTC	Together without borders- Partnership for economic and agricultural joint development in Gate to Europe territories	HU - Hajdú- Bihar	Gate to Europe European Grouping of Territorial Cooperation with Limited Liability (20 local authorities from Hungary and 16 from Romania)	
BK1 Agri Centre	Increasing employment by common marketing of agricultural products	HU – Békés	Békés County Council	Arad County Council
TM1 Agri Acquisition Centre	Establishment and operationalization of cross- border network of "Acquisition Centre, Marketing and Sale of Agricultural Products in the cross border area with integrated additional functions including commodity exchange" (ACMSAP)	RO – Timis	Timis County Council	Roman Catholic Diocese of Szeged-Csanád

¹⁸Towns and communes as defined by the Law 351/2001



4.2.5 Priority Axis 4: Promoting social inclusion and combating poverty and any discrimination

Table 26 – Intervention logic of the Priority Axis 4

Priority axes / key areas of intervention	Corresponding thematic objective and investment priority	Strategic / specific objectives
PA4 Promoting social inclusion and combating poverty and any discrimination	9. Promoting social inclusion and combating poverty and any discrimination	SO4: Reduce inequalities in the eligible area
<i>KAI 4.1 Joint health care development</i>	9/a Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and transition from institutional to community-based services	Improve access to proper health care services across the eligible area
<i>KAI 4.2 Integrated development of deprived rural and urban communities</i>	9/b Providing support for physical, economic and social regeneration of deprived urban and rural areas	Improve key socio-economic conditions in deprived areas

Key Area of Intervention 4.1: Joint health care development

Needs, challenges and justification

The health care system is quite unbalanced in the eligible area: in Hungary, the general condition and the level of equipment of health care facilities (especially the 22 hospitals) is better, than on the Romanian side, where many institutions of the 54 hospitals are struggling with outdated, rundown infrastructure and equipment – partly because of underfunding: health care spending is under the EU average (8.5%) in both countries, especially in Romania (HU: 7.6%, RO, 5.3% in 2012). These differences result in "health care migration" – many Romanian residents living in the proximity of the border travel to Hungary (4763 patients in 2012) – a major part of them using in-patient treatments in the hospitals of the eligible area – but this process is not properly organized or coordinated, and its financing is also problematic (even though the related EU directive entered into force on October 25, 2013).

Cross-border health care migration has shown an increasing trend until recent years, and is still at a fairly high level year over year. In the long run, better coordination of patient flow, creating a system enabling cross-financing, harmonization of development between the relevant hospitals, improvement of general quality of facilities in Romania to mitigate migration pressure would be beneficial.

It is particularly important in terms of efficiency of the diagnosis and treatment to make cross-border patient information and medical history mutually available and transparent, which can be realized through cross-border communication system, telemedical infrastructure and knowledge transfer.



The harmonization of development plans can bridge the differences between the national health care strategies and ensure the consistency and balance of the treatment in the eligible area.

Focus of interventions

Types of actions to be supported include coordinated development of health care infrastructure, equipment and services, design and introduction of mechanisms implementing the EU Directive on cross-border health care, setting up joint specialist teams, development of joint health care protocols, establishment of telemedical systems, joint prevention activities. In addition, complementary interventions may also be supported, facilitating easier and quicker accessibility of medical services in the eligible area.

Interventions should focus on improving facilities and services in order to ensure early identification, prevention and quality treatment of illnesses that are the leading causes of death.

In order to ensure the most efficient use of health care capacities in the border area, to have an agreement of the Romanian and Hungarian health administration regarding main directions of development and also cross-border financing would be important – this could ensure complementarity and sustainability of the infrastructure and services created.

Indicative actions

4.1.1 Investment to improve health care infrastructure and equipment

Investment support to infrastructure development, purchase and installation of equipments in order to ensure access to quality services across the entire area and to harmonized development of specialized services.

4.1.2 Know-how exchange and joint capacity development

Support for joint trainings, workshops, conferences, internships and other forms of know-how exchange related to the service development supported. Only interventions complementary to health care investments can be supported.

4.1.3 Development of cross-platform central telemedical, e-health infrastructure

Providing support to the development of joint telemedical and e-health infrastructure ensuring that cross-border patient information and medical history can be made mutually available and transparent, thus increasing the efficiency of diagnosis and treatment.

Types of potential beneficiaries may include – among others:

- public authorities,
- bodies governed by public law,
- non-profit organizations governed by private law,
- churches,

that operate hospitals or other health care institutions in the eligible area.

Table 27 – Types of activities foreseen in the framework of the Key Area of Intervention 4.1

	Activity 4.1.1	Activity 4.1.2	Activity 4.1.3
Target groups	Population of the eligible area, primarily risk groups of leading death causes		
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG		
Possible strategic / flagship projects	Integrated flagship projects of health care institutions aimed at joint and harmonized investments to develop services, exchange know-how and information.		Integrated flagship projects of health care institutions aimed at joint and harmonized investments to develop



		services, exchange know-how and information.
Cross-border character	Joint development of services and know-how exchange has a strong cross-border character. One-sided, individual development projects have limited cross-border character.	

Table 28 – Specific flagship projects proposed under Key Area of Intervention 4.1

Code and short name	Title	Proposing county	Project owner	Main CB project partner
SM1 Hospital development	Safeguarding future, cross-border investment in health and future – Satu Mare and Szabolcs-Szatmár-Bereg Counties	RO - Satu Mare	Satu Mare County Hospital (SMCH)	Szabolcs-Szatmár-Bereg County Hospital (SSBCH)
BH1 Mountain Rescue	Integrated project to facilitate the integrated development of mountain areas in Bihor county, improving accessibility and developing emergency health services	RO - Bihor	Bihor County Council	Békés County Council
AR1 Hospital Development	Development of health services in border counties	Ro - Arad	Arad County Council,	County Hospital Pándy Kálmán

Key Area of Intervention 4.2: Integrated development of deprived rural and urban communities

Needs, challenges and justification

The entire area is characterised by a rural-urban duality: there are urban centres (mainly the county capitals) that are the focal points of economic development, while there are rural micro-regions that are lagging behind (especially the remote and peripheral ones).

Unfortunately, one can find a multitude of areas in the eligible area struck by poverty and recession. In Hungary there are exactly 10 so-called least developed micro-regions to be supported by a complex programme (with 216 settlements), and the relevance of this selection for the programme is also supported by the fact all of these micro-regions, are peripheral areas located on the Hungary-Romania border. In Romania, 78 settlements belong territories struck by poverty, although only a part of them are located in the proximity of the border.

The number of people living in poor areas is almost identical on the two sides of the eligible area (340.035 in Romania and 346.231 in Hungary). This means that 17,4% of the total population of the eligible area actually lives in poor areas (the population of the poor areas on the Romanian side is 16,3% of the total population of the Romanian eligible area; the same figure for Hungary is 18,5%).

These areas can be characterized with struggling economy, underdeveloped infrastructure and services, compromised accessibility, low income of people, social problems, often high proportion of extremely poor Roma communities (the rate of people at risk of poverty – including the majority of Roma people – varies between cc. 15-25% in the entire eligible area), spatial and social segregation, deteriorated physical environment, and strong outmigration. Therefore, there is a need for sustainable development of such poverty areas both in the Romanian and the Hungarian side of the eligible areas. Where these regions are in the immediate proximity of the border, there is a good potential for the cross-border cooperation programme to provide support to joint initiatives to



develop poor and deprived areas. For the development of cross-border poor and deprived areas, the use of CLLD-type methodology may be considered.

Focus of interventions

This intervention is aimed at the integrated development of poor and deprived areas; instead of individual projects, programmes should be supported that provide a complex answer to the challenges of the given area. The intervention is proposed to have a territorial focus as well: funding can only be applied for from areas that are struck by poverty (the Strategic Territorial Analysis contains a proposed demarcation of such territories in the eligible area).

Indicative actions

4.2.1. Integrated development of deprived rural areas (with special emphasis of joint poor and deprived areas)

This activity is aimed at the integrated improvement of the general living conditions of the people in deprived rural areas through ensuring better socio-economic status. Specific actions may include improving accessibility, providing better environment for businesses, improving housing conditions, as well as raising educational and skill levels in order to ensure better employability – as part of an integrated programme.

4.2.2. Social urban rehabilitation of segregated urban areas

This activity is focused on improving the situation of segregated urban communities. Specific actions are similar to what are proposed in Activity 4.2.1.

Types of potential beneficiaries may include – among others:

- public authorities,
- bodies governed by public law,
- non-profit organizations governed by private law,
- EGTCs,
- churches,

that have their seats or a regional/local branch registered in the programme area.

Table 29 – Types of activities foreseen in the framework of the Key Area of Intervention 4.2

	Activity 4.2.1	Activity 4.2.2
Target groups	People living in deprived rural areas	People living in segregated urban areas
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG	open calls and / or restricted calls, depending on JWG further decisions
Possible strategic / flagship projects	Flagship project(s) for common development of transboundary poor areas	Not relevant
Cross-border character	The joint integrated development of <i>cross-border (joint) deprived rural areas</i> has a strong cross-border character	Social urban rehabilitation actions typically respond to local – urban – challenges. The proposed actions have modest cross-border character.



4.2.6 Priority Axis 5: Improve risk-prevention and disaster management

Table 30 – Intervention logic of the Priority Axis 5

Priority axes / key areas of intervention	Corresponding thematic objective and investment priority	Strategic / specific objectives
PA5 Improve risk-prevention and disaster management	5. Promoting climate change adaptation, risk prevention and management	SO5: Improve efficiency of joint emergency response
<i>KAI 5.1 Support to the development of joint emergency response and disaster management</i>	5/b Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems (ERDF)	Reduce emergency response time in the border area

Key Area of Intervention 5.1: Support to the development of joint emergency response and disaster management

Needs, challenges and justification

In the eligible border area there are various natural hazards that carry a significant risk of disasters or sudden emergency situations. Due to the geographical location, topography and climate, the most significant natural risk factors in the eligible area are floods and inland waters. The flood vulnerability of the cross-border counties is actually very high both in national and in international comparison.

Both in Romania and in Hungary, there is a solid legislative background supporting the identification of the areas with risk of flood. In Romania, Section V of Law no. 575 of 22 October 2001 on the Approval of the Spatial Planning of the National Territory presents the list of localities threatened by various natural hazards – including flood. In Hungary, there is a joint decree of the Ministry of Environment and Ministry of Interior (18/2003 – XII.9.) containing the list of settlements threatened by flood.

Table 31 – Areas with risk of flood

Number of localities	Total population in Hu eligible area	Total population in Ro eligible area	Total population in the eligible area	% of the eligible area's total population	Source of classification - Hungary	Source of classification - Romania
376	964.190	1.101.355	2.065.545	52,73%	18/2003 – XII.9. decree Ministry of Environment and Ministry of Interior	Section V of Law no. 575 of 22 October 2001

The climate change results in the increase of intensity and frequency of extreme weather phenomena. These weather extremities increase flood risk, and also lead to other serious ecological and economic problems in the area. The risk of drought for instance is significant in Békés, Csongrád, Arad and Timiș counties.

Altogether, the eligible area can expect an increasing trend of nature related emergency situations.

In addition, human activities may also result in emergency situations such as water pollution, landslide and even traffic accidents.

Emergency situations and natural disasters typically do not respect state borders – they can be best addressed through concerted actions of all the relevant bodies, thus emergency response and



disaster management are important subjects of any cross-border cooperation. While preventive actions are the most effective means (and by far the cheapest), it is crucial that in any emergency situation rapid and effective response is given, mobilising all available capacities in the given area (even if that capacity – or part of it - must come from across the border).

As described above, possible disasters, emergency situations represent an important joint challenge in the eligible border area (especially in immediate neighbourhood of the border), the cross-border location also offers a potential that may be exploited in emergency situations. Namely, emergency response actions may rely on a joint (and thus larger) capacity and help from the other side of the border.

This certainly requires proper communication, quality infrastructure and equipment (developed in a coordinated manner), and also harmonized plans and protocols in place.

Currently the cooperation is strongest in water-related activities, with several decades of history and bilateral agreements dealing with the issues of floods, drainage water protection and emergency response activities related to transboundary water. Further steps need to be taken in this field, but also on a more general level in emergency response cooperation.

Focus of interventions

Joint development of the emergency response and disaster management capacity in the eligible border area in order to facilitate rapid joint actions in case of emergency situations, reducing response time, especially in the immediate neighbourhood of the state borders.

Indicative actions

5.1.1 Coordinated development of common risk prevention and emergency response system

Investments into emergency response and risk prevention facilities and equipment, improvement of emergency response communication, harmonization of protocols and procedures, joint training and practices of organizations involved in emergency response and disaster management in the eligible area.

Types of potential beneficiaries may include – among others:

- public authorities,
- bodies governed by public law,
- non-profit organizations governed by private law,
- EGTCs,

that have their seats or a regional/local branch registered in the programme area.

Table 32 – Types of activities foreseen in the framework of the Key Area of Intervention 5.1

Activity 5.1.1	
Target groups	The target groups of this KAI are people living in the eligible area.
Possible forms of support	Open calls and / or restricted calls, depending on JWG further decisions
Possible strategic / flagship projects	Not relevant
Cross-border character	The focus of this intervention is the joint development and harmonization of the emergency response and disaster management capacity to enable concerted and efficient actions in emergency situations, thus it has a solid cross-border character.



4.2.7 Priority Axis 6: Promoting cross-border cooperation between institutions and citizens

Table 33 – Intervention logic of the Priority Axis 6

Priority axes / key areas of intervention	Corresponding thematic objective and investment priority	Strategic / specific objectives
PA6 Promoting cross-border cooperation between institutions and citizens	11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration and an efficient public administration support of actions in institutional capacity and in the efficiency of public administration	SO6: Strengthen trust as key condition of cross-border cooperation
<i>KAI 6.1 Strengthening cross-border institutional cooperation</i>	11/a Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions	Increase the number of institutions involved in cross-border cooperation
<i>KAI 6.2 Strengthening cross-border people-to-people, community-to-community cooperation</i>	11/a Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions	Increase the number of people directly involved in cross-border cooperation

Key Area of Intervention 6.1: Strengthening cross-border institutional cooperation

Needs, challenges and justification

In addition to the physical – mobility-related – bottlenecks, there are various “soft” bottlenecks that may hinder, or in some cases even make cooperation impossible. These soft bottlenecks include, among others:



- Major differences in the regulatory background of a given area;
- Excessive administrative burden related to activities of people, organizations, SMEs from the partner country (for instance employment, establishing an enterprise, etc.)
- Lack of services or information provision related to cross-border activities;
- Drastically differing processes, protocols of institutions operating in the same field in the two countries;
- Cumbersome information flow between regional and local public administration bodies and sectoral organizations;

On the other hand, in the eligible border area the existence of (often similar) dedicated institutional structures in many of the key sectors (eg. labour market institutions, educational, cultural and vocational institutions, emergency response institutions, enterprise support institutions, etc.) is also an important asset, which – if used properly – may play a crucial role in enhancing cross-border cooperation. Harmonized development, active cooperation of the various institutions is a joint potential of the eligible area.

Finally, the use of European Grouping of Territorial Cooperation – a European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation – also offers a joint potential – through enabling regional and local authorities and other public bodies from the two member states to set up cooperation groupings with a legal personality.

Currently there is only a small number of EGTCs in the eligible border area,¹⁹ and even most of those already in place are at an early stage of development. This organizational structure could efficiently be used by public bodies from the two countries to join forces and deliver common services without the need of a prior international agreement.

The Danube Strategy also identifies the well-functioning institutional capacity and cooperation of institutions as fundamental factors to enhance the coherence in a cross-border region

Focus of interventions

In compliance with the related Thematic Objective, this intervention is aimed at enhancing the joint institutional capacity to provide better services to their (cross-border) clients. Supporting institutional cooperation, enhancing the institutional structures may cover various fields where such need arises. Cooperation of the institutions may focus on the following areas, among others:

- analysis of the regulatory background in different fields, proposing solutions and actions to harmonize relevant regulations;
- support to joint initiatives aimed at the reducing of administrative burdens of cross-border activities of people and organizations;
- Needs assessment, identification of legal, social and economic conditions and obstacles of joint service provision;
- Elaboration and introduction of institutional cooperation models;
- Joint capacity development of regional and local public administration bodies to facilitate more active participation in cross-border cooperation;
- Identification of specific joint potentials in cross-border cooperation in various fields, primarily in employment, health care, enterprise promotion, education and training, etc.

It is proposed, that instead of one-off cooperation initiatives projects that can sustain cooperation in the long-run are supported.

¹⁹ According to the updated list of the Committee of the Regions (04 February 2014), two EGTCs are in the eligible area (*seat, date of constitution*): EGTC Gate to Europe Ltd. (*Nyíradony, 07 May 2012*), Bánát - Triplex Confinium Limited Liability EGTC (*Mórahalom, 05 January 2011*) (source: https://portal.cor.europa.eu/egtc/en-US/Register/Documents/EGTC%20List/EGTC_List_en.doc).



Indicative actions

6.1.1 Support to the cross-border institutional cooperation

Providing support to joint projects of institutions, aimed at the development of joint solutions, methodologies, protocols, delivering joint training courses, helping the harmonization of relevant legislations, supporting institutional development, exchanging know-how, information, developing language skills to facilitate better communication, developing services provided to cross-border clients, etc.

Types of potential beneficiaries may include – among others:

- public authorities,
- bodies governed by public law,
- non-profit organizations governed by private law,
- EGTCs,
- churches,

that have their seats or a regional/local branch registered in the programme area.

Table 34 – Types of activities foreseen in the framework of the Key Area of Intervention 6.1

	Activity 6.1.1
Target groups	Unemployed people, job-seekers, employers Students of higher education institutions, pupils of educational institutions People living in the proximity of the border Enterprises
Possible forms of support	open calls and / or restricted calls, depending on JWG further decisions flagship project(s) to be selected based on the procedure approved by the JWG
Strategic / flagship projects	Flagship project with participation of county labour market institutions to foster development of cross-border labour market Flagship project with participation of the most important enterprise support institutions to implement a multiannual standard enterprise support programme to enable cross-border cooperation of businesses
Cross-border character	As the interventions are aimed at the cross-border cooperation of institutions, they have a strong cross-border character

Key Area of Intervention 6.2: Strengthening cross-border people-to-people, community-to-community cooperation

Needs, challenges and justification

The success of any cooperation programme highly depends on the attitude and day-to-day interactions, cooperation of people (cc. 4 million population), which requires knowing and also trusting each other. Knowledge and trust do not come about overnight, and are difficult to foster. Social and cultural links give a strong basis for building (or rebuilding) strong civil-society relations. Still, implementation of P2P cooperation initiatives (in the 2007-2013 period 156,683 people have participated in 571 projects), which bring people closer to each other, can play an important role in this process. The value of these (fairly inexpensive) initiatives is present in making people communicate and carry out activities together, which can lead to future joint actions, slowly making cooperation a natural part of everyday life and also increasing the visibility of the Programme.

The Danube Strategy aims also to facilitate the cooperation of communities living in border regions and promoting people to people contacts (e.g. enhancing cooperation and contacts between people of different origins, to encourage creativity, and provide a driving force for cultural innovation and economic development, based on heritage, traditions and tourism).



Focus of interventions

The focus of intervention is to help cooperation initiatives that bring communities closer to each other, build cooperation and trust.

Indicative actions

6.2.1 People-to-people cooperation

Providing support to initiatives and events promoting and preserving cultural diversity and common traditions – involving the local civil society. Examples may include support to small-scale cooperation initiatives of communities, civil organizations and institutions in the fields of culture, sports, and other leisure activities (e.g. organising village-days, joint sport events, preserving common cultural traditions) is essential from social and cultural point of view. In order to improve sustainability, it is proposed that multiannual programmes are supported instead of one-off projects.

Types of potential beneficiaries may include – among others:

- public authorities,
- bodies governed by public law,
- non-profit organizations governed by private law,
- EGTCs,
- churches,

that have their seats or a regional/local branch registered in the programme area.

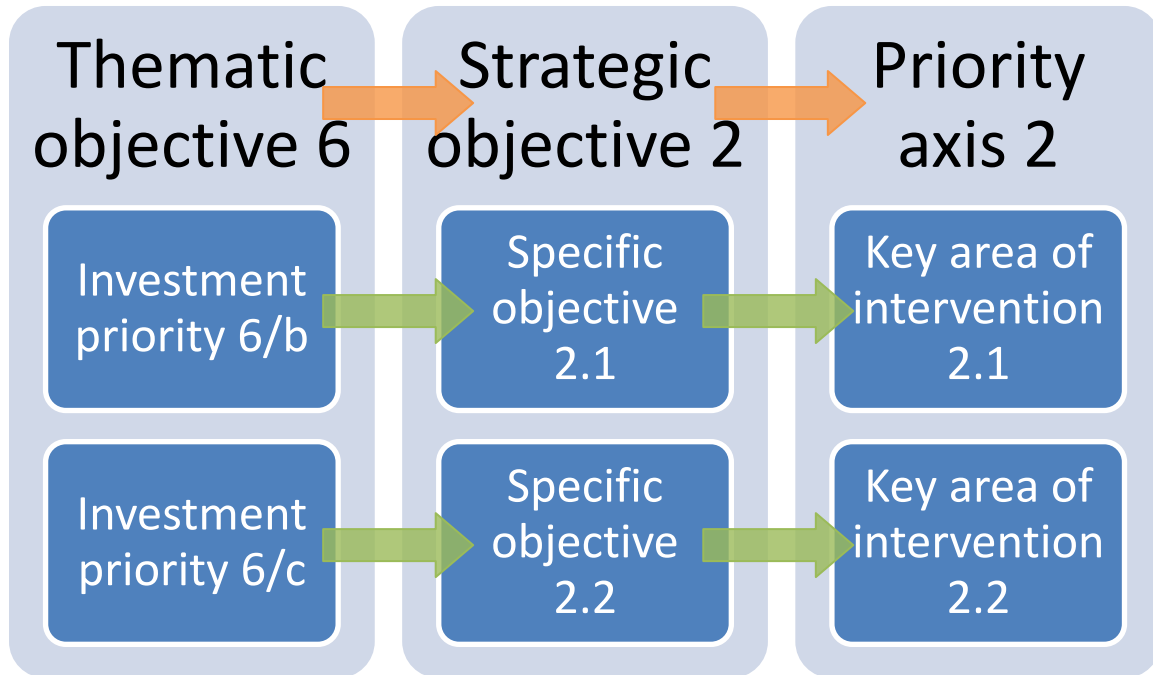
Table 35 – Types of activities foreseen in the framework of the Key Area of Intervention 6.2

	Activity 6.2.1
Target groups	Population of the eligible area
Possible forms of support	Open calls and / or restricted calls, depending on JWG further decisions
Strategic / flagship projects	Not relevant
Cross-border character	The people-to-people and community-to-community cooperation in the border area has a strong cross-border dimension.

4.3 Coherence

One of the key characteristics of a good strategy is coherence, which is ensured with the consistent adherence to thematic objectives and investment priorities during the whole strategy development process from the SWOT analysis to the definition of proposed activities. Due to this, coherence occurs both vertically and horizontally – as shown in the following sample figure.

Figure 7 – Sample figure for coherence of the strategy



The following tables provide a summary of the internal and external coherence of the proposed strategy:

- the first table (4.3.1) shows the logical deduction of the priority axes from the elements of the vision;
- the second table (4.3.2) gives account of the internal coherence: presents the links between the strategic objectives and priority axes;
- the third table (4.3.3), on the other hand, looks at the external coherence of the strategy, showing the links between the priority axes / key areas of interventions and the thematic objectives / investment priorities;
- the fourth table (4.3.4) presents the coherence of priority axes and key areas of intervention with the ETC-specific (European Territorial Cooperation) country recommendations of the Commission (also demonstrating the level of coherence).

The tables and the above presented intervention logic clearly show that the proposed strategy has a strong internal and external coherence.



4.3.1 Coherence of priority axes with the elements of the vision

Figure 8 – Coherence of priority axes with the elements of the vision

Priority axes \ Elements of the vision	PA1: Joint protection and efficient use of common values and resources	PA2: Improve sustainable cross-border mobility and remove bottlenecks	PA3: Improve employment and promote cross-border labour mobility	PA4: Promoting social inclusion and combating poverty and any discrimination	PA5: Improve risk-prevention and disaster management	PA6: Promoting cross-border cooperation between institutions and citizens
a) Conditions of mobility in place, with an increasing role of sustainable forms of transport						
b) The environment is of good quality, the negative effects of climate change are minimized						
c) Cooperating businesses use the potentials offered by a larger market						
d) More jobs and increased CB labour mobility in an integrated CB labour market						
e) The health care and emergency capacities – facilities and services – are used and developed in a coordinated manner						
f) The eligible area is a joint, integrated tourism destination						
g) Cooperation is integral part of daily life, in communities in the immediate neighbourhood of the border						



4.3.2 Coherence of priority axes with the strategic objectives

Figure 9 – Coherence of priority axes with the strategic objectives

Priority axes \ Strategic objectives	PA1: Joint protection and efficient use of common values and resources	PA2: Improve sustainable cross-border mobility and remove bottlenecks	PA3: Improve employment and promote cross-border labour mobility	PA4: Promoting social inclusion and combating poverty and any discrimination	PA5: Improve risk-prevention and disaster management	PA6: Promoting cross-border cooperation between institutions and citizens
SO1: Protect and jointly use the values and resources of the eligible area						
SO2: Improve the key conditions of cross-border mobility						
SO3: Increase employment in the eligible area						
SO4: Reduce inequalities in the eligible area						
SO5: Improve efficiency of joint emergency response						
SO6: Strengthen trust as key condition of cross-border cooperation						



4.3.3 Coherence of priority axes and key areas of intervention with the thematic objectives and investment priorities

Figure 10 – Coherence of priority axes and key areas of intervention with the thematic objectives and investment priorities²⁰

Thematic objectives	Investment priorities	PA1: Joint protection and efficient use of common values and resources		PA2: Improve sustainable cross-border mobility and remove bottlenecks		PA3: Improve employment and promote cross-border labour mobility	PA4: Promoting social inclusion and combating poverty and any discrimination		PA5: Improve risk-prevention and disaster management	PA6: Promoting cross-border cooperation between institutions and citizens	
		KAI 1.1: Cross-border water protection and management	KAI 1.2: Protection and promotion of joint cultural, historic and natural heritage as tourism destination	KAI 2.1: Cross-border road development linked to TEN-T	KAI 2.2: Strengthening sustainable cross-border mobility	KAI 3.1: Integrated development of employment friendly growth of specific territories	KAI 4.1: Joint health care development	KAI 4.2: Integrated development of deprived rural and urban communities	KAI 5.1: Support to the development of joint emergency response and disaster management	KAI 6.1: Strengthening cross-border institutional cooperations	KAI 6.2: Strengthening cross-border people-to-people, community-to-community cooperation
5. Promoting climate change adaptation, risk prevention and management	5/b Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems										
6. Environment and resource efficiency	6/b Investing in the water sector										
	6/c Protecting, promoting and developing natural and cultural heritage										
7. Sustainable transports	7/b Regional mobility through connecting secondary and tertiary nodes to TEN-T										
	7/c Environment-friendly and low-carbon transport systems										

²⁰ For the better overview of the table, the thematic objectives and the investment priorities are formulated briefly.



Thematic objectives	Investment priorities	PA1: Joint protection and efficient use of common values and resources		PA2: Improve sustainable cross-border mobility and remove bottlenecks		PA3: Improve employment and promote cross-border labour mobility	PA4: Promoting social inclusion and combating poverty and any discrimination		PA5: Improve risk-prevention and disaster management	PA6: Promoting cross-border cooperation between institutions and citizens	
		KAI 1.1: Cross-border water protection and management	KAI 1.2: Protection and promotion of joint cultural, historic and natural heritage as tourism destination	KAI 2.1: Cross-border road development linked to TEN-T	KAI 2.2: Strengthening sustainable cross-border mobility	KAI 3.1: Integrated development of employment friendly growth of specific territories	KAI 4.1: Joint health care development	KAI 4.2: Integrated development of deprived rural and urban communities	KAI 5.1: Support to the development of joint emergency response and disaster management	KAI 6.1: Strengthening cross-border institutional cooperations	KAI 6.2: Strengthening cross-border people-to-people, community-to-community cooperation
8. Employment and labour mobility	8/b Employment friendly growth through the development of endogenous potential										
9. Social inclusion poverty	9/a Investing in health and social infrastructure										
	9/b Physical economic and social regeneration of deprived urban and rural areas										
11. Institutional capacity	11/a Enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation between citizens and institutions										



4.3.4 Coherence of priority axes and key areas of intervention with the ETC-specific country recommendations of the Commission

Figure 11 – Coherence of priority axes and key areas of intervention with the ETC-specific country recommendations of the Commission

ETC-specific country recommendations of the Commission* for Romania (ETC: European Territorial Cooperation)	PA1: Joint protection and efficient use of common values and resources		PA2: Improve sustainable cross-border mobility and remove bottlenecks		PA3: Improve employment and promote cross-border labour mobility	PA4: Promoting social inclusion and combating poverty and any discrimination		PA5: Improve risk-prevention and disaster management	PA6: Promoting cross-border cooperation between institutions and citizens	
	KAI 1.1: Cross-border water protection and management	KAI 1.2: Protection and promotion of joint cultural, historic and natural heritage as tourism destination	KAI 2.1: Cross-border road development linked to TEN-T	KAI 2.2: Strengthening sustainable cross-border mobility	KAI 3.2: Integrated development of employment friendly growth of specific territories	KAI 4.1: Joint health care development	KAI 4.2 Integrated development of deprived rural and urban communities	KAI 5.1: Support to the development of joint emergency response and disaster management	KAI 6.1: Strengthening cross-border institutional cooperations	KAI 6.2: Strengthening cross-border people-to-people, community-to-community cooperation
R&D and innovation fostering integration in international networks						+		+	+++	
Exchange of experience and networking with regard to the promotion of a low carbon economy in particular for energy efficiency, research and innovation, competitiveness and internationalisation of business, and urban transport				+++					+++	
Climate change adaptation and risk prevention and management	++							+++		
Initiatives in favour of marginalised communities, in particular the Roma					+		+++			+
Improving transport connections as part of the TEN-T policy and in line with priorities under the Connecting Europe Facility			+++	++						
Cooperation with neighbouring countries for risk prevention and risk management taking into account adaptation to climate change and ecosystems management	++							+++	++	+



ETC-specific country recommendations of the Commission* for Hungary (ETC: European Territorial Cooperation)	PA1: Joint protection and efficient use of common values and resources		PA2: Improve sustainable cross-border mobility and remove bottlenecks		PA3: Improve employment and promote cross-border labour mobility	PA4: Promoting social inclusion and combating poverty and any discrimination		PA5: Improve risk-prevention and disaster management	P6: Promoting cross-border cooperation between institutions and citizens	
	KAI 1.1: Cross-border water protection and management	KAI 1.2: Protection and promotion of joint cultural, historic and natural heritage as tourism destination	KAI 2.1: Cross-border road development linked to TEN-T	KAI 2.2: Strengthening sustainable cross-border mobility	KAI 5.1: Support to the development of joint emergency response and disaster management	KAI 4.1: Joint health care development	KAI 4.2 Integrated development of deprived rural and urban communities	KAI 4.2: Integrated development of deprived rural and urban areas	KAI 6.1: Strengthening cross-border institutional cooperations	KAI 6.2: Strengthening cross-border people-to-people, community-to-community cooperation
R&D&I (esp. the exchange of experiences through the transnational and interregional programmes)								+	+++	
The low-carbon economy (especially in energy efficiency)				+						
The TEN-T networks (especially inland waterway and rail/road links)			+++	++						
Water and flood management, natural and technological risk prevention, climate change mitigation and adaptation	+++							+++		
Employment, education and social inclusion (with special focus on marginalized communities e.g. Roma)					++		+++		+	+

Level of coherence: + low , ++ medium, +++ high

* Strategic Territorial Analysis, chapter 1.2.1.3 Position of the Commission Services on the development of partnership Agreement and programmes in Romania for the period 2014-2020, chapter 1.2.2.3 Position of the Commission Services on the development of partnership Agreement and programmes in Hungary for the period 2014-2020

5 Annex

5.1 Thematic objectives and related investment priorities

Thematic objectives	Investment priorities
1. Strengthening research, technological development and innovation	<p>(a) enhancing research and innovation (R&I) infrastructure [...] and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest (ERDF);</p> <p>(b) promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular key enabling technologies and diffusion of general purpose technologies (ERDF);</p>
2. Enhancing access to, and use and quality of, ICT	<p>(a) extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy (ERDF);</p> <p>(b) developing ICT products and services, e-commerce and enhancing demand for ICT (ERDF);</p> <p>(c) strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health (ERDF);</p>
3. Enhancing the competitiveness of SMEs	<p>(a) promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators (ERDF);</p> <p>(b) developing and implementing new business models for SMEs, in particular with regard to internationalisation (ERDF);</p> <p>(c) supporting the creation and the extension of advanced capacities for product and service development²¹(*);</p> <p>(d) supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes(*);</p>

* Presidency Compromise on thematic concentration – compromise text on the thematic concentration parts of the proposals for the Common Provisions Regulation, the ESF Regulation, the ERDF Regulation, the CF Regulation, and the ETC Regulation (Brussels, 26 June 2012): <http://register.consilium.europa.eu/pdf/en/12/st11/st11027-ad01re02.en12.pdf>



Thematic objectives	Investment priorities
<p>4. Supporting the shift towards a low-carbon economy in all sectors</p>	<p>(a) promoting the production and distribution of energy derived from renewable sources (ERDF);</p> <p>(b) promoting energy efficiency and renewable energy use in enterprises (ERDF);</p> <p>(c) supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector (ERDF);</p> <p>(d) developing and implementing smart distribution systems at low and medium voltage levels (ERDF);</p> <p>(e) promoting low-carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures (ERDF);</p> <p>(f) promoting research and innovation in, and adoption of, low-carbon technologies (*);</p> <p>(g) promoting the use of high-efficiency co-generation of heat and power based on useful heat demand (*);</p>
<p>5. Promoting climate change adaptation, risk prevention and management</p>	<p>(a) supporting investment for adaptation to climate change, including ecosystem-based approaches (ERDF);</p> <p>(b) promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems (ERDF);</p>
<p>6. Preserving and protecting the environment and promoting resource efficiency</p>	<p>(a) investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements (ERDF);</p> <p>(b) investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements (ERDF);</p> <p>(c) conserving, protecting, promoting and developing natural and cultural heritage (ERDF);</p> <p>(d) protecting and restoring biodiversity and soil and promoting ecosystem services including through NATURA 2000, and green infrastructure (ERDF);</p> <p>(e) taking action to improve the urban environment, to revitalise cities, regeneration and decontaminate of brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures (ERDF);</p> <p>(f) promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution²²(*);</p> <p>(g) supporting industrial transition towards a resource-efficient economy, promoting green growth, eco-innovation and environmental performance management in the public and private sectors (*);</p>

* Presidency Compromise on thematic concentration – compromise text on the thematic concentration parts of the proposals for the Common Provisions Regulation, the ESF Regulation, the ERDF Regulation, the CF Regulation, and the ETC Regulation (Brussels, 26 June 2012): <http://register.consilium.europa.eu/pdf/en/12/st11/st11027-ad01re02.en12.pdf>



Thematic objectives	Investment priorities
<p>7. Promoting sustainable transport and removing bottlenecks in key network infrastructures</p>	<p>(a) supporting a multimodal Single European Transport Area by investing in the TEN-T (ERDF);</p> <p>(b) enhancing regional mobility by connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes (ERDF);</p> <p>(c) developing and improving environment-friendly (including low-noise) and low-carbon transport systems, including inland water ways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility (ERDF);</p> <p>(d) developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise-reduction measures (ERDF);</p> <p>(e) improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources; (*)</p>
<p>8. Promoting sustainable and quality employment and supporting labour mobility</p>	<p>(a) supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation (ERDF);</p> <p>(b) supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources (ERDF); (*)</p> <p>(c) supporting local development initiatives and aid for structures providing neighbourhood services to create new jobs, where such actions are outside the scope of Regulation (EU) No 1304/2013 of the European Parliament and of the Council (ERDF);</p> <p>(d) investing in infrastructure for employment services (ERDF);</p> <p>(e) promoting sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC);</p>
<p>9. Promoting social inclusion, combating poverty and any discrimination</p>	<p>(a) investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and transition from institutional to community-based services (ERDF);</p> <p>(b) providing support for physical, economic and social regeneration of deprived urban and rural areas (ERDF);</p> <p>(c) providing support for social enterprises (ERDF);</p> <p>(d) undertaking investment in the context of community-led local development strategies</p> <p>(e) promoting social inclusion, combating poverty and any discrimination by promoting gender equality, equal opportunities, and the integration of communities across borders(ETC);</p>

Thematic objectives	Investment priorities
10. Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure²³	a) investing in education, training and vocational training for skills and lifelong learning by developing and implementing joint education, vocational training and training schemes(ETC);
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administration and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration²⁴	(a) enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions(ETC).

²³ No investment priorities are defined by the EC under this thematic objective.

*Presidency Compromise on thematic concentration – compromise text on the thematic concentration parts of the proposals for the Common Provisions Regulation, the ESF Regulation, the ERDF Regulation, the CF Regulation, and the ETC Regulation (Brussels, 26 June 2012): <http://register.consilium.europa.eu/pdf/en/12/st11/st11027-ad01re02.en12.pdf>

²⁴ No investment priorities are defined by the EC under this thematic objective.



5.2 Links to legislative regulations

- **Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund:**

“REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006”

- English version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0320:0469:EN:PDF>
- Romanian version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0320:0469:RO:PDF>
- Hungarian version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0320:0469:HU:PDF>

- **European Regional Development Fund:**

“REGULATION (EU) No 1301/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006”

- English version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0289:0302:EN:PDF>
- Romanian version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0289:0302:RO:PDF>
- Hungarian version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0289:0302:HU:PDF>

- **European Territorial Cooperation:**

“REGULATION (EU) No 1299/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal”

- English version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0259:0280:EN:PDF>
- Romanian version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0259:0280:EN:PDF>
- Hungarian version:
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0259:0280:EN:PDF>



- **Implementing acts**

Commission Implementing Regulation (EU) No 288/2014 of 25 February 2014 laying down rules pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to the model for operational programmes under the Investment for growth and jobs goal and pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal with regard to the model for cooperation programmes under the European territorial cooperation goal

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.087.01.0001.01.ENG

Commission Implementing Regulation (EU) No 184/2014 of 25 February 2014 laying down pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, the terms and conditions applicable to the electronic data exchange system between the Member States and the Commission and adopting pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, the nomenclature of the categories of intervention for support from the European Regional Development Fund under the European territorial cooperation goal.

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.057.01.0007.01.ENG

Commission Implementing Regulation (EU) No 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds.

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.069.01.0065.01.ENG

- **Delegated acts**

Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds

Link: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.074.01.0001.01.ENG



Commission Staff Working Document on Best practices as regards implementation of the partnership principle in the European Structural and Investment Funds' programmes (*SWD Accompanying the Delegated Regulation*)

http://ec.europa.eu/regional_policy/what/future/pdf/preparation/2_staff_working_document.pdf

Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.138.01.0005.01.ENG

Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.138.01.0045.01.ENG

Commission Delegated Regulation (EU) No 522/2014 of 11 March 2014 supplementing Regulation (EU) No 1301/2013 of the European Parliament and of the Council with regard to the detailed rules concerning the principles for the selection and management of innovative actions in the area of sustainable urban development to be supported by the European Regional Development Fund

<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1401208837964&uri=CELEX:32014R0522>



5.3 Indicative list of the Romanian and Hungarian legislation concerning the implementation of the CBC Programme between Romania and Hungary

Romanian legislation	Hungarian legislation
Decision 520/2013 on organizing and functioning of the National Agency for Fiscal Administration. (Provision according to Art. 37: the Agency ensure the administrative cooperation in the field of taxes and other charges, in accordance with Council Regulation (EC) 389/2012)	XXXVII of 2013 Act on rules of international cooperation in the field of public administration regarding taxes and other charges
Act on Civil Code, 17/07/2009	V of 2013 Act on Civil Code
Act on Labour Code, 21/05/2011	I of 2012 Act on Labour Code
Law 270/2013 on Public Finances amending and supplementing Law 500/2002	CXCV of 2011 Act on public finances
Law 215 (r1)/2001 on Public Administration with subsequent completions and modifications. Last consolidation: 24/4/2014	CLXXXIX of 2011 Act on local governments of Hungary
Government Ordinance 34/2006 on Public Procurement, with subsequent completions and modifications	CVIII of 2011 Act on public procurements
Law 345/2002 on Value Added Tax	CXXVII of 2007 Act on Value Added Tax
Law 571/2003 on the Tax Code	XCII of 2003 Act on Taxes
Emergency Ordinance 127/2007 on the European Grouping of Territorial Cooperation	XCIX of 2007 Act on the European Grouping of Territorial Cooperation
Sectoral legislation	
Law 1/2011 on National education, with subsequent consolidations – last one in 2014.	CCIV of 2011 Act on national public education
Law 1/2011 on National education, Title III of this law refers to Higher Education	CXC of 2011 Act on national higher education
Law 1/2011 on National education, Title II, Section 7 of this law refers to Technical and Vocational Education	CLXXXVII of 2011 Act on vocational education
Government Ordinance 26/2000 on Associations and Foundations, with subsequent consolidations – last one in 2014. Law 246/2005 regarding the approval of the Government Ordinance 26/2000	CLXXXI of 2011 Act on court records of NGOs and the related procedural rules
Government Ordinance 26/2000 on Associations and Foundations	CLXXV of 2011 Act on right of association, charitable status as well as the operation and support of NGOs
Law 33/1995 ratifying the Framework Convention for the Protection of National Minorities (Strasbourg, 1995) <i>(A draft law on the national minorities' status is in Parliament for discussions since 2005!)</i>	CLXXIX of 2011 Act on rights of nationalities
Law 95/2006 regarding the Health Reform, with subsequent consolidations – last one in 2014.	CLIV of 1997 Act on health care



Romanian legislation	Hungarian legislation
Government Emergency Ordinance 21/2004 on the National Emergency Situations Management, with subsequent consolidations – last one in 2014.	CXXVIII of 2011 Act on disaster management
Law 49/2011 approving the Government Emergency Ordinance 57/2007 on the regime of protected natural areas, natural habitats, wild flora and fauna	LIII of 1996 Act on nature protection
Law 265/2006 on the Environment Protection Law 5/2000, on National Plan for Territorial Development – Section III – Protected areas	LIII of 1995 Act on the general rules of environment protection
Government Decision 1076/2004 with subsequent consolidations – last one in 2012, establishing procedure of environmental impact assessment for plans and programs	314/2005 (XII.25.) Government Decree on procedures of environmental impact assessment and integrated environmental authorization
Law 107/1996 with subsequent consolidations – last one in 2014, on Water Law 20/2006 modifying Law 171/197 on National Plan for Territorial Development – Section II - Water	LVII of 1995 Act on water management
Law 458/2002 with subsequent consolidations – last one in 2012, on drinking waters quality Law 310/2004 amending and supplementing Law 107/1996 on Water	Government Decree 220/2004 on the protection of quality of surface water
Law 310/2004 amending and supplementing Law 107/1996 on Water	Government Decree 219/2004 on the protection of underground water
Law 350/2001, with subsequent consolidations – last one in 2013, on territorial and urban planning Government Emergency Ordinance 85/2012, amending Art. 46 Law 350/2001, on territorial and urban planning Law 190/2013, approving the Government Emergency Ordinance 7/2011 modifying and completing Law 350/2001 on territorial and urban planning	253/1997 (XII.20.) Government Decree on national urban planning and construction requirements
Law 422/2001, with subsequent consolidations – last one in 2014, regarding the protection of the built heritage	LXXVIII of 1997 Act on setup and protection of built environment
Government Ordinance 63/2001 on the establishment of the State Construction Inspectorate Government Emergency Ordinance 100/2010, amending the GO 63/2001	312/2012 (XI. 8.) Government Decree on administrative procedures and controls of construction and building inspection, as well as building official services
Law 363/2006 National Plan for Territorial Development – Section I – Transportation networks Government Ordinance 43/1997, with subsequent consolidations – last one in 2011, concerning the legal status of roads, amended	93/2012 (V. 10.) Government Decree on building, registration and elimination of roads



Romanian legislation	Hungarian legislation
and completed by Government Ordinance 7/2010	
Law 351/2001 on National Plan for Territorial Development – Section V – The Settlements Network Law 315/2004, regarding the Regional Development in Romania Law 190/2009 approving the Government Emergency Ordinance 142/2008 on National Plan for Territorial Development – Section IV – Areas with touristic resources	1/2014 Parliament Resolution on National Development and Regional Development Concept
Law 575/2001 on National Plan for Territorial Development – Section V – Natural risk areas	18/2003 (XII.9) Decree Ministry of Environment and Ministry of Interior on the classification of the settlements based on vulnerability by flood and inland water



The content of the Common Territorial Strategy “Strategic planning based on the analysis of the eligible programme area of CBC Programme between Romania and Hungary” does not necessarily represent the official position of the European Union.