

Managing Authority
Ministry of Regional Development and Public Administration

*Joint Operational Programme Romania – Republic
of Moldova 2014-2020*

First draft

March 2015

Abbreviations

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

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1. Introduction

Cross border cooperation at the external borders of the European Union (EU) continues to represent a top priority for the European Union during the 2014-2020 programming period. In this framework, the cross border cooperation between Romania and Republic of Moldova will strengthen and enhance the development potential of the two states especially by applying the instruments and principles of the new European Neighbourhood Instrument (ENI).

The ENI CBC aims to create “an area of shared prosperity and good neighbourliness between EU Member States and their neighbours”. To this purpose, the ENI has three strategic objectives:

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

In the general framework created by the Programming document for the EU Support to ENI Cross-Border Cooperation 2014-2020 (henceforth Programming document), *EU Regulation 232/2014 establishing a European Neighbourhood Instrument and of the Commission Regulation no 897/2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation 232/2014*, the programme partners have cooperated in order to identify the needs of the programme area and have selected the thematic objectives and priorities that are most relevant to the programme area.

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

The methodology for the elaboration of the Romania-Republic of Moldova Joint Operational Programme included stakeholder consultations, socio economic analysis, SWOT and multi-criteria analysis as well as a review of the lessons learnt from the Romania-Ukraine-Republic of Moldova Joint Operational Programme 2007 - 2013. The main steps of the development of the Romania – Republic of Moldova Programme were:

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

Socio-economic and SWOT analyses

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

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

As a result of the socio-economic and SWOT analysis, *the thematic objectives (TO) 3¹ (Promotion of local culture and preservation of historical heritage) and TO 5 (Support to local & regional good governance) were ruled out.*

¹ In line with the Programming document, each operational programme will focus on a maximum 4 thematic objectives from a total of 11 TOs. The Programming document can be consulted on the following link: <http://www.ro-ua-md.net/romania-republica-moldova/legal-framework/>

Preliminary consultations: interviews, focus groups, online survey

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

The purpose of the consultations was to identify the main needs in the eligible area and to collect the views of the local stakeholders in regards to the activities that would create the most added values for the cross border area.. The preliminary consultation included 15 regional/local level authorities/ institutions and a total number of 29 representatives were interviewed

Secondly, 4 focus groups were organized in Romania and 3 in Republic of Moldova involving the representatives of local and central administration as well as the civil society. The focus groups were used to gather information regarding issues encountered in the implementation of the trilateral programme and to identify the funding priorities for the 2014-2020 programming period.

Thirdly, an **on-line survey** was sent to potential eligible applicants's from the programme area. The survey was done using a web-based research tool and was submitted via e-mail to 655 potential respondents from the eligible area of the Romania-Ukraine-Republic of Moldova JOP (*respondents were asked to select their own country, region and the programme they express their opinions on*). The response rate was of 8%, with a total of 84 answers received.

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

- TO1. Business and SME development;
- TO2. Support to education, research, technological development and innovation;
- TO 3. Promotion of local culture and preservation of historical heritage
- TO4. Promotion of social inclusion and fight against poverty
- TO5. Support to local & regional good governance
- TO7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO8. Common challenges in the field of safety and security

Past experience analysis

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

Coherence and multi-criteria analysis

According to ENI programming regulations for 2014-2020 period, the programmes must deliver real cross-border added value and not cover elements which are already funded or could more suitably be funded from other ENI or EU programmes. In order to narrow down the thematic objectives to be addressed by the Romania-Republic of Moldova Programme to those that can create the most added value for the region and that are not financed through other funding mechanisms coherence analysis was undertaken.

Based on the ENI Programming document 2014-2020, the coherence analysis followed three types of criteria:

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

As a result of the consistency analysis with other programmes and strategies it was considered that *thematic objectives 4 and 5 are already covered through other funding mechanisms* and it was decided to exclude them from the list of TOs to be considered for the Romania-Republic of Moldova Programme. Moreover, the Thematic Objective 9 has been introduced as a need to be covered by the Programme.

Multi criteria analysis

In order to ensure the consistency of the selected thematic objectives with the realities of the region and with the financial allocation of the programme, a multi-criteria analysis was elaborated. Each thematic objective was scored against 5 criterions by an expert panel. These were:

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

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

OT 2: Support to education, research, technological development and innovation

OT 3: Promotion of local culture and preservation of historical heritage

OT 7: Improvement of accessibility to the regions, development of transport and communication networks and systems

OT 8: Common challenges in the field of safety and security

OT10: Promotion of border management, and border security

Work of the Joint programming Committee and working groups

In the period of 2013 – 2014, three meetings have been organized (18th of June 2013, 19th of March 2014 and 23rd of October 2014) and several written consultation procedures were conducted. The main decisions were related to the approval of JPC rules of procedures, appointment of the Ministry of Regional Development and Public Administration as Managing Authority, the CBC Regional Office Iasi as Joint Technical Secretariat, Audit Authority from Romania as Programme Audit Authority, approval of the terms of reference for contracting the consultant for the development of the Operational Programme, approval of programming methodology and corresponding documents.

The results of the selection of thematic objectives were presented to the JPC during the meeting held in Bucharest in October 2014. During the same meeting the JPC approved the list of thematic objectives resulted from the analyses. Also, through written procedure, the major social, economic and cultural centres have been approved.

The approved TOs are:

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

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

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

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

Large infrastructure projects

In line with article 41 of the Commission Implementing Regulation no 897/2014, the Joint Programming Committee has decided to award large infrastructure projects without a call for proposals. In this respect, a joint Working Group (WG) was designated with the role to identify, select and prioritize the list of Large Infrastructure Projects. The joint WG included representatives nominated by the central and regional institutions from the following fields of interest: energy, transport, environment, internal affairs (emergency situations/ border police) and customs. The responsibility of designation the LIP WG members belonged to each participant country.

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

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

Projects were discussed and prioritized at the level of the joint Working Group through the means of two meetings (12 May and 18 September 2014).

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

2. Description of the programme area

The programme area consists of Core regions listed in the chapter 2.1. Below and major social, economic and cultural centres as presented in chapter 2.2. In addition to the programme area, a flexibility rule has been introduced, as described in chapter 2.3 bellow.

2.1. Core regions

The core area of the Romania-Republic of Moldova Joint Operational Programme 2014-2020 was established through the Programming document and it covers:

Romania – 4 counties – Botoşani, Iaşi, Vaslui and Galaţi

Republic of Moldova – the whole country

The territory represents the Romanian-Moldova border region, which in the 2007-2013 period was part of the Romania-Ukraine-Republic of Moldova ENPI CBC programme.

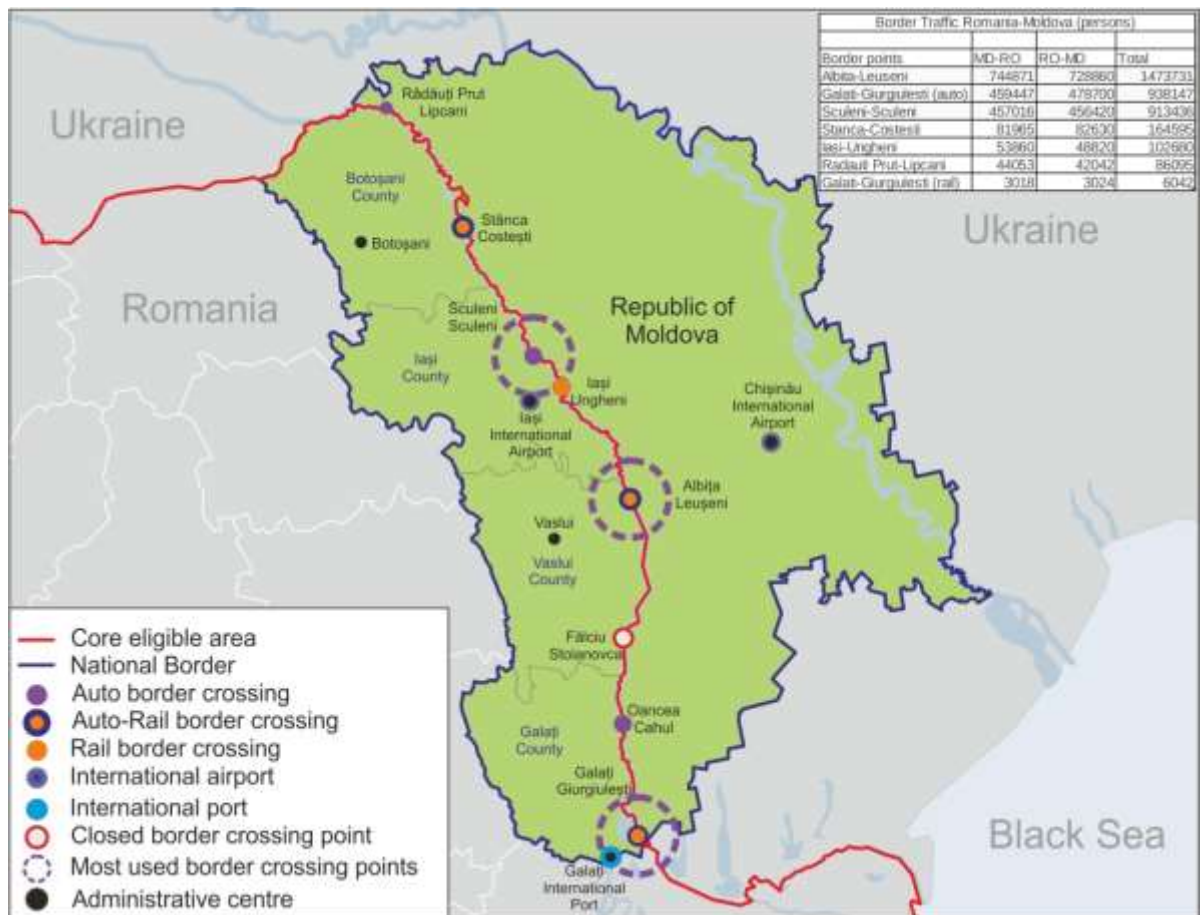
The Programme core eligible area covers a total area of 54092 km², out of which 20246 km² represent the Romanian territory (divided between the 4 counties: Botoşani 4986 km², Iaşi 5476 km², Vaslui 5318 km², Galaţi 4466 km²), and 33846 km² represent the Moldovan territory. In the Romania's case, the four counties from the core eligible area represent 8.5% of the country territory. Due to the rural character of the core eligible area, the human settlements network is formed out of a limited number of cities, out of which only five have more than 100000 inhabitants: Iaşi, Galaţi, Botoşani, Chişinău, and Bălţi municipalities.

The border shared by the two states corresponds with the one of the European Union, as the Romanian North-East and South-East development regions are the outermost Eastern regions of the EU. The current status of this border plays an important role in developing the cross-border infrastructure of the Romanian-Republic of Moldova frontier, especially considering that this is in its entirety a river border (i.e. Prut River).

Romania-Republic of Moldova border

The border total length is of 681.4 km (by Romanian measurements, 684.3 km by Moldovan measurements). The two countries share 8 land border crossing points, accessible by car and train:

- Albiţa - Leuşeni (auto) Galaţi - Giurgiuleşti (auto & rail)
- Sculeni - Sculeni (auto)
- Stîncă - Costeşti (auto)
- Iaşi - Ungheni (rail)
- Rădăuţi Prut - Lipcani (auto)
- Oancea - Cahul (auto)
- Fălciu - Stoianovca (rail) (not operational)



Cross border points at Romania-Republic of Moldova frontier

The core eligible area has a total of 5676181 inhabitants, out of which 37.3% reside on the Romanian side of the border, while 62.7% on the Moldovan. A large part of the population lives in high-density urban centres, as for instance Iași, Galați, and Chișinău municipalities; these urban centers have become gravitational for both population and economic flows. Furthermore, 56.75% of the population in the core eligible area lives in rural areas and 43.25% in urban areas, fact which emphasizes the accentuated rural nature of the core eligible area.

The population in the core eligible area is relatively young, 40.8% of the population being up 30 years of age. Even so, the population is in decline; a drop of the natural increase takes place in the rural areas. Another major problem in the area is the outward migration trend. Even though large urban centres manage to attract a large portion of the internal and external immigration, outward migration is still significant.

The health infrastructure is limited in development especially in the rural areas. At national level the health infrastructure is similar in proportion. Significant differences are visible in the Romanian counties, where Iași County is positioned above the national averages - a position that can be attributed to the important role of Iași Municipality as a regional centre.

The changes in the **structure of the population** affect the development of the **labour market**. The active population in the area represents 36% of the total population. Out of the active population 93.89% are in employment and 6.11% are unemployed. There is a constant decrease in unemployment, especially for the Republic of Moldova; in addition, the high unemployment rates in the urban areas, identified in the previous programme are starting to decrease.

The largest employed population in area works in the **agricultural sector**. This population represents 31.84% of the total employed active population, making it the dominating sector. Territorial differences are significant, as on the Romanian side 39.90% of employment is in agricultural sector while on the Moldovan side only 26.45%. Other significant sectors by number of employed population are: *public administration, education, health and social work, constructions and commerce, hotels, restaurants.*

The **structure of the unemployed population** is significantly different from one side of the border to the other. On the Romanian side, 78.34% of the unemployed population has only a primary, secondary or vocational education. In contrast, on the Moldovan side, the largest number of unemployed has a high-school,

or post high-school degree. There are significant differences in terms of exigencies and requirements of the labour market, to which the two populations of the area are still unable to properly adapt. In addition, the rate of early school leaving is relatively high in the area, especially in the Republic of Moldova, where in 2012 at the secondary professional and vocational education levels a rate of 24.5% was registered.

The **average gross monthly earnings** in the area are some of the lowest in both Romania and at EU level. In 2012, the four Romanian counties reached an average of only €383, while Republic of Moldova €218. The agricultural sector is the largest sector in terms of employed population; however, earnings in this sector are some of the lowest, registering values below the averages.

The core eligible area of the programme has one of the lowest **development levels** in comparison with the other neighbouring countries and regions. The low level of competitiveness is a major issue for the core eligible area. The causes are the predominance of agriculture as the main economic activity and the lack of a truly diverse economy, the low level of investments in Research & Development, low accessibility due to the poor quality of the transport infrastructure and the underdeveloped public utilities infrastructure.

The core eligible area is characterized by a constantly deteriorating **transport infrastructure** and the lack of **investments**. The area is largely inaccessible by air, only two major international airports functioning. Naval transport is undeveloped, in spite of the large number of rivers and the presence of the Danube River in the South. The road and rail infrastructures are the most problematic and at the same time the most used. The road network is fairly dense; however, its quality varies according to the level of road importance. National and European roads are constantly modernized and serviced, while local roads suffer from lack of investments and the overly bureaucratic process of accessing state funding. The rail network raises a technical issue, as the two countries' rail networks are built using different gauges making the border transfer time consuming and problematic.

The **state of the public utilities and services infrastructure** serving the urban and rural localities in the area raises a number of problems. There are several localities that are not connected to the drinking water supply, the sewage systems or the gas network. In addition, these infrastructures are old and cannot insure the required quality standards, most of them being developed before 1989. Internet access is a problem in the area, as the North-East region in Romania has one of the lowest numbers of subscribers. The rural localities are poorly connected to the internet infrastructure, making the urban centres the main consumers of internet.

In the case of the Republic of Moldova, a major issue is the reduced **energy** independence degree, as the country is in its majority an energy importer. By comparison, Romania has an energy independence degree of 77.7%.

The core eligible area suffers from a number of **ecological issues**, resulted from the pre-1989 aggressive industrialization process, but on an overall note the area is within international pollution limits. The major problems in the area stem from four main sources. First, industrial emissions and waste resulted from both functioning and closed industrial sites have negative impact on the air, soil and waters. Second, the poor management of waste, especially in rural areas has a direct effect on the environment, as in these areas there is a lack of proper facilities for waste treatment and purging. Third, the use of chemical fertilizers and the inadequate storage of agricultural waste have a direct impact on the soil and underwater quality. Fourth, urban centers have an important impact on the air and environment in general, as these are the major producers of CO₂ and greenhouse gases. The core eligible area benefits from over 1300 natural protected areas of national and international importance and numerous historic sites.

2.2. Major social, economic and cultural centers

The programme decided to make use of the art. 8 (3) of the *Regulation no 232/2014 of the European Parliament and of the council establishing a European Neighbourhood Instrument* provisions, and included 4 major social, economic and cultural centres in the programme area: Bucharest, Suceava, Bacău and Piatra Neamț.

Rationale for selecting the major social, economic and cultural centre:

In line with article 41 of Commission Regulation 897 from 2014, the joint programming structures decided to include in the programme a list of large infrastructure projects proposed for selection without a call for proposals, whose actions have specific characteristics that require a particular type of body which enjoys a *de jure or de facto monopoly and /or the project relates to actions that require a particular body based on its technical competence*, high degree of specialization or administrative power.

In this context, the need to include Bucharest city in the programme area as major social, economic and cultural centre was identified, as most of the relevant institutions for LIPs are located in the capital city. Bucharest may only be involved as major centre in the large infrastructure projects.

Furthermore, the programming structures decided to include, as major social economic and cultural centres the cities of Bacău, Suceava and Piatra Neamţ, due to their potential contribution to the achievement of the programme objectives:

Bacău Municipality is located in Bacău County, in the East of Romania and in the Southern area of the North-East Development Region.

Bacău Municipality has a population of 144,307 inhabitants (2011) which makes it the 15th largest urban centre in the country. In terms of importance, Bacău Municipality is a city of national interest, and an Urban Development Pole of regional interest.

In case of Bacău Municipality the major strength identified is the potential for education and research. There are two major higher educational units located in Bacău Municipality with various graduate and postgraduate domains. The two universities focus on scientific research and technological transfer - "Vasile Alecsandri" University - and the knowledge economy - "George Bacovia" University. Out of the two, "Vasile Alecsandri" University has 6 certified research centres. Also, both universities have long standing relationships with similar institutions at both national and EU level and benefit from international recognition as contributors to their fields. In addition to the two universities, there are also two research and development stations located in Bacău Municipality.

Bacău is the 3rd largest employer in research and development at the level of the North-East Development Region, after Iaşi and Galaţi counties. Also, at the same level, Bacău County is the 4th in terms of direct expenses in the field of research and development.

Conclusion: Bacău city would bring a substantial added value for the core eligible area as it is an important university centre with relevant results in the field of education and it has been nominated as Urban Development Pole of regional interest. Moreover, its participation within the programme would strongly contribute to the achievement of the CBC impact in the core region, as the municipality can play an important role in the capitalization of investments in the field of education accessibility, to the principles of innovative urban development. Therefore, its inclusion as major centre is essential to achieving the programme's objective 2 in a sustainable way.

Consequently, organizations located in the city of Bacău may participate as partners (not lead partners) in projects implemented under the thematic objective 2 Support to education, research, technological development and innovation of the programme.

Piatra Neamţ Municipality is located in Neamţ County, in the North-East of Romania, in the centre of the North-East Development Region, and to the West of the core eligible area. The City of Neamţ has a total population of 85,055 inhabitants, making it the 24th largest city in Romania.

In the case of Piatra Neamţ Municipality, among the most important fields in terms of cooperation are culture and heritage. Piatra Neamţ is a long standing city in the North-Eastern part of Romania that shares the political and historical background of the core regions. Several branches of major universities from Iaşi and Bucharest are located in Piatra Neamţ Municipality. Moreover, its direct educational link to both Bucharest and the core eligible area (i.e. Iaşi University) give the municipality a potentially important cooperation role in the field of education at local and regional levels.

In addition to the varied natural resources in the area, there are several important historical, architectural, and religious sites, which are included in the national patrimony and attract large numbers of national and international tourists. Due to this important heritage Piatra Neamţ Municipality and its surroundings is listed as part of the popular tour of the monasteries in the area.

Conclusion: Piatra Neamţ municipality would have a strong impact upon the core eligible area as it hosts branches of universities from Iaşi and Bucharest as well as important cultural institutions. Furthermore, its participation within the programme would strongly contribute to the achievement of the CBC impact in the core region, as the institutions located within the municipality have an strong and extended experience of cooperation with central, regional and local entities from Republic of Moldova and therefore Piatra Neamţ inclusion as major centre is essential to achieving the programme objectives 2 and 3 in a sustainable way.

Consequently, organizations located in the City of Piatra Neamț may participate as partners (not lead partners) in projects implemented under the thematic objectives 2 Support to education, research, technological development and innovation of the programme and 3 Promotion of local culture and preservation of historical heritage.

Suceava Municipality is located in Suceava County, in the North of Romania, in the Northern area of the North-East Development Region, and to the West of the core eligible area. Suceava Municipality is located near the Romanian-Ukrainian border.

Suceava Municipality is one of the oldest cities in Romania and was the capital city of the historical Moldova. In 2011 Suceava Municipality population was 92,121 inhabitants. The Municipality is Suceava Counties' capital and a rank II city of county level importance in balancing the development of the counties' human settlement network.

Suceava Municipality's potential revolves around education, research, culture, and heritage (the education-research sector being more developed compared to other major centers proposed). Suceava Municipality has one higher education unit that concentrates a large number of students. In 2013 its student population reached 6830 students, representing almost 7.5% of its total population. Partly, Suceava University's popularity is due to its varied fields of education and research and its social and economic position within the area.

There are 13 research & development and excellence centres located in Suceava Municipality. Suceava County is the 2nd biggest employer in research and development in the North-East Development Region and it is the second county at regional level in terms of direct expenses in the sector of research and development.

Culturally, Suceava Municipality and its surroundings represent one of the most important historic sites in the Northern Romania with both national and regional links. The city is specifically important as it is one of the oldest cities in the area and the country and has a specific historic importance for the historical Moldovan region of Romania. As a result, the city and county have a large number of historic, architectural, and attractions. Along Piatra Neamț Municipality, Suceava Municipality is also included in the monasteries tour of the area. The relief is also varied and the area offers a large number of natural attractions.

In conclusion, Suceava Municipality is an important addition to the eligible are of the programme, as it offers a long standing educational tradition and offers varied opportunities for developing educational and research programmes. The cultural commonalities of the whole North-East Development Region and the historic ties that its main cities have make Suceava Municipality a needed addition, which offers the region the opportunity of developing coherent cultural and heritage based projects.

In this context, the Suceava city participation within the programme would strongly contribute to the achievement of the CBC impact in the core region, as the municipality is a member in cross border cooperation organizations (such as Upper Prut Euro-region) through which relevant common projects were implemented hence the inclusion of Suceava municipality as major centre is essential to achieving the programme objectives 2 and 3 in a sustainable way.

Consequently, organizations located in the City of Suceava may participate as partners (not lead partners) in projects implemented under the thematic objectives 2 Support to education, research, technological development and innovation of the programme and 3 Promotion of local culture and preservation of historical heritage.

Conditions for participation in programme of the major centres

Bucharest

The corresponding financial allocation for the project partners and or activities carried out by organisations located in **Bucharest** is limited by the allocation set at programme level for large infrastructure projects. Their participation is limited to the:

- ✓ **Thematic objective 7:** Improvement of accessibility to the regions, development of transport and communication networks and systems
- ✓ **Thematic objective 8:** Common challenges in the field of safety and security

Bacau, Piatra Neamț and Suceava

The corresponding financial allocation for the project partners and or activities carried out by organisations located in Bacău, Piatra Neamț and Suceava is limited to a total of 10% of the programme budget.

The organisations located in these cities may only participate in projects as partners, but not as lead beneficiaries, and they can only address the following thematic objectives:

Bacău:

Thematic objective 2: Support to education, research, technological development and innovation

Piatra Neamţ and Suceava:

Thematic objective 2: Support to education, research, technological development and innovation;

Thematic objective 3: Promotion of local culture and preservation of historical heritage

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

Major centers	Common conditions	Specific conditions
Bucharest	N/A	Organization involved in Large Infrastructure Projects Thematic Objective 7 & 8
Bacău city	-within the limit of 10% of Programme budget, - participation only as partners, but not as Lead Partners	Thematic Objective 2
Piatra Neamţ city		Thematic Objectives 2 & 3
Suceava City		Thematic Objectives 2 & 3

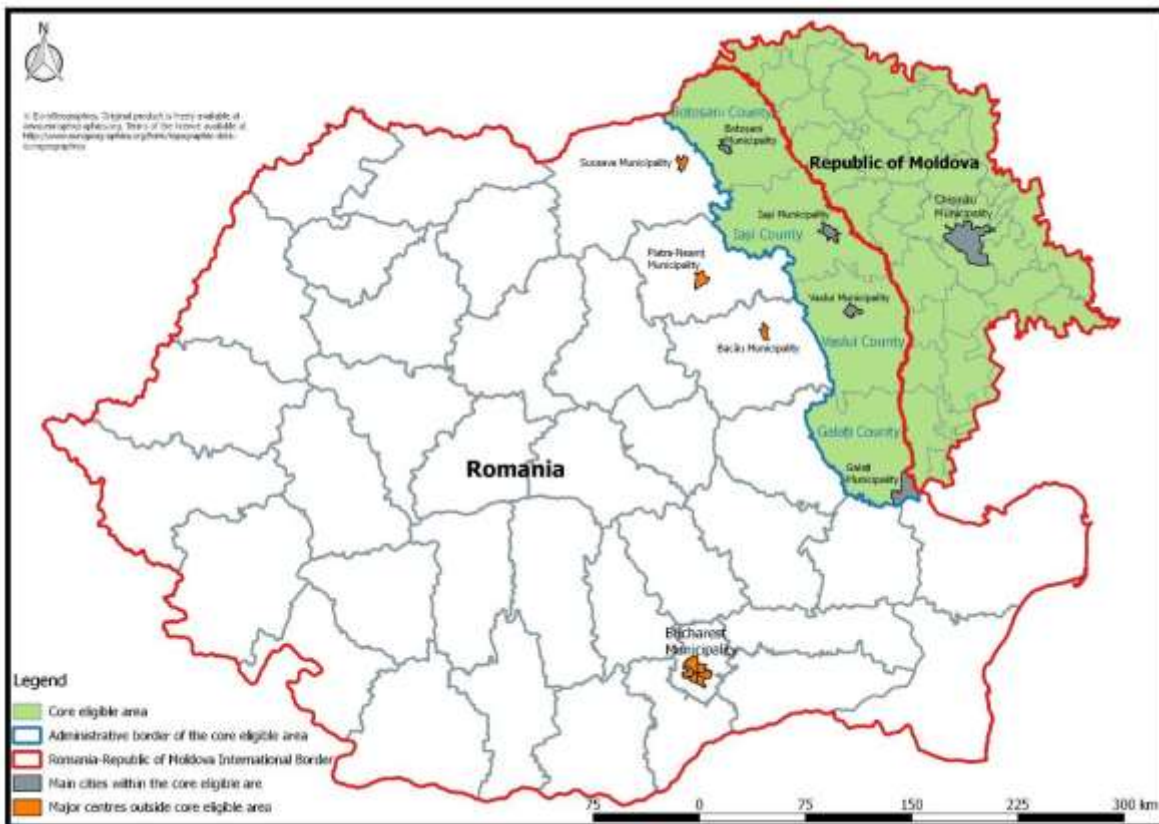
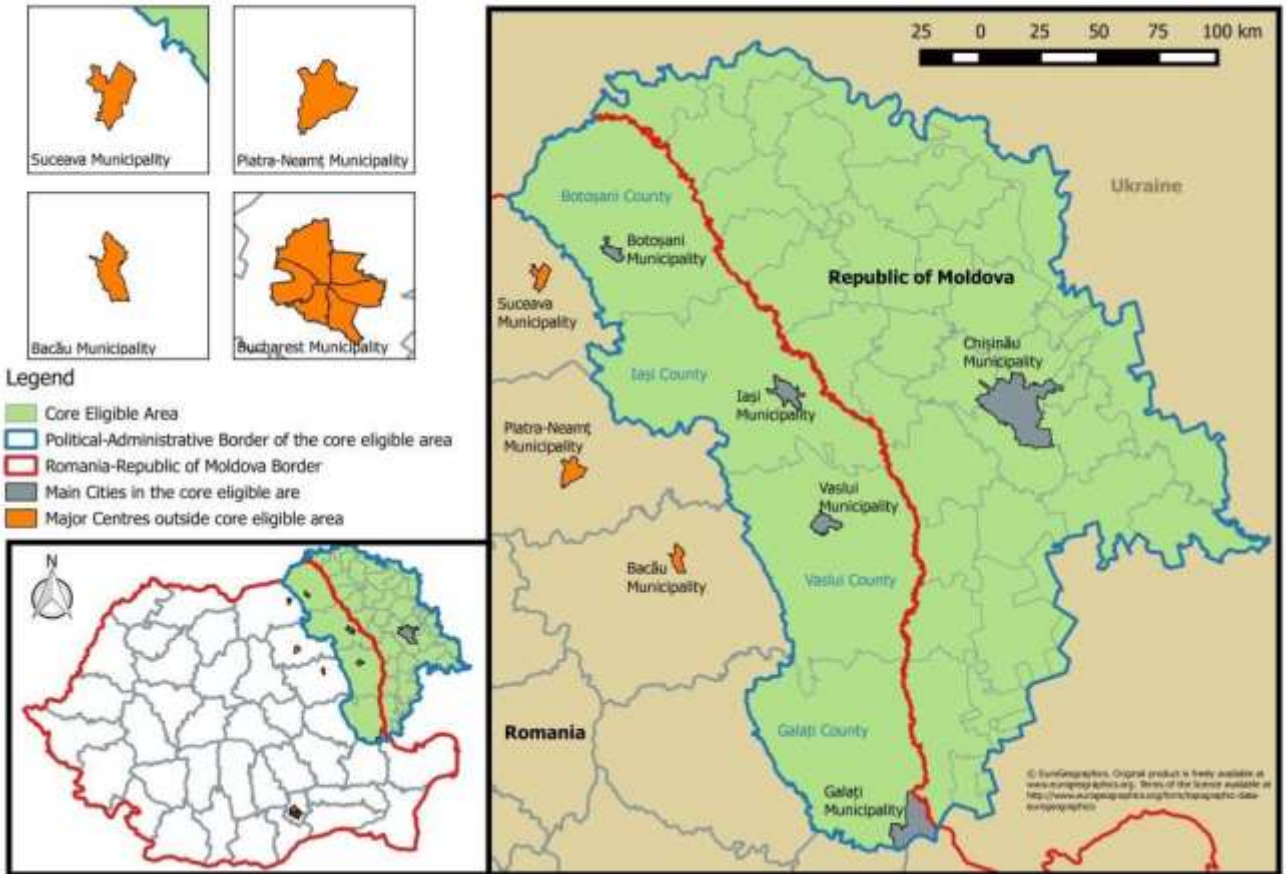
2.3. Flexibility Rule

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

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

- a) By Romanian **partners** (but not lead beneficiaries) involved in Large Infrastructure Projects which are **located outside the programme area**, provided that the following conditions are met:
 - a. Their participation in project is required by the nature and by the objectives of the project and is necessary for its effective implementation;
 - b. Comply with the eligibility criteria defined for each selection procedure;
- b) By beneficiaries (including lead beneficiaries) located within the programme area or by LIP beneficiaries (including those located outside the programme area) **for implementing projects partially outside the programme area**, provided that the following condition is met:
 - a. The projects are necessary for achieving the programme objectives and they benefit the programme area
 - b. In order to be selected, a project should justify any use of funds outside the programme area.

2.4. Map of the program area



3. Programme's strategy

3.1. Strategy description

The Romania-Republic of Moldova Joint Operational Programme 2014-2020 contributes to the achievement of the overall ENI objective of “*progress towards an area of shared prosperity and good neighbourliness between Member states and their neighbours*”.

The intervention strategy is based on a joint view regarding the development of the Programme area and a common development vision for the following years in the sectors decided upon to be supported by the Programme. The proposed strategic approach focuses on those specific aspects of common policies relevant to cross border cooperation.

According to the Programming document for EU support to ENI Cross-Border Cooperation (2014-2020), the Programme has to address at least one of the three pre-defined strategic objectives and to concentrate interventions of no more than four thematic objectives. The following strategic objectives were defined:

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

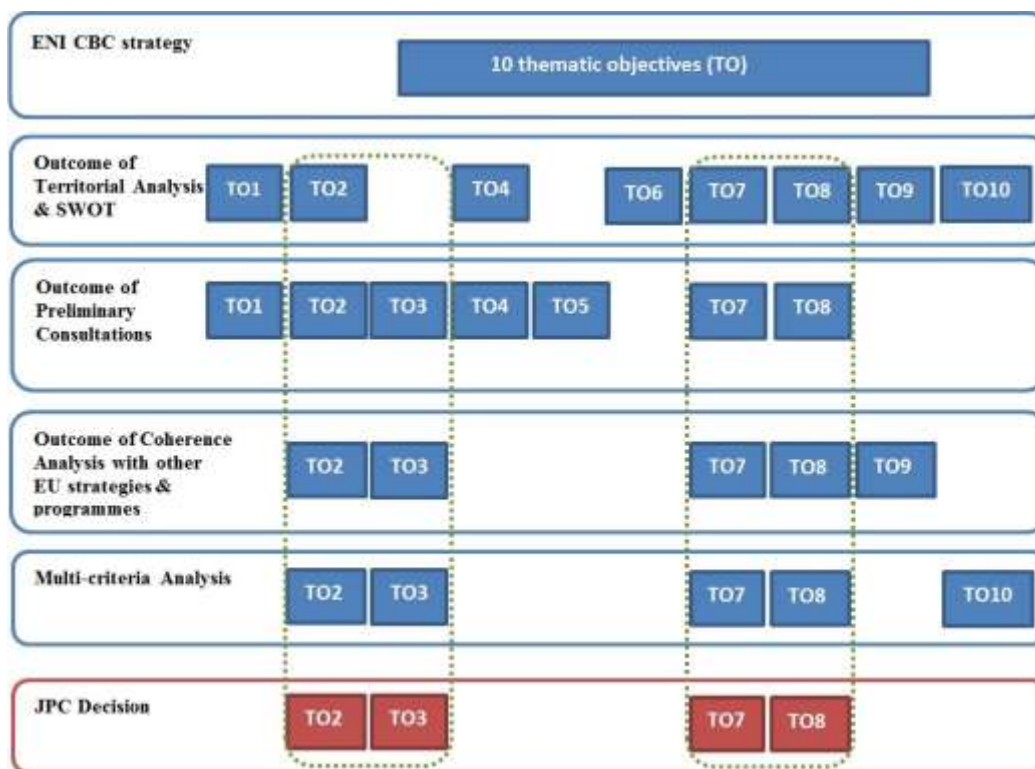
Additionally, in order to generate a significant impact for the border area, each programme has to focus its strategic efforts in the area on a maximum of four thematic objectives from the following:

- 1. Business and SME development (Strategic objective: A)
- 2. Support to education, research, technological development and innovation (Strategic objective: A)
- 3. Promotion of local culture and preservation of historical heritage (Strategic objective: A)
- 4. Promotion of social inclusion and fight against poverty (Strategic objectives: A, B, C)
- 5. Support to local & regional good governance (Strategic objectives: A, B, C)
- 6. Environmental protection, climate change adaptation (Strategic objective: B)
- 7. Improvement of accessibility to the regions, development of transport and communication networks and systems (Strategic objective: C)
- 8. Common challenges in the field of safety and security (Strategic objective: B)
- 9. Promotion of energy cooperation (Strategic objective: B)
- 10. Promotion of border management, and border security (Strategic objective: C)

To define the 2014-2020 Romania-Republic of Moldova CBC programme strategy a series of analysis were conducted, including a SWOT analysis, multi-criteria and coherence analysis together with extensive stakeholder’s consultation and review of the results obtained under the previous programme.

The SWOT analyses additionally included a (1) *Quantitative Analysis* in order to assess the number of SWOT items which have any kind of influence/impact over the ENI strategic objectives (SO) and their assigned thematic objectives and (2) *Qualitative Analysis* – for assessing the impact of SWOT items on Strategic Objectives /Thematic Objective. This assessment evaluated the intensity/importance of the impact of SWOT items on ENI strategic and thematic objectives. Based on this SWOT analysis, the relative importance and weights of the Strengths, Weaknesses, Opportunities and Threats, the most effective strategy for the Programme was defined as the Weakness-Opportunity type strategies - overcome weaknesses to pursue opportunities.

The other analyses and the preliminary consultations of the potential beneficiaries that were conducted were designed to provide structured information on the Programme area and the proposed strategy. The following figure is presenting the outcome of the various analyses with respect to the specific thematic objectives proposed to be included in the programme:



By correlating the results of the multiple analyses, four thematic areas were identified as priorities for development: (1) education and research and innovation, (2) culture and historical heritage, (3) transport and communications and (4) sectors contributing to safety and security in the region as health, prevention of natural and man-made disasters/emergency situations and police cooperation. Consequently, the following four thematic objectives are proposed:

- TO2 - Support to education, research, technological development & innovation;
- TO3 - Promotion of local culture and preservation of historical heritage
- TO7 - Improvement of accessibility to the regions, development of transport and communication networks and systems;
- TO8 - Common challenges in the field of safety and security;

The table below is summarizing the strategic objectives, their corresponding thematic objectives as well as the specific objective and priority of the programme:

Strategic Objectives	Thematic Objectives	Programme Objective	Priority
A. Promote economic and social development in regions on both sides of common borders	TO 2 - Support to education, research, technological development & innovation;	<i>Develop competencies and support research and innovation by facilitating the cooperation at local, regional and central level</i>	Priority 1.1 – Institutional cooperation in the educational field for increasing access to education and quality of education
	TO 3.Promotion of local culture and preservation of historical heritage	<i>Preservation of the cultural and historical heritage in the eligible area, support the developing of local culture, specific cultural identities and the cultural dialog</i>	Priority 2.1 – Preservation and promotion of the cultural and historical heritage
B. Address common challenges in	OT 8.Common challenges in the field of safety and	<i>Addressing common challenges in cross-</i>	Priority 4.1 - Support to the development of health

environment, public health, safety and security	security	<i>border security, access to health, management of natural and anthropic risks and emergency situations through joint projects</i>	services and access to health
			Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint action during emergency situations
C. Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.	OT 7.Improvement of accessibility to the regions, development of transport and communication networks and systems	<i>Improve public transport services, infrastructure and ITC cooperation and networking</i>	Priority 4.3 Prevention and fight against organized crime and police cooperation
			Priority 3.1 –Development of cross border transport infrastructure and ICT Infrastructure

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

Thematic objectives and priorities

The process of identifying the specific needs of the border area to be addressed through the Romania – Republic of Moldova Programme was concluded with the selection of 4 specific thematic objectives:

TO2. SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT & INNOVATION

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

Justification for the definition of Priority 1.1:

The education sector development is one of the areas strongly supported as a key area for intervention by the conclusions of analyses such as the territorial and SWOT analysis.. Among the arguments for intervention within the programme area, one can outline the early school leaving identified as an alarming phenomenon; the moreover, a significant number of students leave the core eligible area to continue their studies in other parts of Romania or other EU member-states, impacting on the long run the socio-economic development of the region.

As the well-educated individuals represent one of the key resources for future economic development of the programme area, consistent investment in education will i) reduce the effect of the early school leaving ii) ensure proper retention of the student population is critical for medium-term development of the region.

The current capacities that the three major university centres (Iași, Galați and Chișinău) possess may be utilized to their full potential to address the main issues outlined above and to ensure proper cooperation to increase the quality, attractiveness and accessibility of their education programs.

Also, the identified priority and the subsequent activities answer to the urgent needs of poor accessibility to educational infrastructure in rural areas.

In the same time, both i) the preliminary consultations organized in the preparatory phase of the program and ii) the analysis of the results of the calls for proposals and projects carried out in the framework of the JOP ROUAMD 2007-2013 indicated the strong interest of the potential beneficiaries in educational projects.

As a result, following the identified needs and the interest, the *priority 1.1* was designed to support projects ensuring wide access (and more people to people activities) within the Programme, targeting a wide range of beneficiaries from central and local level.

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

Indicative activities

- Joint planning and joint development of educational plans, policies and strategies ;

- Exchanges of experience, teacher exchanges, transfer of good practices, development of joint training centers for increasing the effectiveness of education through the diversification of professional training programs for employees in the education system in areas such as:
 - School development, school management, developing the relation between schools and communities;
 - developing and applying innovative educational methods, for increasing teaching skills to facilitate and motivate students to perform;
- Developing joint/ common programs of entrepreneurship education, programs that stimulate creativity, innovation and active citizenship;
- Improving the educational quality and participation through rehabilitation/modernization/ extension/ endowment of infrastructure of the educational infrastructure and equipment procurement;
- Development and implementation of partnerships between educational institutions to:
 - prevent and correct early school leaving phenomenon through integrated programs (including awareness campaigns) for prevention of school dropout, encourage school attendance and reintegration of those who have left school early;
 - developing after school programs and extra-curricular activities;
- Development and implementation of joint actions in support of disadvantaged groups, e.g.:
 - Integrated support actions addressing children and youth with parents living abroad (which may include inter alia guidance, counselling, after school programmes, educational and cultural activities);
 - Support² actions meant to facilitate the social and work integration of people (children, youth and adults) with disabilities
- Support for youth (including educational campaigns) for the prevention of drug use, human trafficking, alcohol abuse, etc.
- Development and implementation of cross programmes and actions for enhancing/ improving/ facilitation of job qualifications and competencies³.

Indicative Beneficiaries for Priority 1.1

- National/ regional/ local public administration and other public institutions
- Education institutions;
- NGOs; / professional teachers associations/ other relevant associations
- Health organizations acting to prevent and cope with alcohol and drug abuse⁴

Justification for the definition of Priority 1.2:

Innovations are commonly described as successful production, assimilation and exploitation of novelty in the economic and social spheres. The Programme vision is that research and innovations provides the needed support to a balanced and sustainable development of the eligible area and the preliminary consultations have shown a strong support from regional authorities for in favour of such activities.

However, the current status within the field unfolds a low level of investments in Research & Development combined with an underuse of R&D outputs within the industrial and technological activities. Furthermore, only 0.045% of employed population is hired in high added value activities as R&D, Innovation, the ratio being one of the lowest in Europe.

Taking into consideration the above outlined arguments, the priority activities have been designed by taking into consideration the fact that Iași and Chișinău have a high potential for research and innovation, given their status of economic and educational hubs while Galați County has a specific potential in the industrial area (metal and shipbuilding industry). Galați could also be considered as a strategic point in terms of R&D needs and capacities (i.e. *Galați Free Zone*) of the eligible area, since it joins all communication channels on its territory (road, rail and sea).

² Only activities that do not provide an economical advantage for the beneficiary will be supported

³ These activities should be carried out in the framework of educational campaigns and in cooperation with education institutions in order to be eligible.

⁴ These beneficiaries are eligible in the context in which they work in association with Education Institutions.

Priority 1.2 – Promotion and support for research and innovation

Indicative activities

- Development of partnerships/networking between universities and research centres for the purpose of creating a favourable environment for know-how transfer and business.
- Dissemination, cooperation and networking between programmes and organizations/associations from the two states acting in the field of research and innovation.
- Joint research actions and studies including those in the field of environment (climate change challenges, preservation of biodiversity, renewable energy and resource efficiency etc.).
- Promotion and support for research and innovation through rehabilitation/ modernization/extension of the specific infrastructure including the procurement of related equipment.
- Exchange of experience and best practices among relevant authorities on cluster development and establishment

Indicative Beneficiaries for Priority 1.2

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

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

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

Justification for the definition of Priority 2.1:

The cultural infrastructure in the Programme area is for most part similar in density and distribution across the whole core eligible area. There are a total number of 1404 cultural institutions in the four Romanian counties, and 2974 cultural institutions in Moldova. These include museums, libraries, cinemas theatres and other cultural institutions.

It is important to highlight the fact that the two sub-national/national eligible areas share commonalities in terms of cultural heritage due to similar historic evolution. Nonetheless, despite the fact that there is a high concentration of natural and historical sites and natural protected areas, the eligible area registers a low level of investments in touristic and cultural facilities.

In this context, the priority encourages the beneficiaries to focus on cultural projects and to link their initiatives within the field with the purpose of ensuring wide access of citizens to an improved cultural infrastructure and protected historical heritage.

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

Indicative activities

- Construction, development, extension , restoration, conservation, consolidation, protection, security of cultural and historical monuments (including the corresponding access roads), museums, objects and art collections and their promotion based on relevant cross-border strategies/concepts;
- Preservation, security, and joint valorisation of cultural and historical monuments and objects;
- Cultural institutions networks aiming at the promotion of the cultural and historical heritage;
- Support for specific and traditional craftsman activities, important for preserving local culture and identity.
- Promotion of specific and traditional activities in the eligible area (including cross border cultural events);
- Preserving, promoting and developing the cultural and historical heritage, mainly through cultural local events with a cross-border dimension;
- Valorisation of the historical and cultural heritage through developing joint promotion strategies, common tourism products and services.

Indicative Beneficiaries for Priority 2.1

- Museums, cultural institutions

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

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

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

Justification for the definition of Priority 3.1:

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

Technical differences in terms of rail transport between the two countries (i.e. use of different rail gauge) and limited multi-modal transport capabilities makes cross-border transportation more difficult. However, the Programme area presents a high potential for river transport development that should be acknowledged and acted upon. Furthermore, the people and business have low access levels to broadband internet and communications infrastructure, especially in the rural areas.

Taking into consideration the outlined arguments, the priority has been dedicated to improve the external and internal accessibility of Programme area. The priority highlights the improvement and the rehabilitation of transport system along with investments in information and communication technology (ITC). Also, the development of policies aimed at improving the transport infrastructure will be promoted. Attention is given to the good potential for strategic coordination between Romania and Republic of Moldova as regards the implementation of projects with high cross-border impact.

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

Indicative activities

- Construction, rehabilitation, modernization of cross-border transport infrastructure systems;
- Development of environmentally friendly (carbon-proofed) cross-border transport initiatives and innovative solutions ;
- Improvements of multimode transport (road/ water) facilities of cross-border interest;
- Construction, rehabilitation, widening of cross-border (segments of) roads connecting settlements alongside the border with main road which leads to the border;
- Improvement/restoration/construction of (segments of) access roads to centers of cross-border interest;
- Elaboration of joint strategies/policies/plans for improving the cross-border transport infrastructure;
- Joint investments in ICT infrastructure with cross-border impact; (e.g. optic fiber services)
- Development of cross-border connections, information and integrated communications networks and services
- Upgrading existing facilities to enable linkages between communities and public services which promote co-operation on a cross-border and wider international basis.

Indicative Beneficiaries for Priority 3.1

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

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

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

Justification for the definition of Priority 4.1:

The accessibility to health infrastructure in the core eligible area is low and the old health infrastructure is predominant, especially in the rural area. The infrastructure capacity and number of physicians is below national averages whereas the life expectancy at birth across the Programme area is below international averages.

On the one hand, taking into consideration that the access and development of health services is a wide issue of common concern and on the other hand, the fact that the Programme area is exposed to a series of structural challenges the need for financing and implementing health initiatives becomes necessary. In this context, the priority will dedicate support to joint actions and emergency medicine initiatives in the field of public health. It is relevant to outline that the priority has a very good potential for cross-border impact due to the good capacities for project management already developed during the previous programming period 2007 - 2013.

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

Indicative activities

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

Indicative beneficiaries groups for Priority 4.1

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

Justification for the definition of Priority 4.2:

The Programme area presents a high risk of pollution through industrial accidents, especially along Prut River and the Danube area. Furthermore, there is a high risk of natural disasters as a result of the dense hydrographical network (for instance flooding, landslides) and due to the proximity of the seismic area of Vrancea in Romania (e.g. earthquakes)

The priority concentrates on several environmental issues by the means of a diversity of instruments such as prevention, monitoring and planning of joint coordinated actions with the aim of common intervention in emergency situations. In this framework is important to outline that the consultation with the Programme stakeholders have indicated a strong and clear interest toward the implementation of risk-prevention projects, with a special focus on the local public administration initiatives. Taking into consideration the potential for integrated projects and previous experiences, emphasis is given to investments in common emergency management system and structures. Attention is given strategies and tools for hazard management and risk prevention.

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

Indicative activities

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

- Investment in construction, renovation or upgrading of the infrastructure and equipment directly related to the monitoring and intervention in emergency situations.

Indicative beneficiaries for Priority 4.2

- National/ regional/ local public administration and other public institutions, including environmental organizations acting in the area of mitigation of disaster risk and effects and emergency situations;
- Research organizations, NGOs

Justification for the definition of Priority 4.3:

Priority 4.3 Prevention and fight against organized crime and police cooperation

In the field of prevention and fight against of organized crime, Romania and Republic of Moldova enlist a series of common problems combined with the tendencies toward criminal phenomenon at the shared border. Further, the structures of police, border police and customs are underdeveloped and such, the potential risks are increased within the Programme with negative impact in the fight against human and drug trafficking, illegal smuggling of goods and border fraud. However, it is worth to mention that the two states have a good police cooperation experience and high capacities for implementing projects with cross-border impact.

In line with the identified problems, the priority intends to provide support for the intensification of dialogue between the specialized structures through the joint implementation of projects with clear cut impact within the field of fight against crime and police.

Indicative activities

- Common actions for increasing mobility and administrative capacity of police units (including border police);
- Creating collaborative work platforms in order to increase the efficiency of police, border police and custom structures in the exchange of data and information;
- Joint training of police, border police and custom personnel, exchange of best practices on specific areas of activity (analysis, criminal investigation, organized crime).
- Investment in construction, renovation or upgrading of police and border crossing infrastructure and related buildings;
- Investments in operating equipment and facilities specific for the activity of police/customs/border police/gendarmerie (e.g. laboratories, equipment, detection tools, hardware and software, means of transport);
- Developing common policies and strategies including awareness campaigns, experience exchange for fighting organized crime.

Indicative beneficiaries for Priority 4.3

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

3.2. Justification for the chosen strategy

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

3.2.1 Socio economic analysis and SWOT⁵

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

In the specific case of the current analysis, the “objective” to achieve is represented by the strategic objectives of the ENI Programming Documents:

- 1) *Promote economic and social development in regions on both sides of common borders;*
- 2) *Address common challenges in environment, public health, safety and security;*
- 3) *Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.*

Starting from these objectives, the SWOT analysis is organized along the main lines of the territorial analysis: a) Geography and Human Settlements; b) Demography; c) Economy and Labour Market; d) Transport and Infrastructure (including public utilities and ICT); e) Environment and Energy; f) Health, Social, Safety and Security; g) Education, Culture, Society; h) Public Administration and Governance. In this context the main strengths, weaknesses, opportunities and threats that are relevant for structuring and implementing this programme are summarized in the tables below:

A. Geography & Human Settlements

The core eligible area is characterized **by two main geographical and topological characteristics**: a generally flat relief and a complex hydrographic network, especially on the Moldovan side. The relief and rivers emphasize the potential high risk of natural disasters (flooding, soil erosion and landslides) if no risk management systems are put in place.

The overall **level of urbanization** in the core eligible area is below 50%, as 56.75% of the population of the core area is still living in rural area, and only 43.25% in urban areas. The number of urban centres is limited and unevenly distributed. Significant development gaps between these centres are visible, especially in predominantly rural areas. The most important cities e.g. Iași, Galați and Chișinău concentrate the major economic activities and the largest part of the population, making the over-polarization effect extremely visible thus reducing the number of available opportunities in smaller urban centres and rural settlements. Over 56% of the population lives in rural areas, where the access to public utilities and amenities is reduced due to the poor development of the technical infrastructure. This has a direct negative effect on the quality of life and opportunities, and increases deprivation.

⁵ The analysis was elaborated using a clear set of statistical databases, strategic documents made available by local and national authorities through their websites and by request, as well as other documents (research documents, evaluations) that were identified as relevant. Territorialized statistical datasets as well as national and regional statistical publications were used for the comparison of the two territories composing the core eligible area. In order to emphasize and increase the degree of relevance in relation to the comparison similar time intervals were used in the process. Where this was not possible due to older datasets or unavailability of recent data, clear specifications of the time intervals were made. Also, where it was appropriate additional calculations were made in order to make the comparison possible. Additional data, referring to specific domains was extracted from the relevant documents identified. In the cases where the data lacked territorialisation, the national data was presented and transposed, where possible to the appropriate territorial level (e.g. Foreign Direct Investments, Energy). In all of the cases, the level of analysis is clearly stated in order to make the analysis as clear as possible.



Figure 1: Main cities in the core eligible area by size of population

Comparing the rate of living area per inhabitant of the core eligible area with the EU averages, significant differences are visible. Considering Romanian and Moldovan rates, the core eligible area average is of 15 m² per inhabitant, which is significantly lower than in the other EU member states, where these rates usually surpass 20 m² per inhabitant.

On top of the low levels of urbanization, the rural settlements in the core eligible area suffer from the lack of access to drinking water supply and sewage systems. In addition, on the Romanian side of the core eligible area only a small part of the rural localities are connected to the gas supply infrastructure, not benefiting from this resource. This is not the case of Republic of Moldova, where more than three quarters of settlements are connected to the gas supply infrastructure. Nonetheless, the level of connectivity to the public thermal energy distribution system remained somewhat constant, with only a small decrease in Republic of Moldova, however, the population is migrating towards private methods of production for thermal energy.

Internet connectivity remains a problem in the core eligible area, especially in rural areas, as the average connectivity rate is below 50%, and the majority of the internet subscribers are concentrated in urban centres of the area.

Urban public transport systems are the densest in and around the major urban centres in the core eligible area, mainly in Iași, Botoșani, Vaslui, Galați and Chișinău. Accessibility is limited in terms of the length of the infrastructure as well as in terms of the variety of public means of transport, which is often limited to bus lines.

A. Geography & Human Settlements			
Strengths		Weaknesses	
S11	Complex hydrographic network: many lakes, important rivers and Danube	W11	Small waterways areas, not appropriate for long distance naval navigation
S12	Flat relief – suitable for agricultural investment and development	W12	Uneven distribution of large urban settlements favouring the polarization processes
S13	Developed urban settlements with more than 100.000 inhabitants (i.e. Botoșani, Iași, Galați, Chișinău, Bălți)	W13	Large difference between the number of urban and rural settlements, in favour of the rural ones.
Opportunities		Threats	
O11	The proximity of Black Sea represents a strong potential opportunity for the entire eligible area	T11	High risk from natural disasters (landslides, floods)
O12	Development of the technical infrastructure reduces the polarization effects of established urban centers	T12	Massive migration from rural to urban settlements due to lack of opportunities, services, and other amenities
O13	Development of transport infrastructure facilitated by the flat relief will increase the rural accessibility	T13	Uncontrolled sprawl of the existing urban areas towards neighbouring rural areas without considering technical requirements

Conclusion: The proximity of the Black sea for some of its nearest cities (such as Galați in Romania or Giurgiulești in Republic of Moldova) enhances the opportunity for increased economic exchanges. This impacts the economy of the cities in question, as well as, in broader sense, the entire economic flows in the country. It is worth mentioning that, in the same time, the existence of a complex hydrographic network allows for the easier development of additional public utilities services as well as agricultural investments or energy production facilities.

B. Demography

The core eligible area of the Programme sums up a total of approximately 5676181 inhabitants. Of the total population of the area, 37.3% resides on the Romanian side of the border, while 62.7% on the Moldovan side. As noted above, over 50% of the population is still living in rural areas, lacking access to certain services and amenities.

Migration and ageing are two of the most significant demographic trends visible in the core eligible area, with an accentuated character in rural areas. The young active population migrates abroad for work or study leaving behind a large dependent population. Even though at the level of the core eligible area the migration balance is of negative value, territorial differences are visible. Republic of Moldova has a slightly positive migration balance, while the Romanian counties a strong negative one. The main exceptions in terms of migration are the major urban centres, which manage to polarize in migration flows, while the rural settlements are characterized by negative migration balances, i.e. out migration.

A negative natural increase and a low life expectancy at birth compared to the EU average characterize the area. Combined with the outward migration of the active population these trends create serious imbalances between the production and consumption of goods, leading to additional long-term impacts on the social assistance and pension system.

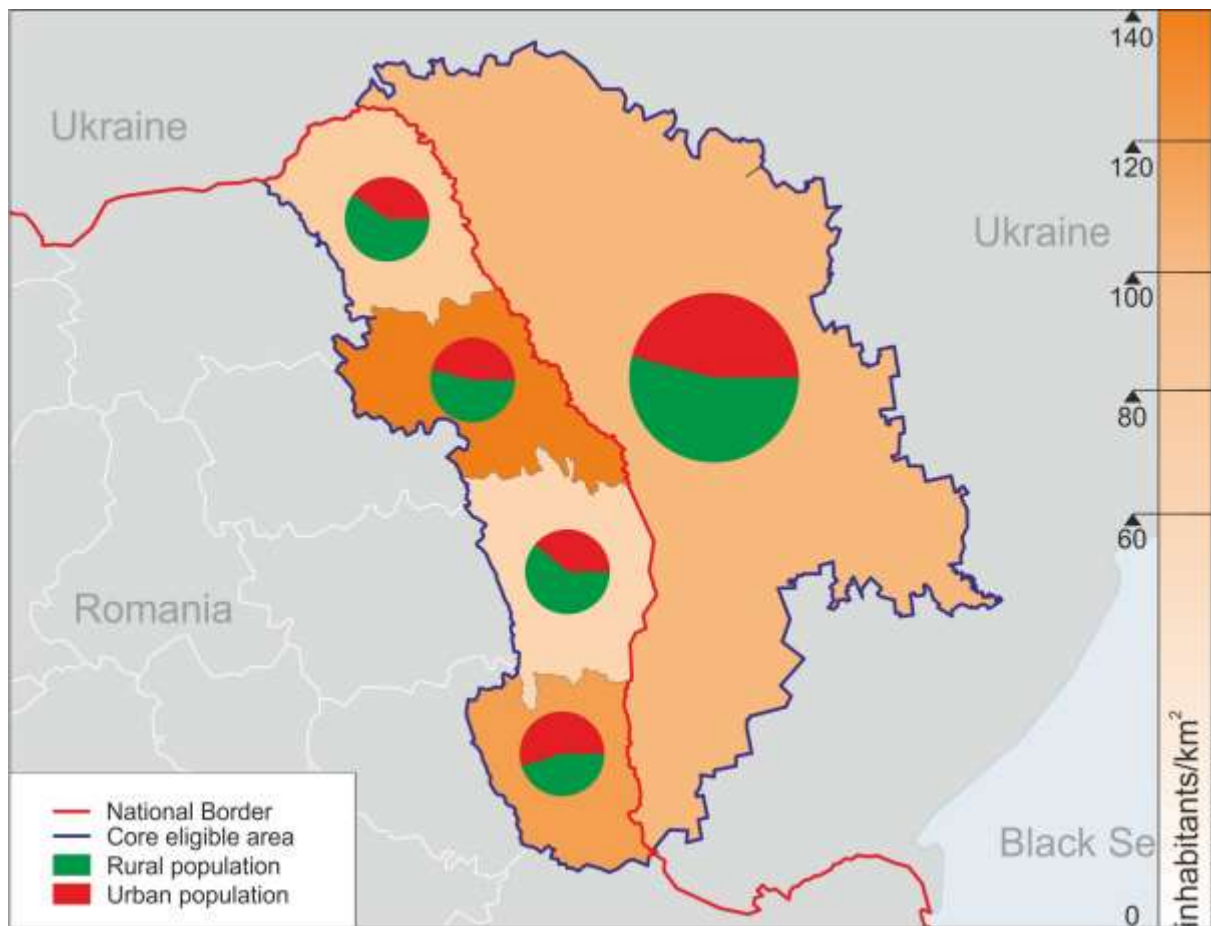


Figure 1: Population density & distribution by living environment

The vital statistics of the core eligible area show a difference between fertility and crude death rates, in favour of the second, making the rejuvenation process of the population a problematic one. This is especially important as even if life expectancy at birth has increased in the last 20 years, Romania and the Republic of Moldova are both well under the EU average estimates.

The distribution of the population by age groups is normal in statistical terms at core area level; however, differences are visible when comparing the Romanian and Moldovan territories. The Romanian counties' age pyramid is significantly flatter than that of Republic of Moldova. In addition, in the case of the Romanian counties' the largest age group is represented by the 40-44 age group, while in the case of Republic of Moldova the 20-24 age group is not only the largest, but over two times larger than the Romanian 20-24 age group.

The territorial differences in terms of demography of the core eligible area show an uneven distributed population in terms of age and a generally negative natural increase rate. The current situation, characterised by a negative natural increase, a low life expectancy, and an outward migration trend leaves the present population exposed to an ageing process that will develop at a much higher rate than the rejuvenation process. This in turn creates significant imbalances between production and consumption of goods, puts strain on the social assistance and pension systems, and decreases the competitiveness of the local labour force.

B. Demography			
Strengths		Weaknesses	
S21	Complex hydrographic network: many lakes, important rivers and Danube	W21	Urban population ratio under the national average in Romanian side Low ratio of urbanization in Republic of Moldova
S22	Flat relief – suitable for agricultural investment and development	W22	Republic of Moldova’s small population (3.5 million) represents a small market for major foreign investors
S23	Developed urban settlements with more than 100.000 inhabitants (i.e. Botoșani, Iași, Galați, Chișinău, Bălți)	W23	Uneven distribution of the young adult population between the Romanian and Moldovan territories
Opportunities		Threats	
O21	Increased attractiveness of the EU border area	T21	The Romanian counties are confronted with a negative natural increase ratio of the population
		T22	Strong migrant flows externally oriented: to EU countries for Romanian side and to EU countries and Russia for Moldovan side
		T23	Ageing process of population on Romanian side

Conclusion: the fact that the urban population of the Programme area is below the national average on the Romanian side impacts on the potential economic development of the area. It is widely accepted that the urban areas concentrate more diversified economic activities, with high added value and increased productivity. The economic activities specific to rural areas are generally agricultural in nature, with limited economical added value and highly sensitive to the natural hazards. The strong migrant flows externally oriented could have a negative impact on the labour market - as the most specialized and dynamic individuals are leaving the country, with the non-active, socially assisted population remaining. On the longer run, this trend combined with the ageing population on the Romanian side, would also impact the sustainability of the national pension system.

C. Economy and Labour Market

The demographic trends are directly connected to the **main economic sectors and local labour market**. The lack of varied economic opportunities and the predominant rural character indirectly make the agricultural sector the main employment sector in the core eligible area. However, this is also the sector in which earnings are some of the lowest in the area. The main reason behind this is the fragmentation of the agricultural land into small individual farms, practicing **subsistence agriculture** with low added value.

Without proper investment, agricultural production is highly dependent on the meteorological conditions and natural hazards. Given the employment share of this sector, the area becomes economically very vulnerable to variations in agricultural production that can affect exports and imports of agricultural products and overall local economic development and employment.

The mentioned effects can be correlated with the GDP levels of the area, which are some of the lowest in Romania and European Union. Even if the GDPs of the territories composing the core eligible area has increased significantly in the last seven years, although not enough, it has to be noted that this growth has been doubled by an increase of the territorial differences, i.e. the GDP difference between Iași County and Republic of Moldova has tripled.

Looking at the level of the fixed capital assets per economic activities shows that the local economy is slowly moving from an economy concentrated around industrial and construction activities towards a **service based economy**, which in general requires a highly educated labour market. However, at the level of the core eligible area only a small proportion of the active population is employed in these types of economic activities. The **level of education** of the unemployed population shows that there are limited opportunities for those with primary or vocational education in Romania, and for those with high school education in Republic of Moldova. Combined with the significant early school leaving rates in the area and the low levels of investments in

education it is clear that the unemployed population is unable to respond to the requirements of the local labour market, and signals a need for a certain level of requalification.

In addition to the **lack of opportunities** for the active unemployed population with lower levels of education, the move towards a service based economy shows a number of issues in the area. First, **R&D and innovation is limited** to the three main urban centres of Iași, Galați and Chișinău, where the largest number of SMEs are also located in the core eligible area. In turn, this reduces the impact and added value that R&D and innovation can have on the main economic sector of agriculture, and other sectors like the manufacturing and extraction industry, and construction. Second, the core eligible area has one of **the lowest rates of FDI attraction** compared to other regions in Romania. Moreover, the services economic activities in the area receive only a small proportion of the total FDI in the area. This can be assigned to the **low competitiveness** level of the area making it unattractive to investors. This is mainly caused by the lack or poor development of the basic requirements of service based activities like easy access, mobility, and public utilities infrastructure.

C. Economy and Labour Market			
Strengths		Weaknesses	
S31	Well diversified agricultural activities	W31	Big and increasing disparities in GDP per capita between Romanian side and Moldavian side
S32	Since the programming period 2007-2013, GDP per capita increased 2.3 time on the Romanian side and over 3 times on the Moldavian side	W32	High level of labor forces employed in the budgetary sector in Republic of Moldova with direct negative impact on ratio of public spending in GDP.
S33	Decreasing trend in unemployment, especially in Republic of Moldova but as well as in the eligible area from Romania	W33	The main economic activities have low value added (agriculture, fishing, trade and tourism related services)
S34	Important number of SMEs diversified SMEs mainly concentrated in industry, construction, holds sale and auto repair.	W34	The agriculture production is concentrated in subsistence farms and is strongly dependent on weather conditions and exposed to natural risks
S35	Competitive labour costs	W35	Very low ratio of employed population is hired in high added value activities as R&D, Innovation (0.18%)
S36	Good economic potential for the three main urban poles: Iasi, Galati, Chisinau	W36	Very low employment rate, negatively affecting the potential of labor market
S37	Developing wine industry within the entire eligible area	W37	Relatively high gap in personal revenues on both sides of the border together with low earnings levels
		W38	Limited Foreign Direct Investment in the eligible area of CBC Programme
		W39	Low competitiveness of the core eligible area of CBC Programme
Opportunities		Threats	
O31	Opportunities related to the EU member-state status of Romania (attractiveness for foreign investments) and to the signing of the Association Agreement between Moldova and EU	T31	Political instability of the north-west part of Black Sea region (including the situation in Transnistria) can jeopardize economic development, especially the Foreign Direct Investments – FDIs
O32	EU financing programmes on Romanian side	T32	The eligible area of the CBC OP is outside the specific economic development axe in Romania (West-North-West to South-East)
O33	Other donors increasing their financial assistance programs in Moldova	T32	Big regional disparities in Republic of Moldova, mono-centric development model

Conclusion: With respect to the dominant type of economic activities in the eligible area, the key aspects to be noted are i) the low earnings in the case of economic activities not requiring high levels of education, and ii) the move towards a service based labour market. A major consideration is the small proportion of the labour market occupied by the Information and Communications activities and Financial Activities in contrast with the high earning levels in these sectors. In comparison, the economic activities that hold a larger share of the employed population like Agriculture, Industry and Construction, are not able to capitalize on the size of their markets, and earnings are kept at lower levels. A very low ratio (0.18%) of employed population is hired in high added value activities as R&D, Innovation, thus this specific sector has a low capacity of production and exports. In addition, the earning levels shows an over-specialization of the labour market and putting at risk the local economy in case of destabilizing socio-economic events.

A correlation of GDP level with the type of population in relation to the urban-rural living environments shows that along with attracting a large part of the population, Iași, Galați counties and the adjoining region of Chișinău Municipality remain the major economic centres. In addition, the widening of the GDP gap shows an involution in terms of reducing regional disparities, and over polarization of economic activity instead of a balanced and polycentric distribution.

As the investments are concerned, it should be noted that the limited numbers of sectors with significant levels of investments and the uneven distribution of these signals the over-specialization and concentration of the labour market. This makes adjacent economic activities suffer, as in a long-term perspective of these become underdeveloped. The significant focus of the investments in the Construction, Real Estate and Financial Services indicates an increase in the level of trust in the real estate market after the economic crisis. Also, significant investments in Transport infrastructure signal a coordinated effort to respond to the current traffic issues and to bring the existent traffic infrastructure to international standards. However, the low levels of investment in Health and Education, as well as the limited interest for Hotel and Restaurant activities (despite of the touristic potential of the area) should also be noted.

Moreover, due to the fact that the area of the Programme is outside of the economic development axe in Romania, there is a risk that investors would simply prefer other location with already established business infrastructure.

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

Accessibility is an important issue in the core eligible area. Air connectivity is limited to two main international airports (i.e. Iași and Chișinău) with an even more limited list of destinations, making international access dependent on road and rail transfers. International naval access is also limited, with Galați in Romania and Giurgiulești in Republic of Moldova being the most important ports, but with **limited inter-modal capabilities**. In spite of the complex hydrographic network of the core eligible area and the potential given by the Prut River as the border between Romania and Republic of Moldova and a direct link to the Danube and Black Sea, development of naval transport is extremely limited.

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

A direct effect of the quality of the road and rail networks is the reduced access to some of the most remote rural areas, limiting both labour market opportunities and investments. In addition, these areas also suffer from a reduced penetration of the **technical infrastructures** required for public utilities, i.e. drinking water, sewage, gas supply, thermal energy, internet access, and public transport.

The limitations imposed by the transport infrastructure and its qualitative level have a significant effect on the cross-border traffic, mainly by concentrating the traffic territorially and in terms of means of transportation. According to the data provided by the Romanian Border Police, Iași-Ungheni, Albița - Leușeni, and Galați-Giurgiulești are the most commonly used border crossing points, and auto and rail are the main means of transportation when crossing the border. However, auto transportation is predominant, due to the increased crossing times in the case of the rail crossings, as direct consequence of the different rail gauge used by the two countries and the connoted technical difficulties.

There are significant differences in the area in terms of access to public utilities, especially when comparing rural and urban areas. Access to sewage systems and gas supply are the most problematic issues in the rural areas of the programme. This has two major effects. First, it directly affects the quality of life. Second, the lack of sewage systems and waste management systems creates an environmental issue as used waters and waste are discarded directly into the environment, with no prior treatment, increasing soil and water pollution. At the same time, the reduced access to gas networks in the Romanian counties, has the potential to increase the rates of deforestation, as wood is the most accessible fuel for energy production.

Internet access and public transport infrastructures are well developed in the area; however these are mainly concentrated in and around urban centres. Internet access in the Romanian counties has the lowest penetration rate in the country, especially due to the low connectivity levels in the predominant rural areas. Major urban centres like Iași, Galați and Chișinău which concentrate the largest number of broadband subscribers, the rest of the territory suffers from low connectivity making it unattractive to services and industries developed around information and communications. In a similar fashion, public transport is concentrated in the major urban centres and radiates around these, although peri-urban transport is much more limited and coverage is limited by the state and quality of the existing transport infrastructure.

D. Transport and Infrastructure (including public utilities and ICT)			
Strengths		Weaknesses	
S41	Developed transport network for buses and minibuses	W41	Under-developed air, naval and rail transport
S42	The core eligible area is crossed by important EU network roads	W42	Old rail infrastructure and using different gauges
S43	Good drinking water and sewage networks in the urban areas	W43	Poor road infrastructure on Moldovan side
S44	Good Internet access (using broadband technologies), in urban area	W45	Underdeveloped water and sewage networks in rural area
Opportunities		Threats	
O41	The eligible area is crossed by TEN-T and TRACECA networks	T41	Political instability and international conflicts or tensions can directly threaten the level of investments in infrastructure development
O42	2014-2020 EU programs to support		

	developing of infrastructure (ROP, BIOP, NRDP)		
O43	Other international donor programmes (in Moldova) to develop public utility infrastructure(GIZ, BERD)		

Conclusion: The most important strong points are represented by the developed car transport, the good Internet infrastructure while on the Weakness side is important to mention the under-development of other transport forms (naval, rail, air), and poor water, sewage and gas (only in Romania) networks in rural area. It's very important to mention the main opportunity of the sector: the eligible area of the CBC Programme is crossed by the future TEN-T and TRACECA transport networks and in this context the CBC Programme can be designed as a complementary one to the future financing programmes to develop the above-mentioned transport networks.

One of the biggest problems of the area is the underdevelopment of the existent navigation routes. In the same time, the area's connectivity is very limited in terms of air links, making it a difficult to reach destination for both freight and passengers, because of the required interim stops for connecting flights. The development of several other routes and the increased connectivity of the airports should be a priority, as well as the development of options for the now inaccessible via air region of Galați-Tulcea regions, especially considering their port roles at international level.

A major consideration in the Romania-Republic of Moldova core eligible area of the Programme is the low level of urbanization and the associated downfalls. An important competitive territorial disadvantage in this respect is the low level of infrastructure penetration required for delivering basic public utilities and services. There is a need for the development of sewage systems in rural areas of the Romanian eligible area and drinking water and sewage systems in the Moldovan rural areas, as well as for the development of the gas supply network in the rural areas of the Romanian counties in the Programme. In addition, the limited variety of the means of public transport, especially in rural area where connectivity is problematic, raises issues with respect to access to services and quality of transport infrastructure. The above-mentioned aspects are basic requirements in order to increase the level of urbanization and further develop the size of the housing stock in the core eligible area.

E. Energy and environment

Energy consumption and production is mainly dependent on the available technical infrastructure. The length and capacity of this infrastructure is limited, primarily due to the lack of investments in this type of infrastructure. This is especially the case of the infrastructure used for delivering public utilities to the general population.

Both Romania and Republic of Moldova import a large part of its required energy, thus limiting the overall energy independence degree. This is especially the case of Republic of Moldova, which imports the majority of its energy, and has a reduced energy independence degree. In the case of Romania, the energy independence degree reached in 2012 77,7%.

In the given context, the development of the Iași-Ungheni gas pipeline is an important step forward towards new energy alternatives in the area, especially for Republic of Moldova. Success is however conditioned on the further development of the distribution network on the Moldovan side in order to connect the Iași-Ungheni gas pipeline to consumers across its territory.

The core eligible area benefits from a rich and varied natural environment, which raises its overall competitive potential, however, it also emphasizes the need for an ecological approach to development

The core eligible area is characterized by the existence of urban areas formed as a result of the pre-1989 industrialization process, which have specific environmental issues due to the then lack of interest for the protection of the environment. Moreover, the rapid urbanization process and lack of investment in the last 25 years lowered the quality level of the existing technical infrastructure and amenities, making the recovery of such urban post-industrial sites very difficult.

Even though from an ecological perspective, the area is within international limits regarding pollution, special situations arise, in which greater care has to be attributed to environmental protection. First, the pollution of surface and underground waters is a direct effect of the aged waste treatment and purging facilities and infrastructure, the lack of facilities for the treatment of waste water, and the lack of proper waste storing facilities. These issues are most visible in rural areas and old industrial sites. Second, deforestation is an important issue in the area, as wood is mainly used for thermal energy production in areas where gas is not

available. The overuse of wood as a fuel increases the future risks related to landslides and desertification of the area. Third, energy production is one of the most important sources of air pollution. Urban areas and industrial sites are the largest polluting areas, and the major polluting activities are energy production and industrial activities, the latter being also the main way in which chemical and metal residues enter the natural water cycle increasing further developing in other connected forms of pollution.

E. Environment and Energy			
Strengths		Weaknesses	
S51	The gas pipeline project Iasi – Ungheni will be functional starting with 2015.	W51	Absence, for the time being, of a viable alternative for gas supply, 95 % of Moldova's energy consumption is covered by imports from an unique source
S52	Low level of air-pollution	W52	Underdeveloped gas supply networks in the eligible area on Romanian side affecting households and industry consumers
S53	Strong potential for green and renewable energy: hydro, solar and wind power	W53	Lack of developed solid waste management systems, especially in the rural areas.
		W54	High level of soil erosion
		W55	Lack of modern and integrated emergency system in case of natural disasters
		W56	High levels of water pollution from wastewater and industrial pollution – lack of waste water treatment systems
		W57	Area of green spaces in urban centers below EU standards.
Opportunities		Threats	
O51	Good perspective for construction of a new gas pipeline Ungheni- Chişinău with BERD/MD financing	T51	Political instability and international conflicts or tensions can directly threat the gas supply, the significant investments in green energy production and infrastructure
O52	The EU programmes aiming at financing environmental protection, development of public utility infrastructure, enhancing energy efficiency and green energy production (BIOP, ROP, NRDP)	T52	Development of new source of fossil energy (gas and oil in Black Sea, shale gas) can jeopardize new investments in green energy
O53	Foreign Direct Investments in green energy (especially solar and wind power)	T53	Instable legal framework regarding the subsidies for green energy production
O54	Good potential for biomass and bio-fuels production	T54	Deforestation (especially illegal deforestation) as well as the effects created due to global climate change: landslides and desertification

Conclusion: There is a significant potential in the area for the use of solar and wind power harvesting technologies, especially in the flat parts of the core eligible area. The development of the hydroelectric plants is also opportunistic as the area has several large rivers from which it can benefit from, especially along the national border defined by Prut River, where there is an increased potential for cross-border cooperation. In addition, the rural and agricultural character of the area brings forth the possibility of using zoo-technical waste for creating biomass and bio-fuels, especially considering the present difficulties in managing this type of waste in the rural areas.

The main weaknesses are the high level of pollution together with the high energy dependency of Moldova. In this sector the opportunities and threats are equal distributed as importance: on one side is a high interest of international investors in renewable energy; on the other side new technologies developed in the field of fossil energy resources together with the instable legal framework in the domain could jeopardize the development of green energy.

F. Health, Social, Safety and Security

The health services infrastructure in the core eligible area has to serve a large population and considering accessibility and facilities provision this raises certain issues. First, the spatial distribution of the hospitals across the core eligible area is very uneven (e.g. Iași County has 30 hospitals, Botoșani County has 4 hospitals). Second, the localization of the health facilities is concentrated in and around the major urban centres of the core eligible area, creating a competitive disadvantage in the case of the rural areas.

The major differences in terms of health services offer, especially when comparing urban and rural areas, combined with increases in poverty due to unemployment rates rising as a result of the economic crisis, have a great impact on life expectancy at birth. As a result Romania and the Republic of Moldova have some of the lowest life expectancies in Europe.

In Romania, male life expectancy is 71 years and female life expectancy is 78.1 years, while in the Republic of Moldova the life expectancy for males is of 67.24 years and 74.99 years for females. Even though the numbers situate Romania and Republic of Moldova at the bottom of the life expectancy hierarchy in Europe, it is important to note that these numbers are actually on an upward trend, life expectancy being on the rise for the two countries if compared to the period before the previous programming period.

According to the data provided on request by the Romanian Border Police the majority of the criminal activity within the Romanian border represents infractions relating to contraband, border fraud, falsifying documents and illegal crossings. According to the same data, human trafficking is not an issue at the border of Romania and Republic of Moldova.

F. Health, Social, Safety and Security			
Strengths		Weaknesses	
S61	Health services in the area are fairly well distributed	W61	Significant cross-border criminality, especially contraband and border fraud (alcohol and tobacco)
S62	Good density of border crossing points and relative uniform distributed border traffic	W62	Cross border points need further investments
S63	The NGO sector in both countries, although at different levels, has developed experience in the social services area	W63	High level of poverty in the eligible area of CBC Programme
S64	Good police cooperation at the central level	W54	Low rate of life expectancy at birth
		W55	Low rate of investments in health infrastructure
S61	Health services in the area are fairly well distributed	W61	Significant cross-border criminality, especially contraband and border fraud (alcohol and tobacco)
Opportunities		Threats	
O61	Stronger recent anticorruption policies implemented and supported by Romanian and Moldovan authorities	T61	Recent conflicts from the Black Sea NW area
O62	EU programs financing health and Social Programs (ROP for RO)	T62	Frozen conflicts in the region (Transnistria)

	(EU Delegation managed – for MD)		
O63	Phase one of SMURD project implemented	T63	Instability in Ukraine
O64	DCFTA imposes fito-sanitary standards on products		

Conclusion: The low rate of investments in health infrastructure impacts directly on the issues of accessibility to health services and equal opportunity, especially in rural areas. The recent reforms and current trend for decentralization in health and social protection should be carried out with consideration given to ensuring proper accessibility of the services. In the same time, the safety and security should be enhanced by reducing the cross-border criminality and through the modernization of the cross border points. The social inclusion and poverty alleviation initiatives benefit of significant support from other programmes (EU or other international donor programs).

G. Education, Culture and Society

The educational system in the core eligible area has registered several improvements in the last 20 years, however the provision and accessibility of post-high school educational units is still relatively low. The two subnational territories have significant early school leaving rates, but in respect with their national averages. The high rate of early school leaving signals a reduction of the potential opportunities of young adults, as education is an important factor in increasing individual competitiveness on the labour market.

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

Culture and tourism are considered two main assets of the area with high economic potential. The core eligible area benefits from a common cultural background, which can connect the resident population. At the same time it benefits from several important natural protected areas and historical sites. The potential is in this case limited by the low level of the investments in the area, in spite of the increasing number of tourists and the accessibility issues described above, which make touristic attractions difficult to reach, especially in remote rural areas.

Due to the actual size of the two countries' eligible areas and due to the fact that in the case of Republic of Moldova the area includes the whole country with all of its most important cities, there is a significant difference in the distribution of cultural institutions. There are a total number of 1404 cultural institutions in the four Romanian counties, and 2974 cultural institutions in Moldova. These include museums, libraries, cinemas theatres and other cultural institutions.

Furthermore, the subnational distribution of these institutions is also uneven. In both countries these institutions are concentrated in the major urban centres. Even so, significant differences are visible, as Vaslui and Iași counties are the poorest in terms of number of institutions. Considering the functions attributed to these institutions libraries and museums are the most accessible at territorial level, while theatres, philharmonics and cinemas are the least accessible, the latter being actually the rarest. If in 2012 in the Republic of Moldova there were 18 cinemas at national level, in the four Romanian counties there were only 6, out of which 3 were located in Iași County. In comparison, the number of theatres is double in the Romanian counties; however, Vaslui has only one theatre. These numbers emphasize the polarization effect of the urban areas and also point towards determinant factors that include the large investment level required and the unattractive location combined with the relatively small customer base.

The core eligible area also benefits from the varied relief, the geographical positioning, the varied flora and fauna, and a specific cultural heritage. The area benefits from over 1300 natural protected areas of national and international importance and other numerous historic sites. This network of touristic attractions is supported by a network of 171 Romanian and 257 Moldovan hotels or similar establishments. In total these have an accommodation capacity of 34816 places – 6878 in Romania, 27938 in Republic of Moldova.

These are important points of attraction for national and international tourists, the numbers of which registered an ascending trend in the recent period. In 2012 these registered a number of a total of 2070257 overnight stays. In the Republic of Moldova the number of overnight stays per year increased from 1400063 in 2009 to 1462423 in 2012. Meanwhile, on the Romanian side of the core eligible area, the 2010-2012 period registered a significant increase in the number of overnight stays, especially in Botoșani (from 49436 to 61623), Galați (from 75001 to 108122) and Vaslui (from 48803 to 72353).

G. Education, Culture and Society			
Strengths		Weaknesses	
S71	Three important university centres: Iasi, Galați and Chișinău	W71	High level ratio of early school leaving, especially on secondary education
S72	Strong and diverse cultural heritage and long and positive tradition of multi-ethnic cohabitation	W72	Poor accessibility to educational infrastructure in rural areas
S73	Generally, good culture infrastructure: museums, cinemas, libraries, other	W73	Low level of investments in education infrastructure

	institutions		
S74	High ratio of education spending in GDP in Republic of Moldova	W74	Low effectiveness of education spending in Republic of Moldova
S75	Developed NGO sector in Chisinau, Iași and Galați	W74	Low administrative and co-financing capacities for the NGO sector in Republic of Moldova , with the exception of the capital - Chișinău
S71	Three important university centres: Iasi, Galați and Chișinău	W71	High level ratio of early school leaving, especially on secondary education
Opportunities		Threats	
O71	Other international donors actively supporting this area (Horizon 2020, ROP, HCOP, UNICEF, UNDP, USAID, Youth in Action)	T71	Changing legal framework in the education area affecting the predictability of the overall education policy
O72	Special scholarship Programme promoted by Romanian government	T72	Underdeveloped/biased media environment
O73	Common cultural and linguistic background to support exchange experiences and joint initiatives.		
O74	Well established cross border contacts and communication (administrative, business, NGO)		

Conclusion: The eligible area contains three important university centres, strong culture heritage and a long positive tradition of multi-ethnic and multi-cultural cohabitation. The main weaknesses are the high ratio of early school leaving, especially on secondary education, the low level of investments in education infrastructure and generally the lack of education spending effectiveness.

Cooperation projects aimed at developing cross-border educational programmes have to be carried out in order to increase the attractiveness of the area from an educational perspective. In addition, projects and investments should focus on reducing the early school leaving rates, especially in the rural areas, and to further develop the tertiary educational system.

The NGO sector in both countries, although at different levels, has developed experience in the social services area. During 2007-2013 the civil society organizations and other public stakeholders have developed various types of social services and have designed associated implementation mechanisms in the area. Most of these have already been tested and successfully provided to important groups of beneficiaries. Such services, which may constitute the “best practice” models, could and should be replicated in CBC projects – mostly to transfer to Republic of Moldova some of the good practices already implemented in Romania.

H. Public Administration and Governance

Romania and the Republic of Moldova register a certain level of similarity regarding the designs of the administrative-territorial systems, however several differences do exist, especially considering the decision making processes at autonomy of each of the administrative-territorial units, making synchronous actions between similar levels a difficult exercise..

The national territory of Romania is divided in 4 macro-regions corresponding to the NUTS level I and 8 development regions corresponding to the NUTS level II. The Romanian administrative-territorial system is structured on several levels. From top to bottom, Romania is divided in 41 counties and Bucharest Municipality; 320 towns and municipalities, 2861 communes (including one or several villages) and 12.957 villages. The commune is the basic administrative-territorial unit

The Romanian eligible area part of the programme is formed out of 4 counties, Botoșani, Iași, Vaslui and Galați; the counties encompass 12 towns, 9 municipalities, and 306 communes which sum together 1.380 villages.

The Moldovan territory is structured in 37 main administrative units: 3 municipalities, 32 counties (raions), the territorial autonomous unit Găgăuzia and the administrative-territorial unit from the left side of the River Nistru. These units are furthermore divided in: 5 municipalities, 60 cities, 40 localities in the frame of cities (municipalities), 917 villages-residences, and 659 localities in the frame of communes, totalling 1.681 localities.

G. Education, Culture and Society			
Strengths		Weaknesses	
S81	Good experience in working with EU programs, especially with the previous CBC OP, at both tiers of public administration, central and local	W81	For all LGs (but for different reasons in Romania and Moldova) un-flexible budgetary framework, which limits investment capabilities
S82	Improved capacity of public administration (both central and local) in project management	W82	LGs dependent of central finances
S83	Similar administrative structure (same number of administrative layers) in both countries		
S84	High potential for fiscal autonomy improvement at the level of LGs in Republic of Moldova, starting with the implementation of the new intergovernmental fiscal system at 1 st January 2015		
Opportunities		Threats	
O81	EU structural programmes on Romanian side	T81	A delay in implementing the new intergovernmental fiscal system
O82	New association agreement between EU and Moldova which encourages the implementation of reforms	T82	Political instability and international conflicts or tensions can divert the focus from implementing the CBC Programme
O83	Other international donors programs in Moldova (such as the EU, USAID, UNDP)	T83	Differences in legal framework between the two countries
O84	High focus of international community to support Republic of Moldova in political stability and economic development	T84	Potential lack of interest of the Romanian LG units for the new CBC OP, due to the existence of other important EU and national investment programmes with possible similar eligible policy areas (i.e. transport infrastructure).

Conclusion: The final success of CBC Programme is largely dependent on the administrative capacity and the quality of public governance in both countries. There are some strong points: improved administrative capacity based on experience in implementing international funded programs; a much larger fiscal autonomy will be offered to the Moldavian LGs starting with 1st January 2015 and similar administrative structures. There are also some problems in this sector (potential lack of interest of LGs, from the Romanian side together with an un-flexible budgetary framework). In the same time, there are a lot of opportunities especially related to high interest of the international community to support the governance reforms in Moldova. A potential threat can be the delay in implementing the new intergovernmental fiscal system in Moldova – postponing the implementation of this system would continue the current dependence of the local authorities from their relation with the central government, affecting predictability and efficiency of public spending. The differences in the legal framework between the Romanian and Moldovan side of the Programme, are relevant as there is a different degree of financial (and overall decision-making) autonomy for promoting common investment (e.g., while on the Romanian side of the Programme the decision could be taken at the level of the County Council, in Republic of Moldova it might require endorsement and approval from the central level, hence affecting the capacity and ability of the raions to fully engage in joint operations).

3.2.2 Preliminary consultations

A strong and participatory consultation process was carried out with central institutions that impact cross-border policies, both in Romania and Republic of Moldova. The overall results of preliminary consultations included options registered through the consultation process with local administration stakeholders, civil society stakeholders, on-line survey and central institutions.

Specifically, the process has provided important inputs toward overall TO identification, as the consulted beneficiaries at local level mainly pointed to thematic objectives that could generate only small scale projects. Other essential/strategic investments, capable to improve the life of people in the eligible area by larger and more integrated interventions generated exclusively with central support, were have not been considered by the local stakeholders.

The consultation process was carried out during several months from February to October 2014. Joint working groups (RO-MD) were set up and national sub-group meetings were organized. The Working Group included representatives delegated by central/ regional institutions from the following fields of interest: energy, transport, environment, internal affairs (emergency situations/ border police) and customs.

In Romania, the respondents were mayors, deputy-mayors, deputy-presidents of the county councils, public administrators, or directors of development of the local institutions, representatives of the South East Regional Development Agency. The representatives of the local authorities showed interest in the consultation process and several persons attended the meeting/interview simultaneously. Therefore, the interviewed representatives were asked to jointly decide for Thematic Objectives to be selected, and the registered answer represented the position of the institution.

The preliminary face-to-face consultations included 15 regional/local level authorities and institutions and a total number of 29 representatives were interviewed.

Four focus groups with relevant programme stakeholders representing civil society were organized in Romania Iași, Botoșani, Vaslui, and Galați. 30 NGOs, 4 Commerce, Industry & Agricultural Chambers as well as other relevant stakeholders participated at the focus-groups, totalizing 42 participants. In Republic of Moldova three focus-groups were organised targeting 26 NGOs, Commerce & Industry Chamber. 30 representatives of the principal stakeholders participated in this round of consultations. In total, 56 stakeholder's organizations from the eligible area were consulted.

An on-line survey was applied to potential eligible applicant stakeholders from the programme area. The survey questionnaire was developed using a web-based research tool and submitted via e-mail to 655 potential respondents from the eligible area.

The following Thematic Objectives received support from the consulted stakeholders:

- TO1. Business and SME development;
- TO2. Support to education, research, technological development and innovation;
- TO 3. Promotion of local culture and preservation of historical heritage
- TO4. Promotion of social inclusion and fight against poverty
- TO5. Support to local & regional good governance
- TO7. Improvement of accessibility to the regions, development of transport and communication networks and systems

3.2.3 Coherence analysis with other programmes and existing strategies

According to programming regulations for 2014-2020 period, the ENI programmes must deliver real cross-border added value and not cover elements which are already funded or could more suitably be funded from other ENI or EU programmes. Further, coherence and complementarity between the ENI programmes and the national ENP Action Plans, ENI multi-country strategies and Single Support Frameworks (and relevant EU-Russia agreements) and other relevant EU instruments are to be ensured through the programming process.

The EU and its Member States should improve the coherence, effectiveness and complementarity of their respective policies on cooperation with neighbouring countries. Proper cooperation and coordination with other non-Union donors should also be ensured.

Based on the Programming document, the present coherence analysis is rating three types of criteria:

- Convergence with European, National and Regional Strategies;
- Potential financing overlaps (in order to be avoided);

- Effectiveness & Complementarity (of the thematic objective with the programme).

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

Management Authorities for most of the Operational Programs in Romania

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

Major donor agencies engaged in support Republic of Moldova:

- European Delegation in Republic of Moldova
- USAID
- United Nations Development Programme
- German Society for International Cooperation (GIZ - Gesellschaft für Internationale Zusammenarbeit)
- Romanian Official Development Assistance (ODA), coordinated by the Ministry of Foreign Affairs / International Development Cooperation Policy

3.2.2.1 Coherence with national strategies and EU strategies

Seven national strategic documents with potential impact on the eligible area were analysed -four for Romania and three for Republic of Moldova.

Romania

The Partnership Agreement of Romania

The Partnership Agreement (PA) of Romania-EU (June 2014) provides the strategic focus for the necessary reforms and investment to be carried out in the 2014-2020 period. The PA is the main strategic document, covering needs and investments totalizing approximately 40 billion Euros.

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

The PA objectives are totally coherent and convergent with ENI CBC Thematic Objectives due to the fact that both documents are converging in EU 2020 strategy.

National Reform Program for Romania (NRP)

This strategic document is setting the framework for the main priorities and reforms to be applied on short and medium term for Romania to meet the objectives of the Europe 2020 Strategy. The NRP includes particular measures in various policy areas targeted to sustain growth and create jobs, and meet the objectives of Europe 2020. Focused on the Romania's most urgent measures, the National Reform Program (NRP) is paying special attention to governance issues and macroeconomic stability. It is aiming to boost competitiveness, productivity and growth, social cohesion, territorial and economic convergence for reducing disparities in terms of economic development to other member states of the European Union.

Conclusion: Generally, ENI CBC Thematic Objectives are converging with NPR measures, with the exception of two of them, *TO3 Promotion of local culture and preservation of historical heritage* and *TO10 Promotion of border management and border security*, that are not essential to the NRP.

North-East Regional Development Plan 2014-2020

The strategy identified four key strategic priorities for the NE Region: (1) Improving human capital, (2) Development of modern infrastructure, (3) Sustaining competitive economy and local development and (4) Optimizing the use and protection of natural resources.

Most of the specific objectives of this strategy are convergent with ENI CBC Thematic Objectives and their respective priorities, as reflected in the below table.

South-East Regional Development Plan 2014-2020

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

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

Republic of Moldova

Moldova 2020 Strategy

Moldova 2020 is the main strategic document of Republic of Moldova. It contains seven key development priorities: (1) Aligning the education system to labour market needs in order to enhance labour productivity and increase employment in the economy; (2) Increasing public investment in the national and local road infrastructure; (3) Reducing financing costs by increasing competition in the financial sector and developing risk management tools; (4) Improving the business climate, promoting competition policies, streamlining the regulatory framework and applying information technologies in public services for businesses and citizens; (5) Reducing energy consumption by increasing energy efficiency and using renewable energy sources; (6) Ensuring financial sustainability of the pension system; (7) Increasing the quality and efficiency of justice and fighting corruption.

The priorities of the strategy are partially converging with the TOs of the ENI CBC. As outlined in the table below, given the focus of the strategy and the priority setting mechanism put in place for this document, the main policy areas that are directly impacting the ENI CBC objective framework include economic development, education, governance and energy.

Republic of Moldova Strategy for Regional Development

The National Regional Development Strategy sets out the ways to achieve the overall strategic objective of a balanced and sustainable development in all developing regions of Moldova by focusing on the following specific objectives: (1) improving the legal and regulatory framework on regional development; (2) Supporting the sustainable development of regions and ensuring a polycentric urban system; (3) Strengthening the capacities of regional development institutions in the regions of the country; (4) Decreasing local disparities, inter - and intra – regional; (5) Establishing territorial cohesion and prevent marginalization of disadvantaged areas; (6) Developing and promoting integrated and participatory planning in the process of regional development.

Conclusion: The main areas of intervention defined by the strategy are mostly aligned with the ENI CBC objectives, especially as regards the water/sewerage, solid waste management, and energy efficiency, roads, supporting entrepreneurship, tourism and rural development.

Coherence with EU policies

Europe 2020

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

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

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

Danube Strategy

A macro-regional strategy to boost the development of the Danube Region was proposed by the European Commission in 2010 and endorsed by the European Council in the following year. The Strategy seeks to create synergies and coordination between existing policies and initiatives taking place across the Danube Region, including 14 countries among which Bulgaria, Romania, Moldova and Ukraine are from the Black Sea Basin. The Danube Region Strategy addresses a wide range of issues, divided in 17 priority areas as follows: (1) Connecting the Danube Region, (2) improvement of mobility and multimodality (3); Inland Waterways; (4) Road, rail and air links; (5) Encouraging more sustainable energy; (6) To promote culture and tourism, people to people contacts; (7) Protecting the Environment in the Danube Region; (8) To restore and maintain the quality of waters; (9) To manage environmental risks; (10) To preserve biodiversity, landscapes and the quality of air and soils; (11) Building Prosperity in the Danube Region; (12) To develop the knowledge society through research, education and information technologies; (13) To support the competitiveness of enterprises, including cluster development; (14) To invest in people and skills; (15) Strengthening the Danube Region; (16) To step up institutional capacity and cooperation (17) To work together to promote security and tackle organised and serious crime.

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

Eastern Partnership

Representing the Eastern dimension of the European Neighbourhood Policy, this initiative was launched at the Prague summit in 2009 and was reaffirmed in 2011 and subsequently in 2013. It aims to deepen and strengthen relations between the European Union and its six Eastern neighbours, Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EaP is focused on several Flagship Initiatives as follows: (1) Integrated Border Management Programme; (2) Small and Medium-size Enterprise (SME); (3) Regional energy markets and energy efficiency; (4) Diversification of energy supply; (5) Prevention of, preparedness for, and response to natural and man-made disasters; (6) Good environmental governance.

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

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

Thematic objective/ Strategic document	Romania				Republic of Moldova		European Union			TOTAL
	N-E Regional Develop. Plan 14-20	S-E Regional Develop. Plan 14-20	Partnership Agreement RO 14-20	National Reform Program 2014	Moldova 2020	MD Strategy for Reg. Develop.	EU 2020	Danube Strategy	EaP	
TO 1. Business and SME development	2	2	2	2	2	2	2	2	2	18
TO 2. Support to education, research, technological development & innovation	2	1	2	2	2	0	2	2	0	13
TO 3. Promotion of local culture/ preservation of historical heritage	0	2	2	0	0	1	0	2	0	7
TO 4. Promotion of social inclusion and fight against poverty	1	2	2	2	1	0	2	0	0	10
TO 5. Support to local & regional good governance	0	1	2	2	2	2	0	0	0	9
TO 6. Environmental protection, climate change adaptation	1	2	2	2	0	1	2	2	2	14
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	1	2	2	2	2	2	0	2	2	15
TO 8. Common challenges in the field of safety and security	2	2	2	2	1	1	1	2	2	15
TO 9. Promotion of energy cooperation	1	1	2	2	2	1	2	1	1	14
TO 10. Promotion of border management and border security	0	1	2	0	0	0	0	2	2	7

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

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

3.2.2.2 Alignment with EU financial instruments and other international donors

Coherence with EU Operational Programmes in Romania

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

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

The structural and cohesion funds for the 2014-2020 programming period will be managed through nine operational programmes, including Territorial Cooperation: Human Capital Operational Programme, Major Infrastructure Operational Programme, Regional Operational Programme, Competitiveness Operational Programme, Administrative Capacity Operational Programme, Technical Assistance Operational Programme and the National Programme for Rural Development, Fishery Operational Programme⁶.

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

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

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

OP Human Capital will support inclusive growth by investing in:

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

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

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

⁶ Given their particularities of the programmes, the current analysis does not include Technical Assistance Operational Programme and Fishery Operational Programme.

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

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

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

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

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

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

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

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

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

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

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

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

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

The total budget of the OPC is **1.33 billion Euros**.

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

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

- Restructuring and increasing farm viability

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

International donors in Republic of Moldova

European Union

EU remains the most important development partner of the Republic of Moldova. As the eastern dimension of the European Neighbourhood Policy, the Eastern Partnership is the main policy framework for EU – Moldova relation, with the stated objective of bringing the country closer to the European Union. The support for the next four years, in accordance with the recently approved⁷ *Single Support Framework (SSF) for EU support to the Republic of Moldova in 2014-2017* is focused on helping public institutions, citizens and the business community to seize the benefits and opportunities of the Association Agreement and the Deep and Comprehensive Free Trade Area with the EU (AA/DCFTA).

The new Programming document will shape EU cooperation with the Republic of Moldova during the period 2014-2017 in three priority sectors: i) public administration reform, ii) agriculture and rural development and iii) police reform and border management. Assistance will be also provided to support the implementation of new agreements between the European Union and the Republic of Moldova. Support to civil society will continue.

For 2014, the Annual Action Program for the Republic of Moldova is designed to support the modernization of key public institutions implementing the AA/DCFTA, improvement of public finance policy and management, competitiveness of rural business and trade opportunities with the EU and protection of minorities and vulnerable groups. The programme will contribute to further political association and economic integration with the EU under the Eastern Partnership initiative. It is a first package of bilateral assistance granted to the Republic of Moldova under the Single Support Framework.

The 2014 EU annual support package includes:

- Support to Public Finance Policy Reforms in Moldova (€37 million): to assist the Ministry of Finance, the Parliament and the Supreme Audit Institution of Moldova in the process of enhancing good governance, effective fiscal policy, transparent and accountable public finance policy and strengthened public financial management systems.
- European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) Moldova – Support to Agriculture and Rural Development (€64 million): to enhance rural development through improved policy dialogue, governance and service delivery meeting the needs of private farmers while increasing the competitiveness of the agriculture sector. Part of the second action will be dedicated to further intensify the dialogue between central and regional authorities.

Additional to these €101 million in bilateral assistance through European Neighbourhood instrument, there are already €30 million allocated to target competitiveness of small business, development of national legislation in line with EU quality standards and promotion of export and investment opportunities, communication and information campaigns on the DCFTA trade agreement with the EU⁸.

United Nations Development Programme (UNDP)

UNDP supports Moldova in achieving the Millennium Development Goals and the fulfilment of the European integration agenda. The key focus areas of UNDP are: Inclusive Development, Democratic Governance and Environment and Energy. UNDP helps Moldova attract and use aid effectively.

The work of UNDP and the broader UN family aligns with the new national development vision, Moldova 2020, and sector strategies. UNDP Moldova's country Programme for 2013–2017 has three major focus areas:

- Inclusive development
- Democratic governance
- Environment and energy

Swedish International Development Assistance (SIDA)

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

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

- Enhanced economic integration with the EU and development of market economy

⁷ Approved on June 11th, 2014

⁸ This additional support has been granted through the „More for More” mechanism of the new INI

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

Moldova is a priority country for Sweden, and the Swedish support will amount to **14 million Euros annually**.

United States Agency for International Development (USAID)

The United States is assisting Republic of Moldova to consolidate democratic institutions, rebuild a struggling economy, improve the business environment, strengthen the rule of law, and address the frozen conflict in Transnistria. USAID partners with Republic of Moldova to improve government effectiveness and accountability, promote decentralization of the government and strengthen linkages between local governments and citizens. USAID is also helping Moldova address regulatory and policy-level challenges to sustain and accelerate economic growth. To increase Moldova's ability to compete regionally, USAID targets assistance at the country's most promising economic sectors. **German Society for International Cooperation**

Gesellschaft für Internationale Zusammenarbeit - (GIZ)

GIZ projects are generally financed through supra-regional funds managed by the Federal Ministry for Economic Cooperation and Development, by other federal ministries or international organisations. German international cooperation with Moldova focuses on promoting modernisation in the agricultural sector and the food processing industries, as well as improving vocational training and municipal services. GIZ also supports selected municipalities and districts with participatory budgeting, public tendering and project management with a view to integrated regional development. A further priority area is the promotion of German-Moldovan business relations by means of training for Moldovan managers to help generate business contacts.

In 2014 GIZ organised trainings of local authorities in order to develop projects in the following areas:

- Modernization of public services
- Water supply and sewerage / sanitation
- Waste management
- The energy efficiency of public buildings
- Private sector

Ready to go project concepts were produced, suitable to be financed by other donors, including the EU. Project ideas developed are totalling approximately 200 million.

Also, GIZ fulfils the function of Management Authority for the JOP MD-UA 2014-2020 under Eastern Partnership Territorial Cooperation Support Programme.

Romanian Official Development Assistance (ODA)

Romanian policy of international development cooperation subscribes to the objectives, values and principles of the European Consensus for Development. Its main objective is to support efforts to reduce poverty in recipient states, in the wider context of contributing to achieving the Millennium Development Goals. According to the National Strategy for International Development Cooperation Policy, Romania supports developing countries in the geographic areas identified as priorities in the foreign relations of the Romanian government, including the states of Eastern Europe. The Republic of Moldova is the main beneficiary of Romanian ODA policy.

The general priority areas for the Romanian ODA as identified in the strategy are:

- Good governance
- Strengthening democracy and the rule of law
- Economic development
- Education and training / employment
- Health
- Infrastructure development and environmental protection

The beneficiary countries, the specific priority areas and the funds allocated for this purpose are established within multi-annual plans by the Ministry of Foreign Affairs and approved through a Memorandum by the Romanian Government, in accordance with Romania's international commitments. In 2012 the Republic of Moldova, as the main beneficiary of Romanian ODA, received EUR 13.74 million.

In 2010 an "Agreement between the Republic of Moldova and the Romanian Government regarding the implementation of technical and financial assistance under a financial assistance grant worth 100 million

granted by Romania to the Republic of Moldova" was signed between the governments of the two countries. The financial assistance grant is reported as ODA but is managed by the Ministry of Public Administration and Regional Development. The areas of cooperation under the agreement are support for infrastructure and education. Subsequent to this agreement two additional protocols have been added allowing providing financing for projects related to energy interconnection and humanitarian assistance in case of emergencies as well as environment.

3.2.2.3 Other relevant EU policies and programmes

ENI CBC Black Sea Basin programme 2014-2020

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

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

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

- Objective1. Promote business and entrepreneurship within the Black Sea Basin
 - Priority 1.1 – Jointly promote business and entrepreneurship in the tourism and cultural sectors
 - Priority 1.2 – Strengthen cross-border trade opportunities and modernisation of the agricultural and connected sectors
- Objective2. Promote coordination of environmental protection and joint reduction of marine litter in the Black Sea Basin
 - Priority 2.1 – Improve joint environmental monitoring
 - Priority 2.2 - Promote common awareness-raising and joint actions against river and marine litter

Joint Operational Programme Moldova – Ukraine (Eastern Partnership Territorial Cooperation Support Programme)

The Programme will be implemented through three operational objectives:

- Objective1.Improving living conditions of local communities in border regions through projects supporting economic and social development, by supporting activities within two priorities:
 - Promoting closer cross-border business links;
 - Diversifying sources of income in rural areas and the development of alternative employment opportunities in rural areas.
- Objective2. Addressing common challenges in environment, employment, public health, and any other matter of mutual interest which has a cross-border component, focusing on the following priority:
 - Solving cross-border environmental issues.
- Objective3. Culture, education and sport. Under this objective, the two priorities are:
 - Promoting multi-cultural diversity and cross-border social integration of ethnic minorities;
 - Facilitating people-to-people contacts between youth organizations in social, cultural, educational and sport-related matters.

Horizon 2020

Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness and is the biggest EU Research and Innovation Programme ever with approximately €80 billion of funding available over 7 years (2014 to 2020). By coupling research and innovation, Horizon 2020 focused on excellent science, industrial leadership and societal challenges.

The goal is to ensure that Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation (taking great ideas from lab to market).

Horizon 2020 Programme sections are presented below:

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

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

Starting with July 2014, Moldova secured full access to the European Union's new seven year research and innovation programme, Horizon 2020. Being an associated country, legal entities from Moldova can participate under the same conditions as legal entities from the Member States.

The active financial programmes for the eligible area are different in approach, objectives and magnitude, reflecting *i)* development needs, *ii)* governments' own priorities as well as *iii)* donors' vision and interest. The procedures and institutional frameworks for programme management are also differently organized: some donors prefer to develop their own procedures and grant management capabilities, other to disburse their funds through multilateral channels. Most of the CBC thematic objectives are targeted by analysed programmes to various extent; an overview on the alignment of the internationally financed programs available for the eligible area with the CBC TOs can be found in the tables below.

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

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

Coherence table for Romania financing Programmes (below)

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

Coherence table for Republic of Moldova (below)

Thematic objective/ Programme	EU		USAID		UNDP		SIDA		Rom ODA		GIZ		CBC BS		MD-UA		T
	O	E	O	E	O	E	O	E	O	E	O	E	O	E	O	E	
TO 1. Business and SME development	-1	0	-2	0	0	0	-2	0	0	0	-1	0	-2	1	-2	1	-8
TO 2. Support to education, research, technological development & innovation	0	0	0	0	0	0	0	0	-1	2	0	0	0	0	-1	2	2
TO 3. Promotion of local culture and preservation of historical heritage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1	2	1
TO 4. Promotion of social inclusion and fight against poverty	0	0	-1	0	-1	0	-1	0	0	0	0	0	0	0	0	0	-3
TO 5. Support to local & regional good governance	-1	1	-2	1	-2	0	-2	0	-2	1	-2	2	0	0	0	0	-6
TO 6. Environmental protection, climate	-1	2	0	0	-1	0	-2	0	-1	0	-1	2	-2	1	-1	1	-3

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

The overall results generated by the analysis of coherence with national strategies and EU strategies as well as the alignment with EU financial instruments and other international donors are presented below.

Thematic objective/ Programme	Financing programmes		Strategies	Total
	RO	MD		
TO 1. Business and SME development	-7	-8	18	3
TO 2. Support to education, research, technological development & innovation	-1	2	13	14
TO 3. Promotion of local culture and preservation of historical heritage	1	1	7	9
TO 4. Promotion of social inclusion and fight against poverty	-3	-3	10	6
TO 5. Support to local & regional good governance	0	-6	9	3
TO 6. Environmental protection, climate change adaptation	-4	-3	14	7
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	0	0	15	15
TO 8. Common challenges in the field of safety and security	1	0	15	16
TO 9. Promotion of energy cooperation	-1	1	14	14
TO 10. Promotion of border management and border security	1	-1	7	8

In conclusion, the objectives that best satisfy the defined coherence criteria are **TO2, TO3, TO7, TO8 and TO9**.

3.2.3 Multi-criteria analysis

Each thematic objective was scored against all criteria and the overall score was calculated based on the weight each criterion was given. The overall results illustrate the hierarchy and priority level of the 10 objectives.

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

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

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

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

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

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

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

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

TO	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight	Rate
	Cross-border impact	0,3	Capacities for project management	0,2	Relevance for overall financial allocation of the Programme	0,2	Coherence with strategies & programmes	0,2	Current Regional context	0,1	
TO1	3		4		4		1		3		3
TO2	5		4		5		4		4		4,5
TO3	4		4		5		3		2		3,8
TO4	3		5		4		2		3		3,4
TO5	3		5		5		1		4		3,5
TO6	4		5		3		2		3		3,5
TO7	5		5		3		5		4		4,5
TO8	5		5		3		5		5		4,6
TO9	5		3		1		4		5		3,6
TO10	5		5		3		3		5		4,2

The Thematic Objectives with best rates (TO2, TO3, TO7, TO8, TO10) have the potential to ensure a *stronger cross-border impact* due to the fact that the projects and activities that could be financed under these TOs require better coordinated actions, joined planning of public administration beneficiaries from both countries, hence taking full advantage of the particularities and communalities of the regions on both sides of the border. These five thematic objectives (together with TO 4, 5 and 6) benefit also from *better project management capacities* developed in the EU Programming period 2007-2013 (for Romania) and during the Europeanization process of Republic of Moldova after 2009.

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

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

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

3.2.4 Lessons learnt from previous experiences in cross-border programmes

Following the analysis of the Joint Operational Programme Romania – Ukraine – Republic of Moldova 2007-2013 implementation reports, findings, conclusions and recommendations stemming from the mid-term review

on the ENPI programmes which was delivered to the European Commission in 2012, conclusions of audit/ verification missions undertaken and last, but not least, on the opinions expressed by various stakeholders during the consultation phase, a range of lessons learnt from 2007-2013 programming period must be taken into account.

In what concerns projects' generation, it must be acknowledged that proper consideration should be given to support building up and/or development of effective cross border partnerships since these are the cornerstone on which genuine and successful projects are based on. This is where the programme may call on various modalities aimed to facilitate and better connect partners from across the borders and which proved to be efficient in the past or may be now substantially improved/ diversified. Going further, the programme must look after and request an effective involvement of partners residing on both sides of the border during the entire projects' lifespan, whether by awarding incentives during evaluation stage to those which adequately respond to it, or by setting mandatory requirements in the Guidelines for applicants.

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

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

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

Regarding the assessment of applications great need has been expressed to accelerate the process, so that projects remain relevant and to keep the initial design in terms of accuracy, reality and feasibility. The two stages evaluation (Concept Note and, if pre-selected, Full Application) has been proved as beneficial as shortened significantly the evaluation duration while was less burdensome and costly, both for the programme structures and for the applicants (especially for those rejected at the end of the 1st stage). In order to accelerate the evaluation process, the Programme will involve a consistent number of independent evaluators, contracted by MA, with experience in EU-funded projects evaluation and expertise in the thematic areas covered by the Programme.

It also became evidence that large selection committees are not-functional since is extremely difficult to convene them and find a timeline which is suitable for everyone. This approach was also abandoned, and consequently the programme took the decision to set smaller and more flexible selection committees (one committee per priority, one evaluator per country per committee). Finding the right balance between the need of representation at country level, and the urge to have evaluators above any doubts and/or conflict of interest, adequately qualified in the respective fields of interest, committed to comply with the evaluation schedule and delivering good quality assessments, are requirements which must be attentively addressed by the programme.

High number of complaints following evaluation was another sensitive issue during the previous programming period. Grounds lie, mainly, within the huge amount of proposals received requiring much more funds than the ones available for the call on one hand, and on insufficient information provided to the applicants as regards the reasons for rejection or the score awarded. The programme should consider to limit the number of applications which may be submitted by the same applicant within a priority and to improve the communication with the applicants during the evaluation process.

It is recommendable programme to continue with the formal programme approach of setting a complaints procedure within the Guidelines for grant and by indicating clear reasons for rejecting a proposal. Moreover, an Assessment Manual published on the programme website may allow anyone interested to go into details

with the way scores are awarded for the given evaluation criteria. Selected applicants should always be aware about how contracting is to be conducted by the programme bodies. Preparing and making available the Guidelines for the selected applicants prior to the start of this stage has clarified the process and cut off potential complaints related to timing, type of documents, and roles that each body has to play.

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

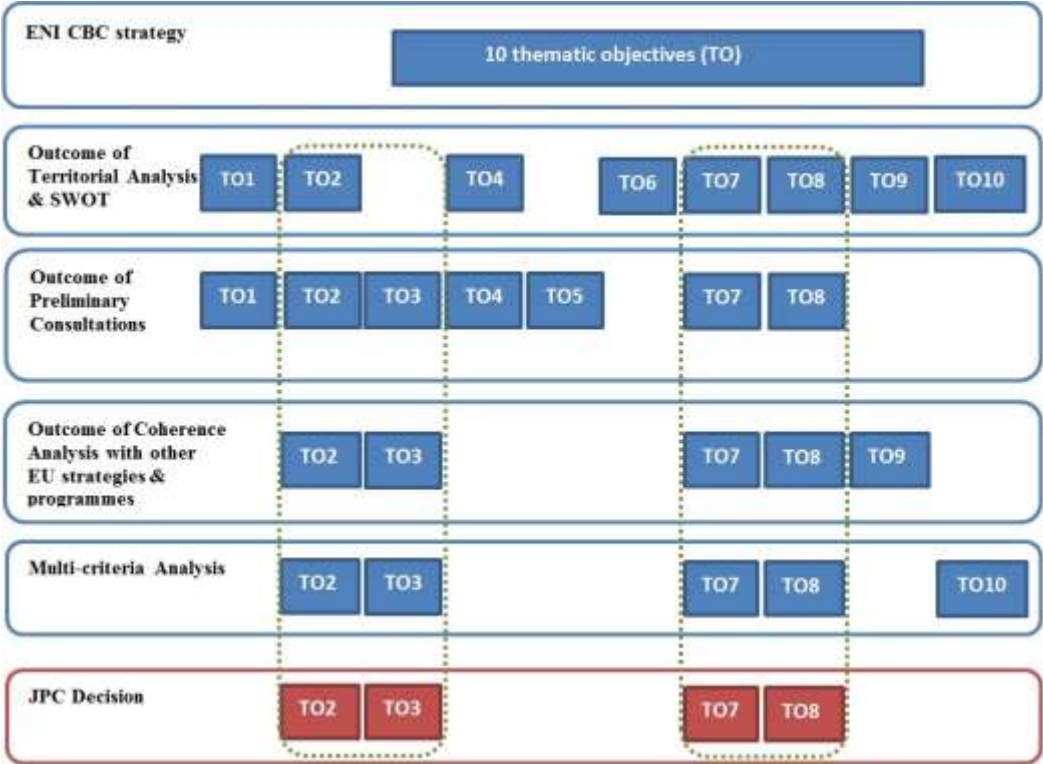
In the new RO-MD CBC Programme, the Guidelines for Grant Applicants will provide extensive information regarding the contracting phases and the deadlines for submitting the documents (especially complex ones) will be set through a careful assessment by the JTS/ MA as regards the beneficiaries needs.

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

3.2.5 Summary of the strategy identification

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

- TO2 - Support to education, research, technological development & innovation;
- TO3 - Promotion of local culture and preservation of historical heritage
- TO7 - Improvement of accessibility to the regions, development of transport and communication networks and systems;
- TO8 - Common challenges in the field of safety and security;



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

3.3. Risk analysis and mitigations measures

No.	Identified risk	Probability	Impact	Mitigation	Responsible body
1.	The management and control system is not fully functional when Programme starts	Medium	High	<ul style="list-style-type: none"> - Preparation of internal procedures of MA and JTS/BOs, NAs and Country Control Points - Strong commitment of the National Authorities for preparing and put in force the necessary legal framework for carrying out their tasks. 	MA, JTS/Offices/NAs, CCPs
2.	The prerequisites (adequate processes, skills and overall management) of an efficient evaluation are not meet	Medium	High	<ul style="list-style-type: none"> - Development of an efficient and transparent evaluation and selection methodology - Selection of a pool of independent assessors in due time for being ready for evaluation when needed. - Strong commitment of the NAs for quick reaction during the evaluation when their support is needed. 	JMC, MA, NAs
3.	Delays in the process of verification of progress reports and requests for payment	Low	Medium	<ul style="list-style-type: none"> - Allocation of sufficient personnel for checking the documentation - Development of efficient procedures 	MA, JTS, national controllers/auditors
4.	Drawbacks within the project implementation due to inefficient communication operations with beneficiaries	Low	Medium	<ul style="list-style-type: none"> - Setting up a system of coherent communication and working procedures, with specific division of tasks between MA and JTS or JTS and JTS Offices, as regards the communication with projects beneficiaries, with the aim to develop a <i>partnership approach</i> between Programme management structures and beneficiaries 	MA, JTS, JTSBO
5.	Low visibility of the Programme and projects	Medium	Medium	<ul style="list-style-type: none"> - Adaptation of the Programme communication strategy/ plan according to the needs - Elaboration and implementation of annual communication plans - Specific provision within the grant contract as regards the obligation of the beneficiaries to have a communication strategy/ plan 	MA, JTS
6.	Poor quality of audit reports provided by independent auditors	High	High	<ul style="list-style-type: none"> - Setting clear and relevant selection criteria for selecting the pool of auditors - Foreseeing sanctions within the individual agreements between NA and each audit firm for those cases of improper performance of the verifications; Training delivery to the auditors included in the pool - Communication between MA and AN concerning the quality of the performance of the selected auditors. 	MA, JTS, NA UA

7.	Instable internal and external political context and/or regional conflicts	Low	Medium	<i>Independent from Programme management structures' capacity for action</i>	
8.	Lack of knowledge of the beneficiaries concerned, of legislation and management techniques on either side of the border	Medium	Medium	<ul style="list-style-type: none"> - Development of coherent and exhaustive project implementation procedures, including also indication on financial and procurement regulation at national level in each country - Targeted training to projects' beneficiaries on Programme's implementing rules 	MA, JTS, NA,
9.	Overlaps with other programmes	Low	Low	<ul style="list-style-type: none"> - Setting clear selection criteria for projects - Selection of projects that are fully relevant to the Programme's priorities and objectives, with a focus on cross-border impact 	JMC, MA, JTS,
10.	Difficulties encountered by potential applicants in finding reliable cross-border partners	Low	Low	- Development of support instruments (such as partners search web applications, partnership events, info-days, workshops)	MA, JTS
11.	Difficulties for projects beneficiaries to ensure co-financing or to finance ineligible costs related to their projects	Medium	Medium	<ul style="list-style-type: none"> - Setting up clear eligibility rules related to financial capacity in the Guidelines for grant applicants - Providing training for beneficiaries, explaining the rules for project implementation, for eligibility of the expenditures and actions 	JMC, MA, JTS, Regional and central authorities, NA
12.	Non-efficient use of EU public funds: irregularities, including frauds and corruption acts	Medium	High	<ul style="list-style-type: none"> - Developing of an effective audit and control system and providing specific training to selected auditor and national controller regarding their responsibilities - Development of risk analyses and monitoring of projects' progress accordingly <p>Financial corrections to projects that do not comply to the rules</p>	MA, JTS, AA, NA, FLC/ auditors

3.4. Programme indicators

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

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

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

C OI – Common Output Indicator

OI – Output Indicator

RI – Result Indicator

XX – Priority Number (First two digits)

X – Indicator Number (Last digit)

NA – Not Applicable

	ID	Indicator Name	Measuring Unit	Baseline Year	Baseline	Indicator target value	Sources	Frequency of measuring	
Objective 1	Priority 1.1	COI 111	Number of institutions using programme support for cooperation in education, R&D and innovation	Institutions	NA	NA	TBD	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 112	No of students benefitting from all types of activities that received funding within the CBC programme	Students	NA	NA	TBD	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 113	No of improved educational institutions	Educational Institutions	NA	NA	TBD	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 114	Number of jointly implemented educational programs at the tertiary level	Educational programmes	NA	NA	TBD	Database of projects/ Projects' reports	2018, 2021, 2023
		OI	No of implemented actions in support of	Actions	NA	NA	TBD	Database of projects/ Projects' reports	2018, 2021,

		115	disadvantaged groups					2023		
		RI 111	% tertiary education students from eligible area from total no. of students	Tertiary students retention rate	2012	18%	<i>TBD</i>	Ex-post Programme evaluation report(s)	2023	
		RI 132	Employment rate in the eligible area	Employees to total population from programme area	NA	NA	<i>TBD</i>	Ex-post Programme evaluation report(s)	2023	
		RI 133	Early school leaving rate	Percentage of students dropout	NA	NA	<i>TBD</i>	Ex-post Programme evaluation report(s)	2023	
	Priority 1.2	COI 121	Number of business development organizations receiving support	Business development organizations	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023	
		OI 122	Number of specialists/ researchers participating in the Programme	Researchers/ specialists	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023	
		OI 123	Number of partnerships established for joint development improvement/ creation/ testing of technologies and innovative outcomes	Partnerships	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023	
		RI 121	Number of innovative outcomes in the eligible area	Innovative outcomes	2015	<i>Survey</i>	<i>TBD</i>	Ex-post Programme evaluation report(s)	2023	
	Objective 2	Priority 2.1	COI 211	Number of organizations using programme support for promoting local culture and preserving historical heritage	Institutions	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
			COI 212	Number of improved cultural and historical sites	Cultural and historical sites	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
OI 213			Number of cross-border cultural events organized using ENI support	Events	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023	
RI 121			Number of overnight stays in the eligible area	Overnight stays	2012	2.070.257	<i>TBD</i>	National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023	

Objective 3	Priority 3.1	COI 311	Total length of reconstructed or upgraded roads	KM	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 312	Number of multimode transport facilities improved	Multimode transport facilities	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 313	Number of joint strategies for improvement of cross-border infrastructure developed	Joint strategies	NA	NA	<i>TBD</i>		2018, 2021, 2023
		OI 314	Number of additional ICT based tools developed supporting cross-border cooperation	ICT based tools	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 311	Cross border traffic volume (by rail, water)	Crossings	2013	3.684.726	<i>TBD</i>	Romanian Border Police. Border Police of Republic of Moldova	2023
		RI 312	Connectivity rate in the eligible area	Percentage (units connected out of total number of units)	2012	42%	<i>TBD</i>	National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023
Objective 4	Priority 4.1	COI 411	Population covered by improved health services as a direct consequence of the support	Inhabitants	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 412	Number of medical service infrastructure units improved	Medical services infrastructure units	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 413	Number of persons participating in awareness campaigns concerning public education on health, diseases and prevention of epidemics	Participants	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	
		RI 411	Number of new cases of illness	Cases of illness (thousands)	2013	2.780	<i>TBD</i>	National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023

Priority 4.2	COI 421	Population benefiting from flood protection measures as a direct consequence of the support	Persons	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
	OI 422	Number of strategies and hazard management tools developed	Documents (e.g. Strategies, Plans)	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
	OI 423	Number of participants involved in joint capacity building activities (exchanges of experience, study visits, trainings, etc.)	Persons	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
	RI 421	Increase in share of eligible area covered by integrated systems for emergency situations	Increased in Area covered (percentage)	2015	Survey	<i>TBD</i>	General Inspectorate for Emergency Situations of Romania. Civil Protection and Exceptional Situations Service in Republic of Moldova	2023
Priority 4.3	OI 431	Number of modernized facilities of police border and custom services	Facilities	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
	OI 432	Number of participants involved in joint capacity building activities (exchanges of experience, study visits, trainings, etc.)	Participants	NA	NA	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
	RI 432	Increase of the ratio of annual number of persons crossing the border to the number of customs personnel directly employed at the border crossing points	Percentage of increase	2015	Survey	<i>TBD</i>	Database of projects/ Projects' reports	2018, 2021, 2023
	RI 431	Decrease of intervention time for police operations in the border area	Percentage of decrease	2015	Survey	<i>TBD</i>	Romanian Border Police. Border Police of Republic of Moldova	2023

3.5. Cross-cutting issues

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

ENI regulations⁹ require a description of the ways the following cross-cutting issues will be mainstreamed during programme implementation, where relevant: democracy and human rights, environmental sustainability, gender equality and HIV/AIDS. Integration at project level of the relevant cross-cutting issues described below will be:

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

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

The cross – cutting themes include:

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

Democracy, participation and human rights

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

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

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

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

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

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

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

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

⁹ Art. 4.3 Regulations (EU) N° 897/2014

Environment protection

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

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

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

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

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

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

FINANCIAL PLAN**Financial allocation**

Thematic Objective	Proposed financial allocation	
	Percentage of total EU contribution	Value
TO2. SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT & INNOVATION	8%	6,480,000.00
TO 3. PROMOTION OF THE LOCAL CULTURE AND PRESERVATION OF HISTORICAL HERITAGE	14%	11,340,000.00
TO7. IMPROVEMENT OF ACCESSIBILITY TO THE REGIONS, DEVELOPMENT OF TRANSPORT AND COMMON NETWORKS AND SYSTEMS	21%	17,010,000.00
TO 8. COMMON CHALLENGES IN THE FIELD OF SAFETY AND SECURITY	17%	13,770,000.00

Annex 1 – List of Large Infrastructure Projects

Note March 2015: the final list will be decided after consultations with the national delegations.

Project title (RO)	Filed of Interest	Thematic Objective	Budget (grant)	Buget (total)
Fibre Optics	Transport	OT 7	7,020,000.00	7,800,000.00
Regional Cooperation for Preventing and Combating Cross-border Crimes between Romania and Republic of Moldova	Internal Affairs	OT 8	9,000,000.00	10,000,000.00
A safer Romanian – Moldavian cross border area infrastructure through the improvement of the operating infrastructure of the Mobile Emergency Service for Resuscitation and Extrication (SMURD)	Emergency Situation	OT 8	9,000,000.00	10,000,000.00
Rehabilitation of the facilities from hydro node - Stânca-Costești Phase	Emergency situations	OT 8	9,000,000.00	10,000,000.00
Rehabilitation and modernization of customs offices from the border of Romania and Republic of Moldova (customs offices Albița – Leuseni, Sculeni - Sculeni and Giurgiuilesti – Giurgiuilești)	Customs	OT 8	9,000,000.00	10,000,000.00