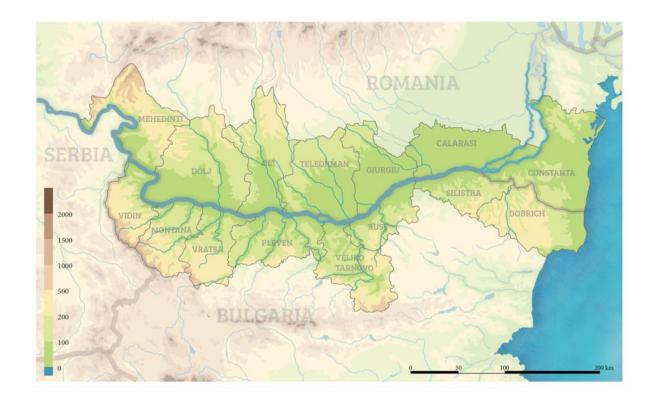
Interreg VI-A Romania-Bulgaria 2021-2027

- EXTRACT -



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The document is drafted based on the findings of the Territorial analysis and in accordance with the JWG Decision no 4 regarding the selection of the policy objectives to be financed under the Programme (<u>https://interregviarobg.eu/en/general-data-1</u>).

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Strand	A

1. Programme strategy: main development challenges and policy responses

1.1. Programme area

The Interreg VI-A Romania-Bulgaria Programme (RO-BG Programme) stretches over seven counties in the Southern part of Romania (Mehedinți, Dolj, Olt, Teleorman, Giurgiu, Călărași and Constanța) and eight districts in the Northern part of Bulgaria (Vidin, Vratsa, Montana, Veliko Tarnovo, Pleven, Ruse, Dobrich and Silistra). All 15 NUTS3 regions are situated along the 630 km of Romanian-Bulgarian border.

The programme area (map in Annex 1) covers a total territory of 69.285 square kilometres 19.8% of the two countries, with about two thirds in Romania and one third in Bulgaria. It is also home for about 4.20 million inhabitants (1.35 million in Bulgaria and 2.85 million in Romania). The main geographical element, shaping the entire landscape is the Danube

River, which unfolds along 470 km of the border from West to East. Only two districts, Dobrich (BG) and Constanta (RO) are connected by land, in the East.

The territory is predominantly rural, and large areas of land are used for agriculture. There are also significant surfaces covered by forests and water bodies, mostly tributaries to the Danube. The area also encompasses many natural sites on both sides of the border, with a rich biodiversity (many Natura 2000 and Ramsar sites).

The cross-border area is one of the least developed territories in the EU. All regions are lagging behind their EU and national peers, facing major socio-economic disparities, which have remained constant over time. The overall low level of economic development weakens the business environment and encourages outward migration, which in turn, prevent the region from achieving its potential. The North-South divide along the Danube, especially in terms of physical accessibility and connectivity, but also because of language and administrative barriers, are among the most important structural challenges affecting the cross-border area.

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

1.2.1. Summary of main joint challenges, taking into account economic, social and territorial disparities, as well as inequalities, joint investment needs

Based on the main development challenges identified at the level of the cross-border region, informed by the lessons learned from the implementation of the two previous programmes in the area and taking into account the other forms of support available, as well as the strategic framework relevant for the area, the following joint investments needs have been identified.

Regional economy

In spite of the positive economic evolution, the Romania-Bulgaria cross-border area ranks among the least developed territories in the EU and is confronted with significant economic disparities between the Northern and Southern sides of the Danube. Four out of the six NUTS2 regions covering the cross-border area in the top ten poorest at EU level. Compared to their Romanian counterparts, Bulgarian districts have experienced lower GPD growth rates over time, contribute with only 24% to the total GDP of the area and have an average GDP per capita of approx. 4600 euro, 70% of their Romanian counterparts (2017 data).

Development disparities also manifest between the different territories, on each side of the border. Overall, intra-regional disparities seem to be more pronounced on the Romanian side of the border, with Constanta and Dolj contributing with 45% of the entire cross-border area GDP and with 60% to the GDP of the Romanian side (million PPS, 2017 data). On the Bulgarian side, Ruse, Veliko Tarnovo, Vratsa and Pleven perform better than the rest of the districts, yet worse than their Romanian counterparts. Silistra and Vidin maintain a worrying

low level of economic development, with GDP levels below 20% of the cross-border area average.

Significant structural shortcomings impede general competitiveness. As resulting from the EU Regional Competitiveness Index¹ and highlighted in the Border Orientation Papers (BOP)², both Bulgarian and Romanian regions along the Danube border are among the poorest performers in the EU. Their overall competitiveness is hampered by significant structural shortcomings, stemming either from deficiencies at national level (such is the case of indicators like "quality of institutions", "education" or "health"), or at regional level (such as poor infrastructure).

On both sides of the border, the economic activity is affected by longstanding challenges related to productivity and specialisation. While the number of enterprises and their turnover increased over the period 2012-2018 (by 6.1 and by 24.6%, respectively), the SME density is still well below the EU average. The limited level of coordination between national and regional institutions with respect to innovation and entrepreneurship support in the Romania-Bulgaria cross-border area and the additional labour market problems such as migration of highly qualified workforce and lower accessibility, pose a series of challenges for the SMEs in the region, whose development represent a key pillar in fostering a competitive and sustainable socio-economic environment. Agriculture is the best represented economic sector, while industry, services and trade are concentrated in a few centres, mostly in Romania and in the Eastern part of the area. Lack of innovation and poor digitalization of enterprises prevent them from responding effectively to customer demand and aligning to the global efforts of environment protection.

Insufficient cross-border cooperation is depriving the region of reaching its potential. Estimates show that legal and administrative barriers hampering cross-border cooperation reduce regional GDP by approx. 3.5 percent and employment by 6-8 percent. Most of this is caused by inefficient use of the agglomeration economies, of the trust capital and of the productive capacity³.

Employment is concentrated in traditional, low-tech and low knowledge-intensive sectors. The region has a higher share of employment in manufacturing, agri-food and agriculture than the national averages on either side of the border. However, for most of these sectors recent trends have been negative and employment levels have declined - except in very local cases where single large employers have secured stable employment.

Supported by the rich natural and anthropic heritage, tourism could provide good conditions for economic diversification in the entire cross-border area but its potential remains untapped. Both sides of the border region share a strong common historical and cultural heritage - e.g. remains from Roman times, religious sites, traditions. The Black Sea

¹ <u>https://ec.europa.eu/regional_policy/sources/docgener/work/rci2019_scorecards.pdf</u>

² <u>https://www.interregrobg.eu/images/fisiere/Future%20programme/CE%20Orientation%20Paper%20RO-BG.pdf</u>

³ EC, Quantification of the effects of legal and administrative border obstacles in land border regions, <u>https://ec.europa.eu/regional_policy/sources/docoffic/2014/boosting_growth/quantif_effect_borders_obstac_les.pdf</u>

Coast is a popular tourist destination, albeit the limited length of the season. Numerous attractions are present all along the Danube, together with the river itself.

However, tourism and heritage assets are not exploited to their potential. This situation is generated by a variety of factors such as: poor quality of the tourism infrastructure (qualitative accommodation, beds, related amenities), site degradation and pollution (in case of natural sites), limited accessibility and poor transport infrastructure, lack of supporting services and ineffective promotion, as well as lack of labour force (skilled workers). The touristic offer is not coordinated across the border.

Low physical connectivity prevents local businesses from tapping into the potential cross-border market and reaping the benefits of participating in cross-border business ecosystems. For most of the area, the physical barrier imposed by the Danube is the most important factor hindering businesses operations across the border⁴. While digitization can be an alternative way to virtually bridge the gap across the river, better physical mobility is essential for the small local businesses to reach new markets and attract new customers.

Main investment needs

Further efforts are necessary for accessing the untapped potential for development and for supporting local businesses. Investments in the tourism value chain could provide the backbone for economic revitalization and could increase the attractiveness of the region as a green tourism/cultural heritage destination. Connected sectors, such as agri-food and creative industries could also support the diversification of the local economy.

Significant investments are necessary for improving physical mobility, to enable access to cross-border markets, knowledge and support. A safer, greener and tourist-friendly transport infrastructure would also benefit the local economy by bringing more visitors to the region.

Digital connectivity needs to be improved so as to support investments in the economic revitalization of the region and to compensate for the lack of physical connectivity. Joint e-solutions are necessary to encourage cross-border business cooperation, particularly in key sectors like tourism, agri-food and creative industries.

Connectivity

Both sides of the Danube borders are characterized by a strong East - West direction of flows and development of settlements. During the last years, North-South links lost their priority status as investments focused in completing the road and rail segments of the Rhine Danube and Orient East Med corridors. The cross-border territory is therefore still disconnected from the main transport networks of the European Union, and the Danube remains the only strong and continuous link to Central Europe.

The "hard border" between the two countries (non-Schengen) and the low number of border crossings greatly hinder mobility across the border. Various national transport corridors are rerouted to the few border crossings available at the moment, as there are

⁴ EC, Easing legal and administrative obstacles in EU border regions, 2017, <u>https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/obstacle_border/final_report.pdf</u>

just two bridges crossing the Danube within a distance of 470 km (one at the Giurgiu - Ruse border point and one at the Calafat - Vidin border point). The most important border crossing for freight remains the Giurgiu-Ruse Bridge, while the Vidin-Calafat Bridge and Vama Veche-Durankulak crossing are secondary links. The best conditions in terms of crossborder connectivity can be seen in the Eastern part of the region where the border is land based. The territory between Călărași/Silistra and Giurgiu/Ruse (including Oltenița) has the poorest access to border crossings. A new bridge between Călărași and Silistra could reroute some of the North-South traffic from Moldova (and even further Ukraine / Russia) through Galați and create a strong direct link with Shumen and Varna⁵.

The transport of goods and passengers on the Danube is low and hindered by a number of factors. The amount of freight carried on various sections of the Danube is 10 times lower than on Europe's most performant inland waterways. The main issues that reduce the performance of the Danube in terms of waterborne transport are related to the shallow river depth and the capacity of ports (including their hinterland connections). Most critical points in terms of river depth are on the Romania-Bulgaria border, especially on the sections between Turnu Măgurele and Călărași. In these places due to drought the height of the Danube goes beyond the 2.5m mark.

The quality of roads greatly increased in the last years (especially on the Bulgarian side), but their density is still under the EU average. Motorways are still missing, as the only segment in the cross-border area is the A2 motorway between Constanța and Bucharest.

Local road infrastructure is not effective in supporting either ports or water border crossings. Ports on both sides lack an effective transport infrastructure to serve a larger hinterland. Ports Silistra or Lom lack road belts, which makes it difficult for freight to reach or leave the ports. Except for Constanta, none of the ports along the Danube is served by a motorway; some may be linked to railways but most of them are degraded. The most developed Danube ports in terms of freight handles are still on the Romanian part and are connected to larger cities.

Neither of the two Eurovelo corridor segments passing through Romania and Bulgaria are developed or at least signalised. The cross-border area is crossed by two Euro Velo corridors: Eurovelo 13 and Eurovelo 6. The Eurovelo routes have a touristic purpose, hence they do not link large cities but aim for places with important natural or cultural heritage. Most of the Eurovelo 6 route is completed or at least signalised across Europe, just the part between Romania and Bulgaria is not developed yet. Therefore, further developing the Eurovelo 6 route within the cross-border region would ensure a complete cycling route of 3,653 km linking important tourist attractions within Europe. This could greatly boost touristic activity, strengthen the local economy while also providing a sustainable transport corridor between settlements along the Danube.

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https://www.interregrobg.eu/images/fisiere/Future%20programme/200618 Territorial%20analysis updated. pdf A preliminary impact analysis was performed as part of the Pre-feasibility study for "Building a bridge between Romania and Bulgaria", synthesis available at http://www.spatial.mdrap.ro/files/Project%20results/Work%20Package%206/Brosura%20Project%20pilot%20 transport.pdf **Rail transport is underdeveloped and underutilized.** The only high-speed rail (up to 160 km/h) is in Romania, between Constanța and Bucharest. The Bulgarian side is missing high-speed rails but has most of the rail infrastructure electrified. This territory is served by four important lines connecting Varna to Sofia but also continuing to the important border crossings at Ruse and Vidin. Unfortunately, this is not the case of Romanian railways, where most lines going towards the Danube are dead ends and not electrified. Therefore, the role of the rail infrastructure remains rather local, the infrastructure being disconnected from the rest of the European territory. Therefore, the road infrastructure is still more performant than rail in the cross-border territory.

Currently, there is no concrete, functional intermodal system of transportation in the Romanian–Bulgarian border region. The only identifiable multimodal facility was the one located in the Port of Constanța, Romania. One of the main impediments for having intramodality in the region is the fact that the rail infrastructure associated to the ports is either inoperable or lacks direct connections to the water-based transport infrastructure. This calls for a better optimization of the existing infrastructure, as well as for better hinterland connections for the ports in the study area.

Nevertheless, the location of the two countries, as well as data on the means of transportation being used for freight transport show a high potential for intermodality to be developed in the cross-border region⁶. Such a development is needed as the inland waterways are the main transportation way between Eastern and Western Europe, through the TEN-T Rhine-Danube Corridor. In this sense, several cities along the border are key points for the intermodal transportation system of the cross-border region: Ruse, Vidin and Gorna Oriahovitsa (in Bulgaria) and Constanța, Calafat and Giurgiu (commercial transport), Corabia, Turnu Măgurele, Oltenița, Călărași (touristic transport) (in Romania).

Due to a lack of connectivity and a less dense settlement network the population along the Danube within the cross-border area has poor access to services of general interest (SGI). This is why most counties and districts in the cross-border territory are considered "inner peripheries" in terms of accessibility (access to services of general interest and to urban centres), territories that face specific challenges. The only exception is the cross-border urban system of Giurgiu and Ruse together with the Black Sea coast.

In terms of digital connectivity, none of the two countries managed to reach the target of 100% coverage with broadband. Silistra is the only district which managed to reach this target while other districts still remain between 70 and 75% coverage. On the other hand, Romania is between the few countries that had over 45% of households with a subscription to ultrafast broadband (over 100Mbps). While fixed broadband coverage should be still slightly below the 2020 targets, ultrafast broadband, mostly accessible in major cities, is advancing fast. Rural areas, with a low density of population still face issues in terms of broadband coverage. Investments in better, more reliable and faster connectivity would

⁶ IntermodalCBC (ROBG 2, project financed under Interreg V-A Romania-Bulgaria Prorgamme), Strategy regarding the consolidation of the TEN-T network by improving the capacity of intermodal nodes in the border region of Romania-Bulgaria 2018-2050.

help to attract higher value-added businesses and are a prerequisite for improving the level of digitisation.

Main investment needs

Since the river Danube still acts like an important barrier in terms of cross-border territorial connectivity, the main investment needs are related to the insufficient density and quality of the transport infrastructure, on road, rail, water or other types of transport.

A coherent, strategic approach is needed to maximize added value of investments and to ensure benefits for the entire cross-border area.

Joint investments should aim at improving access and mobility, while contributing to the EU Green Deal Objectives and encouraging the shift towards more sustainable transport modes.

To this end, investments are needed to:

- Further develop the Eurovelo 6 route within the cross-border region, which would contribute to boosting touristic activity, strengthen the local economy while also providing a sustainable transport corridor between settlements along the Danube;
- Improve the performance for transport of the Danube, by increasing river depth, port capacity and transport safety;
- Improve the currently poor hinterland connections with ports (railway and road), including by upgrading and extending secondary roads serving ports and water border crossings;
- Identify and address bottlenecks and support the preparatory process for further improving border connectivity, including the construction of new bridges crossing the Danube, extending and upgrading of railway infrastructure, improving ferry transport etc.
- Address the missing links in road and rail infrastructure across the border and the lack of connectivity between less dense settlement and cities/towns
- Develop transport intermodality by implementing terminals or modal transfer points in the key points along the Danube.

Climate change mitigation and environment protection

The area comprises several natural parks and protected areas along with three national biosphere reserves, with important potential for tourism exploitation. These are situated in the Southern part of the Danube Delta Biosphere Reserve - marine area (located in the eligible area), with a total area of 32.5 hectares in Romania, and the Biosphere Reserves of Chuprene and Srebarna (Ramsar site) in Bulgaria, covering a total area of 2.3 ha. Natura 2000 areas cover a surface of 2.21 million ha, out of which 46.70% in Romania and 53.29% in Bulgaria. Constanța is by far the county with most of the Natura 2000 sites in the area (38), especially due to the large biodiversity in the proximity of the Danube Delta and in the coastal area.

All the area is considered to have a high degree of vulnerability to climate change. With increasing annual average temperatures, the region encountered various extreme weather events, mostly tornados, severe winds, large hail and heavy rains, as well as more severe droughts, which are atypical for this area. The Romanian side is more exposed, especially

Constanța County, in the case of tornados. Furthermore, erosion, together with storms and rivers draining in low-lying coastal areas, are the main factors triggering coastal flood-risk. Coastal erosion is a threat not only to households or economic activities, but also to biodiversity. Droughts will have serious consequences in the agricultural sector and will also result in desertification.

The entire cross-border area is facing significant challenges in relation to maintaining and protecting the quality of its environment and mitigating the negative effects of human activities. Protected areas, including Natura 2000 sites, are exposed to great risks because of illegal logging, tourism, constructions, and illegal hunting. Deforestation is a major challenge on both sides of the border. These problems are aggravated by administrative issues, such as the lack of management plans. Specific efforts should be directed towards Natura 2000 sites and the existing conflicts in the areas, especially on designating more Natura 2000 sites, on implementing viable management plans and finding the best ways of stopping logging and destruction.

The main natural risks present in the cross-border area are floods, earthquakes and landslides. All the localities in the floodplain of the Danube are exposed to the incidence of floods. Outside the Danube floodplain, the largest areas affected by flood risk are located in Mehedinți county, followed by areas crossed by Giurgiu and Constanta (Romania). In Bulgaria, the flooding risk is present in the river basins of Ogosta and Tsibritsa in Montana and in the river basin of Vit in Pleven. Veliko Tarnovo district includes areas of the Yantra river basin, with its affluent Rositsa. The Vrancea epicentric area has an influence predominant over the Romanian sector and is also felt in the North of the Bulgarian sector (Dobrogea, Veliko Tarnovo and Shabla-Kaliakra Cape). The Black Sea coast (near Cape Kaliakra) and the Veliko Tarnovo region constitute areas with relatively intense seismic activity. The counties of Dolj, Constanța, Pleven and Dobrich have the highest risk of landslides.

The programme area also has a number of sites exposed to technology risks. These put a significant pressure on the control of the floods and of the protection measures that need to be taken in order to avoid major accidents with serious consequences on the urbanised areas. These sites are located in Craiova-Slatina, Giurgiu-Ruse, Silistra-Călărași-Tămădău Mare and Mangalia-Constanța-Năvodari and are either related to harbour activities or are developed on former communist industrial sites and use the proximity of the water resource as an asset for their activity. A special situation is represented by the location of objectives in settlements from areas at risk to floods such as: Bâcu village in Giurgiu county, Isalnița and Podari communes in Dolj County, Kozloduy from Vratsa district, Svishtov locality from Veliko Tarnovo district. Two major industrial infrastructures in the area present a high level of risk - Kozloduy Nuclear Power Plant and Cernavodă Nuclear Power Plant.

Waste management is still very low, compared to EU targets. The counties with the largest waste production in 2017 are Constanța, Ruse and Dolj, having also the lowest recycling rate (under 3%) while the highest recycling rate has been registered in Olt county (13.79%), which is still low considering the European target of 50%. Many counties/districts do not report any recycling (e.g. Vidin, Silistra, Călărași, and Giurgiu). Against this background, circular economy is severely underdeveloped.

Main investment needs

Significant efforts are necessary for protecting the environment and mitigating the negative effects of human activities. As both sides of the border share similar natural landscapes, common socio-economic profiles and matching challenges, investments are necessary for planning and implementing common systems and instruments for monitoring the quality of the environment and the extent of human activities, promoting joint coordination mechanisms and initiatives, developing joint risk management strategies and systems, as well as implementing innovative actions across the border for prevention purposes.

The rich biodiversity of the area could lead to further development of sustainable and ecofriendly tourism activities which can contribute to local employment and growth. There is high untapped potential for the local economy that needs to be exploited more, but within strict environmental protection standards.

Expanding existing cross-border networks and developing new ones is necessary for supporting the adoption of common approaches, build awareness and promote successful solutions. Additional efforts are also necessary to promote education and to increase the awareness and raise engagement of people, enterprises and administrations in relation to restoring and protecting the environment.

Human capital

The Romanian-Bulgaria cross-border has an overall low population density, which affects economic development and discourages investment. Romanian counties are generally more densely populated than the ones on the Bulgarian side, mostly in Constanța (95.63 inh/km2) and Dolj (85.12 inh/km2), both having important major cities (Constanța and Craiova), growth poles that attract people and represent development engines from an educational, social and economic point of view. On the Bulgarian side, the maximum density is registered in Ruse (77.96 inh/km2) and the minimum in Vidin (27.98 inh/km2), approximately half of the lowest value registered on the Romanian border, in the county of Mehedinți).

Outward migration, population ageing and low fertility rates have led to a constant population decrease and to a depletion of labour resources. The districts of Vidin and Montana have registered some of the highest values for population decline in Europe, with many areas that are turning into so-called "ghost-towns". Rural depopulation is registering alarming levels across the area. This has lead to a depletion of labour resources, which is visible across the territory but most acute in Teleorman (-17%), Călărași (-15.6%) and Giurgiu (-13.2%).

The remaining labour force is unable to find suitable work opportunities. As such, each of the two sides of the cross-border area hold over 21% (in the case of Romania) and over 30% (in the case of Bulgaria) of the total unemployed population in the respective country. The highest unemployment rate was found in Vidin, where the unemployed accounted for 19.7% of the active population. Overall, the cross-border area has an unemployment rate of 6.7% in 2018, down from 10.4% in 2013. Poor mobility and language barriers prevent job seekers to effectively access job opportunities across the border.

Population education levels are the lowest in the two countries. The illiteracy rate is worrying, especially on the Romanian area of the cross-border region. According to the 2011

National Population and household census, the 1st, 2nd and 4th counties in term of highest rate of illiteracy in Romania are located in the cross-border region (Călărași, Giurgiu, and Teleorman). In Bulgaria, two of the districts (Dobrich and Silistra) are above the national percentage of illiterate population. This is due to the fact that these two districts are rural, with a higher number of ethnic minority groups, among which this indicator is traditionally high.

Against the low level of economic development, more than a third of the population in the programme area is at risk of poverty or social exclusion. The situation is particularly concerning in respect to in-work at-risk of poverty, manifested widely, given the low salaries in the region, up to five times smaller than the EU average and well below the national averages.

Income inequality is high in the cross-border area, stemming mostly from structural conditions. Both Romania and Bulgaria manifest great unbalances in respect to the distribution of income and wealth among the population. Estimates show that the topearning 20% of the population received around 7 times more income as the bottom 20%⁷, slightly higher inequalities (7.9) in Bulgaria. Inequality is associated with low education levels and poverty. Women, unemployed youth, the long-term unemployed, people with disabilities and Roma ethnics face considerable challenges and experience greater levels of inequality⁸, both in Bulgaria and in Romania. The main drivers of inequality in the region are associated with the legacy of the former economic systems, poor availability of human and capital resources, lack of innovation and overall low competitiveness of the economy, as well as poor accessibility.

Main investment needs

Efforts are necessary to improve the quality of the labour force in the RO-BG program area. Joint initiatives are sought to curb the rate of adult illiteracy, to support life-long learning and to promote the uptake of digital skills, so as to provide sufficient and suitable labour resources for businesses.

Area-focus initiatives are particularly necessary to improve the skills of adults so as to support the economic transformation of the area, particularly in relation to key sectors such as tourism and agri-food, but also in connected sectors such as creative industries, green and blue economy and environment protection.

Investments are needed for developing shared learning programs, platforms and contents, including in collaboration with employers in the cross-border area, for mobilizing networks of teachers and trainers, for promoting successful initiatives, raising awareness and promoting participation to education, especially for persons from remote and rural areas.

An integrated approach is need to address disparities and inequalities in the region, by supporting human capital, innovation, high-quality institutions and better accessibility.

Governance

 ⁷ <u>https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/637951/EPRS_BRI(2019)637951_EN.pdf</u>
⁸ EC, Mind the Gap European Research for Combating Inequalities, <u>http://ec.europa.eu/research/social-sciences/pdf/project_synopses/ki-na-27-488-en.pdf</u>

Cross-border cooperation has increased steadily in the last decades, but it is still well below that of more integrated border regions in Western Europe. Progress has been achieved mainly with the support of EU funds, in particular in the green tourism and environmental protection, road access to Danube crossing points and education fields⁹. The RO-BG Programme area is also relatively well covered by networks which could facilitate good quality partnerships. Nonetheless, the hard border of the Danube, historical separation, structural and language barriers still prevent cooperation across the border.

Administrative and legal obstacles still hinder cooperation. The different statutes of the Romanian and Bulgarian administrative structures, as well as different governance levels, pose difficulties in developing and implementing common policies and programmes. In addition, both countries are highly centralised, which increases dependency on the national governments, reducing decision-making and stakeholder engagement at local level. Often, the root cause for the lack of cooperation lies with the national legislation¹⁰. As such, virtually all areas of possible cooperation are affected and still have substantial space for improvement.

From a governance perspective, there are significant "missing links" in respect to developing shared strategies, and delivering shared policies across borders. There are virtually no well-established, stable institutional cross-border cooperation structures or bodies in the cross-border region¹¹ and no public service is delivered jointly, except for the Giurgiu-Ruse bridge crossing¹². At the same time, the number and scope of the shared strategies is limited, thus preventing the delivery of policies across borders.

Inequality is manifested in the context of inner peripherality. The cross-border region manifests similar challenges as other EU inner peripheries¹³, in terms building interactions between local actors. The capacity of local institutions, organisations and companies to establish links with other entities in neighbouring territories is limited, preventing the population in the border area to access services of general interest (SGI), labour markets and opportunities across the border. The flow of information and knowledge between the Bulgarian and Romanian sides is still low and made even more difficult by the language barrier.

Even though both countries have taken significant steps in the implementation of the digital transformation process, they still hold the last positions in the European rankings. In the case of Romania, the digital transformation of the administration has severely fallen behind. This problem is caused on the one hand by the reluctance of public employees to re-think the process of governance, and on the other hand by the relatively high share of older population and of the population living in rural areas that do not have access to the

⁹ Border Orientation Papers

¹⁰ As informed, for example, by the recent study <u>https://www.b-solutionsproject.com/</u>

¹¹ Border Orientation Papers

¹² As informed by the ESPON *Detailed EU-wide analysis of Cross-border Public Services* <u>https://www.espon.eu/sites/default/files/attachments/ESPON%20CPS%2004%20Scientific%20Report%20Ann</u> <u>ex%20l%20Detailed%20CPS%20Analysis.pdf</u>

¹³ ESPON, 2018, Inner Peripheries - national territories facing challenges of access to basic services of general interest <u>https://www.espon.eu/inner-peripheries</u>

internet. Bulgaria has been more preoccupied in recent years with introducing e-government services and progress in this area has been significantly more visible than in other sectors. This can be seen in the high percentage of e-government users, the extensive coverage of fixed broadband, including in districts in the cross-border area such as Silistra, Pleven, Ruse or Veliko Tarnovo, or in the overall percentage of e-government index at global level.

Existing partnerships and networks are essential for identifying common needs and challenges and for developing efficient cooperation mechanisms. Future interventions need to build upon this valuable asset, since it creates the premises for further upgrading the level of cooperation in RO-BG Programmeme area.

Data and evidence are essential for the substantiation of future policies and actions. Given the centralized governance of the region, data availability at local level is often limited. Language barriers further prevent effective data sharing and management across the border.

Main investment needs

Investments are necessary to support legal and administrative cooperation across the border in respect to:

- Identifying and understanding legal and administrative obstacles hindering crossborder cooperation;
- Exploring potential areas to enhance legal and administrative cooperation, including city-to-city and inter-municipal cooperation;
- Addressing missing links to foster cooperation (institutional design, formalized cooperation, joint planning, creation of institutional cross-border cooperation structures or bodies.
- Addressing lack of data and evidence, by supporting data collection and increasing information sharing, including open data, creating common information platforms and repositories, developing new databases on subjects of common interest, enabling information flows on multiple channels;
- Supporting the delivery of cross-border public services

Territorial integration

The cross-border region is primarily rural with few major urban centres, the biggest of which are located further away from the border, both in Romania and in Bulgaria. The only urban centre on the Danube exceeding 100,000 inhabitants is Ruse in Bulgaria, while all the rest have under 65,000 inhabitants. Overall, the largest agglomerations are in Constanța (300,000) and Craiova (243,000) and Pleven (107,000). These are also the main development engines of the territory, which have the capacity to attract socio-economic development, while also influencing their surrounding territories.

There are seven pair cities along the Danube. Currently, only the towns of Ruse and Giurgiu have developed strong connections and formed an urban system - this is also the largest cross-border urban system in Europe, with more than 200,000 people living in these cities. However, there are other six twin-cities along the border with opportunities for cross-border interaction via labour mobility, joint education or business support services: Calafat-Vidin, Bechet-Oryahovo, Turnu Măgurele-Nicopole, Zimnicea-Svishtov, Olteniţa-Tutrakan and Călăraşi-Silistra.

The Danube River is a factor of discontinuity across the territory. Bridges and, to a lesser extent, ferries, contribute to North-South mobility, whereas the land-based border significantly improves connectivity. "Twin towns" along the banks of the river Danube offer potential for cross-border interaction, though currently only the towns of Ruse and Giurgiu have developed stronger connections but similar links could be supported between Vidin and Calafat or between Silistra and Calarasi. Along the border, there are six identified zones where access to the other side of the border takes 30 minutes or less¹⁴, the largest of which are in the land-border area.

The cross-border area has common endowments and opportunities. From East to West, Romania and Bulgaria share a coastal region, a land-connected border section and a vast water-connected border section. The region boasts of a strong common natural, historical and cultural heritage. The Danube is the most important landmark defining the territory and the identity of its inhabitants. Historical and religious sites are spread all along the border, while similar traditions, rituals and holidays bring testimony to the shared history since Roman times. The Black Sea Coast, the best tourist destination in the area, is also present on both sides of the border.

In spite of the various opportunities and potential, the Romania - Bulgaria cross-border area is still not characterised by strong synergies. Territorial integration is limited by the small number of connections between the two countries over the Danube, as well as the low density of major urban centres, which could have the capacity to attract socio-economic development, while also influencing their surrounding territories. Major transport and travel routes crossing the area are of poor quality or disconnected, which further hinder territorial integration. Competition, rather than collaboration often characterizes the general approach in respect to valorising existing potential, particularly in respect to the tourism sector. The management of common assets, such as the Danube, is treated at national level.

Main investment needs

Investments are necessary to enhance territorial integration in the cross-border area, on the following tiers:

- Enhance physical connectivity and mobility both across the North-South and the East-West axes of the border;
- Support a shared approach in developing the local economy, by valorising common assets, such as the natural, historical and cultural heritage;
- Support further integration of local public policies in those areas where access is less problematic, such as twin cities and the Black Sea Coast

Investments in the Eurovelo Route will be used as a backbone for increased cross-border mobility and as a means for attracting more visitors to the region. Support for the tourism sector, as well as for connected sectors like creative industries or agri-food will help valorise the common historical, natural and cultural heritage. This will boost the local economy, create jobs and increase the attractiveness of the region, building its long-term resilience.

¹⁴ Border Orientation Papers

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1.2.2. Complementarities and synergies with other forms of support

Both Romania and Bulgaria will benefit from extensive funding under the Cohesion Policy for the 2021-2027 programming period. Complementarity of support will ensure an efficient use of RO-BG Programme budget and enable the synergies which are necessary for achieving the desired development objectives. Coherence of the programme with other national and international forms of support has been ensured through extensive stakeholders' consultations and the use of existing coordination mechanisms set-up at national level in the two countries.

In order to address the region's diverse and substantial development challenges, joint investments will be directed towards improving mobility and connectivity, enabling efficient cross-border connections for environmentally friendly transport, promoting inland navigation and speeding up the improvement of sustainable and low-carbon mobility across the river Danube.

While RO-BG Programme will focus on connectivity in the cross-border territory that will have a real cross-border impact and will be developed for the benefit of the entire area of RO-BG Programme, also with strong links with enhancing connectivity across Danube (financing strategic projects characterised by strong partnerships between relevant stakeholders on both sides of the border, with a high cross-border approach and real cross-border impact, that with benefit the entire area of RO-BG Programme and will enhance cross-border mobility and at the same time will eliminate the missing links and administrative barriers), the mainstream interventions supported by the OP in Romania and Bulgaria will focus on developing access to central and global TEN-T transport networks, or intermodal terminals, and regional accessibility.

Also RO-BG Programme will complement the mainstream initiatives (focused on upgrading cross-border crossing points on the TEN-T network and creating additional new transport connections across the Danube and modernizing and developing port infrastructure of the primary network) with preparatory works in financing relevant studies (feasibility studies for new bridges on Danube River or studies identifying and proposing solutions for ferry transport efficiency and reliability) or by complementary interventions to link the large infrastructure created through mainstream to cross-border relevant infrastructure, such as secondary roads or ports, road safety measures.

Within **PO 5**, there will be financed actions identified in the Integrated Strategy for the Romania-Bulgaria territory, that will have as key element the development of the EuroVelo route 6. RO-BG Programme will also have synergies with the mainstream regional operational programmes in terms of tourism and culture initiatives, but the focus of the cross-border initiatives within PO5 are to support an integrated approach to the economic development of the region, against the backbone of the Eurovelo 6 cycling route and by investing in the tourism value chain with relevance at cross-border level.

Moreover, there are complementarities with the mainstream programs regarding support to improve access to the labour market and support lifelong learning in the perspective of the cross-border area, in order to overcome the language and administrative barriers that have an impact on the mobility and adaptability of the labour force on both sides of the border.

Projects will have an enhanced cross-border cooperation focus, both in respect to the implementation and to the results envisaged. RO-BG Programme will also promote support for enhancing the potential for building cooperation, developing joint practices, extending existing networks.

Other complementarities are envisaged with the Black Sea Basin Joint Operational Programme, part of the EU Black Sea Sinergy Initiative, supporting the joint efforts of the member countries in achieving better cooperation between each other, notably in the areas of environment protection and climate change, energy and transport, education, culture, or with the Romania Serbia Interreg IPA programme for Mehedinti area and Bulgaria-Serbia Interreg IPA programme for Vidin, Montana, Vratsa districts. The Interreg VI-A Romania-Bulgaria Programme will assume a coordination mechanism extended to other relevant EU programmes, in order to ensure effective complementarities and synergies.

Measures dedicated to promoting climate change prevention and management measures and reducing pollution, will be complementary to other funding programmes such as LIFE, the European Agriculture Fund for Rural Development (EAFRD) or the European Maritime and Fishery Fund (EMFF). Part of the objectives of these programmes, also aim to support a sustainable shift toward a low-carbon and climate resilient economy, encouraging environment protection and climate action. Regarding PO3 and PO5, complementarity will also be ensured with Connecting Europe Facility (CEF), a EU funding instrument aiming to promote, growth, jobs and competitiveness through targeted infrastructure investment at European level.

1.2.3. Lessons learned from past experience

Romania and Bulgaria benefited from Interreg cross-border cooperation programmes for two programming periods. Since the beginning of the first programming period and until present, almost 350 projects have been implemented, amounting to approximately 476 million euros and covering a wide array of investments, from improving accessibility and connectivity, to promoting socio-economic development, supporting environment protection, promoting human capital and improving governance. The programme will ensure continuity of the results obtained in the past programming periods, in order to further amplify their results and effects and to bring a structural value in the cross-border region.

Throughout the two implementation cycles, the RO-BG programme acted as a catalyst to facilitate co-operation and future operations can benefit from what has been achieved. As highlighted by the evaluations performed, the programme's role in helping to establish conditions for enhanced co-operation has been instrumental in delivering project achievements and has contributed to reducing various barriers to cooperation, including by facilitating partner identification, enabling data and information flows and supporting the development of joint management systems at project level. As a result of the RO-BG programme, the cross-border area now benefits from a strong network of stakeholders, who can be actively engaged in the next programming cycle.

Given the small budget, an increased focus is necessary, both in respect to the number of thematic priorities addressed and to the types of activities supported. In line with the EC orientation towards results, the current programming period already encompassed this

approach. Further attention will be paid to properly defining specific actions, so as to better respond to the specific needs identified in the programme area and to increase the impact.

The cross-border character needs to be at the centre of the interventions. Acknowledging the tendency to develop "mirroring" projects, which manifested strongly in the 2007-2013 period, extensive measures were taken for the 2014-2020 period, in order to ensure the integrated cross-border character, such as: specific grids (quite unique at the level of Interreg Programmes), requesting real cross-border character and not just filling in the Regulation cooperation criteria, strict monitoring, double-checks in the pre-contractual phase, multiple campaigns of best practice projects with real cross-border impact.

Some barriers are still persistent and require additional efforts. Cultural and language differences entail additional efforts to address the target groups, legislative and administrative differences prevent, delay or pose significant challenges for the development of some actions. "Asymmetric project implementation" was seen as a necessary compromise in some instances, given the administrative obstacles. The implementation of the programme and of the projects has been simplified, mainly taking into account the administrative burden imposed on beneficiaries and monitoring bodies. These actions need to be further addressed.

RO-BG Programme will continue the good practice of the 2014 - 2020 period, in which the monitoring and reporting of the Programme was performed exclusively in the **eMS system** at all levels (beneficiaries, FLC, JS, MA). The eMS has a high level of accessibility and use friendliness for programme beneficiaries and potential applicants. The use of eMS increases the level of simplification and transparency across the entire monitoring procedural workflow. Furthermore, the eMS still has some weaknesses to overcome, most of them concerning saving / storing information in the system from one reporting period to another.

Effective prevention of financial corrections will be also sought. The new programme shall extensively use the **Simplified Costs Option (SCO)**, as they proved to have a positive impact on the implementation of the 2014-2020 programme, reducing the administrative burden both for beneficiaries and the programme bodies. Moreover, the activities and trainings provided by the MA, supported by the NA and the Joint Secretariat will be continued. A pre-financing mechanism to improve the financial sustainability of the projects shall be also implemented together with a stricter pre-screening of applicant's financial solvency during the selection phase, in order to avoid the low solvency.

Gold-plating has a negative impact since it increases the administrative costs for the programme structures and beneficiaries, thus efforts will be made in order to reduce and avoid its usage, as it is proven to be leading to increasing administrative costs and burden, with the risk of making financing less attractive and more error prone. Thus, at programme level the programme bodies will focus to provide clarity for beneficiaries and make more use of SCOs.

The Interreg VI-A Romania-Bulgaria Programme will encourage the synergies between the interventions within PO3 and the boosting of modal shifts, complementing the secondary and tertiary nodes connections to TEN-T with waterways transport along the Danube to make the first less congested. The need for civic education on waste generated by tourism activities will be also provided in the horizontal principles of the Programme. The interventions envisaged under PO5 shall take into consideration the risk of increasing

pollution due to the development of the tourism sector in the region, in order to develop sustainable projects, from an environmental point of view.

Regarding the process of identifying the needs and priorities of the programme, as recommended in the evaluation report of the Interreg V-A Romania-Bulgaria Programme, the private sector was further involved in order to stimulate the integration of services and the exchange of good practices between the public and private sectors in the cross-border area.

1.2.4. Coordination with the macro-regional strategies

RO-BG Programme is aligned with the EU Strategy for Danube Region (EUSDR), striving to boost the development of the Danube Region, by creating synergies and supporting coordination between the existing policies and initiatives in the region and approaching common challenges in partnership.

Joint projects will be supported in line with the EUSDR, to improve the connectivity within the Danube Region. While good connections are key for the Danube Region, the Interreg VI-A Romania-Bulgaria Programme will contribute to the consolidation of the road infrastructure, as well as of the connections between people, especially through culture and tourism.

Thus, RO-BG Programme will contribute to the first pillar of the EUSDR, meaning Connect the region, contributing to several priority areas such as: waterways mobility (1A), railroad-air mobility (1B), sustainable energy (02) and culture and tourism (03).

RO-BG Programme will have an important contribution to develop the inland navigation and to remove the bottlenecks, aiming to improve the performance for transport of the Danube, by increasing river depth, port capacity and transport safety, and last but not least will contribute to identifying and addressing bottlenecks and to support the preparatory process for further improving border connectivity, including the construction of new bridges crossing the Danube, extending and upgrading of railways infrastructure, improving ferry transport etc.

Secondly, RO-BG Programme may contribute to the improvement of rail-road-air mobility, by supporting interventions in development of efficient multimodal terminals at sea, river and dry ports in the Danube Region and ensure their connectivity and access through the integration of all modes of transport and efficient logistics services by 2030. Also RO-BG Programme will facilitate the improvement of secondary and tertiary roads in the Danube Region and will support safe and sustainable transport and mobility in the Danube Region.

RO-BG Programme may also contribute to improving the currently poor hinterland connections with ports (railway and road), including by upgrading and extending secondary roads serving ports and water crossings. Also it will address the missing links in road and rail infrastructure across the border and the lack of connectivity between less dense settlement and cities. Interventions will be financed in order to develop transport intermodality by implementing terminals or modal transfer points in the key points along the Danube.

In order to promote Culture and Tourism Priority 3 within EUSDR, the RO-BG Programme will contribute to establish the Danube region as an important European tourist destination and further develop and strengthen the Danube Brand for the entire Danube Region (target 1), Establish the Danube as a transnational cultural and natural travel route (target 3), Develop sustainable forms of tourism, including green tourist products and sustainable mobility solutions along the Danube region (target 4), Promote the development of quality products, infrastructure and innovative forms of tourism and culture by SMEs and public private partnerships (target 8) and to Promote skilled labour workforce, education and skills development in the areas of tourism and culture for sustainable jobs in the region (target 9).¹⁵

Thus, will support interventions aiming to develop cycling infrastructure (Euro Velo Route 6), to develop the tourism facilities along the EuroVelo Route 6 and to rehabilitate the historical objectives with tourist potential. Moreover it will support the small businesses in the tourism, agri-food (including local farms) and in the creative industries sector, to create common historical, natural and cultural heritage products and services, to expand/ improve their services, target new markets and create jobs in the cross-border area, including by setting up on-site and on-line shops for traditional / local products (local food, bread, wine, cheese, rose, lavender, honey etc.). More actions will be financed for qualifying the labour force in the tourism ecosystem hospitality.

Also, the programme may contribute to the fourth pillar of the EUSDR - *Strengthening the Danube Region - effective, sound and safe,* by supporting activities aiming to overcome the administrative and legal obstacles in the cross border area, to develop shared strategies and deliver shared policies across border and to assure sufficient data and information for evidence-based decision-making. Also, the programme will try to develop the cross-border public services and formalized institutions, to slow down warming and for a better adaptation and increased resilience, coping with increasing and more frequent natural hazards, preserving and restoring biodiversity, etc.

¹⁵ <u>https://cultureandtourism.danube-region.eu/priority-area-3/pa3-targets/</u>

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

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
PO3. A more connected Europe - mobility and regional ICT connectivity	3.3. Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility	A well- connected region	As highlighted by the territorial analysis, the competitiveness and the cohesion of the border area is hindered by the relatively low physical connectivity between the Northern and Southern regions. The low density of border crossings reduces the mobility between the two sides of the border, hinders commercial flows and makes commuting difficult. It also prevents the capitalization of the existing natural and anthropic resources for touristic purposes, due to limited access, limiting economic potential and job creation.
			The River Danube shapes the geography and the economy of the territory, upholding a pivotal role in connecting the region to the rest of Europe. However, inland navigability suffers from bottlenecks, both because of the shallow river depth and the capacity of ports, including their hinterland connections. Ports and ferries on both sides lack an effective transport infrastructure to serve a larger hinterland, including road belts, which makes it difficult for freight and passengers to travel across the river.
			PO3, SO 3.3. was selected to support the development of the cross-border transport infrastructure on two tiers: addressing the missing links in relation to the TEN-T networks (e.g. road, rail) and improving the efficiency of inland water transport. Priority will be given to investments of strategic importance, with demonstrated cross-border relevance and supporting clean, environmentally-friendly transport, in line with the Border Orientation Papers. All investments will be financed as grants.
			These investments will contribute to strengthening local economies and to consolidating the functional role of the cities located along the border, while also providing a sustainable transport corridor.

PO5. A Europe closer to citizens	5.2. Fostering the integrated social, economic and environmental local	An integrated region	While there are certain territorial specificities inside the cross-border area, the entire territory shares common challenges, endowments and opportunities.
	development, cultural heritage and security, including for rural and coastal areas also through community-led local development		The historical, cultural and natural heritage is a common asset which could be used to support economic development across the region. However, existing sites are often inaccessible, unpromoted and in poor condition, while the Black Sea Coast, - an already established tourist destination - is often the subject of competition between the two countries, and not one of collaboration.
			The Eurovelo 6 cycling route presents a remarkable opportunity for the area to benefit from the potential tourist flows and valorise its historical, natural and cultural heritage and to support the local economy. The route is nearly completed and has gained significant popularity among travellers, but the only missing link is currently on the Romanian-Bulgarian border.
			Additional tourism infrastructure and services are necessary, to accommodate the needs of the visitors and prolong their stay. Support along the value chain and in connected sectors (such as creative industries or agrifood) will also be necessary. The available work resources will also need preparation, to take on the newly created jobs in the respective sectors.
			Taking into account the relatively low economic development of the border area as well as the significant unfavourable economic and social effects of COVID-19 health crisis, a direct support to the SMEs (as most affected from the crisis) will be envisaged under this Programme priority (within the integrated territorial strategy) with dedicated funds and respective indicators.
			At the same time, it is expected that the tourism activities to be developed in a sustainable manner, in order to positively impact the environment and to promote and protect the natural heritage. Also, current natural and anthropic risks along the tourist route will need mitigation, to make the area safe for visitors.
			As such, SO 5.2 was selected to support an integrated approach to the economic development of the region, against the backbone of the Eurovelo 6 and by investing in the tourism value chain. All investments will be financed as grants, based on the integrated development strategy of the

	region. F EuroVelo	will	be giv	ren to	projects	in di	rect	connection	to	the

2. Priorities

2.1. Priority: A well connected region

2.1.1. Specific objective: Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility

2.1.1.1. Related types of action and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

While the Programme area is covered by maritime and river-based transport, road and railway networks, and also air transport, the current infrastructure does not have either sufficient density or proper quality to ensure access to the TEN-T and major national corridors or to safeguard a good connectivity across the border and alongside the border area. Moreover, there is no optimized system of connections between the different modes of transportation.

This is partially the consequence of the historical design of the regional transport grid, which considered the Danube as a rigid border and focused on ensuring connectivity with the two national capitals and national urban poles. This resulted, on the one hand, in almost no connectivity across the border and, on the other hand, in significant gaps within the territory, particularly between the rural and urban areas.

The Danube River, whose 470 km-long navigable waterway is part of the 7th pan-European transport corridor, has relatively few river crossings, as follows: Giurgiu - Ruse (road and railway), Calafat - Vidin (road and railway), Calafat - Vidin, Bechet - Oryahovo, Turnu Măgurele - Nikopol, Giurgiu - Ruse, Oltenița - Tutrakan and Călărași - Silistra (ferryboat). The main challenges affecting ferry crossings are mainly related to the quality and capacity of their road connection, as well as to the infrastructure.

The lack of a stable and functional river crossing infrastructure is widely acknowledged as the main problem, affecting not only freight and passenger transport on the major EU TEN-T corridors, but also cross-border socio-economic flows, and cooperation among the pairs of towns located on the two banks of the river, as accessibility is seriously limited for people and businesses.

The Danube represents an opportunity to connect the European space to the Port of Constanta and to reduce the congestion of road transport, pollutants and consumers of non-renewable sources, insofar as investments ensure appropriate navigation conditions throughout the year. However, the lack of reliability and navigability at the level of the waterway on the Danube and its canals, which have deficiencies in both width and depth, makes travel times for barges and vessels longer compared to other modes of transport, with a significant negative effect on the costs and attractiveness of shipping.

At the same time, the existing ports and ferry crossings are poorly connected to the road and rail infrastructure, are difficult to access and hinder the transport of freight and passengers across the river.

Types of actions (non-exhaustive list)

1) Actions enhancing connectivity and mobility across the Danube

Soft measures:

- Identifying and addressing the missing links in road and rail infrastructure: studies, strategies, joint solutions.

- Supporting the preparatory process for the construction of new bridge crossings across the Danube, including pre-feasibility and feasibility studies, design projects, and environmental assessments the analysis of border connectivity.
- Improving and expanding road infrastructure: studies regarding road traffic, awareness campaigns, connectivity/mobility studies for understanding freight and passenger flows, commuting etc.
- Improving and expanding rail transport: studies
- Increasing the efficiency of public transport: studies, equipment and IT solutions for increasing predictability, reliability and efficiency of public transport, especially in relation to water transport (ferries)

A pre-defined strategic project to analyse the cross-border connectivity, including possibilities for new bridges across Danube (rail/road), ports etc. would have strong effect for the programme area. A pre-investment study for construction of a new bridge will support the interaction of the functional areas along the North-South axis and will facilitate the connectivity between the cross-border regions and boost their economic potential. The aim of the proposed study is to identify the most appropriate locations and prioritize the specific points of future transport facilities, which will subsequently provide a solid basis for attracting strategic investors and funding from various EU and national sources. In order for the strategic project to be included on the OP, as well as any other strategic project ideas, the idea should be submitted by the relevant stakeholders by the 25th of November 2020 (for details, please consult the documentation on <u>www.interregviarobg.eu</u>).

Hard measures:

- Improving and expanding road infrastructure Works for road infrastructure modernization, safety measures (equipment/signalling)
- Improving access to port and ferries Works for road infrastructure modernization leading to ferries, works improving hinterland connections with ports (railway and road)

2). Actions improving the navigation conditions and safety on the Danube

Soft measures:

- Reducing administrative burdens and other types of bottlenecks: studies, analyses, solutions;

Hard measures:

- Dredging the river bed
- Implementing safety measures (equipment/signalling)

All projects will have to demonstrate strategic relevance for the cross-border area, contribution to national and EU strategic documents, including the Master plans of both countries and to clearly indicate the funding sources of the future investment/project. The projects should be in the benefit of the entire area of the Programme and should focus also on the Green Deal objectives (e.g. water transport/navigability). Not least, projects should enhance cross-border mobility and eliminate the missing links and administrative barriers.

Direct effects are expected in respect to increased transport flows and improved mobility at border crossing, contributing to increasing accessibility in the Balkan area from the fluvial TEN-T network. Other expected effects include an increased economic activity in the served areas.

This approach is complementary to national strategies and the mainstream operational programmes in the two countries, which are more targeted towards supporting connectivity at national level and less focused on supporting mobility across the border.

The planned actions will contribute to EUSDR by improving the performance for transport of the Danube, by increasing river depth, port capacity and transport safety, namely Pillar 1, PA 1a - Water mobility. Also, the actions may contribute to PA 1b - Rail-Road-Air Mobility.

2.1.1.2. Indicators

Table 2: Output indicators - to be updated

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
PO3. A more connected Europe - mobility and regional ICT connectivity	(i) Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross-border mobility	RCO 86	Joint administrative or legal agreements signed	Agreements (number)		
		RCO 87	Organisations cooperating across borders	Organizations		

Table 3: Result indicators - to be updated

Priority	Specific objective	ID	Indicator	Measuremen t unit	Baseline	Referenc e year	Final target (2029)	Source of data	Comments
PO3. A more connected Europe - mobility and regional ICT connectivity	(i) Developing sustainable , climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN-T and cross- border mobility	RCR 83	Persons covered by signed joint agreements signed	Number of persons	0	2020	4,2 million	Project reports (monitori ng system)	
		RCR 84	Organisations cooperating across borders after project completion	Organisation				MA monitori ng system (project reports)	

2.1.1.3 The main target groups

Reference: Article 17(4)(e)(iii), Article 17(9)(c)(iv)

The target groups envisaged by this priority are individuals and organisations that live and/ or work in the programme area:

- Commuters
- Tourists
- Enterprises transporting passengers/freight across the river
- Port / ferry operators
- Population and enterprises in the counties in the immediate proximity where the supported infrastructure projects are located

2.1.1.4 Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article 17(4)(*e*)(*iv*)

Not applicable

2.1.1.5 Planned use of financial instruments

Reference: Article 17(4)(e)(v)

Not applicable

2.1.1.6 Indicative breakdown of the EU programme resources by type of intervention

Reference: Article 17(4)(e)(vi), Article 17(9)(c)(v)

Table 4: Dimension 1 - intervention field - to be updated

Priority no	Fund	Specific objective	Code	Amount (EUR)
A well-connected region	ERDF	Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN- T and cross-border mobility		

Table 5: Dimension 2 - form of financing

Priority no	Fund	Specific object	ive	Code	Amount (EUR)
A well-connected	ERDF	Developing sus	tainable,	01 Grant	
region		climate	resilient,		
		intelligent	and		

intermodal national, regional and local mobility, including improved access to TEN- T and cross-border	
mobility	

Table 6: Dimension 3 - territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
A well-connected region	ERDF	Developing sustainable, climate resilient, intelligent and intermodal national, regional and local mobility, including improved access to TEN- T and cross-border mobility	48 Other outside PO5: No territorial targeting	

2.2. Priority: An integrated region

2.2.1. Specific objective: Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development.

2.2.1.1. Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

The cross-border area shows similar patterns of socio-economic development, and is affected by common challenges and relies on common assets to achieve its potential. Therefore, an integrated, multi-thematic approach to support the development of the area is deemed appropriate. In this regard, an integrated territorial strategy shall be developed by the relevant stakeholders from the area...

In order to achieve the specific objective, an integrated, multi-thematic and cross-sectoral territorial approach, based on the following elements, is considered:

1. **Developing the Eurovelo 6 cycling route** as the backbone of the integrated approach. The cycling route has a significant potential to attract new visitors to the entire area. It can also be used to create and consolidate a brand for the region, not only for the seaside or the riverside but as a holistic heritage/ eco-destination.

Both the Core Route - the main EuroVelo Route line - along Danube Rover, both in Romania and Bulgaria and the Comprehensive network - secondary routes leading inside border area to different cultural and tourist objectives are envisaged by the programme. A preliminary list of the routes is provided in an annex to the programme. The definitive list will be presented as part of the integrated territorial strategy.

The following types of actions could be supported (non-exhaustive list):

- Developing the necessary cycling infrastructure, including safety measures, first aid and service points, signalling etc. Priority will be given to projects ensuring connection to tourist attractions - cultural, natural heritage sites and to other means of transport. Auxiliary infrastructure (incl. modernization of relevant road sections) is also considered, on a limited length.

- Ensuring road safety on for the sections overlapping the EuroVelo Route, including adaptation of traffic signalling systems or the addition of infrastructure dedicated to cyclists and pedestrians, such as tunnels, bypasses, bridges, aerial cycling and walkways and protected cycling paths
- Ensuring effective connections with and access to and from other means of transport, including ports and rail stations adapting infrastructure
- Ensuring availability of public transportation in connection to the cycling route
- Creating Bike Pit Stops (with water, connection to electricity, if possible, place for checking tires, info on the surrounding area and places to visit etc.)
- Ensuring appropriate services along the EuroVelo Route, such as: accommodation, food, drink and rest areas, bike services, bookable offers, other assistance
- Ensuring communication and information, online and along the route, including apps for cyclists.
- 2. Supporting tourism activities, connected sectors and industries as a means for economic diversification and job creation in the programme area. Actions will be financed so as to complement and expand the existing offer and to increase the attractiveness of the region along the Eurovelo route, by capitalizing on the available natural and cultural heritage and tourism attractions. Small, family and local businesses are particularly targeted.

Given the character of the region, the following types of tourism activities are envisaged: cultural and historical, leisure, religious, agro-tourism, eco-tourism, culinary and enotourism, ancestry tourism, sport tourism.

The following types of actions could be supported (non-exhaustive list):

Hard measures:

- $\circ~$ Hospitality: construction, modernization of hotels, guest houses, B&B, restaurants etc.
- Historical objectives: modernization/ restauration of tourism objectives, such as: castles, fortress, churches, monasteries, palaces, archaeological sites etc.
- Natural sites: trails / paths, waste disposal, security, signalling etc.
- Other types of objectives with tourist potential: construction modernization/restauration of museums, libraries, private art collections/galleries, wineries, agro-farms (e.g. lavender farms/fields; roses farms/fields, traditional oil factories), sheepfolds, adventure parks etc.
- Investments in economic competitiveness of local businesses incl. but not limited to: construction/ modernisation of productive facilities; supply of relevant equipment; small scale infrastructure, etc.

Soft measures:

- Direct support for small businesses in the tourism, agri-food (including local farms) and in the creative industries sector, to create common historical, natural and cultural heritage products and services, to expand/ improve their services, target new markets and create jobs in the cross-border area, including by setting up on-

site and on-line shops for traditional / local products (local food, bread, wine, cheese, rose, lavender, honey etc.);

- Support for local and regional stakeholders to valorise potentially valuable touristic objectives /sites / experiences, including by creating sustainable tourism trails, or developing quality labels for excellence in services, promoting and marketing the touristic offer etc. Taking advantage of social media trends - such as "insta-tourism", is also encouraged.

3. Ensuring that economic activities are **sustainable** and do not cause further damage to the **environment**. Small scale, targeted actions will be financed, in complementarity to points 1 and 2.

The following types of actions will be supported (non-exhaustive list):

Hard measures:

- Ensuring environment protection, climate change adaptation and enhancing biodiversity along the EuroVelo route and in the area
- Risk prevention and disaster resilience along the EuroVelo route and in the area
- Direct support for local businesses in the tourism value chain / creative industries/ to reduce waste and reduce the negative impact of their activities on environment

Soft measures:

- Campaigns (awareness, mobilization of voluntaries) for reducing waste and promoting recycling of tourism-related activities
- Promotion of green economy
- 4. Developing the necessary labour force, through skilling in the tourism or connected sectors, in complementarity to point 2 above.

Projects have to demonstrate the link and contribution to the integrated territorial strategy, to the development of the Eurovelo route and the tourism sector in the cross-border area. They also need to have a pronounced cross-border dimension.

5. Using the **urban centres** as drivers of growth and promote urban-rural linkages, with focus on economic diversification and job creation. Consolidating cooperation between twin cities along the border is particularly important, as a means to further border area integration and use of available resources and expertise.

The following types of actions will be supported:

- Small scale, targeted actions for urban development, in connection to investments under points 1-4. Projects must demonstrate a clear city-to-city approach, as well as a clear link to the Eurovelo Route investments. They also need to be part of an integrated territorial strategy.

The planned actions will contribute to EUSDR by developing the region as an important European tourist destination and establish the Danube as a transnational cultural and natural travel route. The programme will also aim to develop sustainable forms of tourism and sustainable mobility solutions along the Danube region and to promote the development of quality products, infrastructure and innovative forms of tourism and culture by SMEs and public private partnerships. Through all these objectives, the programme will contribute to the Priority Area 03 (PA 03) of the EUSDR.

2.2.1.2. Indicators

Table 2: Output indicators - to be updated

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development	RCO74	Population covered by projects in the framework of strategies for integrated territorial development	Persons		
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development	RCO58	Dedicated cycling infrastructure supported	Km		
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development	RCO 77	Number of cultural and tourism sites supported	cultural and tourism sites		
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development	RCO112	Stakeholders involved in the preparation and implementation of strategies for integrated territorial development	participations of institutional stakeholders		
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development	RCO 75	Strategies for integrated territorial development supported	strategies	1	1
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through	RCO 01	Enterprises supported	Number of enterprises		

community-led	local		
development			

Table 3: Result indicators - to be updated

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community- led local development	RCR77	Visitors of cultural and tourism sites supported	Persons	0			MA Monitoring system	
PO5. An Integrated region	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community- led local development	RCR64	Annual users of dedicated cycling infrastructure		0			MA Monitoring system	

2.1.1.3 The main target groups

Reference: Article 17(4)(e)(iii), Article 17(9)(c)(iv)

The target groups envisaged by this priority are:

- Tourists, particularly users of the Eurovelo 6 cycling route
- Short-distance commuters, who will have alternatives to public transport or personal cars
- Job-seekers who will find more job opportunities
- Local population, who will benefit from improved cultural amenities and more leisure opportunities
- Local businesses in the tourism value-chain, including agri-food, hospitality, etc.
- Municipalities, which will benefit from the increase in revenues

2.1.1.4 Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article 17(4)(e)(iv)

37 Other PO5 territorial: Other types of territories targeted - to be updated

The integrated territorial strategy covers the entire area of the programme, namely counties in the Southern part of Romania (Mehedinți, Dolj, Olt, Teleorman, Giurgiu, Călărași and Constanța) and eight districts in the Northern part of Bulgaria (Vidin, Vratsa, Montana, Veliko Tarnovo, Pleven, Ruse, Dobrich and Silistra).

The strategy shall build upon the territorial priorities focusing on the integrated development of the cross-border region and taking into account the development of the Euro Velo 6 Route (as one of its key elements).

2.1.1.5 Planned use of financial instruments

Reference: Article 17(4)(e)(v)

Not applicable

2.1.1.6 Indicative breakdown of the EU programme resources by type of intervention

Reference: Article 17(4)(e)(vi), Article 17(9)(c)(v)

Table 4: Dimension 1 - intervention field - to be updated

Priority no	Fund	Specific objective	Code	Amount (EUR)
An Integrated region	ERDF	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community-led local development	075 Cycling infrastructure	

Priority no	Fund	Specific objective	Code	Amount (EUR)
An Integrated region	ERDF	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community- led local development	01 Grant	

Table 6: Dimension 3 - territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
An Integrated region	ERDF	Fostering the integrated social, economic and environmental local development, cultural heritage and security, including for rural and coastal areas also through community- led local development	PO5 territorial: Other types of territories	