

European Territorial Co-operation Objective

Hungary - Romania

Cross-border Co-operation Programme

2007- 2013

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I. Introduction

1.1 Context

This document is the Objective 3 - European Territorial Co-operation - programme of the Hungarian-Romanian border area, incorporating 8 NUTS III. level counties, 4 from Romania, and 4 from Hungary, respectively.

The European Territorial Co-operation Objective replaced the INTERREG Community Initiative in the 2007-2013 period, thus reinforcing the importance of promoting territorial co-operation, as integral part of the EU's Cohesion Policy.

In line with Article 3. of COUNCIL REGULATION (EC) No 1083/2006 (laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund), in the frame of European Territorial Co-operation Objective, ERDF assistance is provided to interventions focusing on three main co-operation fields:

- The development of cross-border economic, social, environmental activities through joint strategies for sustainable territorial development
- Strengthening of transnational co-operation through actions related to Community priorities and promoting integrated territorial development
- Reinforcement of effectiveness of regional policy by promoting inter-regional co-operation, through exchange of experience at appropriate territorial level

The cross-border co-operation strand of the European territorial co-operation objective is implemented through operational programmes focusing on the European Union's internal borders, covering primarily the following areas:

- Encouraging entrepreneurship, in particular, the development of SMEs, tourism, culture, and cross-border trade.
- Encouraging and improving the joint protection and management of the environment as well as the prevention of natural and technological risk.
- Supporting links between urban and rural areas.
- Reduction of isolation through improved access to transport, information and communication networks and services, and cross-border water and energy systems and facilities.
- Development of collaboration, capacity and joint use of infrastructures in particular in sectors such as health, culture, tourism and education.

Based on the regulation, as well as the strategic framework provided by the relevant chapters of the Community Strategic Guidelines, this document presents an integrated development strategy for the border area, responding to the key challenges and opportunities. The strategy has been elaborated as a joint effort of various social and economic partners of the border area, co-ordinated by the Hungarian-Romanian Task Force.

1.2 Programme summary

The eligible border area covers the South-Eastern part of Hungary and the North-Western part of Romania. The number of inhabitants exceeds 4 Million, half of which lives on the Romanian side, the other half on the Hungarian side. The eight NUTS III. level counties (Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád counties in Hungary and Satu Mare, Oradea, Arad and Timis counties in Romania) exhibit fairly similar economic and social situation in general.

The major towns - the county-seats – play a central role in the development of the area, as most of the public institutions, higher educational facilities as well as the major economic actors are concentrated in these towns. All of the county seats, with the exception of Nyíregyháza and Timisoara - are located in the immediate proximity (within 10-30 km); consequently, their impact potentially reaches well beyond the border.

The area is rich in various natural values; the abundance of rivers – most of which link the two sides of the border area – is an important asset, which, however, also carries the risk of major floods and cross-border river pollution.

With regard to the major economic sectors, agriculture and food industry play a key role in the economy of the entire area. As a result of the availability of a wide range of natural resources, the Romanian side of the area is characterised by a more diversified (and industrialised) economic structure.

Foreign direct investment (FDI) plays an important role in developing and restructuring the economy of the border area. Major inflow of FDI has taken place in recent years on both sides of the border, generating dynamic development particularly in Timis and Arad counties.

While large enterprises, multinational companies operate successfully, the SME sector of the area is still weak, suffer from various problems. Another major challenge is, that, though there is a wide range of higher education and research institutions in the area, the level of R&D activity is very limited.

Although there are serious deficiencies with regard to the road infrastructure in the border area, significant development has taken place in recent years both in Hungary and Romania. The development process is still under way, and the international accessibility of the area has improved a lot with the development of motorway connections. Accessibility of small rural settlements, especially in the immediate proximity of the state borders, however, is still heavily compromised.

With regard to public utilities, there is a diverse picture: while in Hungary, most of the utilities are up to modern standards, the Romanian side of the border area faces more serious challenges. Lack of broadband Internet access is a problem in the small settlements on both sides of the border.

Although the situation in the labour market has improved considerably, unemployment still causes problems in the society, primarily in the rural areas.

The programme strategy strives to bring the different actors – people, economic actors and communities – closer to each other, in order to better exploit the opportunities offered by the joint development of the border area.

The co-operation area faces a unique moment: Romania's accession to the European Union will lead to the gradual elimination of the state border currently cutting through the area and separating people and communities with various natural and traditional linkages. This is a major change, which has important implications for the strategy. The proposed strategy, therefore, is centred around making use of this one-time opportunity, mainly through:

- Improving the key conditions of co-operation through addressing the most important obstacles;
- Supporting the actual co-operation initiatives of various actors.

The former is to be achieved by means of development of transport and information infrastructure, nature protection, common business infrastructure, and with cooperation in the field of labour market and education, R&D and innovation, health-care, prevention of common threat, furthermore, cooperation between communities.

1.3 Description of programming process

Responsible body

In order to ensure the active involvement of all important stakeholders from both sides of the border, a joint Hungarian-Romanian Task Force was established in April 2006. The Task Force bore responsibility for steering the programme preparation phase.

The bilateral Task Force under the Hungary-Romania Cross-border Co-operation Programme 2007-2013 consisted of representatives of the national level institutions responsible for the preparation and the implementation of the programme, as well as representatives of the NUTS III level territorial units – counties – covered by the programme.

More specifically, the Hungarian members of the Task Force included the representatives of the National Development Agency (Managing Authority) responsible for management and implementation of the programme, VÁTI Hungarian Public Non-profit Company for Regional Development and Town Planning, representatives delegated by the Szabolcs-Szatmár-Bereg and Hajdú-Bihar County Development Agencies, as well as Békés and Csongrád County Councils in Hungary.

The Romanian members included the representatives of the Ministry of Development, Public Works and Housing; the Ministry of Economy and Finance; BRECO Regional Office Oradea, and the representatives nominated by Satu Mare, Bihor, Arad and Timis County Councils.

Working procedures

The programming process was co-ordinated by the partners from the regional (NUTSIII) and local levels of the border area concerned, working in partnership with the national authorities. In accordance with that, the 1st Task Force meeting was undertaken on 11 April 2006, with the aim of preparing the programming process at technical level. The Task Force established working procedures and working schedule for the preparation of the programme. This involved drafting versions of the programme document in 3 major parts: (1) elaboration of the strategic part of the operational programme (including the analysis of the area) by a group of external experts and representatives of relevant Romanian and Hungarian institutions. (2) elaboration of the implementing provisions by the programme management institutions; (3) ex-ante evaluation and SEA to be delivered by external independent experts.

The Task Force, or, more specifically, its members played a major role in the entire programming process. Regular meetings were organised between the TF members and the experts involved in the planning process to closely follow the evolution of the programming process, to discuss the consecutive draft versions of the programme and to ensure that the interests of the key stakeholders are taken into account.

In addition to the Task Force meetings, public consultation forums, workshops and interviews with relevant local and sectoral actors were also delivered, in order to provide as many stakeholders as possible with the opportunity to contribute to the preparation of the programme.

Partnership

Public consultations

The elaboration of the programme involved regular consultations with a wide range of local and sectoral partners, providing them with the opportunity to contribute to the programming process.

As part of this consultation process, various workshops were delivered in the programme area. Participants at these meetings had the opportunity to comment the proposed strategy.

In addition to the consultation workshops, interviews were also undertaken, involving various sectoral organisations, local stakeholders and also with the bodies responsible for the implementation of the previous INTERREG programme.

Among others, the following key institutions in both countries were involved in the consultations:

- County councils, County governments, County development agencies
- Major towns
- Universities, colleges
- Regional development agencies
- Chambers of commerce
- Euroregions
- Water management authorities
- Road development authorities

All comments from consultation workshops and interviews were collected, considered and discussed at Task Force meetings, and integrated into the document where it was appropriate.

The partnership process also involved consultations with various sectoral Ministries in both countries in order to reflect the sectoral policies in the document and to ensure coherence with sectoral and regional operational programmes. The consultations were jointly undertaken by the experts of the National Development Agency, in Hungary, Ministry of Development, Public Works and Housing in Romania, the VATI and the programme planners. (For detailed information about partnership events see ANNEX 1 Data, places of partnership events.)

Informing the wider public

In order to provide the wider public with continuous information, the draft version of the Programme Document and Strategic Environmental Assessment were made available in English on the websites of the National Development Agency (www.nfu.gov.hu), of the VATI (www.vati.hu) and of the Ministry of Development, Public Works and Housing in Romania (www.mdpl.ro).

II. Analysis of the programme area

2.1 Description of the programme area

2.1.1 Area and population

The eligible border area covers the South-Eastern and Eastern part of Hungary and the North-Western and Western part of Romania. It consists of **four neighbouring counties** in Hungary and in Romania, respectively. Counties covered in Hungary: Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád; counties covered in Romania Satu Mare, Bihor, Arad and Timis.

These 8 counties (NUTS III level) belong to 4 regions (NUTS II level), as follows:

- Szabolcs-Szatmár-Bereg and Hajdú-Bihar counties are part of the North Great Plain Region (Hungary)
- Békés and Csongrád counties are part of the South Great Plain Region (Hungary)
- Arad and Timis counties belong to the Western Region (Romania)
- Satu Mare and Bihor counties are part of the North-Western Region (Romania).

Map 1.

The programme area



Source: Megakom Consulting

Geographically, the programme area belongs to the **Carpathian Mountains** and Carpathian Hollow; the total area of the Hungarian side is part of the **Hungarian Great Plain**, while the Romanian area includes all forms of terrain: the **Romanian Western Plain**, the **Western Hills** and a small part of the **Western Carpatians Mountains** (Muntii Apuseni). (See Map 3. in the Annex 3.)

A number of **rivers** cross the border counties, originating from Romania and flowing into the Tisa in Hungary, (Mures, Crisuri, Barcău and Somes). These rivers link the neighbouring counties, thus offering specific opportunities for cross-border co-operation. The total length of

the state border is 448 Km, out of which 415,8 km is terrestrial, and 32,2 km is fluvial border (on the Mureş, Criş, Someş rivers).

The eight counties have a **total surface** of 50.454 km², of which 43,7% Hungarian and 56,3% Romanian area. The Hungarian territory is 23,7% of the total surface of Hungary, and the Romanian part is 11,9% of Romania. The **total population** in 2004 was more than 4 million, of which slightly less than half lives in Hungary, and slightly more than half lives in Romania. Almost one fifth of the total population of Hungary (19,7%) live in the Hungarian side and 9,7% of the total Romanian population live in the Romanian side.

According to the censuses in the years 2001 (Hungary) and 2002 (Romania), 56% of the inhabitants claimed to be Hungarian, and 39% Romanian in the entire border area. Additionally, according to the censuses the proportion of the **Roma population** in the programme area exceeds 3 percent. The proportion of Hungarian nationality inhabitants living in the Romanian side of the border area is significantly higher than that of Romanian nationality inhabitants on the Hungarian side. Other nations, such as Serbian, Slovakian, German minorities are also represented, though their number is not significant; nevertheless, they have an important role in preserving the special multiethnic environment. (See Table 9. and Table 10. in the Annex 2)

In Romania, the Roma community is the second largest ethnic minority after Hungarians. The referred 2002 Census recorded 535,140 Roma. Data from 2002 Census also show that 60.1% live in rural areas. Independent estimates made by Romanian and foreign sociologists as well as by Roma representatives indicate a Roma population of 1-2.5 million persons. The 2004 Progress report prepared by the European Commission estimates the Roma population between 1.8-2.5 million persons. According to social studies conducted, Roma has the weakest self-conscience and awareness as compared to all other large ethnic minorities in Romania. According to the Ethnic Relations Barometer, published in 2002, about 33% of the Roma population identify themselves as Romanian, 37% as Roma, while the remaining population assumed with the local/regional identity.

A significant part of Roma communities cumulates a large spectrum of social disabilities: low education attainment or no education, low or no qualification, history of non participation in formal education, high number of children, poor living conditions, low experience on the labour market etc.

Looking at the **settlement structure** Szabolcs-Szatmár-Bereg county is characterised by an abundance of “micro-villages” : the share of settlements with less than 2000 inhabitants is 67% in this county. In the other part of the area the proportion of settlements with 2.000 – 50.000 population size is between 50%-80%. It is not surprising, therefore, that the proportion of towns is the lowest in Satu Mare county. (8,33%) and in Szabolcs-Szatmár-Bereg (8,73%). Within the co-operation area, Hajdú-Bihar county is the most urban area, although many of its cities are large agricultural settlements with limited city functions. (See Table 11. and Table 12. in the Annex 2.)

The **population density** in all counties is lower than the EU25 level (118/km²); the lowest is in Arad county and the highest in Csongrád county, which reflects the mainly rural character of the area. The rate of **migration** shows **positive tendencies** in Arad and Timis counties, while in the other part of the area the negative value of the indicator – however to different degrees – shows an unfavourable tendency. This is accompanied by the **natural loss of the population**, which characterises not only the entire programme area, but also the two countries.

Looking at the migration figures more deeply, a clear outmigration tendency can be noticed on the Hungarian side, primarily as a result of the relatively low level of development of these areas; many people migrate to the capital city as well as the western regions in the hope of better quality of life. On the Romanian parts an inter-regional migration phenomenon is taking place. This fact is more evident in the case of the Western region, which has an

overall positive migration rate, mainly due to the dynamic economic development of Arad and Timis counties. (See Table 9.in the Annex 2.)

Migration across the border can also be experienced with various purposes:

- The Hungarian universities of Debrecen and Szeged attract young people with Hungarian nationality living in Romania; after graduation, many of them remain in Hungary;
- Seasonal migration of Romanian workforce: in the agricultural high season, a lot of Romanian people find work in Hungary, as they can collect higher income this way;
- Finally, though it cannot be considered migration, shopping tourism may also be worth mentioning (from Romania to Hungary and from Hungary to Romania, alike); this phenomenon can be explained mainly with the differences between the level of prices.

With Romania's accession to the European Union major differences in prices and also in salaries will gradually fade away, which is expected to reduce both shopping tourism and seasonal migration of the workforce.

The key social-economic centres of the border area are the county towns. These are introduced in more details in

ANNEX 4 County-towns. The list below summarises the key characters of these county towns, specific areas that offer good potential for future development:

- Nyíregyháza – tourism; electronic, high-technology industry; logistical services
- Debrecen – leisure, event and thermal tourism; health industry; food industry; higher education, R+D
- Békéscsaba – food industry; transport
- Szeged – culture, tourism; higher education, R+D, logistical services
- Satu Mare –machine building industry, light industry, logistical services
- Oradea– trade and services; cultural, thermal tourism, higher education; light industry: (footwear, leather, textiles / garments) food, chemical, furniture
- Arad – rich cultural heritage; higher education; logistical services; industry: production of car parts, freight and passenger railcars; food and textile
- Timisoara – processing industry; logistical services; culture, tourism, education, R+D

Key challenges and opportunities:

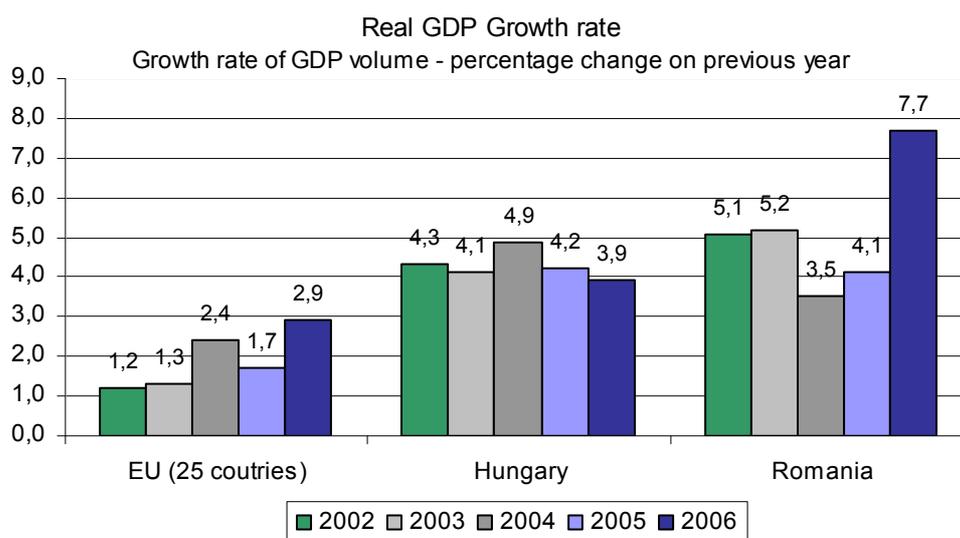
It is clear that the border area has multiethnic population, and consequently, rich multicultural traditions. This is reflected in regular cross-border interactions of local communities, offering a solid ground for further enhancing cross-border relations and promoting the integrated development of the area. On the other hand though, the existence of state borders limits the possible scope of co-operations.

Another important feature of the area is that the most important towns to a large extent have complementary strengths, which could be exploited through a more pro-active co-ordination of their development strategies.

2.1.2 Economy

The overall level of economic development of the co-operation area is very low comparing to the EU25 average. In relative terms however, while the Hungarian co-operation area is lagging behind as compared to the rest of Hungary, the Romanian co-operation area belongs to the most developed regions of Romania. The **GDP per capita** of the programme area is very low; moreover, there is some difference between the Hungarian and Romanian parts. In the more developed, Hungarian part of the area this indicator is about 23%, while in the Romanian part it is about 13% of the EU25 average. (See Table 13. *the Annex 2.*) However, the GDP growth rate is higher, than the EU average.

Chart 1. – Real GDP growth rate



Source: Eurostat

The **sectoral distribution of GDP** clearly shows a fragile economic structure, as compared to the structure of the most developed European regions, where the services have a greater role, while agriculture is less prominent. The agricultural production plays an important role in the economy of the border area, whereas the services sector represents a lower share of the economy, especially in Romania. (See Table 14. *in the Annex 2.*)

In the industrial sector the food processing and manufacturing of textile and leather (especially in Romania) products play an outstanding role. Other important sectors include electronics, machinery and equipment, chemical industry in the economic centres (county residence towns). In other areas in Romania the timber industry, mining and metal-works also are significant.

Trade relations between the Hungarian and Romanian parts show an increasing trend. For example, the export from Hajdú-Bihar county to Romania has grown from 20 million Euro to 50 million Euro between 2000 and 2004, and Romania represents 5,4% in the county's export. At the same time, however, the import from Romania to Hajdú-Bihar county is stagnating at about 25 million Euro, representing a 4,6% share of the total import of the county.¹

In strengthening the bilateral economic relations, the foundation of the Romanian-Hungarian Trade and Industrial Chamber in 2006, in Cluj-Napoca, represented a significant step. The

¹ (Source: External trade of Hajdú-Bihar county 2004; Chamber of Commerce and Industry of Hajdú-Bihar County)

Chamber's main objective is to promote the Hungarian-Romanian economic relations, including the promotion of Hungarian investments to Romania, as well as interest representation of its members.

In addition to this regional initiative, the Hungarian and Romanian governments have also clearly declared their intention to enhance business and trade contacts between the two countries.

Foreign direct investment (FDI) has played an important role in restructuring the economy and boosting economic growth in the nineties in Hungary, and in the recent years in Romania. The volume of it grew in both countries, from years to years, but, only a small fraction of the foreign capital has been invested in the eligible areas, and the FDI/capita in the counties is below the national average. There are wide gaps among the values of each county. Recently, the progress has slowed down in the most developed areas (Hajdú-Bihar and Timis counties) while the less developed counties – primarily Szabolcs-Szatmár-Bereg and Satu Mare counties – have experienced significant increase in the level of FDI. (See Table 15.in Annex 2.)

Entrepreneurial activity is low in the whole programme area: number of registered corporations and unincorporated enterprises per 1000 inhabitants is much lower than the EU25 average (140). The figure ranges between 82 and 108 in the Hungarian area, and between 17 and 24 in the Romanian area. The rate of the corporations with legal entity² averages at 14% in the Hungarian co-operation area, while the rate of corporations without legal entity and unincorporated enterprises³ is 86%.

The SME sector – with the exception of a small number of prosperous local companies producing for national or even international markets – is relatively weak, characterized by low level of technological development and limited competitiveness, insufficient business (market, etc) information and competences.

The share of **added value in production** (manufacturing) generally is below both in Hungary (25%) and in Romania (25%) comparing to the EU average (29%). Browsing this index in all the branches of the manufacture higher added value can be recognised in the fields of textile and garment products, electrical and optical equipment, manufacturing of transport equipment in Romania, in chemical and chemical products in Hungary and in leather and leather products in both counties⁴.

In the **framework of the PHARE-CBC programme between Hungary and Romania** several projects have been implemented, aimed at improving the business infrastructure and business services provided in the eligible programme area; such projects are mentioned in the ANNEX 8 Supported grant projects by PHARE-CBC.

The establishment of sustainable business-to-business co-operations requires the existence of quality business infrastructure, technical assistance and other services for enterprises – primarily for SMEs – equally available across the entire border area. In terms of the availability of such infrastructure and services, there are major disparities in the border area. Furthermore, there is limited (though increasing) co-operation between the various SME development facilities and organisations.

Key challenges and opportunities

The area is characterised with a relatively weak economy, to a large extent resulting from the fragile economic structure. Fortunately, the restructuring has already started, the area becomes increasingly attractive to foreign investors. As part of this process, there is an

² Limited company, joint-stock companies, co-operations, other corporations and enterprises bound to transform

³ Limited partnerships, other partnerships, ceasing legal form, sole proprietors

⁴ Source: Eurostat

increasing trend of Hungarian FDI coming to the Romanian border area.

There are also existing trade relations, and both regional (NUTS III) and national level intentions to further promote business connections. This establishes good foundations for a more integrated development of the economy, building upon the comparative advantages.

This would require joint responses to the weaknesses of the SME sector, the active promotion of business-to-business relations, and the existence of a competitive network of business infrastructure, as well as the availability of business information on both sides of the border.

2.1.3 Labour market

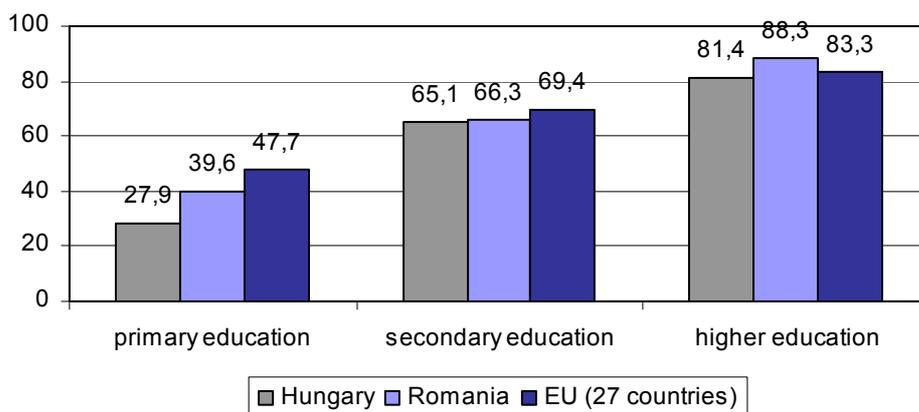
Looking at the **economic activity, employment and unemployment** a very unfavourable picture can be seen. Table 16. *in Annex 2* compares key labour market figures of the border area to those of the EU 27. Although the unemployment rates in the programme area are lower than the EU27 average unemployment rate, the real phenomenon of the unemployment is not well-revealed by the official figures hiding the fairly high number of “invisible” non-registered unemployment people in both countries. The Hungarian counties also show significant disparities: while the rates of Hajdú-Bihar and Csongrád counties are better (close to the national average), the unemployment rates of Szabolcs-Szatmár-Bereg and Békés counties are much higher. No such disparities can be experienced on the Romanian side among the counties.

Looking at **the structure of unemployment** on the Hungarian side, one can see, that moving from South to North-East (i.e. from Csongrád county to Szabolcs-Szatmár-Bereg county) the share of male, less educated manual workers among the unemployed is becoming higher, while the share of female, non-manual workers with higher level of education is decreasing.

On the Romanian border area, the high percentage of the less educated unemployed persons (77% in total unemployment) shows that economic restructuring affected primary that professional category, while on the Hungarian side, especially for the people with secondary education (52% in total unemployment) is more difficult to find jobs. But, in both countries the high educated people represent a very small part of unemployed persons, namely 6% in Romania and only 3,6% in Hungary.” (See Table 18 *in the Annex 2.*)”

Chart 2. – Employment rate of population aged 16-64 (%), 2nd Quarter of 2006

Employment rate of population aged 15-64 by highest qualification of education



Source: Eurostat

In 2006, employment rate both in Hungary (57,3%) and in Romania (58,8) lagged well behind the EU27 average (64,4%).⁵ Not surprisingly, this figure varies largely according to the highest qualification of education acquired. The chart above demonstrates that employment rate increases in the population with higher level of education. The employment rate of people with completed secondary education is close to the EU27 average both in Hungary and in Romania, while the employment rate of those with higher education degree is the highest in Romania, well above the Hungarian, and even the EU 27 average. On the other hand though, the labour market situation of unskilled people presents a serious problem in both countries, but especially in Hungary: their employment rate is considerably lower in both countries than the EU27 average.

It is important to note, that the national figures hide serious territorial differences in both countries: in Hungary contrary to Romania, the employment level is lower in the border area, then in the rest of the country.

The labour market situation of the Roma population present a major challenge in both countries. While there is significant Roma population in the border area, their level of education and their employment rate considerably lag behind the average employment rate of the total population.

In Hungary, according to the relevant estimates⁶, the employment rate of the Roma population is less than half of that for the non-Roma; their unemployment rate is 3 to 5 times higher, and the ratio of dependents per earner is three times higher.

The unemployment rate of the Roma population is 40% in average but it might reach as high as 90% in areas like the North Great-Plain Region (two counties of which belong to the border area) and North Hungarian Region which are especially ill-favoured and backward territories.

The exceptionally poor labour market situation of the Roma population is due to several factors simultaneously reinforcing one another. The proportion of persons with maximum completed primary school education is well above the average; while many of those with vocational qualification have obsolete skills making their placement difficult or even impossible. A major part of the Roma population live in small settlements with poor public transport services, offering hardly any job opportunities. The Roma people often face discrimination hindering their labour market entry.

⁵ Source: Eurostat.

⁶ Exact data is not available as Hungarian laws deny the ethnic-based data acquisitions.

Data gathered on the employment, education and distribution by region/settlement type of the Roma in recent years suggest the emergence of a pattern of ethnicity-based poverty. Those who are hit by such poverty also encounter permanent social exclusion and chances are that they pass this status down to their children.

In the programming areas, agriculture still plays an important role in the employment. (See *Table 19. in the Annex 2.*) On the Hungarian side the share of this sector in employment is higher than the national average. On the Romanian side the agricultural sector represents more than one third of the employed people, and the importance of this sector increases from the Southern to Northern part of the area. As mentioned in the chapter 1, seasonal migration with employment purposes occurs in the border area on a regular basis, especially in the field of agriculture, from Romania to Hungary.

Key challenges and opportunities

The border area is characterised by modest to high level of unemployment, with significant intraregional differences. Another major phenomenon is the existence of hidden unemployment – a large number of unemployed people are simply not registered. Unfortunately, the level of education of unemployed people is generally low, which limits their chances of finding a job.

Although there is a seasonal cross-border migration of workforce in the border area (primarily from Romania to Hungary), the labour market of the area is far from being integrated. With Romania's accession to the European Union, however, part of the response to the unemployment problems may lay in a more integrated approach to the labour market in the area. Such an approach would help to tackle structural issues and bring closer the demand and the supply side. This would certainly require more coordinated actions and regular share of information of labour market institutions.

2.1.4 Health

As for the demand for the neighbouring health care services in the relation of Hungary and Romania, more Romanian patients draw on these services in Hungary than the Hungarians in Romania. The phenomenon clearly derives from the differences in the quality of health care services. For more information about the current situation of health care provision and the level of co-operation between the service providers across the two countries, a study by the National Health Insurance Fund of Hungary is available: *Development of the cross border health care and cooperation (patient mobility), 2005.*

The number of the Romanian citizens among the foreign in-patients visited to Hungary is very high (See *Table 21. in the Annex 2*) Most of people were catered in Hajdú-Bihar (8237) and Csongrád (4212) counties in 2002. The same figure in Békés was 806 and 758 in Szabolcs-Szatmár-Bereg county. The study-based key findings can be summarised as follows:

- The number of the Romanian patients visiting to Hungary – especially to Budapest - is one of the highest among the foreign in-patients;
- The Romanian patients mostly visit the university centres where health care services are available (Szeged, Debrecen);
- Romanian patients generally aim at drawing on therapy services;
- The childbirth-related services (30,6%) is at the top among the services available for the foreigners, but services of gynaecology, surgery, internal medicine and traumatology make also a significant demand;

- Hungarian patients mostly use the services of stomatology and plastic surgery in Romania.

The study includes references to the already existing cross-border cooperation initiatives of the counties / institutions in question:

Szabolcs-Szatmár-Bereg county – Satu Mare county: beside more initiatives, these counties, have a joint, bilateral cooperation contract in the field of health prevention and activity against drug and alcohol abuse.

Hajdú-Bihar County – Bihor county: As the members of the Carpathian and the Hajdú-Bihar-Bihor Euroregion the counties initiate co-operations in the fields of health, human-resource development and health-tourism. The overall aim is creating a sustainable institutional frame of cooperation in the health for a long term. The activities consist of joint application activities, exchange of experts, organisation of trainings conferences, seminars.

Csongrád County – Timis county: The counties are members of the DKMT Euroregion, which aims the members to create active cross-border co-operation in health care. This opportunity had been identified between the hospitals in Makó and Sannicolau Mare, but specific activities have not been undertaken yet. Hospital in Szentes does not take part in any international health-cooperation.

Key challenges and opportunities:

The statistical data clearly show the existing demand for cross-border use of health services, especially in Hungary. The geographic proximity is the factor that enables a more integrated use of health-care infrastructure. This opportunity has already been recognised by the counties as well as the various health-care providers, and they initiate co-operations, mainly on a bilateral, institution-to-institution basis.

On the other hand, however, the differences in the national regulations, funding mechanisms and rates hinder a more active co-operation in this field. Given that the potential exists, it would be useful to implement small scale projects of pilot nature, which then could be mainstreamed and applied on a much wider basis.

2.1.5 Infrastructure

Significant transport infrastructure developments have been undertaken in recent years on both side of the Hungarian-Romanian border, **financed by PHARE-CBC programme** (See in the ANNEX 8 Supported grant projects by PHARE-CBC)

The motorway network has been continually extended in Hungary. Two motorways (M3 and M5) entered the programming area. The motorway M5 had reached Szeged, while motorway M3 will reach Nyíregyháza in 2007. Construction of motorway M35 to Debrecen was also completed in 2006.

The four Hungarian county towns are linked by the route No 47 and the road No 4. Certain parts of these roads are being developed. On the Romanian side the routes 69, 79 and 19 ensure connection among Timisoara, Arad, Oradea and Satu Mare. Besides, there are further main roads, which lead to Baia Mare and Cluj-Napoca.

With regard to **smaller scale transport** infrastructure, the border region faces various problems: while most of the larger settlements are fairly easy to be accessed from major economic centres, and have decent transport links with the neighbouring countries, many of the small rural settlements are characterised by poor accessibility. This fact is especially true for Romania, where the generally very low quality of the roads causes one of the most serious problems. (See Map 4 in the Annex 3.)

In addition to the above mentioned, recently improved cross-border road connections, there are further official crossing-points. Moreover, there are various roads or just dirt tracks crossing the border, which are currently out of use. With the future elimination of the state

border, the improvement of some of these roads becomes due, as these can facilitate more active connections between communities located alongside the border.

Looking at the **railway-network** of the programming area, it can be generally stated that the railway connection among the Romanian major towns are ensured, while the direct rail transport parallel with the Romanian border is not ensured in Hungary. There are five railway connections through the border: (See Map 4 in the Annex 3.)

- Békéscsaba – Lökösháza – Curtici – Arad,
- Gyula – Kötegyán – Salonta – Oradea
- (Püspökladány) – Berettyóújfalu – Episcopia Bihor – Oradea
- (Püspökladány) – Debrecen – Valea lui Mihai
- Debrecen – Mátészalka – Carei – Satu Mare.

These lines are appropriate for personal and cargo transportation, as well. It can be observed that there isn't any railway connection on the southern part of the border between Csongrád and Timis or Arad counties; although lines are being constructed towards the frontier on both sides, but the actual connection between them is lacking.

With regard to the general quality of services, it has to be noted, that, the quality of personal railway transport services is inappropriate, needs to be improved.

The official version of the Hungarian Transport Operational Programme for the programming period 2007-2013 contains information regarding the specific road and railway developments, as major projects to be implemented in the programme area.

Railway-line development: between Gyoma – Békéscsaba – Lökösháza (land border)

Road development:

- M4 motorway Debrecen – Berettyóújfalu – Nagykereki (Biharkeresztes) (land border)
- M43 Szeged – Maroslele
- M43 Maroslele – Makó
- M43 Makó – Csanádpalota (land border)
- 49 road between Ökörítőfülpös – M3 planned track

On the Romanian side a clearway is being prepared, linking the Hungarian road No. 49 from Szabolcs-Szatmár-Bereg county to Satu Mare county towards Baia Mare and Northern Moldova.

The construction of the Northern-Transylvanian Bors-Brasov motorway providing access from the Hungarian border (and crossing Bihor county) had started in 2004. The Romanian Government makes its utmost efforts to ensure the financing resources for this investment, in order to be completed by the end of 2013.

According with the Romanian Transport Sectoral Operational Programme, implementation of projects for developing and upgrading the transport infrastructure on the TEN-T Priority Axis 7 (Nadlac - Constanta) is an absolute priority. The operations foreseen until 2013 target construction of new motorways and construction of bypasses for cities located on or adjacent to TEN-T Priority Axis 7. As regards the railway, another priority within the Romanian Transport Sectoral Operational Programme refers to the infrastructure rehabilitation of the TEN-T Priority Axis 22 (Curtici - Constanta). At the national level, the same programmatic document provides for the modernization and development of national road infrastructure sections that are located outside the TEN-T priority axes. Regarding the railway, the operations aim at achieving rail interoperability on the national rail infrastructure outside TEN-T priority axes by modernizing rail sections and by rehabilitating railway stations, bridges and tunnels.

Furthermore, the large railway stations from the county residence towns are foreseen to be modernised as part of the Romanian national rehabilitation programme, being financed from EBRD loan (Timișoara) or from commercial loans (the case of Arad, Satu Mare, and Oradea).

There is an adequate network of **border crossings**: 14 on the Hungarian-Romanian border (out of which 4 are railway, 1 is road and railway, and 9 only road). The current network of border crossings has sufficient capacity, but the state of the infrastructure and the quality of services is poor in some cases.

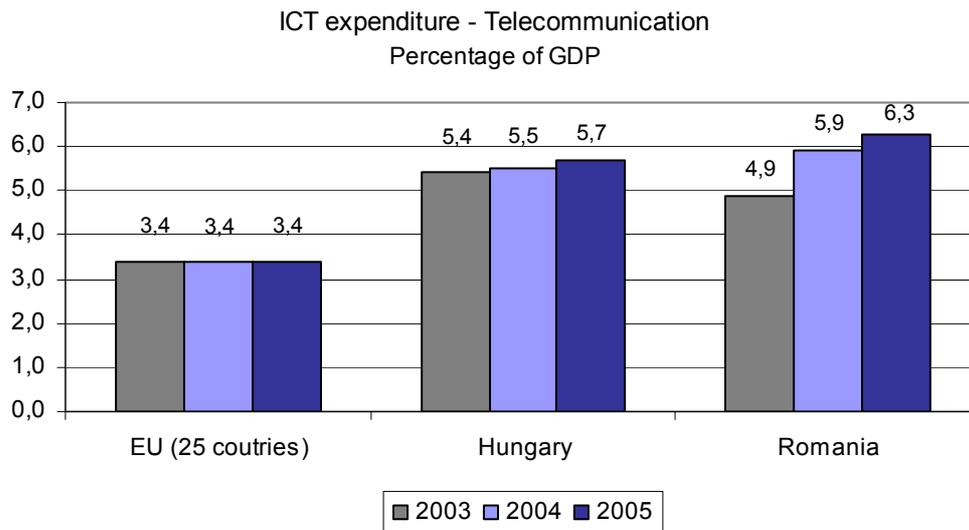
The border area possesses eight **airports** (in all the county residence towns), of which five are international, namely in Debrecen, Timișoara, Arad, Oradea and Satu Mare. The use of these airports for commercial flights by foreign (i.e. Romanian in Hungary, or Hungarian in Romania) passengers is not typical.

The Hungarian programming area is properly covered by **public utilities**, with one major exception: the proportion of dwellings connected to public sewerage has grown in the last several years, but it is still lower than the national average. The level of development of public water conduit in every county is acceptable, in average it is over 90%.

In Romania, the public utilities infrastructure has been gradually improved, especially in urban areas. However, the number of localities with access to water and public sewerage has not substantially increased over the last few years, which is a non-negligible obstacle to any business attraction strategy. In the eligible programme area the proportion of localities connected to the public water conduit is only 51,5%, in most of the villages such systems are missing. This average ratio is the highest in Timis county (63,6%), and the share of localities with drinking water supply systems is the lowest in Satu Mare county (44%). The public sewerage network has been also improved in the last few years, but still the proportion of localities with sewerage is only 42,7%, varies between 39,6% in Satu Mare and 55% in Timis county. The sewage network generally is obsolete and has insufficient capacity. (See Table 22. in Annex 2.)

In the eligible border area the situation of **information and telecommunication technology (ICT)** was progressively improving during the last decade. The chart below shows the growing expenditure on establishment of the modern information and telecommunication facilities related to the GDP.

Chart 3. – ICT expenditure-telecommunication



Source: Eurostat

In the Hungarian border region landline-telephone started to lose from their importance, due to the spread of cellular networks. In 2004 the number of telephone main lines in Hungary was 354 per thousand persons (245 in Szabolcs-Szatmár-Bereg county; 296 in Hajdú-Bihar county, 268 in Békés county and 284 in Csongrád county), less than the previous years.

In the Romanian border region, the high volume of investments into telecommunication resulted in a significant development of telecommunications and digital technologies. Since 1997 there are four mobile phone operators in Romania, with current mobile service coverage of 79%.

The use of Internet services has improved in the last decade; the penetration of Internet services is growing. Parallel with this, the share of Internet use is growing, but at present, especially on this peripheral area is fairly low. Nevertheless, the problem in telecommunication is mainly consists of the lack of IT accessibility in smaller settlements, especially small villages and rural, less developed areas. The IT infrastructure needs to be widened and improved in these areas.

Key challenges and opportunities

Although there are serious deficiencies with regard to the road infrastructure in the border area, significant development has taken place in recent years both in Hungary and Romania. The development process is still under way, and the international accessibility of the area has improved a lot with the development of motorway connections.

Accessibility of small rural settlements, especially in the immediate proximity of the state borders, however, is still heavily compromised, hindering the development of these settlements. At the same time, the elimination of state borders offers a potential to re-establish the natural links of these settlements, which certainly calls for the development of small public roads going across the border.

The railway links should also be strengthened, especially in the Southern part of the co-operation area.

There is an adequate network of airports – a co-ordination of development plans, timetables and the flow of information would be beneficial in this area.

With regard to public utilities, there is a diverse picture: in Hungary, most of the utilities are up to modern standards, although proper sewage systems are still missing in various rural

areas. The Romanian side of the border area faces more serious challenges: in many settlements even the drinking water system is lacking, let alone proper sewage systems.

Finally, the ICT infrastructure has gone through significant development in recent years, but in many rural areas the broadband access is still lacking. Integrated use of the broadband infrastructure, especially in the immediate proximity of the border, should be considered.

2.1.6 Education and Research & Development

The **higher education infrastructure is well developed** in the eligible border area, and the scientific and research human resources potential is also significant. On both sides of the border one of the major strengths is the extensive network of various higher education institutions, characterised by high quality, traditional education and academic activities. Major, famous universities are located here, such as University of Szeged, University of Debrecen, Western University of Timișoara, University of Oradea, Aurel Vlaicu University in Arad and Timișoara Polytechnic University. Besides, in the other county-cities operate colleges that play an important role and possess significant capacities in the teaching of some professions. For example: the College of Nyíregyháza or Tessedik Sámuel College in Békéscsaba; furthermore Western University “Vasile Goldis” in Arad and its branch in Satu Mare, or the College of Local Public Administration of the “Babes-Bolyai” University Cluj also in Satu Mare.

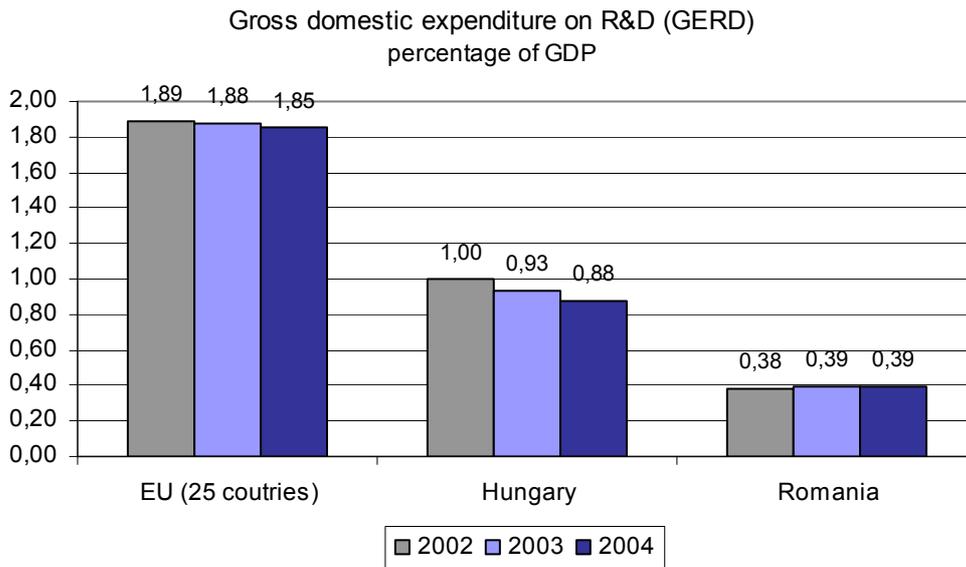
The educational level of population is fairly similar on both sides of the border, though on the Romanian side the proportion of the population with only primary education is slightly higher. With regard to people with higher education degree, major discrepancies exist between the counties of the border area; in general this figure is higher in the traditional university centres (around or even above the national average of the respective country), and lower in the rest of the counties. (See Table 23.in the Annex 2.)

As mentioned in the chapter 1, studying of Romanian young people at Hungarian universities is a common phenomenon in this border region.

In our changing world the continual development of human skills and knowledge get more and more emphasis. At present only a very small percentage of people aged between 25 and 64, takes actually part in any form of training, either in Hungary, or in Romania (Hungary: 3,9%, Romania: 1,6%, EU25: 10,2% – Resources: Eurostat)

On the chart below the share of expenditure on research and development (R&D) as a percentage of GDP can be seen in the case of Hungary and Romania; the chart clearly demonstrates that both countries are lagging behind the EU 25 level.

Chart 4. – Gross domestic expenditure on R&D



Source: Eurostat

As shown by the Eurostat data, R&D expenditures are financed by the public sector (app. Hu: 55%, Ro: 46%, EU25: 34%); by the private sector (app. Hu: 33%, Ro: 42%, EU25: 55%); and finally by international sources (app. Hu: 10%, Ro: 6%, EU25: 8,5%). The relatively low level of private sector involvement in financing R&D activities is obvious especially in Hungary, but also in Romania.

Looking at the **rate of scientists and engineers** in the total population, and the figures showing R&D **expenditures** one can conclude that fairly active R&D activity is taking place in Hajdú-Bihar, Csongrád and Timis counties, primarily at the universities, and, to a smaller extent in other R&D units. (See Table 24. *in the Annex 2.*)

Key challenges and opportunities

There is an existing network of higher education institutions, including well-known, traditional universities with a wide range of faculties and significant research potential. This can be considered as an important asset, which could be efficiently exploited by a more active co-operation, co-ordinated actions both in the educational, and the research field.

Similarly, there is scope for strengthening the links between the universities, research institutions, and the SMEs; cross-border initiatives in this field should be promoted.

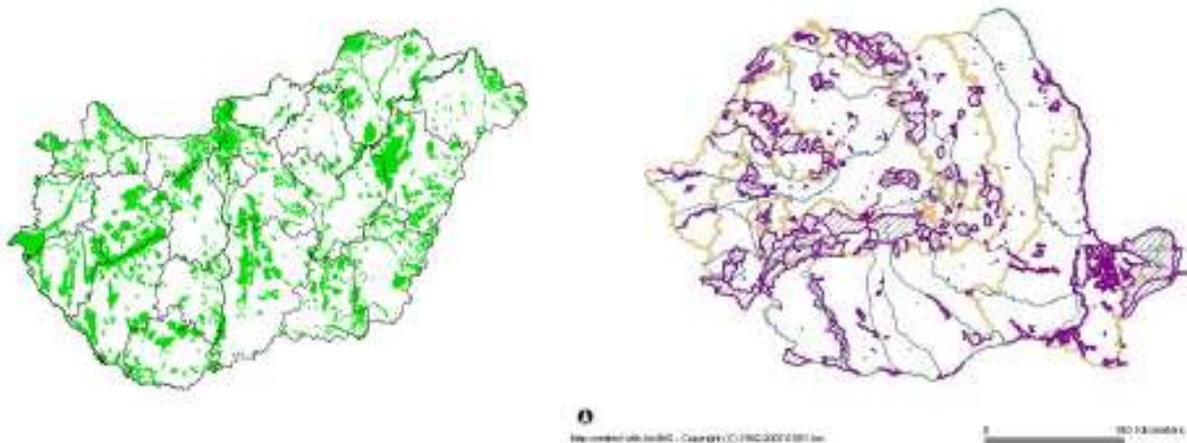
2.1.7 Environment

Natural resources

The NATURA 2000 network established by the European Union covers a significant part of the eligible border area. NATURA 2000 network is an interconnected European ecological network with the aim of preserving the biodiversity through the protection of the types of natural habitat as well as the species of wild flora and fauna of Community interest, and assisting for the sustainable maintenance and restoration of their favourable conservation status. The network is consisted of areas designated by the EU guidelines 1) about the Important Bird Areas (IBA) (directive on the conservation of wild birds; 79/409/EC); 2) about the Special Areas of Conservation (directive on the conservation of natural habitats and of wild fauna and flora; 43/92/EC).

Map 2

Special Protected Areas in NATURA 2000 networks in Hungary and in Romania



Sources: HU - <http://www.natura.2000.hu/index.php?p=termegegorze&nyelv=hun>

RO – <http://www.natura2000.ro/>

The Romanian legislation by Ordinance no. 57/2007 and Order no. 776/2007 of the Minister of Environment and Sustainable Development designated the NATURA 2000 sites in Romania.

National parks and the **landscape protection areas** (LPA) in Hungary account for nearly 9% of the total co-operation area. There are two national parks: the Hortobágyi National Park (which is also part of the World Heritage), and Körös-Maros National Park; and 6 landscape protection areas, including the Bihari-Sík LPA, the Hajdúsági LPA, the Közép-Tiszai LPA, the Szatmár-Beregi LPA, the Mártélyi LPA and the Pusztaszeri LPA. In Romania, the total surface covered by Natural Parks (13) and Biosphere Reserves (“Danube Delta”) is 1.687.512 ha (121.780 ha maritime surface), which represents 7% of the total terrestrial country surface. In the programme area, there are parts of Natural Park Apuseni (Bihar county), the Natural Park of the Low Meadow of Mures (Arad county) and more than 40 small areas identified under the Natura 2000 Programme (Special Protected Areas and Sites of Community Interest – see in the above map). There are also many other smaller natural protected zones, according to the national legislation.

Another major natural resource of the area is thermal water, which is available across the entire co-operation area. The cross-border Hungarian-Romanian border area is very rich in high quality therapeutic thermal water. There is an abundance of spa resorts throughout the area; some of these resorts have even acquired international reputation, e.g. Baile 1 Mai and Felix Spa in Romania, Debrecen, Hajdúszoboszló and Gyula in Hungary.

In the mountainous and hilly areas of the Romanian part are also other diverse subsoil natural resources, including ores (iron, copper, zinc, lead, uranium), precious metals – gold and silver, and also construction materials (sand, granite, clay and marble). Regarding the subsoil natural resources there are significant levels of oil and gas production in Hungary and Romania as well. Geothermal water and natural resources of carbon dioxide are also exploited.

Environmental problems

The natural axis for co-operation are the rivers, river-valleys and the catchment basins of rivers. In this region, which is mainly the deepest area of the catchment basin of the Carpathian-basin, water management plays a crucial role. The EU Water Directive gives the

background of the planning of catchment basins. In accordance with that, countries have to prepare plans for the catchment basins in order to preserve the good quality of the water. The flow direction of the water is from the direction of Romania, so the task is not equal. Whereas it is Hungary's primary interest, that such developments would be implemented on the Romanian catchment basins that do not endanger the quality of water.

The following **rivers** establish natural connections between the Romanian and Hungarian parts: Tur, Somes, Krasna, Barcau, Crisul Repede, Crisul Negru, Crisul Alb and the Mures. (See Map 3. in Annex 3.) All of the rivers are flowing into the Tisa. These rivers play an important role in the preserving biodiversity, some of them in tourism (e.g.: Tur), or water-supply for the industry (e.g.: Crisul Repede and Somes); furthermore, after proper treatment they are also used as drinking water. They are not used, however, for water transportation or for agricultural irrigation or for energy production, mainly because of their small size. The unique gallery-forests alongside the rivers create special natural values for the area with their rich animal, bird and vegetable life.

The border area is characterised by clean natural environment, the level of various forms of pollution is relatively low.

Cross-border **pollution of the rivers** in the area, however, causes serious problems from time to time. Anyway, the rivers water quality on the Romanian border area is quite high, as 90% of the waters are included in the 1st and 2nd qualities. In many Romanian urban and rural settlements, there are on-going or are under preparation projects aiming at preservation or improving the water resources quality (80 projects for sewerage network and mechanic and biologic cleaning plants).

Recently, a significant part of the border area has been struck by serious **floods**. The hydro-technique works for flood prevention in Romania are obsolete, 70 – 80% of them being build up during the '70-'80 years. Currently, there are over 110 projects aimed at flood prevention works building either being prepared or being implemented.⁷

Major developments of flood prevention facilities and environment protection have been undertaken since 1996 with financial support of 1999-2003 Phare CBC funds. (See ANNEX 8 Supported grant projects by PHARE-CBC)

In Hungary, from time to time floods cause serious damage. As a result of the national flood prevention programme (Vásárhelyi programme), various flood prevention works have been implemented in recent years along Tisa river. One of the key projects, however, is related to Somes and Krasna rivers: the establishment of „flood-decreasing water catchments” between the two rivers in Szabolcs-Szatmár-Bereg county.

Another roots of key problems are improper land-use, and the lack of water reservoir systems: the combination of these two factors lead to either serious droughts (on dry summers), or to excessive inland-water (in rainy seasons, mostly in springs) in certain parts of the border area.

One of the appropriate indicators for measure the efficiency of **waste management** in the countries is the number of households involved in organised waste collection. With regard to the amount of collected per capita municipal waste per year, major differences characterise the border area.

The amount of collected waste certainly depends on the waste generated, which is a direct consequence of the level of consumption. Therefore higher level of economic development in most cases results in the production of more household waste. This is one of the factors that are reflected in the chart above. On the other hand though, in certain areas, even if a

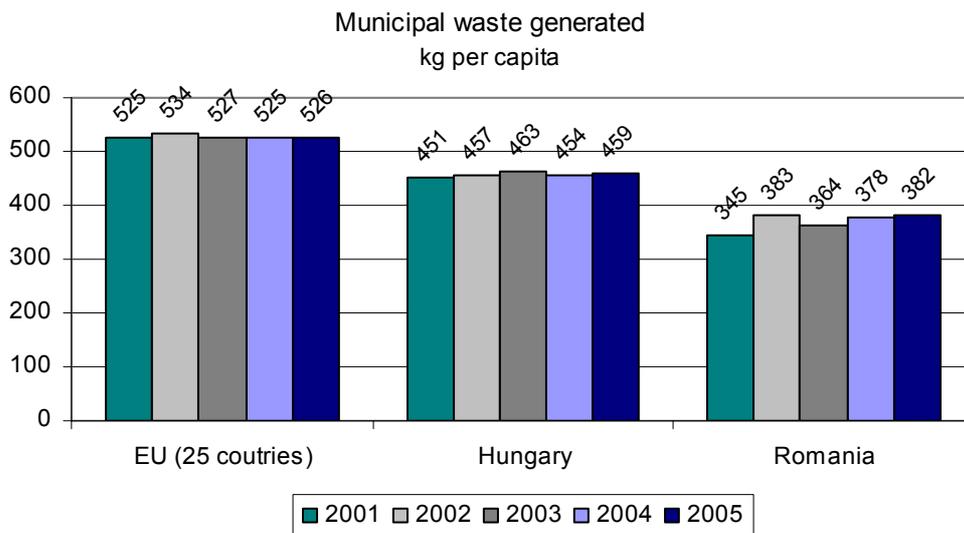
⁷ The data source is the study “Dezvoltarea spatiala durabila in bazinul hidrografic Tisa (Tisaro) (Spatial sustainable development in the Tisa basin) / AQUAPROEICT S.A. study, Bucuresti, 2003

relatively high amount of solid waste is produced, the figure may be low if the level of illegal dumping is high.

With these in mind, the dynamically growing figures in Hungary probably indicate both an increasing consumption and the expansion of waste collection systems. In Romania, the consumption is probably growing, but there the figures may also reveal the relatively high level of illegal dumping, requiring joint efforts to counteract.

Currently, a large-scale, Cohesion Fund financed integrated solid waste management project is being implemented in Szabolcs-Szatmár-Bereg county and in certain parts of Hajdú-Bihar county. On the other hand, though, in Romanian counties and in most villages in the Southern Great Plain of Hungary the management of household solid waste is not properly solved.

Chart 5. – Municipal waste generated



Source: Eurostat

In certain parts of the Romanian border area, extraction of fossil fuels, mines, heavy industry and aluminium production significantly contributed to the pollution of the environment in the past years. The most polluting units belong to the field of the domestic waste management and chemical processing, mining industry, metallurgy and animal breeding. Due to growing consumption, but also to the remaining obsolete industrial plants and technologies, one of the most serious environmental problems is **industrial waste management**.

Key challenges and opportunities

A significant part of the border area is covered by either national parks or landscape protection areas on both sides on the border. Instead of local actions focusing on such areas only on one side of the border, more integrated approach should be taken: establishment of joint areas, design of joint management procedures and common actions.

Another important character of the area that it is rich in rivers, most of which actually cross border. The abundance of rivers carries the risk of floods, and river pollution has also been an issue. Major projects are implemented in both countries, mainly in the field of flood prevention; it is important though, to co-ordinate this development and complement flood prevention facilities with properly functioning joint warning systems, too. River pollution is also an issue that requires common actions.

Another important risk factor is the occasional excessive inland water. Here again, integrated interventions are required.

Finally, the former existence of major sources of industrial pollution, and the increasing trend

of domestic waste in the co-operation area call for joint actions in the field of waste management.

2.1.8 Tourism

Although the variety of terrain (landscape, and resources with therapeutic potential) and the rich cultural heritage (architecture, monuments and traditions) may provide a strong basis for the development of several forms of **tourism** in the eligible border area, there are very little internationally known and famous tourist attractions either on the Hungarian, or on the Romanian side.

Looking at the Romanian visitors to Hungary, the following key features become obvious:

- Romanian visitors represent the highest rate among visitors from all the European countries, with a share of 20,3% out of the total number of visitors. (Followed by Slovakia and Austria.)
- The total number of the visitor-days spent by Romanian tourists in Hungary is the highest, although it is not much higher than that of the German and the Austrian tourists'. The total expenditures of Romanian tourists, however, is only the third highest.
- Motives of travel are diverse. More than 50% of the Romanian visitors are transit passengers. Nearly 25% arrive to Hungary with shopping purposes, and a mere 20% come with touristic purposes.
- Finally, the per capita expenditure / day of the Romanian visitors was 4.600 HUF in 2004, this being the least amount among visitors from European countries. (See Table 25. in the Annex 2.)

With regard to Romania, the number of foreign visitors in the period between May 2005 and May 2006 decreased by 2,4% as compared to the preceding period. The majority of foreign visitors arrive from European countries (94,4%); 48,2% of the total number of foreign visitors comes from EU countries. Hungarian visitors represent 25% of the total foreign visitors in Romania, the highest figure among all the countries. (See Table 26. in the Annex 2.)

Accommodation establishments

As data presented in Table 27. show, the utilization level of **private quarters** (bed and breakfast places) is appropriate: the rates of both guest and tourist nights exceed their share from total beds on national level. On the other hand, though, looking at the commercial accommodations, one can see that while Northern Great Plain has a satisfactory position, with slightly below 10% of the total tourist nights on national level, is a mere 5,4%. Another feature of the area is that – as opposed to the national situation – the share of domestic tourists at commercial accommodations is significantly higher than that of the foreign tourists. (See Table 28. in the Annex 2.)

In Romania, the tourism data show, that although the existing accommodations in the border area represent only 8% from the national total, the number of arrivals and visitor nights reaches 12-13%. This suggests that the area is attractive from touristic point of view, and that there is scope for developing accommodation facilities. Among the counties in the border area, Bihor County is the most preferable tourist destination, closely followed by Timis County. (See Table 29. in the Annex 2.)

Key challenges and opportunities

The border area is rich in (potential) tourism attractions, but the tourism income is limited on both sides on the border. Meanwhile, it is clear from the statistical data, that, Romania is an important destination of Hungarian visitors and vice versa, though many of the visitors do not arrive with traditional tourism purposes (excluding shopping tourism). Still, given the geographic proximity, and the relative complementarities of attractions, there's scope for the extension of mutual tourism, requiring the availability of information and a more active promotional activity.

Another important area of opportunity with regard to tourism development is the promotion of Hungarian and Romanian attractions as joint destinations, which would call for a more active co-operation of tourism organisations and enterprises.

2.2 Experience with previous cross-border activities in Hungary and Romania

Cross-border co-operation on the Hungarian-Romanian border has a strong foundation to build on.

The Hungarian – Romanian Phare CBC programme started as early as in 1996, when the European Commission extended the programme – for the first time in its history – to a border region between two candidate countries. The experimental programme proved to be a success and, the European Commission continued making funds available from the Phare National Programme for Hungary.

In the period 1996-2003, from EU Phare CBC fund, altogether 34 M EUR have been allocated for CBC projects to be implemented on the Hungarian side of the border and 28 M EUR for the Romanian side.

In this period, two main types of projects have been supported: a) large scale physical infrastructure projects and b) small projects that include a wide variety of people-to people actions. The PHARE CBC programmes played an important role in establishing some key facilities in the border area, including the modernisation of border-crossing stations and roads, as well as business infrastructure development projects. Environmental protection has also been an area of importance; projects in this field have mainly focused on water resource management, in response to the joint challenges identified. Thus the early PHARE CBC programmes have succeeded in laying the foundations and improving the basic conditions of long-term co-operation.

The next stage of co-operation has been the implementation of the Hungary-Romania and Hungary-Serbia & Montenegro (tri-lateral) Cross-border Co-operation Programme 2004 – 2006; the programme has a budget of nearly EUR 32 Million for Hungary (INTERREG), and nearly EUR 20 Million for Romania (PHARE CBC)), including national co-financing.

The following specific measures have been supported

Priority 1: Strengthening the spatial, physical and infrastructural integrity of the cross-border area

- Measure 1.1 Improving cross-border infrastructure
- Measure 1.2 Addressing common challenges in the field of environment protection and flood prevention

Priority 2: Promotion of co-operation initiatives in order to facilitate the integration of markets and enhance coherence between local communities

- Measure 2.1 Development business infrastructure and joint business services
- Measure 2.2 Support co-operation of enterprises
- Measure 2.3 Encourage cooperation between institutions and communities
- Measure 2.4 Promotion of cooperation in research and technology development and human resources development

Although the programme is now being implemented, an interim evaluation focusing on the first round of applications has already taken place, resulting some important conclusions worth taking into account with regard to the **governance of interventions** in preparing the consecutive programme. Below it is provided a brief summary of key experiences and their implications for the current programme:

- In using the funds, different procedures have been followed in the two countries (INTERREG in Hungary and PHARE CBC in Romania); this has resulted in serious difficulties and delays in implementation; the key implication for the current programme is that in order to facilitate efficient implementation, the same procedures should be applied.
- The amount of requested support in the first round of applications has exceeded 6,5 times the funds available, as an average. This has clearly demonstrated, that, there is demand for the interventions financed aimed at enhancing cross-border co-operation; in fact this is a higher than optimal rate. In order to achieve a more optimal rate, increased focus and concentration, as well as more specific definition of eligible activities should be undertaken. Furthermore, strengthening the project pipeline approach may also be considered.
- The eligible organisations have not been specified properly in the case of some of the measures. The definition of organisations eligible for support needs to be further consolidated.
- Project evaluation and selection has been successful; in some cases, however, the definition of evaluation criteria has not been clear enough, which led to difficulties and misunderstandings. Consequently, a more precise definition of evaluation criteria and the preparation of evaluators are of key importance. Another experience regarding project selection in Hungary under the Structural Funds is that the standard open application system has not proved to be ideal in the case of certain types of interventions (for instance, road development). It is proposed, therefore, that the project selection procedures are differentiated according to the specific interventions to be implemented.
- The selected projects are mostly of proper quality; further emphasis should be placed, though, on evaluating sustainability and the cross-border effect of projects.

2.3 Concluding remarks for the co-operation area as a whole – SWOT analysis

Concluding the results of the examination of the socio-economic situation of the border area, the following SWOT analysis summarises the main findings relevant for the intervention strategy.

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ The main roads through the border and border-stations have gone through significant development in recent years ▪ Five international airports provide good access to the area by air transport, especially highlighted the capacity of the Timisoara airport. ▪ Good quality, attractive natural environment (with special regard to Hajdú-Bihar, Bihor, Arad and Timis counties) ▪ Direct links and large scale cooperation between local public authorities within the frame of the 3 Euroregions covering entire state border ▪ Intense and increasing trade relations between the border counties ▪ Increasing FDI in the border area, including increasing Hungarian FDI in Romania ▪ Balanced geographic position of key economic centres with large extension of complementary strengths ▪ Extensive network of higher education institutions in the border area, representing a wide knowledge base and valuable resource for research and development (with special regard in Szeged, Debrecen, Oradea, Arad and Timisoara) ▪ Multicultural traditions and ethnical diversity, minorities from the several different nations live along the border especially in the Romanian area. ▪ Increasing number of initiatives in cross-border cooperation (institutions, NGOs, different administrative levels) 	<ul style="list-style-type: none"> ▪ Poor accessibility of main roads from many smaller settlements ▪ Lack of road connection between borderside villages ▪ Scarce railway connection through the border, poor quality rail lines ▪ Improper development of drinking water and sewage systems, primarily on the Romanian side of the border ▪ Improper industrial waste management is a serious environmental risk in certain parts of the border area ▪ In spite of previous interventions, pollution of some rivers remains a problem ▪ Low level of GDP per capita in the border area ▪ Significant rural areas are depending on agriculture, which in the present form does not offer a sure, quality living ▪ Lack of capital, limited competitiveness of SMEs in the border regions, low level of productivity ▪ Insufficient development of business infrastructure facilities ▪ Low level of business cooperation between the various SME development facilities and organisations. ▪ Poor R&D infrastructure; low level of private sector involvement in financing R&D ▪ Low level of ICT and broadband Internet usage ▪ A lower level than national standard of education on the Hungarian side of the border region ▪ Very low activity rate and relatively high level of unemployment (especially in

	<p>Hungary)</p> <ul style="list-style-type: none"> ▪ The level of education of unemployed people is generally low ▪ Significant intraregional differences in the labour market (especially in Hungary) ▪ Low level of Roma's integration to the labour market ▪ There are very little internationally known and famous tourist attractions ▪ Lack of information on existing tourist attractions, lack of competitive tourism products ▪ Negative demographic trends: natural loss and significant outmigration from the border regions in Hungary
<p>Opportunities</p>	<p>Threats</p>
<ul style="list-style-type: none"> ▪ Accession of Romania to the EU early in the programming period, the <i>acquis communautaire</i> will contribute to the harmonisation of administration systems ▪ Harmonisation of the national policies of the two countries on an annual Governmental agreements*) basis, aiming at the strengthening cooperation between the two countries ▪ Increase of funds available for developing cross-border cooperation, use of common procedures ▪ Gradual elimination of state borders ▪ Significant development of the major transport routes on the Hungarian and Romanian side of the border area. ▪ The availability of the current border crossing infrastructure, following the gradual elimination of state borders, for economic and business use. ▪ High number of Romanian visitors in Hungary ▪ Growing number of Hungarian visitors in Romania ▪ Improving economic performance of Hungary and Romania ▪ Availability of high quality thermal water across the co-operation area, for tourist purposes and as an alternative source of 	<ul style="list-style-type: none"> ▪ Slow development of motorways in the Romanian co-operation area could hamper the joint and balanced economic development ▪ Lack of access of rural areas leading to further lagging behind ▪ Relatively high risk of large scale pollutions ▪ Relatively high risk of large scale flood ▪ Protecting legal frame of the cross-border health-care cooperation will not shaped up ▪ The lower than national standard level of education on the Hungarian side can block or slow down catch-up process in the region ▪ Roma's non-integration to labour market challenge social cohesion

<p>energy</p> <ul style="list-style-type: none"> ▪ EU environmental regulations require joint actions in environmental protection ▪ The improving connections of the two states have a positive impact on the border regions 	
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*) within Joint Romanian-Hungarian government session in 2005, 2006

Key conclusions from the SWOT

The SWOT reveals the key features of the Hungarian-Romanian border area. In many respects, the border area faces similar problems to most areas divided by national borders, and also some unique challenges.

Weaknesses – Threats

While the main road network in terms of kilometre and density can be considered as sufficient, their accessibility from small settlements and rural territories is often poor or severely compromised. Although the main transport infrastructure on the Hungarian-Romanian cross-border area has been significantly improved in the recent years, there are further deficiencies in small-scale transport connections, bottlenecks in border crossing. Poor accessibility of main roads and lack of road connections in the proximity of the border may lead to further lagging behind of the rural areas.

Improper development of drinking water and sewage system, as well as poor industrial waste management and logging activity may increase the risk of large scale pollution and floods. In order to sustain the relatively untouched natural environment, the prevention of further pollution and natural catastrophes should be included among the interventions.

Lack of capital, low level of productivity reduces the competitiveness of SMEs and the investor's interest in cross-border cooperation. They are also hindered by the insufficient accessibility of broadband Internet and the low level of ICT usage facilities. Most of these challenges may be responded in an integrated way, exploiting the opportunities offered by cross-border business co-operation.

Strengths – Opportunities

The main roads through the border and the five international airports provide a relatively good international accessibility of the border area offer a good potential and may contribute to increasing the attraction of the area for potential investors and tourists. The favourable geographic situation – the proximity of Serbia and Ukraine, both major potential markets, and the presence of TEN corridors in the area, as well as the balanced location of the economic centres, together with the significant development of the major transport routes currently taking place, offer a significant opportunity for the development of logistical services in certain parts of the area.

The border area is characterised by common multicultural traditions and ethnical diversity (especially on the Romanian side) providing solid ground for community to community and people to people actions in various fields, which strengthen the integrity of the entire border area and lays the foundations for co-operations in other areas, too.

Availability of a range of higher education institutions providing quality education in various fields can be considered as one of the most the important strengths of the border area, offering the potential for quality research and development services. The level of co-operation among universities, and between universities and enterprises is very limited at

present; strengthening such co-operations can play an important role in increasing the competitiveness and integrated development of the area.

Accession of Romania to the EU results in the adoption of the *acquis communautaire*, harmonisation of administration systems and the gradual elimination of the state borders; altogether gradually establishing a much more favourable environment for the joint development of the border area.

III. Joint development strategy and coherence with other programmes

3.1 Joint cross-border development strategy and programme objectives

3.1.1 Strategic framework

In the financial period of 2007-2013, European Cohesion Policy and Structural Fund programmes are to integrate global and Europe-wide objectives and priorities such as global competitiveness, sustainable development or fight against climate change. European regional policy should therefore follow a more strategic approach and contribute to the strategic objectives identified by the European Union.

With regard to this new strategic approach, throughout the preparation of the Hungary-Romania Cross-border Cooperation Programme 2007-2013 not only the challenges and opportunities identified for the border area have been taken into account but the wider European strategic framework has also been considered, namely:

- Lisbon objectives and Gothenburg priorities,
- Cohesion Guidelines as presented in the Community Strategic Guidelines,
- EU's commitment to the UNFCCC process (UN Framework Convention on Climate Change),
- The National Strategic Reference Frameworks of Romania and Hungary.

In each and every phase of implementation of the Hungary-Romania Cross-Border Co-operation Programme, the strategic values and objectives of sustainable development and growth, shared and expressed by the European Union, will be taken into account, and actions and operations financed under this programme will support, with their own means and within their possibilities, these values and objectives.

3.1.2 Strategy of the programme

The proposed strategy is the evolution of the strategy underpinning the Community Initiative Programme Hungary-Romania and Hungary-Serbia&Montenegro, 2004-2006. While it takes over and carries on various aspects of that strategy, it also takes into account the following factors:

- This cross-border co-operation programme covers a different geographical area (Hungary-Romania border area),
- Romania joined the European Union just on the beginning of the programme period, and the border between the two countries became internal border.
- The Community Strategic Guidelines on Cohesion for the 2007-2013 period are being adopted, providing a general framework for programmes implemented from Structural Fund support.

The core element of the strategy remained unchanged: to bring the different actors – people, economic actors and communities – closer to each other, in order to better exploit the opportunities offered by the joint development of the border area.

Moreover, the programme is aimed at improving the competitiveness and attractiveness of the border area, through various interventions contributing to the integrated development of the cooperating NUTS III level areas.

The programme positions itself to be complementary to the sectoral and relevant regional operational programmes of the two countries, focusing only on interventions that:

- have a very strong cross-border dimension
- have relevance for both sides of the cooperation area
- represent common interests of both countries.

Some of the interventions envisaged may be similar to interventions financed from the relevant sectoral or regional programmes, but in those cases the programme will strongly focus on the cross-border aspect of the given development. It will not fund actions aimed at addressing challenges that can be better tackled from regional or sectoral programmes, and it will not fund interventions that is the interest of only the Romanian or the Hungarian side of the border area.

It has to be acknowledged, though, that the co-operation area faces a unique moment: Romania's accession to the European Union will lead to the gradual elimination of the state border currently cutting through the area and separating people and communities with various natural and traditional linkages. This is a major change, which has important implications for the strategy. The programme intends to promote the establishment of sustainable cross-border partnerships and network, playing an essential role in the long-term integrated development of the border area.

The proposed strategy, therefore, is centred around making use of this great opportunity, mainly through:

- Improving the key conditions of co-operation through addressing the most important obstacles;
- Supporting the actual co-operation initiatives of various actors.

With Romania becoming member of the European Union, a number of administrative factors currently hindering co-operation will diminish, and, in the end, disappear. Most importantly, the state border – one key obstacle of social, economic and cultural co-operation of the relevant border areas – will be eliminated.

Rapid expansion of co-operation activities, however, will not occur, unless the most important conditions of co-operation are further improved. First and foremost, people, institutions, enterprises and municipalities need information readily available on the multitude of opportunities (be they business, educational, cultural, or even tourism or recreational), otherwise they do not even consider building co-operation, or, simply making use of these opportunities.

Secondly, once they possess information, they need to be able to access their counterparts, without major difficulties. Bringing people, businesses and institutions closer to each other by all means requires fairly developed transport infrastructure.

Therefore, **the first pillar of the proposed strategy is aimed at improving the flow of information and transport infrastructure in the co-operation area.**

Once the key conditions are in place, rapid extension of co-operation activities in order to exploit the opportunities for joint development needs to be promoted. Consequently, the **second pillar of the proposed strategy is focusing on supporting co-operation initiatives on various fields.**

Support activities have to concentrate on areas where mutual interest can be established, and which can be driving forces behind the joint development of the area. **Based on the SWOT analysis, the identification of these key areas needs to take into account the following:**

- Establishing common business interests shall drive the improvement of the level of economic co-operation and prevent the economic divergence of the border regions of the two countries.
- The natural features of the area represent valuable assets that may only be safeguarded through joint interventions.
- Knowing each other is the basic requirement for both economic and social connections, which shall be reflected in the priorities given to social and cultural linkages.

Strategic approach in project generation is also an important aspect of adequate programme implementation. Projects of strategic importance for a major part of the border area will be identified and promoted during the implementation process. In fact, for the initiative of the national authorities and with the involvement of the NUTS III level counties, a collection of strategic project concepts has started. This pro-active approach to the identification and development of projects of strategic importance will be sustained over the entire lifecycle of the programme.

3.1.3 Objectives

Overall strategic goal of the Co-operation Programme

To bring the people, communities and economic actors of the border area closer to each other in order to facilitate the joint development of the co-operation area, building upon the key strengths of the border region.

Specific objectives

The overall aim of the programme, **with the core elements of the strategy derived from the SWOT analysis**, together lead to the formulation of the following specific objectives:

- Specific objective No. 1: Improved transport infrastructure to facilitate better access within the border area.
- Specific objective No. 2: Better flow of information on joint opportunities within the border area
- Specific objective No. 3: Common natural resources efficiently used, natural values protected in the border area.
- Specific objective No. 4: Economic connections reinforced in the border area to boost sustainable economic development building on comparative advantages.
- Specific objective No. 5: Social and cultural coherence strengthened among people and communities.

The above specific objectives focus on the establishment of a sound basis for joint development. However, besides the promotion of joint development, the programme shall contribute to safeguarding and enhancing the balance concerning horizontal principles respected by all parties. By determination of all Priorities, principle of environmentally sustainable development in the sense of article 17 of Council Regulation⁸ was taken into account. By virtue of this approach, all interventions within the programme will:

- Ensure gender equality
- Take into account the particular needs of those disadvantaged, disabled or from ethnic minority backgrounds with special regard to the Roma
- Ensure the protection and growth of the natural and built environment in order to support sustainable development

⁸ European Council Conclusion 8/9 March 2007

3.1.4 Identification of the priority axis

The horizontal objectives presented above will be fully taken into account during the whole programme cycle, including the programming, the design of the indicators for monitoring and evaluation and of the project selection criteria of the various measures. Priority will be given to projects that clearly contribute to the achievement of one or more of these objectives.

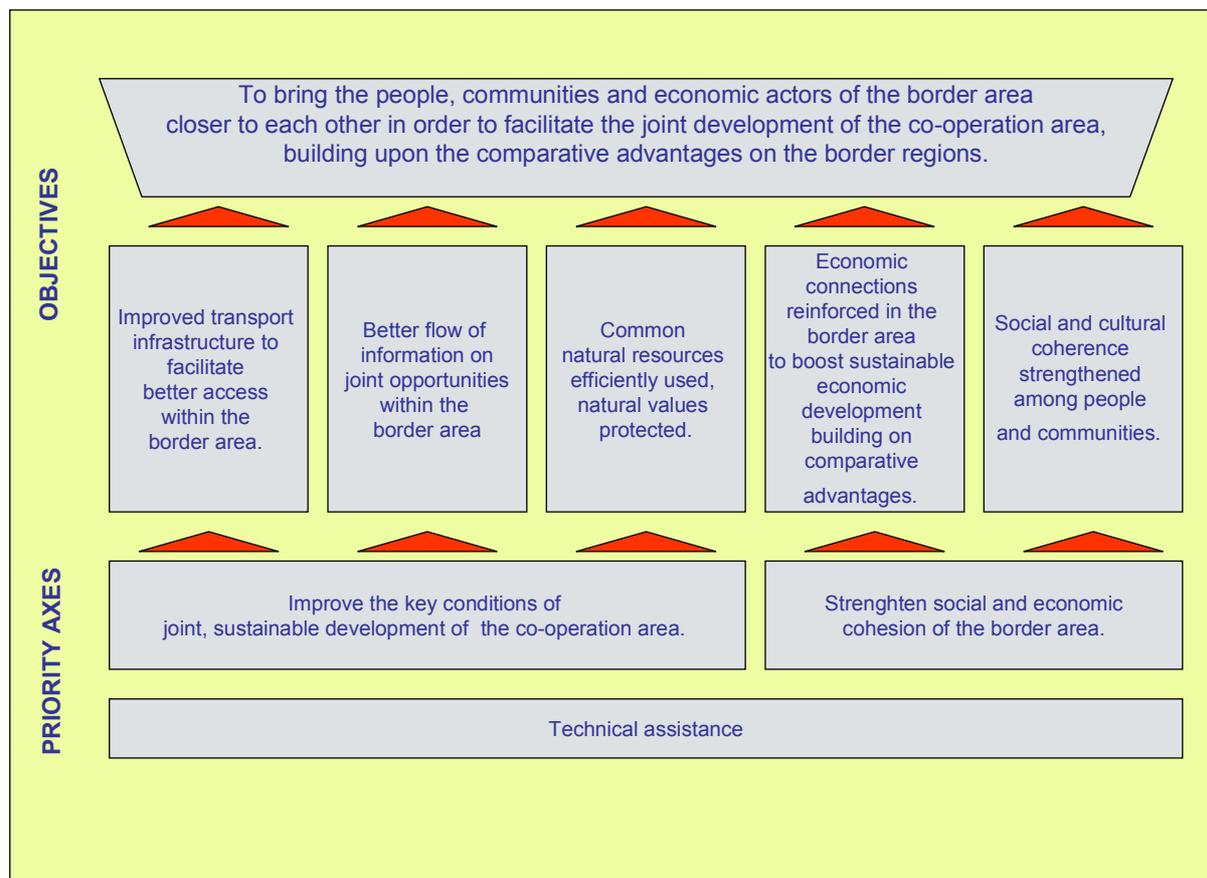
The proposed strategy is built upon two main pillars. Two priority axis have been identified to implement the proposed strategy presented above; Priority axis 1 relates to the first pillar, while Priority axis 2 relates to the second pillar.

A third Priority axis has also been identified, aimed at enhancing the efficiency and effectiveness of programme implementation through the provision of technical assistance.

- Priority Axis 1: Improve the key conditions of joint, sustainable development of the co-operation area (Improvement of cross-border transport, communication and environmental protection)
- Priority Axis 2: Strengthen social and economic cohesion of the border area (Co-operation in the fields of business, RTD, education, labour market, health care and risk management)
- Priority Axis 3: Technical Assistance

Priority Axis 1 contributes to Specific Objective No.1 , Specific Objective No. 2 and Objective No. 3; Priority Axis 2, on the other hand, contributes to Specific Objectives No. 4 and 5.

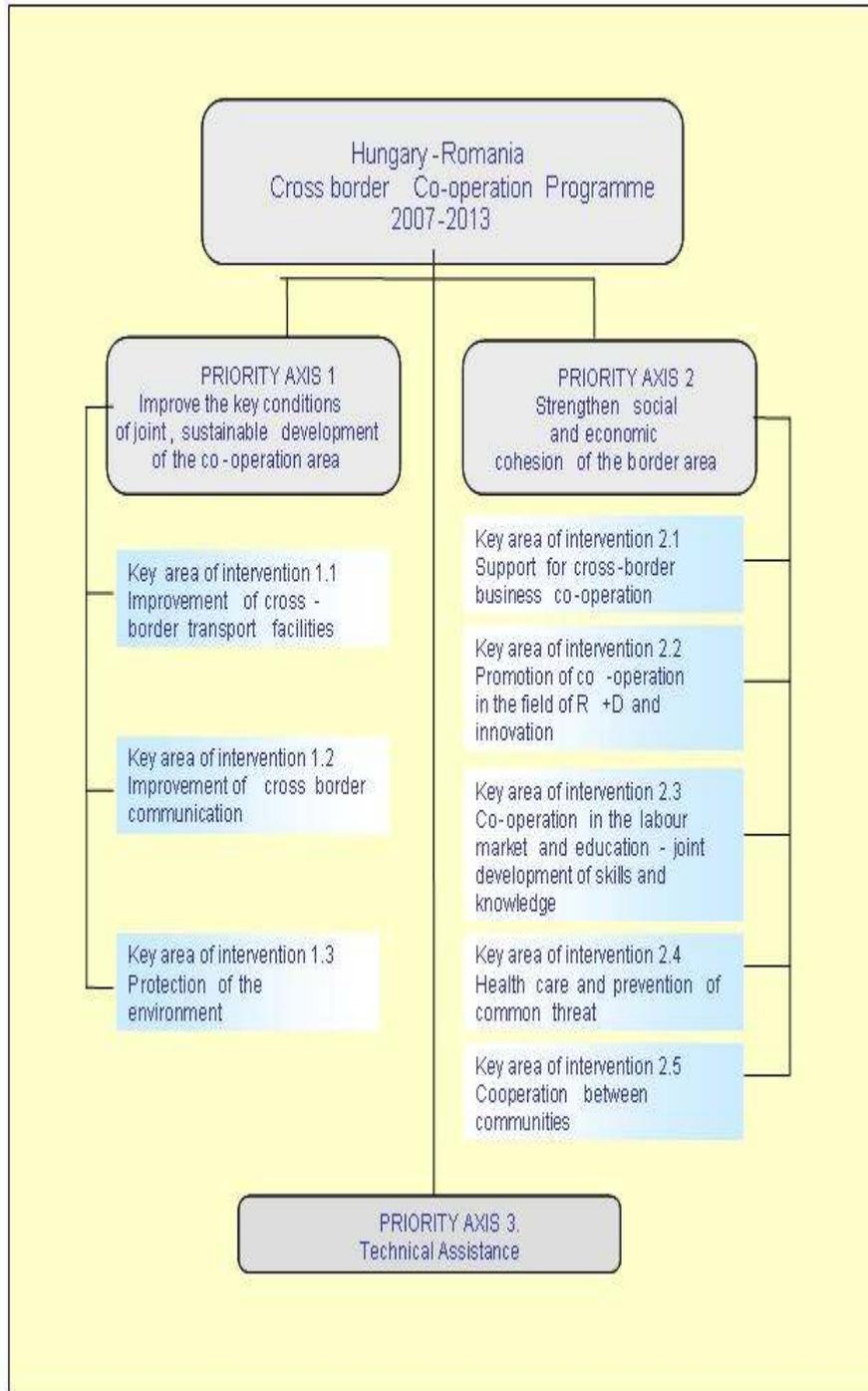
The interconnections between the priority axis and the programme objectives are illustrated in the chart below.



Interventions under the priority axis

The priority axis making up the strategy are implemented through a number of key interventions. These interventions are interrelated, strengthen each other and are in line with the strategy presented in Section 3.1.1. Together they contribute to achieving the programme objectives identified in Section 3.1.2.

The following chart provides an overview of the interventions proposed under each Priority axis.



3.1.5 Programme level indicators

Having regard to

- 1) Working Document No. 2 – Indicative Guidelines on Evaluation Methods: *Monitoring and Evaluation indicators, 2007-2013*
- 2) The core indicators on cross-border co-operations,

the following key indicators are set at the level of the Operational Programme:

Table 1 Programme level indicators

Priority	Type	Indicator	Definition	Baseline		Target		Source
				Year	Value	Year	Value	
Na	Context	GDP in eligible area	GDP/inhabitant in PPS (EU25=100), %	2007	35,7	2013		SO HU/RO
Na	Context	Level of unemployment in eligible area	Unemployment rate, %	2007	4,6	2013		SO HU/RO
Na	Impact	Level of economic co-operation	% growth in the share of Romania in the annual foreign trade turnover of the Hungary and vice versa	2007	0 %	2013	5 %	SO HU/RO

*Target values for the output indicators will be included in the Implementation Manual.

With regard to cross-cutting themes identified at programme level, the indicators are defined:

Table 2. Horizontal indicators

Priority	Type	Indicator	Definition	Target value
1-2	Impact	Promotion of equal opportunities	Contribution of the supported activities to the equality of opportunities	qualitative
1-2	Impact	Promotion of sustainable development	Contribution of the supported activities to environmental sustainability	qualitative
1-2	Result	Promotion of equal opportunities	% of newly created work places occupied by women	
1-2	Result	Promotion of sustainable development	Number of projects with positive environmental impact or adding positive value in terms of environmental good practice	
1-2	Result	Promotion of bilingualism	Number of projects that promote bilingual public administration, bilingual people, publications	

3.2 Main findings of the ex ante evaluation

The aim of the ex-ante evaluation is to provide an independent expert view on the Programming Document. This ex-ante evaluation has been carried out by Pillars Consulting Ltd. The evaluation examines the “Analysis of the Programming Area”, the SWOT, the Strategy, the Priorities and the implementation and financial provisions in order to see if the Programming Document is in line with the EU regulations. The ex-ante evaluation process was based on the co-operation of the authors and the evaluators.

The programme document contains the region and sector specific situation analysis with regard to the various strengths and weaknesses. The analysis took into consideration the significant differences between the two countries in the state of development of a number of areas and the resulting differences in their social and economic characteristics. It is an advantage that there are mostly relative indicators in the text, and that comparison with EU figures is of proper frequency.

The authors took into consideration the evaluators’ comments when preparing the current version of the OP, as a result of which the SWOT analysis is a lot more coherent with the analysis of the programme area and the observations are mentioned in the proper categories. The strengths, weaknesses, opportunities and threats identified in the situation analysis are generally adequate and important, and are in harmony with the items contained in the SWOT table.

The authors included in the document the overview of the programme drafting process which covers the relevant organisations, the main stages of the working process and the role of social consultation.

There are no deficiencies in the internal logical continuity of the current version of the OP. In the course of the examination the evaluators found that all areas of intervention have their necessity and underlying problems presented either in the analysis of the programming area or in the SWOT analysis. The improvements added to the analysis of the programme area, which mainly concentrate on the summaries are to be found at the end of each chapter.

The current version has sufficient internal consistency. The analysis of the programme area and the SWOT analysis provide a proper basis for the strategy, and the areas of intervention described within the priorities are suitable for the realisation of the strategy. The authors took into consideration the characteristics of the border region, the lessons of the previous programming period and the CSG for the 2007-2013 period.

As a result of regular consultation, the system of indicators was changing and improving continuously during the evaluation period. The indicators have been set on the appropriate programme levels, and now fall into a transparent hierarchic order. In spite of this it is problematic that in the case of almost all indicators the starting value is zero.

The proposed implementation chapter is in line with the relevant regulations, and therefore is supposed to be able to manage the programme. The main difficulty of the evaluation lies in the fact that the majority of „details” of the implementation are referred at a later stage (eg. Action Plans) over which the evaluators have no mandate to examine.

The evaluators find it important that the document, when describing the horizontal principles, deals with their future role as well, since it is mainly the selection period of the projects which offers the opportunity to implement these principles in practice.

3.3 Strategic Environmental Assessment - Non-technical summary

The Strategic Environmental Assessment (SEA) for Hungary-Romania Cross Border Co-operation Program 2007-2013 was conducted by RESPECT consulting as part of the consortium responsible for the SEA. The aim of the assessment was to measure the programme against a set of environmental sustainability criteria.

The reference documents used for the SEA were as follows:

- Hungary – Romania Cross Border Co-operation Program Document (final version of July)
- Hungary-Romania European Territorial Co-operation Program Document 2007-2013 (version 11. of February 19, 2007)
- Hungary-Romania European Territorial Co-operation Program Document 2007-2013 (version 11. of March 2, 2007)
- National Action Plan of Climate Change of Romania (2005-2007)
- National Sustainable Development Strategy
- The National Strategy and Action Plan for the Biological Diversity Conservation and Sustainable Use of its Components in Romania
- Opinion of Békés County Council of Representatives
- Opinion of Csongrád County Council of Delegates
- Hungary-Romania European Territorial Co-operation Program SEA Workshop recommendations, Hungary-Békéscsaba, April 13. 2007.

3.3.1 The purpose of SEA

- Searching for the main environmental impacts
- Strategic level focused: programs, plans, policies
- Method based and process oriented tailored to the subject of assessment
- Iterative process, not a one-shot deal
- Influencing decision-making process in the whole programming process
- Ensuring transparency of assessment and planning process, public participation in decision-making
- Considering the implementation of programs, not just the planning
- Results of the SEA is documented in series of environmental reports (draft environmental report(s) and at the end of the assessment process in a Final Environmental Report (FER))
- Key instrument to ensure Sustainable Development (SD) in planning and implementation of programs

3.3.2 Relevant SEA framework

- EC 42/2001 SEA Directive;
- ESPOO Convention (Espoo, 1991), Protocol on Strategic Environmental Assessment (Kiev, 2003)
- the 'SEA Protocol';
- 2/2005 (I.11.) Government Decree – Hungarian Regulation of SEA;

- Decision no. 1076/8.07.2004 for setting up the environmental assessment procedure of certain plans and programmes in Romania;

This document presents the non-technical summary of the strategic environmental assessment according to the EC 2001/42 Directive Annex 1 point j) on strategic environmental assessment.

A. An outline of the contents, main objectives of the plan or the programme and relationship with other relevant plans and programmes

The eligible border area covers the eight NUTS III level counties with fairly similar economic and social situation in general. The major towns - the county-seats – play a central role in the development of the area, as most of the public institutions, higher educational facilities as well as the major economic actors are concentrated in these towns. All of the county seats, with the exception of Nyíregyháza and Timisoara - are located in the immediate proximity of the border (within 10-30 km); consequently, their impact potentially reaches well beyond the border.

The development process is still under way, and the international accessibility of the area has improved a lot with the development of motorway connections. Accessibility of small rural settlements, especially in the immediate proximity of the state borders, however, is still heavily compromised.

The programme strategy strives to bring the different actors – people, economic actors and communities – closer to each other, in order to better exploit the opportunities offered by the joint development of the border area. The co-operation area faces a unique moment: Romania's accession to the European Union will lead to the gradual elimination of the state border currently cutting through the area and separating people and communities with various natural and traditional linkages. This is a major change, which has important implications for the strategy. The proposed strategy, therefore, is centered on making use of this one-time opportunity, mainly through:

- Improving the key conditions of co-operation through addressing the most important obstacles;
- Supporting the actual co-operation initiatives of various actors.

Relevant policies have been considered when preparing the Hungary – Romania Cross Border Co-operation Programme 2007-2013. Development Programme for the New Hungary is considered as the National Strategic Reference Framework of Hungary, which defines the development strategy to ensure economic and employment growth; assigns the most important development tasks; provides the framework for drawing up development operational programmes reflecting the Lisbon and the Gothenburg objectives; and aims for the national and regional programmes to complement and support themselves.

Integration of Hungary into the European space is through cross-border, multi- and trans-national co-operations. Though the European territorial co-operation is in close relation to the NSRF, latter doesn't include further documents about territorial co-operations. Regarding that, separate documents are prepared.

The key aims of the Romanian National Strategic Reference Framework 2007-2013 (NSRF) are to strengthen the strategic focus of Romania's Economic and Social Cohesion and Regional Policies and to make the correct and appropriate linkages to the European Commission policies, notably the Lisbon Strategy, which builds policies for economic growth

and the creation of jobs. The NSRF has its genesis in the National Development Plan (NDP) which was developed as a tool to guide National, European Union (EU) and other funding sources available to Romania.

In terms of general criteria, the Hungary – Romania Cross-border Co-operation Programme 2007-2013 *differs from other Hungarian and Romanian sectoral or regional OPs*:

- 1) Territorial impoundment – just 4 NUTS III region from the Hungarian and 4 NUTS III region from the Romanian border region are eligible for support from the cross-border programme;
- 2) Joint projects – joint co-operation resulting joint projects is necessary in the frame of the cross-border programme;
- 3) Beneficiaries from the public and non-profit sphere – enterprises are not eligible for support in the Hungary – Romania Cross-border Co-operation Programme.

At intervention level, in cases where overlapping may occur with sectoral or regional operational programmes, special criteria will be defined in the Implementation Manual in order to serve specification.

Hungary – Romania Cross Border Co-operation Programme is intended to be coherent with regional and sectoral policies and programmes. Therefore, on the one hand representatives of relevant Regional Development Agencies will be invited to the meetings of the Joint Monitoring Committee as observers in order to facilitate synergies with regional development programmes and, on the other hand representatives of relevant ministries with the purpose to promote and ensure sectoral coherence.

B. The relevant aspects of the current state of environment and the likely evolution thereof without implementation of the plan of the programme

The border area is characterized by clean natural environment, the level of various forms of pollution is relatively low. National parks and the landscape protection areas account for nearly 9% of the total co-operation area in Hungary and 50.000 ha surface in Romania. The rivers in the area establish natural connections between the Romanian and Hungarian parts playing an important role in preserving the biodiversity. They are not used, however, for water transportation or for agricultural irrigation or for energy production, mainly because of their small size. The unique gallery-forests alongside the rivers create special natural values for the area with their rich animal, bird and vegetable life.

Another roots of key problems are improper land-use, and the lack of water reservoir systems: the combination of these two factors lead to either serious droughts (on dry summers), or to excessive inland-water (in rainy seasons, mostly in springs) in certain parts of the border area.

In terms of collected municipal waste per capita per year, a major difference can be observed on the two sides of the border area. Dynamically growing figures in Hungary probably indicate both an increasing consumption and the expansion of waste collection systems. In Romania, the consumption is probably growing without the same tendency in the municipal waste collected. This fact may also reveal the relatively high level of illegal dumping, requiring joint efforts to counteract.

C. The environmental characteristics of areas likely significantly affected

A significant part of the border area is covered by either national parks or landscape protection areas. More integrated approach should be taken in order to avoid local actions

focusing only on one side of the border: establishment of joint areas, development of joint management procedures and common actions.

Another important characteristic is the abundance of rivers. Most of them cross the border carrying the risk of floods and river pollution. Major projects are implemented in both countries, mainly in the field of flood prevention. It is important to co-ordinate this development and complement flood prevention facilities with properly functioning joint warning systems. Another important risk factor is the occasional excessive inland water. Here again, integrated interventions are required.

Finally, the former existence of major sources of industrial pollution, and the increasing trend of domestic waste in the co-operation area call for joint actions in the field of waste management.

D. Any existing environmental problems which are relevant to the programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC

1.1. Improvement of cross-border transport facilities – *If environmental friendly solution used, than no significant negative impact.*

1.2. Improvement of cross-border communication – *Not relevant*

1.3. Protection of the environment – *Positive impact*

2.1. Support for cross-border business cooperation – *Not relevant*

2.2. Promotion of cooperation in the field of R+D and innovation – *Not relevant*

2.3. Cooperation in the labour market and education–joint development of skills and knowledge – *Not relevant*

2.4. Health care and prevention of common threat – *Not relevant*

2.5. Cooperation between communities – *Not relevant*

E. The environmental protection objectives, established at international, Community or Member State level, which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during its preparation

The NATURA 2000 network established by the European Union covers a significant part of the eligible border area. The network is an interconnected European ecological network with the aim of preserving the biodiversity through the protection of the types of natural habitat as well as the species of wild flora and fauna of Community interest, and assisting for the sustainable maintenance and restoration of their favourable conservation status. The network is consisted of areas designated by the EU guidelines 1) about the Important Bird Areas (IBA) (directive on the conservation of wild birds; 79/409/EC); 2) about the Special Areas of Conservation (directive on the conservation of natural habitats and of wild fauna and flora; 43/92/EC).

National parks and the landscape protection areas (LPA) in Hungary account for nearly 9% of the total co-operation area. There are two national parks: the Hortobágyi National Park (which is also part of the World Heritage), and Körös-Maros National Park; and 6 landscape protection areas, including the Bihari-Sík LPA, the Hajdúsági LPA, the Közép-Tiszai LPA, the Szatmár-Beregi LPA, the Mártélyi LPA and the Pusztaszeri LPA. In Romania, the natural parks and natural protected areas account for a surface of about 50.000 ha. In the programme area, there are parts of Natural Park Apuseni (Bihar county), the Natural Park of the Low Meadow of Mures (Arad county) and more than 40 small areas identified under the Natura 2000 Programme (Special Protected Areas and Sites of Community Interest. There are also many other smaller natural protected zones, according to the national legislation.

Another major natural resource of the area is thermal water, which is available across the entire co-operation area. The cross-border Hungarian-Romanian border area is very rich in high quality therapeutic thermal water. There is an abundance of spa resorts throughout the area; some of these resorts have even acquired international reputation, e.g. Baile 1 Mai and Felix Spa in Romania, Debrecen, Hajdúszoboszló and Gyula in Hungary.

In the mountainous and hilly areas of the Romanian part are also other diverse subsoil natural resources, including ores (iron, copper, zinc, lead, uranium), precious metals – gold and silver, and also construction materials (sand, granite, clay and marble).

Regarding the subsoil natural resources there are significant levels of oil and gas production in Hungary and Romania as well. Geothermal water and natural resources of carbon dioxide are also exploited.

F. The likely significant effect on the environment, including on issues such as biodiversity, population, human health, flora, fauna, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors

See the table of the point „G“.

G. The measures envisaged to prevent, reduce and as fully possible offset any significant adverse effects on the environment of implementing the plan or programme

Key to the table (Regarding the assessment of the effect the following criteria set (Annex I, footnote):

NR = not relevant

+ = positive effect

= negative effect

C = Cumulative

S = synergetic

sT = short term

mT = medium term

IT = long term

Intervention	Potential environmental elements effected	Effect	Measures – preventive mitigation
1.1 Improvement of cross-border transport facilities	Biodiversity	-/C/sT	If environmental friendly solution used, than no significant negative impact.
	Flora	-/C/sT	
	Fauna	-/C/sT	
	Human health	-/S/IT	
	Soil	-/C/IT	
	Water	-/C/sT	
	Air	-/C/IT	
	Cultural heritage	NR	
1.2 Improvement of cross-border communication	Biodiversity	NR	
	Flora	NR	
	Fauna	NR	
	Human health	NR	
	Soil	NR	
	Water	NR	
	Air	NR	
	Cultural heritage	NR	
1.3 Protection of the environment	Biodiversity	+	
	Flora	+	
	Fauna	+	
	Human health	+	
	Soil	+	
	Water	+	
	Air	+	
	Cultural heritage	NR	
2.1 Support for cross-border business cooperation	Biodiversity	NR	
	Flora	NR	
	Fauna	NR	
	Human health	NR	
	Soil	NR	
	Water	NR	
	Air	NR	
	Cultural heritage	NR	
2.2. Promotion of cooperation in the field of R+D and innovation	Biodiversity	NR	
	Flora	NR	
	Fauna	NR	

	Human health	NR	
	Soil	NR	
	Water	NR	
	Air	NR	
	Cultural heritage	NR	
2.3 Cooperation in the labor market and education – joint development of skills and knowledge	Biodiversity	NR	
	Flora	NR	
	Fauna	NR	
	Human health	NR	
	Soil	NR	
	Water	NR	
	Air	NR	
	Cultural heritage	NR	
2.4 Health care and prevention of common threat	Biodiversity	NR	
	Flora	NR	
	Fauna	NR	
	Human health	+	
	Soil	NR	
	Water	NR	
	Air	NR	
	Cultural heritage	NR	
2.5 Cooperation between communities	Biodiversity	NR	
	Flora	NR	
	Fauna	NR	
	Human health	NR	
	Soil	NR	
	Water	NR	
	Air	NR	
	Cultural heritage	+	

H. An outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information

In the program document assessed, during the SEA process no alternatives were presented by the planners, therefore no alternative was assessed.

I. Description of the measures envisaged concerning monitoring in accordance with Article 10

This chapter gives information according to article 10 and annex 1 lit i of the Directive 2001/42/EC (SEA-Directive). The monitoring process is planned to go hand in hand with other evaluation processes, so confusion or duplication can be avoided (the SEA monitoring is coordinated with the programme's mid-term evaluation and the final evaluation on the occasion of the programme's closure). The exchange of information gained from the SEA-monitoring and the Programme-monitoring will supposedly positively influence the overall programme design.

The character of the programme and its strategy defined generally on the priority axis level which outline indicative type of supported activities, require mainly non-technical and technical measures to prevent, eliminate, minimize and compensate the environmental impacts. Considering landscape planning activities, it is necessary to take into account the adopted landscape planning documents. For all activities that may have direct or indirect impact, assessment of the environmental impact should be completed based on the criteria defined by national legislation.

Considering technical measures, during planning of production technologies, infrastructure and tourism development, and activities supporting human capital in supported projects, beneficiaries are expected to select – within possibility - the best available technologies, promote environmental protection and minimize negative impact on:

- Geological basis and soil
- Air
- Ground and surface water
- Fauna and flora
- Structure and character of the landscape
- Socio-economic activities
- Protected areas
- Systems of ecological stability
- Health of the population

From the viewpoint of non-technical measures, promotion of education activities concerning the nature protection and conservation of natural wealth, promotion of partnerships between representatives of industry and authorities for protection and monitoring of environment and cultural heritage including municipalities for purpose of coordination of interests of various participants in early stages of projects preparing, is essential. It also includes interconnection of implementing of mentioned technical measures with information and educational activities, increasing positive consequences, gained experience also to spheres which are not directly part of the project, and support of partnership between scientific institutions in the region, industry and public representatives with the purpose of contributing to extension and penetration of information and knowledge in the area of nature protection, environment development under conditions focused on competitiveness development which can also lead to stimulating of economic activities in the region.

Monitoring and evaluation of impacts is conducted at the project level as well as on the programme level using the standardized procedures and documents (evaluating reports, monitoring reports of the programme, requests for allocations).

Based on the SEA recommendations as well, indicators concerning the environmental aspects have been built in the programme document to be able to monitor the macroeconomic environment of the program and the fulfillment of the principles of sustainable development. During the interim and final evaluations, indicators will be monitored in the following areas:

- ▶ Promotion of sustainable development
- ▶ Use of infrastructure
- ▶ Improvement transport
- ▶ Healthcare and risk prevention
- ▶ Improved environmental situation
- ▶ Environment and nature protection

Based on project indicators (core indicators), monitoring of efficiency and effectiveness of intervention can be conducted at satisfactory level based on the guidelines outlined in the strategic document. It also allows comparing planned and obtained impacts and provides information for managing structures necessary for management of the whole program and its components.

On project level, mainly in case of larger projects, regular monitoring and assessment of added value (based on cost-benefit analysis) are expected, which takes into account environmental impacts, both benefits and costs, of the project.

In a first step a general screening of the supported projects is expected from the beneficiary. Therefore every supported project should be analyzed regarding its effects on the environmental protection interests. The assessment can be done by following the relevance matrix and procedure: firstly it has to be considered if any effects are identifiable and secondly these effects have to be rated. A general three grade system (positive, neutral/no influences, negative effects) is appropriate to avoid pseudo. If relevant and available additional data can support the assessment, e.g. environmental relevant data collected according to the Operational Programme's indicator system.

In a second step comments and suggestions based on expert experience and the data collected in step one are to be formulated. The pre-screening of the supported projects can give first hints on problematic developments.

Beside this project level monitoring, additional expert statements should give more detailed information on specific environmental aspects, recommendations for the further programme implementation or for the next programming period should be formulated. Due to its importance special focus is put on the project selection process.

The monitoring system based on expert statements is also applied in case that the programme is modified (in relation to environmental aspects) or it is obvious that the circumstances (especially regarding the environmental situation) have changed significantly. In this case the focus of environmental concerns might change too. Expert statements should inform about the new or changed relevant environmental concerns and give suggestions for the further programme implementation, as in these cases the data of the present Environmental Report might be outdated.

Quality of monitoring and evaluation procedures and efficiency of obtained empirical data depends on the quality of available data (monitoring systems) and the users' competition.

3.4 Cross-cutting themes

3.4.1 Equal opportunities and non discrimination

General regulation of the use for Structural Funds and Cohesion Fund Article 14 stipulates that "The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective is promoted during the various stages of implementing the Funds." It also stipulates, that, "The Member States and the Commission shall take appropriate steps to prevent any discrimination on the basis of gender, race or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of implementing the Funds and, in particular, access to them."

In the co-operation area, there is a certain disparity between male and female occupational segregation, activity rates and pay. As a consequence, women face greater problems e.g. access to transport, childcare, education and training, start up funds. Stereotyping and traditional role expectations further limit women's choices and ability to fully participate in the labour market.

In order to assure a match with equal opportunity and non discrimination principles, the programme aims to increase and secure improved access to education, business development training and employment opportunities for women, disabled people and ethnic minorities through cross-border initiatives, and to increase the understanding and development of best practice, to overcome stereotyping and traditional role presumptions in order to enable disadvantaged groups to fully participate in the economies of the border regions.

Equal opportunities and non discrimination are promoted throughout the entire programme cycle. These principles have been fully respected in the partnership process of the preparation of the Programme. They are also reflected in the design of the indicators for monitoring and evaluation, and in the eligibility and project selection criteria to be applied under various measures, included in the document complementing the Programme.

Equal opportunities will be ensured under each intervention; with special regard to:

- Intervention 2.3 – Co-operation on the labour market – in the frame of this intervention extra efforts will be made to involve women as well as disadvantaged groups, as much as possible in the various training programmes, and to provide them with better access to labour market information.
- Intervention 2.4 – Health care and prevention of common threats – this intervention is aimed at improving access to health care services in the area; care will be taken to ensure better access to health care services for disadvantaged groups in the area.
- Intervention 2.5 – Co-operation between communities – this intervention will support co-operation initiatives of mainly local communities in various fields; equal opportunity for participation of women and disadvantaged groups in the programmes, events, other initiatives organised as part of this intervention will be assured.

Furthermore the information and publicity measures and the project selection process will ensure that people living in the border area have access to the opportunities offered by the programme, without any discrimination on the basis of gender, race or ethnic origin, religion or belief, disability, age or sexual orientation.

3.4.2 Sustainable development

Socio-economic development and integration of the border regions are to be conducted in such a way that socio-economic and environmental sustainability is ensured. The respective strategic framework, based on the SWOT analysis requires that all measures recognise and appropriately utilise the environmental strengths of the border regions, without harming the

environment of the area. In the frame of the programme, interventions are made to respond to weaknesses and threats that have been identified in relation to the environmental conditions.

The programme takes into account the proposal of European Council related to the principle of environmentally sustainable development. According to the article 17 of the “European Council Conclusion 8/9 March 2007” environmental technologies and eco-innovations contribute to achieving the aims of Lisbon Strategy for Growth and Jobs combining climate change. In parallel with the regulations, the programme put emphasis on nature protection and biodiversity with defining such interventions that have real impact on environmentally sustainable development in the longer term with clear cross-border linkages.

Though this programme does not possess such important financial sources, which would be able to finance major projects having explicate influence on fight against climate change, the entire strategy is built around the concept of sustainable development. The first priority axis – Improve the key conditions of joint, sustainable development of the co-operation area. – has been established in a way that optimally supports the idea of sustainable development. The intervention 1.3 – Protection of joint natural environment – involves actions that are directly targeted at the enhancement of the long term environmental sustainability of the area. Furthermore some other activities also contribute to the mitigation of climate change.

The programme’s fight against climate change within the programme area focuses on the following activities and areas:

- **Improvement of efficiency in the use of energy** is the quickest and cheapest way to fight against climate change. At the same time it is a difficult and complex challenge too, where the mentality of people should be modified. Primarily the private and public sectors compose the most squandering part of the society. Intervention 1.3. – Protection of the environment – among others aims to improve public awareness in the border area by financing joint public relation activities.
- **The use of renewable energy resources** will be indirectly supported through Priority axis 2. – Strengthen social and economic cohesion of the border area – by financing projects aiming the organization of agricultural production, especially the raw material of bio-fuels. Both member states have got an obligation to raise the ratio of bio-fuels to 10% by 2020. Relating investments in joint business infrastructure building will be also prioritised.
- **Reduction of pollution** will be directly supported by intervention 1.3. – Protection of the environment – where a separate activity will focus on the establishment and harmonisation of effective solid waste collection and processing systems. Intervention 1.1. – Improvement of cross-border transport facilities – aims to finance the construction of new connections between the settlements across the borders, and to improve cross-border public transport services as well. Projects in line with these conceptions will contribute to the reduction of pollution. The 20% of carbon-dioxide pollution is emitted by the transport, and within this the 98% is emitted by the vehicular transport.
- **Prevention of biodiversity and autochthonous species:** The border region is traditionally an agricultural area, where the biodiversity suffered major catastrophes during the 20th century (new plants domiciled, use of chemicals, etc.). Intervention 2.1. will support the cross-border business co-operation and will provide preference to the propagation of traditional farming. The latter will be supported by intervention 1.3., which will ensure the efficient use of water resources in the programme area, and will focus on the restoration of wetland fields in a sustainable way. Intervention 2.2. – Promotion of co-operation in the field of R+D and innovation – will provide preference to projects aiming the use of autochthonous species in the agro-sector, and those that will serve biodiversity. Intervention 1.3. – Protection of the environment – will

support nature protection, where the increase of ecological coherence is foreseen between the two countries.

All other interventions of the programme are also designed in such a way – by means of objectives, eligibility and selection systems – that any deterioration of the environmental conditions in the regions is avoided and contribute to economic and social benefit.

The principle will be ensured through:

- Including standard questions on environmental impacts in application forms and providing for project assessment criteria to aid decision making
- Providing preference for projects which have a positive effect on the environment or which conserve, enhance or rehabilitate existing endowments, over those that are neutral from this perspective.
- Providing preference for projects that improve energy efficiency in any way, and/or rely on renewable energy sources.
- Excluding any project that has a potentially harmful effect on the environment
- Supporting actions designed to raise environmental awareness and compliance both within the commercial and administrative sector, and among the general public, including acknowledgement that a high level of environmental performance can provide a long term competitive advantage.

The horizontal objective of sustainable development will be an important issue during project selection and implementation as well.

3.4.3 Partnership

As the General Regulation stipulates, “The Member State shall organise, where appropriate and in accordance with current national rules and practices, a partnership with the authorities and bodies such as:

- The competent regional (NUTS III), local, urban and other public authorities;
- The economic and social partners;
- Any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women.”

The entire programme cycle, embracing the programme preparation, implementation, monitoring and evaluation alike, has been designed to ensure the active involvement of the relevant partners. As presented in Chapter 1.2, partners have been involved in the programming process, primarily through:

- Regular meetings of the Task Force;
- Consultation with the various partners;
- Consultations with Ministries and other sectoral institutions
- Internet based consultation of the strategy

The entire programme promotes the concept of a special form of partnership: cross-border partnership: only joint projects of Romanian and Hungarian partners can be supported. The application of the Lead partner principle also enhances partnership.

In addition, the implementation procedures and the structure and composition of the various institutions and bodies have all been designed to ensure balanced partnership of every relevant partner, from both countries, across the whole implementation process.

“Appropriate management arrangements shall ensure at all levels of the programme implementation cycle, that — besides respecting the legally required absolute minimum standards — possible effects which are unsustainable or unfavourable to environment, especially as concerns impacts on climate change, the maintaining of biodiversity and ecosystems, and the drawing on natural resources, are avoided or kept as low as possible, so that the environmental effects / charges of the OP in total, will in the end be climate- and resource-neutral. The OP’s positive effects and potentials for synergies in the sense of optimising its contribution to an environmentally sustainable development shall be exploited at best and, wherever possible, be strengthened.

The carrying out of such environmental management function includes, among others, activities such as environmental assessment and implementation guidelines, structured experience sharing and capacity development, indicators, environmentally friendly project design and the use of effective selection criteria.

3.4.4 Bilingualism

The special character of the programme – cross-border co-operation – calls for the introduction and application of another horizontal principle – bilingualism. The programme will support the implementation of projects involving partners from both countries, with different mother tongue. Even if the partners (or some of them) speak each other’s language, it is only fair to provide equal opportunities for everyone involved, irrespectively what their mother tongue is, through ensuring bilingualism in the course of project implementation.

This requires that the key documents of the projects, as well as the outputs (or related documents, for that matter) are produced both in Romanian and in Hungarian. This condition will be included in the grant contract of the selected applicants. This – in addition to ensuring equal opportunities on the level of projects – also makes the dissemination of information on successful initiatives, best practices identified in the course of the programme more efficient.

3.5 Coherence with EU objectives and other interventions

3.5.1 EU policies

The European Union has established EU-wide policy framework in various sectors, which provide guidance for identifying developments in these sectors. Therefore, the relevant policies have been considered when preparing the Hungary – Romania Cross-border Co-operation Programme 2007-2013.

In this chapter we briefly refer to the most important EU policies taken into account during the preparation of the programme.

- **Environmental policy:** sustainable development lies in the heart of the environmental policy. As Chapter 3.4.2 clearly describes, certain interventions identified as part of the programme directly contribute to creating the conditions of sustainable development and protecting the environment, all interventions have been designed to respect environmental values.
- **Transport:** The European Union has contributed by opening national markets to competition and by removing physical and technical barriers to free movement, which is an important cornerstone of its transport policy. The Programme directly contributes to the removal of such barriers between Hungary and Romania. It also promotes the development of road infrastructure, rail lines, improvement of rail service levels, which is another important principle of the EU's transport policy. It also promotes the more efficient use of existing transport facilities.
- **Information society:** The communications revolution is driven by technology and market forces. The European Union has been at the heart of this process, setting the pace for opening markets, maintaining equal opportunities for all participants, creating a dynamic regulatory structure, defending consumer interests and even setting technical standards. One priority is to prevent a “digital divide” opening up between the richer and poorer (often outlying) EU regions with less access to the internet or new digital services; one of this programmes interventions (Intervention 1.2) directly contributes to this priority in various ways. **Audiovisual and media** involves big commercial interests and issues of cultural diversity, public service and social responsibility. Again, the programme strives for use these tools to enhance cross-border co-operation, and to eliminate physical and virtual borders alike.
- **Employment and social policy:** Common priorities and individual objectives for member states' employment policies are set out in multi-annual Employment Guidelines agreed jointly by all member states. The current guidelines cover the period 2005-2008. The employment guidelines are the basis for national reform programmes and the employment component of the EU's 'Lisbon Programme', which covers all EU action to promote knowledge and innovation, make Europe a more attractive place to invest and work, and create more and better jobs. The cross-border co-operation programme directly contributes to establishing a more integrated labour market in the border area, which can lead to reducing unemployment and using human resources more efficiently. For more information about the national reform programmes see sub-chapter: 3.5.5 Hungarian and Romanian National “Lisbon” Reform Programmes
- **Public health:** While the primary responsibility for health care lies with member states, many public health issues are best dealt with via a concerted EU response. The EU's health policy states that EU citizens are entitled to go to another member state for treatment. This is particularly important to people living in border regions or needing specialist treatment. The programme strives to eliminate the obstacles to using the health care infrastructure of the border area in a more integrated way, and

to provide people with the opportunity to use the nearest facility, even if that is located on the other side of the border.

- **Research and development:** Competitiveness is a major challenge for the EU. The EU has set itself an objective of increasing research spending to 3% of GDP by 2010 and increasing the private sector share of the total to 67% by the same year (compared to 56% in 1999). The EU primarily translates these objectives into action through Framework Programmes coinciding with EU funding cycles. The Seventh Framework Programme (FP7) will run from 2007 to 2013. The framework programmes are based on the principle of creating a European Research Area (ERA) designed to make European research more efficient by replacing loose cooperation between researchers and research organisations with research programmes integrated across borders and across disciplines. The relevant intervention (Intervention 2.2) of the Hungary-Romania Cross-border Co-operation Programme 2007-2013 is aimed at exactly this: strengthening co-operation between researchers and research organisations across the border, in order to ensure the efficient use and integrated development of the already existing research infrastructure, and, to improve the competitiveness of the area.
- **Education, training, youth:** The opportunities which the EU offers its citizens for living, studying and working in other countries make a major contribution to cross-cultural understanding, personal development and the realisation of the EU's full economic potential. The programme promotes a more active cross-border co-operation in the educational and training field, in order to better exploit the resources of the area in this field and provide people an even wider range of quality services. Lifelong learning is another central element of the EU's education policy, and one that is also promoted by this programme.
- **Culture:** Language, literature, performing arts, visual arts, architecture, crafts, the cinema and broadcasting are all part of Europe's cultural diversity. Although belonging to a specific country or region, they represent part of Europe's common cultural heritage. The aim of the European Union is double: to preserve and support this diversity and to help make it accessible to others. In the frame of its relevant interventions, the programme seeks to accomplish exactly this: it promotes cultural co-operation and the use of media to familiarise people with each other's values and cultural heritage.

3.5.2 Community Strategic Guidelines on Cohesion 2007-2013

According to Article 25 of the General Regulation, "The Council shall establish at Community level concise strategic guidelines on economic, social and territorial cohesion defining an indicative framework for the intervention of the Funds, taking account of other relevant Community policies. „

The Community Strategic Guidelines (CSG) therefore, provides a strategic framework for any intervention financed from the Funds – including territorial co-operation programmes. This means that – when designing the programme – the objectives and proposals in the CSG need to be strongly taken into account.

According to the CSG, – under cohesion policy, geography matters – when developing the programmes, Member States and regions should pay particular attention to geographical circumstances. Under the territorial dimension, CSG focuses on:

- The contribution of cities to growth and jobs
- Support the economic diversification of rural areas, fisheries areas and areas with natural handicaps
- Co-operation

- Cross-border co-operation
- Trans-national co-operation
- Interregional co-operation

Chapter 5.4 of the CSG presents the specific guidelines to orientate the content of cross-border co-operation programmes. The aim of cross-border co-operation in Europe is to integrate areas divided by national border that face common problems requiring common solutions. “The cross-border co-operation should focus on strengthening the competitiveness of the border regions. It should contribute to economic and social integration where there are wide economic disparities on either side. Actions include promoting knowledge and know-how transfer, the development of cross-border business activities, cross-border education/training and health care potential and integrating the cross-border labour market; and joint management of the environment and common threats. Where the basic conditions for cross-border co-operation are already in place, cohesion policy should focus assistance on actions that bring added value to cross-border activities.”

The overall strategic goal of the Hungarian-Romanian program – “To bring the people, communities and economic actors of the border area closer to each other in order to facilitate the joint development of the co-operation area, building upon the key strengths on the border regions.” – is fully in line with objective proposed in this Chapter of the CSG. The strategy proposed addresses the issues highlighted in the document, in that it is built upon the elimination of the obstacles created by the borders through improving the cross-border transport and communication infrastructure and then promoting the co-operation in various areas.

With regard to the priorities and the proposed interventions, they correspond to many of the key areas identified in the CSG. Interventions under Priority Axis 1 focus on improving the cross-border transport, as well as on interventions promoting information society for all and also on protecting the environment. Interventions under Priority Axis 2 contribute to the competitiveness of the border area through enhancing cooperation in the economic sectors, promoting RTD, innovation and also to the improvement of human resources, to helping the better integration of the labour market. Furthermore, cooperation in the health care and managing of common threat were introduced in the programme.

Consequently, the proposed priorities and interventions make a contribution to all three key areas identified in the CSG:

- Making Europe and its regions more attractive places to invest and work
- Improving knowledge and innovation for growth
- More and better jobs

Furthermore, the programme – given its special character – also strengthens the territorial dimensions of development.

Coherence of interventions defined under the Hungary – Romania Cross-border Co-operation Programme 2007-2013 to guidelines of CSG can be seen in tables below:

Table 3. Coherence with Community Strategic Guidelines on Cohesion 2007-2013

Guideline 1: Making Europe and its regions more attractive places in which to invest and work

PRIORITY Axis 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	Expand and improve transport infrastructures	Strengthen the synergies between environmental protection and growth	Address Europe's intensive use of traditional energy sources
<i>1.1 Improvement of cross-border transport facilities</i>	X		
<i>1.2 Improvement of cross-border communication</i>			
<i>1.3 Protection of the environment</i>		X	
PRIORITY Axis 2: Strengthen social and economic cohesion of the border area			
<i>2.1 Support for cross-border business cooperation</i>			X
<i>2.2. Promotion of cooperation in the field of R+D and innovation</i>			
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>			
<i>2.4 Health care and prevention of common threat</i>			
<i>2.5 Cooperation between communities</i>		X	
PRIORITY Axis 3: Technical assistance			

Guideline 2: Improving knowledge and innovation for growth

PRIORITY Axis 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	Increase and better target investment in RTD	Facilitate innovation and promote entrepreneurship	Promote the information society for all	Improve access to finance
<i>1.1 Improvement of cross-border transport facilities</i>				
<i>1.2 Improvement of cross-border communication</i>			X	
<i>1.3 Protection of the environment</i>				
PRIORITY Axis 2: Strengthen social and economic cohesion of the border area				
<i>2.1 Support for cross-border business cooperation</i>		X		X
<i>2.2. Promotion of cooperation in the field of R+D and innovation</i>	X	X		
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>				
<i>2.4 Health care and prevention of common threat</i>				
<i>2.5 Cooperation between communities</i>			X	
PRIORITY Axis 3: Technical assistance				

Guideline 3: More and better jobs

PRIORITY Axis 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	Attract and retain more people in employment and modernise social protection systems	Improve adaptability of workers and enterprises and the flexibility of the labour market	Increase investment in human capital through better education and skills	Administrative Capacity	Help maintain a healthy labour force
<i>1.1 Improvement of cross-border transport facilities</i>					
<i>1.2 Improvement of cross-border communication</i>					
<i>1.3 Protection of the environment</i>					
PRIORITY Axis 2: Strengthen social and economic cohesion of the border area					
<i>2.1 Support for cross-border business cooperation</i>					
<i>2.2. Promotion of cooperation in the field of R+D and innovation</i>					
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>	X	X	X		
<i>2.4 Health care and prevention of common threat</i>					X
<i>2.5 Cooperation between communities</i>				X	
PRIORITY Axis 3: Technical assistance					

3.5.3 Structural and Cohesion Fund interventions under the Hungarian NSRF for 2007-2013

Development Programme for the New Hungary; Growth and Jobs

Development Programme for the New Hungary is considered as the National Strategic Reference Framework of Hungary, which defines the development strategy to ensure economic and employment growth; assigns the most important development tasks; provides the framework for drawing up development operational programmes reflecting the Lisbon and the Gothenburg objectives; and aims for the national and regional programmes to complement and support themselves.

General objectives of the Development Programme for the New Hungary are to achieve employment growth with establishment of conditions for sustainable growth. In NSRF, **priority axis** the development efforts of Hungary are focused on are as follows:

- Economic development
- Transport development

- Renewal of the society
- Environment and energy development
- Regional development
- State reform

The NSRF of Hungary aims to strengthen the regional cohesion that is considered as the main condition for the reform process of the country. The development of Hungary has to assist to achieve the cohesion at European level as well. Therefore, the development of competitive regions has to maintain in order to their impacts can be expanded. Priority 5 “*Regional development*” with inner strategic issues defined as the conditions to achieve balanced spatial structure clearly fits to the **objectives of the territorial co-operation** programmes. These interventions below are framed into 7 regional operational programmes:

- Cooperative and competitive urban network by developing regional economic growth poles;
- New rural space: integrated and sustainable development of rural areas;
- Development of lagging behind areas by realising complex programmes;
- Sustainable development of the region of Lake Balaton, Danube Space, Tisza Space
- Tourism development

In parallel with the EU efforts, Hungary directly aims at taking part joint programmes at European level. For the joint co-operation, programmes in the European Union make opportunities to common work in the fields of innovation, R&TD and education, e.g. namely in the frame of FP 7 and Competition and Innovation Programme. In accordance to the efforts of the EU, the NSRF of Hungary also states willingness to co-operate with Member States, especially its neighbours. Hungarian communities are living outside the Hungarian state border in a huge number, approximately 2, 5 million people. The NSRF wishes the Hungarian nationalities to facilitate the catching up and modernisation. The cross-border programmes are the tools for integrating the border regions by economic, cultural and environmental co-operations. The strategic issues defined in the fields of economic, regional, infrastructure and institutional development interventions can assist to revitalisation of these peripheral areas along the borders.

Integration of Hungary into the European space is through cross-border, multi- and trans-national co-operations. Though the European territorial co-operation is in close relation to the NSRF, latter doesn't include further documents about territorial co-operations. Regarding that, separate documents are prepared.

3.5.4 Structural and Cohesion Fund interventions under the Romanian NSRF for 2007-2013

The key aims of the Romanian **National Strategic Reference Framework 2007-2013** (NSRF) are to strengthen the strategic focus of Romania's Economic and Social Cohesion and Regional Policies and to make the correct and appropriate linkages to the European Commission policies, notably the Lisbon Strategy, which builds policies for economic growth and the creation of jobs. The main objective of the NSRF is to reduce the economic and social development disparities between Romania and the EU Member States, by generating a 15% additional growth of the GDP and a 2% additional employment growth by 2015.

The NSRF has its genesis in the **National Development Plan** (NDP) which was developed as a tool to guide National, European Union (EU) and other funding sources available to Romania.

The coherence between these policies and National Policies has been respected in developing the NSRF strategies. The NDP and the emerging NSRF have guided the

strategic development and identification of priority axis of the Operational Programmes and will contribute to the horizontal community priorities for sustainable development, economic growth and protection of the environment.

Romanian NSRF is implemented through Operational Programmes under Objectives “Convergence” and “European Territorial Co-operation”. An outline of the OPs under “Convergence” and “European Territorial Co-operation” Objectives are included in the NSRF. Table below presents the list of OPs prepared by Romania.

The following four thematic priorities have been identified:

- *Development of basic infrastructure to European standards;*
- *Increasing the long term competitiveness of the Romanian economy;*
- *Development and more efficient use of Romania’s human capital;*
- *Building an effective administrative capacity.*

Integrated planning and the coordinated implementation of these priorities through the sectoral and regional operational programmes aim to achieve the highest impact of the Structural and Cohesion Funds and will *promote a balanced territorial development*, as a territorial priority.

Table 4.

Operational Programme	Managing Authority	Fund
1. Convergence Objective		
Increase of economic competitiveness OP	Ministry of Economy and Finance	ERDF
Transport OP	Ministry of Transport	ERDF + CF
Environment OP	Ministry of Environment and Sustainable Development	ERDF + CF
Regional OP	Ministry of Development, Public Works and Housing	ERDF
Human Resources Develop. OP	Ministry of Labour, Family and Equality of Chances	ESF
Administrative Capacity Develop. OP	Ministry of Interior and Administrative Reform	ESF
Technical Assistance OP	Ministry of Economy and Finance	ERDF
2. ETC Objective		
2.1 EU Internal borders		
Cross-border Cooperation Programme Hu-Ro	National Development Agency (Hungary)	ERDF
Cross-border Cooperation Programme Ro – Bg	Ministry of Development, Public Works and Housing	ERDF
South-East European Space Operational Programme	National Development Agency (Hungary)	ERDF
OPs Inter-regional Cooperation <ul style="list-style-type: none"> • INTERREG IV C • URBACT II • ESPON 2013 • INTERACT 	Nord-Pas de Calais Region - France Ministry for Urban Policy France Ministry de L'interieur et de L'amenafement du Territoire - Luxembourg Austrian Federal Chancellery - Austria	ERDF
2.2 EU External borders		
Cooperation Programme IPA CBC Romania-Serbia	Ministry of Development, Public Works and Housing	ERDF (transfers to IPA)
Cooperation Programme ENPI CBC Romania-Ukraine-Moldova	Ministry of Development, Public Works and Housing	ERDF (transfers to ENPI)
Cooperation Programme ENPI CBC Black Sea Basin	Ministry of Development, Public Works and Housing	ERDF (transfers to ENPI)
Cooperation Programme ENPI CBC Hu-Sk-Ro-Ua	National Development Agency (Hungary)	ERDF (transfers to ENPI)

The territorial strategy of the NSRF aims to ensure the coherence of the investments and strategic actions planned, as well as to achieve the highest impact in terms of economic and

social development. Detailed work was carried out with the aim to ensure the coherence of the emerging strategies under the Convergence Objective and European Territorial Cooperation Objective OPs, and to ensure the complementarity of the funding streams (ERDF, ESF and CF). Work has also been undertaken to ensure that there are no overlaps between the intended operations of Operational Programmes and that the division of operations are sensible, pragmatic and meet the economic development needs of Romania.

Through the combined contributions of ERDF, Cohesion Fund and ESF dispersed through the Regional and Sectoral Operational Programmes, and European Territorial Cooperation programmes the strategies aim to promote balanced territorial development by creating conditions for diminishing inter and intra-regional disparities on the national territory, diminishing the disparities with the neighbouring regions or other European countries within European space. Also, the closed links and cooperation in various activities between the border regions of the neighbouring countries, for addressing joint challenges, were taken into consideration to help them to take over the handicap of their peripheral position.

At the Hu-Ro OP eligible area level, the Romanian authorities pursued to ensure coherence and complementarity between interventions financed under the European Territorial Cooperation Objective and those under the Convergence Objective, and as well as with the National Rural Development Programme and Fisheries OP. The correlation between the Hu-Ro OP strategy and other CBC OP's strategies, targeting parts of the Romanian eligible area, was checked by the Romanian National Authority too.

With this aim, the strategy was developed in partnership with key Romanian stakeholders, at central and local level, analyzed in large consultations with the OPs Managing Authorities in Convergence Objective and European Territorial Cooperation Objective and Romanian line ministries, and debated in a public consultation exercise, in all 4 Romanian border counties, conducted to elicit wider opinions.

The Hungary – Romania Cross-border Co-operation Programme 2007-2013 **relatively differs from other Hungarian and Romanian OPs** in terms of **general criteria**:

- 1) Territorial impoundment – just 4 NUTS III region from the Hungarian and 4 NUTS III region from the Romanian border region are eligible for support from the cross-border programme;
- 2) Joint projects – joint co-operation resulting joint projects is necessary in the frame of the cross-border programme;
- 3) Beneficiaries from the public and non-profit sphere – enterprises are not eligible for support in the Hungary – Romania Cross-border Co-operation Programme.

At intervention level, even in case of potential overlapping with interventions of any sectoral operational programmes, special criteria to be defined in the Implementation Manual serve the specification.

In certain cases, the Hungary – Romania Cross-border Co-operation Programme aims to support interventions similar to interventions potentially supported from either relevant regional, or sectoral operational programmes, in Hungary or in Romania. In all such cases, the Cross-border Cooperation programme *complete*, rather than *compete* with the national programmes in question. Below we highlight the most important such cases.

- **Transport development**:. Both the relevant sectoral operational programmes and the regional programmes set out to improve road infrastructure: the sectoral programmes aim at the improvement and extension of national roads and railways while the regional programmes support the improvement of small roads within the regions. The Cross-border programme is also aimed at developing small roads, and some short length parts on cross border rail lines, exclusively those, however, which actually lead across to border and facilitate the better movement of people and goods across the border.

- **Environmental protection.** The relevant national sectoral programmes focus on the rehabilitation of polluted areas, the protection of rivers, the protection of the land from flood, and investments aimed at improving energy efficiency. The regional programmes, on the other hand, are primarily aimed at establishing the lacking communal infrastructure like sewage systems, as well as the recultivation of solid waste facilities. Although the Cross-border Programme sets out to support similar developments, these are all address various cross-border aspects of environmental and nature protection (like harmonisation of nature pprotection efforts or joint actions to prevent river pollution).
- **Information Technology:** The development of information technology are included in sectoral operational programmes in both countries. Similar interventions are supported from this programme, too, but these are all focused on developing IT facilities and digital content to improve this aspect of cross-border communication.
- **Economic development:** Various aspects of promoting economic development is in the forefront of the relevant national programmes, as well as of the regional operational programmes covering the border area. While the Cross-border Programme supports the development of business infrastructure, similarly to the regional programmes, there is one major difference: only facilities that directly serve cross-border business relations can be supported.

Table 5.

Coherence with Sectoral and Regional Operational Programmes of Hungary 2007-2013

	Regional OP	Economic Development OP	Social renewal OP	Environment and energy OP	Transport OP	State reform OP	Electronic administration OP	Social infrastructure OP	Technical assistance OP
PRIORITY Axis 1: Improvement of the key conditions of joint, sustainable development of the co-operation area									
<i>1.1 Improvement of cross-border transport facilities</i>	X				X				
<i>1.2 Improvement of cross-border communication</i>	X	X							
<i>1.3 Protection of the environment</i>	X			X					
PRIORITY Axis 2: Strengthen social and economic cohesion of the border area									
<i>2.1 Support for cross-border business cooperation</i>	X	X							
<i>2.2. Promotion of cooperation in the field of R+D and innovation</i>		X	X						
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>			X					X	
<i>2.4 Health care and prevention of common threat</i>	X		X					X	
<i>2.5 Cooperation between communities</i>	X		X						
PRIORITY Axis 3: Technical assistance									x

Table 6.

Coherence with the Sectorial and Regional Operational Programmes of Romania 2007-2013

	Regional OP	Human resources Development OP	increased economic competitiveness OP	Transport OP	Administrative Capacity Development OP	Environment OP	Technical assistance OP
PRIORITY Axis 1: Improvement of the key conditions of joint, sustainable development of the co-operation area							
<i>1.1 Improvement of cross-border transport facilities</i>	X			X			
<i>1.2 Improvement of cross-border communication</i>			X				X
<i>1.3 Protection of the environment</i>						X	
PRIORITY Axis 2: Strengthen social and economic cohesion of the border area							
<i>2.1 Support for cross-border business cooperation</i>	X	X	X				
<i>2.2. Promotion of cooperation in the field of R+D and innovation</i>		X	X				
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>		X					
<i>2.4 Health care and prevention of common threat</i>	X	X					
<i>2.5 Cooperation between communities</i>	X				X		
PRIORITY Axis 3: Technical assistance							x

3.5.5 Hungarian and Romanian National “Lisbon” Reform Programmes

National Reform Programmes present the planned macro-economic, micro-economic and employment reforms at national level, for the period 2005-2008 in Hungary, and for the period of 2007-2010 in the case of Romania. They were drawn up by the Member States on the basis of a set of 24 Integrated Guidelines proposed by the European Commission and agreed by heads of states and governments. This is a key element in the redesigned arrangements under the Commission’s Communication COM(2005)24 of 02.02.2005 *Working together for growth and jobs, A new start for the Lisbon Strategy* (SL) and the Integrated Guidelines for growth and jobs (2005-2008) - COM (2005)141 of 12.04.2005.

The National Reform Programmes are convergent with the sectorial development strategies promoted within the National Development Plan 2007-2013, the National Strategic Reference Framework 2007-2013, the Convergence Programmes 2007-2013 and the National Strategic Plan for Rural Development 2007-2013.

The Hungarian and the Romanian National Reform Programme identify the following main priorities:

National Reform Programme for Growth and Employment – Hungary 2005-2008	National Reform Programme – Romania 2007-2010
<p>Priorities:</p> <ul style="list-style-type: none"> ▪ Macroeconomic stability and financial balance; ▪ Knowledge and innovation, widening the basis of competitiveness; ▪ Improving the business environment, intensification of competition; ▪ Attract and retain more people in employment and modernise social protection system; ▪ Improve adaptability of workers and enterprises and flexibility of labour markets; ▪ Increase investments in human capital through better education and training; 	<p>Priorities:</p> <ul style="list-style-type: none"> ▪ Strengthening the administrative capacity; ▪ Improvement of the quality and management of governmental expenditures; ▪ Improving of markets functioning; ▪ Continuing the improvement of business environment; ▪ Increasing the employment and the activity rate on the labour market; ▪ Improvement of the life quality by sustainable development of regenerating resources and diminishing the climate changes’ effects;

The Hungary-Romania Cross-border Cooperation Programme strongly contributes to a number of priorities of the National Reform Programmes.

While the contribution of the interventions identified as part of the first priority of this present programme is fairly limited, many of the interventions proposed within the second priority make a strong contribution, mainly by promoting the improvement of business environment, reducing the labour market disparities and increasing employment through business and educational infrastructure development, enhancing human capital - issues directly highlighted in the reform programmes themselves.

3.5.6. National programmes concerning the Roma minority in Hungary and Romania

The “**Decade of Roma Inclusion, 2005 – 2015**”, was launched in Sofia on 2 February 2005. In Romania the Decade started on the 25 - 26 February 2005 and in Hungary on the 19 May in the same year. The Decade of Roma Inclusion is an initiative adopted by eight countries in Central and Southeast Europe and supported by the international community, including the World Bank, European Commission, United Nation Development Program and Council of Europe and the Open Society Institute. The participatory process is ensured by Roma leadership and international Roma organisations. This initiative has been adopted by eight countries in Central and Southeast Europe and represents the first cooperative effort to change the lives of Roma in Europe. An action framework for governments, the Decade will monitor progress in accelerating social inclusion and improving the economic and social status of Roma across the region.

The **Strategy of the Government of Romania for the Improvement of the Condition of the Roma** was adopted in April 2001. One of its ten sections is titled “economic section” and is related to employment. It focuses primarily on vocational training, aimed at preparing Roma for professions that are demanded on the labour market as a means of raising Roma employment. There are also provisions for tax breaks for companies that employ Roma and for Roma entrepreneurs. Moreover, it is specified that authorities should combat any form of discrimination against Roma on the labour market.

Both the Romanian National Strategy and the **National Action Plan** base their approach towards economic development on key issues of poverty reduction and access to the labour market. The Employment Section of the Action Plan includes target figures to be achieved annually, and names the responsible institutions, for example: creating 42 partnerships between local governments and vocational training of 1500 Roma.

The Roma minority is also approached within the **Sectoral Operational Programme Human Resources Development** for the period 2007-2013. Recognition of the value and benefits of diversity and traditional customs to the economy can bring about real change and innovation both in society and the workplace. The operations will aim at motivating them for integration on the labour market, for activating them in lucrative activities and for changing mentalities as regards the benefits of education.

In Hungary, the Parliament adopted the 68/2007 (VI. 28.) parliamentary resolution concerning the **Decade of the Roma Inclusion Programme Strategic Plan** (Strategic Plan). In its activities the Governance shall enforce the objectives accepted for the Strategic Plan – in Cooperation with the Roma Integration Council – and in a framework of a two year action plan worked out governmental measures required for the execution of the Strategic Plan. The Strategic Plan establish comprehencies objectives in four priority areas (education, employment, housing, health) in relation to the effectuation of equal treatment, as well as culture, the media and sports, and defines actual tasks in association with these objectives, connected indicators towards to execution of the tasks.

The Strategic Plan aims at creating proper conditions for the social and economic integration of the Roma population, improving their living conditions, bettering the access of Roma people to public services, as well as closing up – and on the long run eliminating – the gap that has opened between the living conditions of Roma and non-Roma people. The tasks set down in the Strategic Plan are tuned for the formulation of a more efficient economic policy, as well as the long-term sustainability of the same (e.g. enhancement of competitiveness, improvement of the employment situations, social transfers, reduction of the number of dependents).

The development programmes implemented under the **Social Renewal Operational Programme** (SROP) will have to be implemented in harmony with the objectives of the

Roma Integration Decade Programme (2005-2015). This means that efforts should be made to extend the Roma's access to the services of relevant public human care and services systems (health care, education, social welfare, labour market services), to eliminating segregation that exist in education and discrimination that works against labour market participation. The achievement of these objectives calls both for complex targeted programmes that apply the instruments of several policies jointly in a harmonised form and individual policy interventions. Conditions of income earning activity should be provided; efforts must be made to eliminate undeserved living conditions.

Development projects must be implemented in such way so that they should not increase existing differences, prejudice against the Roma or segregation. In certain cases, this may mean that access to resources will be subject to elimination of segregation in the living and school environment.

3.6 Programme priorities

3.6.1 Priority Axis 1. Improvement of the key conditions of joint, sustainable development in the co-operation area

Main objectives of the Priority axis

Funds allocated to this Priority axis will be used to improve the key conditions of joint development in the co-operation area. This includes the **development of the transport and communication infrastructure** as well as public transport facilities of the area, which are instrumental to facilitating cross-border passenger and freight transport and proper flow of information. Besides these, the Priority axis also includes interventions aimed at **prevention and protection of the relative pure natural environment**, as the elemental condition of any kind of human operation.

Objectives

The Priority axis directly contributes to:

- Specific objective No. 1 Improved transport infrastructure to facilitate better access within the border area.
- Specific objective No. 2: Better flow of information on joint opportunities within the border area
- Specific objective No. 3. Common natural resources efficiently used, natural values protected

As the existence of cross-border infrastructure and a pure natural environment are prerequisites for any type of cross-border cooperation, this Priority axis also contributes indirectly to the other two specific objectives.

This priority plays an important role in creating the key conditions of environmentally sustainable development in the border area, mainly through facilitating joint initiatives to counteract common environmental programmes, as well as through promoting preventive actions. Even in the transport field, the Priority intends to eliminate bottlenecks in road transport, which – through reducing the the distances across the border – potentially reduce pollution. The priority also promotes the creation of the conditions of sustainable transport forms.

In project selection, sustainability issues will also be taken into account: preference will be given to projects that can demonstratably reduce or prevent negative environmental impacts. Also, the use of best available technologies (BAT) will be promoted.

Identification of the main target groups/sectors/areas and beneficiaries

The target groups are (1) the individuals and households, (2) enterprises, (3) non-governmental organisations, and (4) governmental institutions, organisations. The target groups will directly benefit from the positive effects of the interventions.

The indicative list of beneficiaries – **potential applicants** under this Priority axis are:

- Local and county governments and their institutions
- Road and Railway Management Authorities
- State owned transport companies
- Water Management Authorities
- National / Natural Parks administrations
- Natural environmental organisations, institutions

- Non-governmental non-profit organisations (NGOs)
- Micro region associations
- Regional development agencies
- County development agencies
- Management organisations of Euroregions
- European Grouping of Territorial Co-operation
- Etc.

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

Quantified targets and indicators. The annual target values shall be included in the Annual Reports according to Article 67, 1083/2006 Regulation.

Priority	Type	Indicator	Definition	Baseline		Target		Source
				Year	Value	Year	Value	
1	Result	Improved cross-border accessibility	Number of people with improved cross-border accessibility	2007	0	2013	1 000 000	IMIS/JTS
1	Result	Improved environmental situation	Ha of land with improved environmental situation	2007	0	2013	500 000	IMIS/JTS
1	Result	Improved cross-border communication	Number of people reached by joint communication initiatives (infrastructure building and services)	2007	0	2013	150 000	IMIS/JTS
1-2	Output	Degree of co-operation	Number of projects respecting the following criteria: joint development	2007	0	2013	400	IMIS/JTS
1-2	Output		Number of projects respecting the following criteria: joint implementation	2007	0	2013	350	IMIS/JTS
1-2	Output		Number of projects respecting the following criteria: joint staffing	2007	0	2013	250	IMIS/JTS
1-2	Output		Number of projects respecting the following criteria: joint financing	2007	0	2013	250	IMIS/JTS
1-2	Output		Number of projects respecting all four of the following criteria: joint development, joint implementation, joint staffing, joint financing	2007	0	2013	200	IMIS/JTS
1-2	Output		Joint use of infrastructure	Number of projects developing joint use of infrastructure	2007	0	2013	210
1	Output	Joint environment and nature protection	Number of projects encouraging and improving the joint protection and management of the environment	2007	0	2013	81	IMIS/JTS
1	Output	Reducing isolation	Number of projects reducing isolation through improved access to transport	2007	0	2013	22	IMIS/JTS
1	Output	Reducing isolation	Number of projects reducing isolation through improved access to ICT networks and services	2007	0	2013	57	IMIS/JTS

Codes: Chapter V. Programme Financial Provision – Codes by dimension

List of key areas of interventions

- **Key area of intervention 1.1: Improvement of cross-border transport facilities**
 - Construction, rehabilitation, widening of roads connecting settlements across the border
 - Construction, rehabilitation, widening of roads connecting small villages with main road / highway, which lead to the border
 - Construction, rehabilitation of bicycle routes
 - Development (rehabilitation) of some of short length parts on the cross-border rail lines in order to improve the railway transport (personal and freight).
 - Elaboration of feasibility studies, engineering planning documents, architectural plans, and environmental impact assessments related to road developments.
 - Making of plans for larger scale rail-line development and rehabilitation, which can have wider effect on NUTSIII and NUTS IV level. Elaboration of feasibility studies, engineering planning documents, architectural plans, environmental impact assessments related to the development of cross-border public transport
 - Projects aimed at launching of new regular cross-border public transport services, harmonisation of timetables, provision of information on cross-border timetables (railway, bus, as well as air travel), including studies examining the opportunities.

- **Key area of intervention 1.2: Improvement of cross-border communication**
 - Building of broadband Internet infrastructure/creating broadband Internet access in settlements, with the aim of facilitation of the cross-border communication. Support for the development of joint, cross-border ICT based information infrastructure through
 - (1) Connection to the country main networks
 - (2) Creation of the distribution network between two or more settlements;
 - (3) Ensuring the user accessibility.
 - Community access programmes (for instance in schools, libraries, and other public places) in the area of IT for connecting within the cross-border communication.
 - Support for the creation and development of the facilities for cross-border newscast (e.g.: setting up regular programmes in the local TV or radio; regular annexes to the local newspaper to provide information from the other side of the border. The supported institutions should be in all cases non-profit organisations.)
 - Studies to identify the fields of activities for a joint approach and to examine the need of joint projects in these fields.

- **Key area of intervention 1.3: Protection of the environment**
 - **Nature protection:**
 - Co-operation between existing institutions (e.g.: environment protection agencies, administrations for the protected areas)

- Development of the joint / correlated management plans for protected areas, especially with the view of increasing ecological coherence and connectivity of the Natura 2000 sites in the cooperation area.
- Improvements / setting up infrastructure in protected areas (e.g.: places to receive visitors);
- Public relation activities: joint conferences, workshops, exhibitions, multi-lingual promotional materials (brochures, CDs, books, catalogues)
- **Water resources and quality management**
 - Support for co-operation between existing institutions in order to harmonise activities in the field of flood prevention and contamination issues in a sustainable way.
 - Creation and/ or harmonising of flood forecast;
 - Carrying on with the works for flood and inland water prevention; restoration of wetland fields in a sustainable way
 - Works for improvement of quality of water flows in the border area
- **Reducing pollution:**
 - Establishment and harmonisation of effective solid waste collection and processing systems, as well as effective sewage systems across the border.
 - Studies to identify the fields of activities for a joint approach and to examine the need of joint projects in these fields.
 - Waste management exchange of good practices between local authorities (e.g exchange of experiences which were gained in the use of Cohesion Fund)

3.6.2 Priority Axis 2. Strengthen social and economic cohesion of the border area

Main objectives of the Priority axis

While Priority axis 1 contributes to the creation of the key conditions and the sustainable environmental background of co-operation initiatives, Priority axis 2 is aimed at promoting and supporting the actual co-operation initiatives in various key areas in order to jointly develop the border area and strengthen social and economic cohesion. The overall aim of the Priority axis is to enhance the economic competitiveness of the area by development of the business environment, and improvement of the human resources.

The second Priority axis directly contributes to:

- Specific objective No. 4: Economic connections reinforced in the border area to boost sustainable economic development building on comparative advantages.
- Specific objective No. 5: Social and cultural coherence strengthened among people and communities.

While equal opportunities and non-discrimination are key horizontal principles taken into account across the entire programme, special efforts will be made to ensure that disadvantaged people – like for example the Roma population - have equal access to the various opportunities offered by the proposed interventions focusing on labour market and health care development.

Although this intervention does not include interventions directly aimed at the protection of the environment, sustainability aspects still need to be taken into account: at project selection, therefore, preference will be given to projects that use environmentally friendly technologies, partly or entirely use renewable energy sources.

Identification of the main target groups/sectors/areas and beneficiaries

The target groups are (1) the individuals and households, (2) enterprises, (3) non-governmental organisations, and (4) governmental institutions, organisations. The target groups will directly benefit from the positive effects of the interventions.

The beneficiaries – **potential applicants** under this Priority axis are:

- Local and county governments
- Management organisations of business and logistic centres
- Higher education institutions, research institutes
- Primary and secondary schools, vocational schools
- Chambers
- Non-profit business support organisations
- Non-profit tourism organisations
- Non-governmental, non-profit organisation (NGOs)
- Micro region associations
- Regional development agencies
- County development agencies
- Management organisations of Euroregions
- Labour offices / agencies
- Public health care institutions, fire-services, catastrophe guards, emergence situation services, police force

- Museums, Libraries, Theatres, Community centres
- Offices of Cultural Heritage
- European Grouping of Territorial Co-operation
- Etc.

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

Quantified targets and indicators (output and result indicators.) The annual target values shall be included in the Annual Reports according to Article 67, 1083/2006 Regulation.

Priority	Type	Indicator	Definition	Baseline		Target		Source
				Year	Value	Year	Value	
2	Result	Level of business co-operation	Number of businesses involved in cross-border co-operation projects	2007	0	2013	800	IMIS/JTS
2	Result	Joint research results	Number of joint research results	2007	0	2013	30	IMIS/JTS
2	Result	Increase of visitors	Increase in the number of visitors of jointly developed / marketed destinations	2007	0	2013	30%	IMIS/JTS
2	Result	Participation in joint education	Number of people participating in joint education and training activities or using jointly developed facilities Of which women Of which men	2007	0	2013	700 400 300 70	IMIS/JTS
2	Result	Level of people to people co-operation	Number of people participating in joint events (joint organizing activity; joint participation)	2007	0	2013	2500 250	IMIS/JTS
1-2	Output	Degree of cooperation	Number of projects respecting the following criteria: joint development	2007	0	2013	400	IMIS/JTS
1-2	Output		Number of projects respecting the following criteria: joint implementation	2007	0	2013	350	IMIS/JTS
1-2	Output		Number of projects respecting the following criteria: joint staffing	2007	0	2013	250	IMIS/JTS
1-2	Output		Number of projects respecting the following criteria: joint financing	2007	0	2013	250	IMIS/JTS
1-2	Output		Number of projects respecting all four of the following criteria: joint development, joint implementation, joint staffing, joint financing	2007	0	2013	200	IMIS/JTS
1-2	Output		Joint use of infrastructure	Number of projects developing joint use of infrastructure	2007	0	2013	210

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

2	Output	Joint RTD activity	Number of joint RTD projects	2007	0	2013	48	IMIS/JTS
2	Output	Cross-border business co-operation	Number of projects encouraging cross-border business co-operation	2007	0	2013	80	IMIS/JTS
2	Output	Tourism co-operation	Number of joint tourism development projects	2007	0	2013	26	IMIS/JTS
2	Output	Joint education and training	Number of joint education and training projects	2007	0	2013	50	IMIS/JTS
2	Output	People to people actions	Number of joint people-to people events (joint organizing activity and participation)	2007	0	2013	65	IMIS/JTS

Codes: Chapter V. Programme Financial Provision – Codes by dimension

List of key areas of interventions

▪ **Key area of intervention 2.1: Support for cross-border business co-operation**

Investment in business infrastructure:

- Construction of new business infrastructure facilities (industrial districts, parks; joint logistical centres, business incubators, trade centres) and extension of existing ones with new facilities directly serving the development of cross-border business and trade. This includes support for property development for investment and purchasing of necessary equipment, as well.
- Supporting small scale investments into tourism attractions, tourism infrastructure (such as hiking, bicycling, horse-riding paths, marked forest pathways); destination management.
- Elaboration of feasibility studies, engineering design documents, architectural plans, environmental impact assessments, delivery of market research preparing business infrastructure projects.

Promotion of cooperation:

- Support for the creation of cross-border partnerships and clusters
- Support for cross-border enterprise promotion, development of information services for SME-s (web-based information brochures and newsletters encouraging cross-border co-operation of businesses, consultancy)
- Support for organisation of trade fairs, exhibitions (for industrial, agricultural products and services)

▪ **Key area of intervention 2.2: Promotion of co-operation in the field of R+D and innovation**

- Joint and complementary development of R+D and innovation infrastructure related to cooperation project. (Development of existing R+D and innovation infrastructure serving cross-border cooperation, harmonisation of the purchasing of specific equipments, establishment of new R+D infrastructure facilities, creation of research and technical development centres.)
- Establishment of new partnerships, support for innovative activities, collaboration between universities, research centres and businesses; support for the exchange programmes for researchers;
- Implementation of joint research projects, dissemination of information of the R+D and innovation results, technology transfer towards economic sectors;
- Elaboration of feasibility studies, engineering design documents, architectural plans, environmental impact assessments, market researches related to the joint development of R+D and innovation facilities.

▪ **Key area of intervention 2.3: Co-operation in the labour market and education – joint development of skills and knowledge**

- Support to the development of training and educational facilities of educational institutions and vocational schools, directly serving cross-border co-operation in human resource development. Creation of special networks for transfer of knowledge, best practices among educational institutions.

- Support for cross-border co-operation between educational institutions in the fields of joint curricula development, exchange of courses, training programmes or exchange of best practices developed for the education of students with disadvantaged groups.
 - Elaboration and delivery of specialised training programmes for sectors where lack of particular skills were identified. (adult education)
 - Life-long learning programmes for addressing structural unemployment; Co-operation in employment services, establishment of networks among institutions, which operate on the labour market: provision and dissemination of information relating to differences between legal systems in connection with cross-border labour markets, economic and social systems (establishment of joint labour market monitoring and information system, elaboration of databases, exchange of information, experiences, best practices); Training for early school leavers, for people with special needs.
- **Key area of intervention 2.4: Health care and prevention of common threats⁹**
- Cooperation among the health-care service providers (harmonisation of purchase of medical equipment and joint use of them, planning of joint research infrastructure, establishment of on-line network)
 - Creation of joint portfolio of health services (exploiting the benefit of proximity to the hospitals across the border; mutual approval of the health insurance systems; acceptance of insurance cards abroad; establishment of a joint on-line system in the field of diagnostics and patient coordination)
 - Creation of joint mechanism for emergency, unexpected situation, which requires fast reaction, interventions (e.g.: transport accident, fire, natural and industrial disasters, criminal cases, etc.) development of cross-border emergency plans, studies including the development of communication links, joint monitoring, preventive interventions.
 - Support for initiatives aimed to ensure joint trainings (incl. improvement of language skills) for staff, who participate in rescue actions.
- **Key area of intervention 2.5: Cooperation between communities**
- Organisation of joint innovative events in the fields of sports and culture, especially with the aim of preventing the culture of the ethnic minority communities, including Roma minorities..
 - Organisation of joint conferences, seminars and workshops in different fields of common interest
 - Institution development: development of integrated organisational structures and joint sustainable thematic co-operation networks for joint regional development activities (primarily Euroregions with fully integrated and joint administrative system, but also regional organisations, networks of cities, administration and regional and county development agencies, NGOs)
 - Cooperation between primary educational institutions, youth exchange programmes
 - Trainings and other programmes aimed at increasing IT understanding and use
 - Protection of the national culture and protection of cultural heritage along the border through supporting cross-border cooperation between cultural institutions (museums, theatres, libraries)

⁹ Requires further investigation, and discussions with relevant authorities.

3.6.3 Priority axis 3. Technical Assistance

Main objective of the Priority axis:

The Priority axis aims at supporting the implementation of the programme and increase capacity of institutions and beneficiaries in the programme area for cross-border action.

The Priority axis seeks in particular to achieve two specific objectives:

- Secure the core management for the implementation of the programme (Implementation of the programme and contracting, preparation, implementation, monitoring, evaluation and inspection);
- Implement accompanying activities to support the generation and implementation of high quality, result oriented cross-border projects and partnerships.

The Technical Assistance will be spent on activities necessary for the effective and smooth management and implementation of the programme. In line with Article 46 of the General Regulation, Technical Assistance will be used for the preparatory, management, monitoring, evaluation, information, and control activities.

Technical Assistance should also cover costs for the "Implementation Manual" (separate document) and costs for the preparation of the next programming period. Further on, should be amended to provide for environmental monitoring of the Programme, if necessary, according to the SEA report and particularly if monitoring measures are considered inadequate.

As this is a special need for the programme area, Technical Assistance should support accompanying activities to foster participation, project generation and project selection by activities as (indicative): awareness raising campaigns, development of methodologies and tools to identify potentials of the area, finding common interests and a common identity, actively support information dissemination on member states involved and in the programme area, media work.

Activities covered by TA will be financed using the project management approach. All programme management activities (i.e. work of the JTS, including development and management of the monitoring system, etc; or cross-border project generation activities of IP; etc) to be reimbursed by TA shall be prepared in form of "TA projects". TA project plans shall include:

- objective
- activities
- target groups
- expected expenditures, etc

TA project proposals have to be previously approved by the Joint Monitoring Committee and implemented by programme management bodies. Costs occurred while implementing the project will be reimbursed by the programme. Reimbursement will take place on the basis of occurred expenditures to be a subject of regular control. Programme management bodies implementing TA projects have to respect and follow the program level eligibility rules and procedures.

The following indicative activities are to be carried out within the scope of TA in order to ensure the efficient administration of the programme:

- activities in connection with the preparation, selection, evaluation and support of projects;

- activities in connection with the support to joint structures;
- management and work of the Joint Technical Secretariat, Info Point, (personnel and translation/interpreting costs included) and Certifying Authority;
- activities involving meetings of the Joint Monitoring and Joint Steering Committees;
- control activities carried out by the controllers at national level
- examination of control and on-the-spot checks of operations
- the setting up and operation of a common Monitoring and Information system for the administration, support and evaluation of the programme;
- preparation of reports and studies (e.g. annual reports, mid-term evaluation, etc.);
- information and publicity activities;
- promotion and assistance to potential final beneficiaries.
- Etc.

IV. Programme Implementation

The Implementation Chapter of the Hungary-Romania Cross-border Cooperation Programme 2007-2013 was developed based on

- available EC legal documents regulating 2007-2013 European Territorial Cooperation programmes financed by ERDF;
- discussions at Task Force and management level on the implementation of the programme;
- experience gained during the implementation of INTERREG IIIA Hungary – Romania and Hungary – Serbia & Montenegro Cross – border Cooperation Programme 2004-2006

4.1 Programme management structure

The following structures for the government and the management of the programme will be created:

Structures

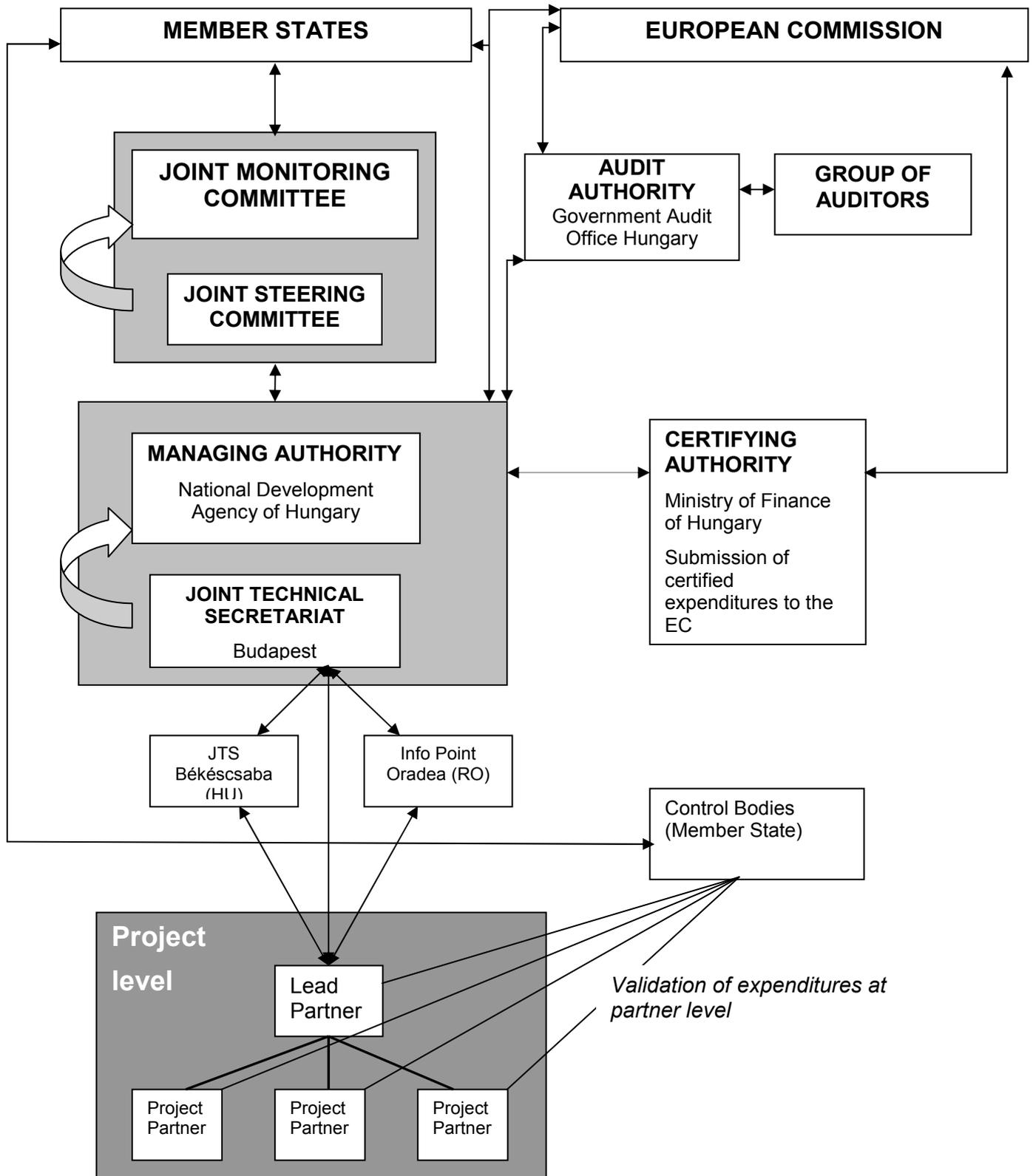
- Joint Monitoring Committee (JMC): supervising and monitoring the programme implementation ;
- Joint Steering Committee (JSC): responsible for project selection
- Managing Authority (MA): bearing overall responsibility for the management and implementation of the programme towards the European Commission;
- Certifying Authority (CA): certifying declarations of expenditure and applications for payment before they are sent to the Commission;
- Audit Authority (AA): functionally independent body of the Managing Authority and the Certifying Authority, responsible for verifying the effective functioning of the management and control system;
- Joint Technical Secretariat (JTS): assisting the Managing Authority, the Joint Monitoring Committee, Joint Steering Committee and National Authorities in carrying out their respective duties. An Info Point in the Romanian eligible border area will be established and will be particularly responsible for an efficient project development in that area, by giving direct assistance to the potential project applicants in the border region. The Info Point in Oradea shall perform the same tasks as the JTS in Békéscsaba;

Besides the above mentioned structures, the National Development Agency in Hungary and the Ministry of Development, Public Works and Housing in Romania (hereafter designated as National Authorities (NA)) will bear responsibility for setting up the control system in order to validate the expenditures at national level and ensuring co-financing.

Competent Authorities in the HU-RO Programme

Managing Authority	National Development Agency, Hungary
Certifying Authority	Ministry of Finance, Hungary
Audit Authority	Government Audit Office, Hungary
National Authorities	National Development Agency, Hungary Ministry of Development, Public Works and Housing Romania
Joint Technical Secretariat	Set up within VÁTI Kht., Hungary
Info Point	BRECO CBC Office in Oradea (Romania)
Control Bodies	VÁTI Kht with its regional offices in Békéscsaba, Mátészalka; BRECO CBC Office (Oradea, Timisoara, Satu Mare, Arad)

Special attention shall be given to the services provided by the INTERACT II programme. This EU-wide programme focuses on the good governance of territorial cooperation and provides needs-based support to stakeholders involved in implementing programmes under the European Territorial Co-operation objective. The target groups for INTERACT are primarily the authorities to be established according to Council Regulations 1083/2006 and 1080/2006 as well as other bodies involved in programme implementation. In order to ensure maximum benefit from the INTERACT programme for the implementing bodies of this programme, the use of INTERACT services and documentation as well as the participation in INTERACT seminars will be encouraged. Related costs are eligible under Technical Assistance.



4.1.1 Joint Monitoring Committee (JMC)

A Joint Monitoring Committee will be set up within three months after the programme approval by the European Commission. Its overall tasks are to ensure the quality and effectiveness of implementation and accountability of the programme operations. The Joint Monitoring Committee will draw up its own rules of procedure within the institutional, legal and financial framework and adopt them in agreement with the Managing Authority in order to exercise its missions in accordance with the General Provisions. Joint Monitoring Committee will work in accordance with respective regulations:

<i>General Provisions Article 65</i>	
<i>Tasks of the Monitoring Committee</i>	
The monitoring committee shall satisfy itself as to the effectiveness and quality of the implementation of the operational programme, in accordance with the following provisions:	
(a)	it shall consider and approve the criteria for selecting the operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs;
(b)	it shall periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the managing authority;
(c)	it shall examine the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations referred to in Article 48(3);
(d)	it shall consider and approve the annual and final reports on implementation referred to in Article 67;
(e)	it shall be informed of the annual control report, or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
(f)	it may propose to the managing authority any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 or to improve its management, including its financial management;
(g)	it shall consider and approve any proposal to amend the content of the Commission decision on the contribution from the Funds.

The members of the Joint Monitoring Committee in accordance with the institutional structures of the Member States will represent county level (NUTS III), and national level actors to ensure efficiency and broad representation. The composition of the Joint Monitoring Committee shall be decided by the Member States in agreement with the Managing Authority. The Joint Monitoring Committee shall comprise a balanced national and institutional representation. The respective members shall be appointed within 30 days after the approval of the OP by the European Commission. The Managing Authority will attend the meetings of the Committee and will safeguard the regularity, efficiency and effectiveness of the program. Representatives of the European Commission may participate as observers.

The chairmanship and the rights and duties of the chairman shall be defined in the Rules of Procedure of the Committee.

The Joint Monitoring Committee may consult or invite to its meetings the representatives of other national managing authorities, from Hungary and Romania, as consulting participants. The members can also invite additional advisors to the meetings of the Committee with consultative status. The participation of advisors has to be communicated in advance to the Chair by the Committee member.

The Joint Monitoring Committee shall meet at least once a year. Decision-making, including the written procedure, shall be regulated in the Rules of Procedure. The Monitoring Committee shall have the possibility to work in subcommittees.

Joint Technical Secretariat will provide the secretariat function towards the Joint Monitoring Committee meeting, including preparation of the documents, decisions and minutes.

4.1.2 Joint Steering Committee (JSC)

*ERDF Regulation Article 19, Point 3.
Selection of operations*

In addition to the tasks referred to in Article 65 of Regulation (EC) No 1083/2006, the monitoring committee or a steering committee reporting to it shall be responsible for selecting operations.

The overall tasks of the Joint Steering Committee are to ensure the quality and effectiveness of project selection by deciding on the Call for Proposals, project evaluation and selection. It is responsible for the strategic approach of allocating the budget of the programme for good quality projects contributing to the overall objectives described in the strategic part of this document.

The Joint Monitoring Committee will draw up and approve the Rules of Procedure of the Joint Steering Committee. The Joint Steering Committee, as a subcommittee of the Joint Monitoring Committee, is composed of representatives of each Member State, from both NUTS III and national level to ensure efficiency and broad representation. Representatives of the European Commission may participate as observers. The Joint Steering Committee, with the support of the JTS, may use the necessary external expertise in order to ensure the necessary technical background for selecting projects in particular actions or group of actions.

Decision-making, including the written procedure, shall be regulated in the Rules of Procedure of the JSC. Final decision on project approval or rejection always remains with the Joint Steering Committee.

Joint Technical Secretariat will provide the secretariat function towards the Joint Steering Committee meeting, including preparation of the documents, decisions and minutes.

4.1.3 Managing Authority (MA)

The designated Managing Authority of the programme is:

National Development Agency (Hungary)

H - 1133 Budapest

Pozsonyi út 56.

The Managing Authority shall be responsible for managing and implementing the programme in accordance with the principle of sound financial management and respective regulations:

*General Provisions Article 60
Functions of the managing authority*

The managing authority shall be responsible for managing and implementing the operational programme in accordance with the principle of sound financial management and in particular for:

- (a) ensuring that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable Community and national rules for the whole of their implementation period;
- (b) verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules; verifications on-the-spot of individual operations may be carried out on a sample basis in accordance with the detailed rules to be adopted by the Commission in accordance with the procedure referred to in Article 103(3);
- (c) ensuring that there is a system for recording and storing in computerised form accounting records for each operation under the operational programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;
- (d) ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- (e) ensuring that the evaluations of operational programmes referred to in Article 48(3) are carried out in accordance with Article 47;
- (f) setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 90;
- (g) ensuring that the certifying authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- (h) guiding the work of the monitoring committee and providing it with the documents required to permit the quality of the implementation of the operational programme to be monitored in the light of its specific goals;
- (i) drawing up and, after approval by the monitoring committee, submitting to the Commission the annual and final reports on implementation;
- (j) ensuring compliance with the information and publicity requirements laid down in Article 69;

According to Article 15 of the ERDF Regulation the Managing Authority will not be responsible for the regularity of operations and their expenditures, but, it shall satisfy itself that each beneficiaries' expenditure participating in the operation has been validated by the controllers. For this purpose each Member State shall design its own system of Control: designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation.

The Managing Authority will be directly supported by the Joint Technical Secretariat as it carries out the operational management work for the whole program.

Although the MA bears overall responsibility for the programme, certain horizontal tasks (employment of JTS members, setting up and operation of the program monitoring system, legal services, etc.) may be delegated to a separate unit of VÁTI Public Nonprofit Company. Delegation of tasks will be prescribed in the description of the management and control system and will be regulated by a specific framework agreement (contract) stipulated by the MA.

Regions for Economic Change

If regions in programme area are involved in the Regions for Economic Change initiative the Managing Authority commits itself to:

- a) make the necessary arrangement to support innovative operations with cross-border/transnational impact that are related to the results of the networks,
- b) foresee a point in the agenda of the Joint Monitoring Committee at least once a year to discuss relevant suggestions for the programme, and to invite representatives of the networks (as observers) to report on the progress of the networks' activities;
- c) describe in the Annual Report actions included within the Regions for Economic Change initiative.

4.1.4 Certifying Authority (CA)

The designated Certifying Authority of the programme is:

Ministry of Finance (Hungary)

H - 1051 Budapest

József nádor tér 2-4.

Certifying Authority shall be responsible for drawing up and submitting to the Commission certified statements of expenditure and applications for payment and for receiving payments from the Commission.

The Certifying Authority will act in accordance with respective regulations:

<i>General Provisions Article 61</i> <i>Functions of the certifying authority</i>	
The certifying authority of an operational programme shall be responsible in particular for:	
(a)	drawing up and submitting to the Commission certified statements of expenditure and applications for payment;
(b)	certifying that:
(i)	the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
(ii)	the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;
(c)	ensuring for the purposes of certification that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;
(d)	taking account for certification purposes of the results of all audits carried out by or under the responsibility of the audit authority;
(e)	maintaining accounting records in computerised form of expenditure declared to the Commission;
(f)	keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the operational programme by deducting them from the next statement of expenditure.

4.1.5 Audit Authority (AA)

The designated Audit Authority of the programme is:

Government Audit Office (Hungary)

H - 1126 Budapest

Tartsay u. 11/A.

Responsibilities of the Audit Authority are set out in the following regulations:

*General Provisions Article 62
Functions of the audit authority*

1. The audit authority of an operational programme shall be responsible in particular for:
 - (a) ensuring that audits are carried out to verify the effective functioning of the management and control system of the operational programme;
 - (b) ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
 - (c) presenting to the Commission within nine months of the approval of the operational programme an audit strategy covering the bodies which will perform the audits referred to under points (a) and (b), the method to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period.
 - (d) by 31 December each year from 2008 to 2015:
 - (i) submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 month-period ending on 30 June of the year concerned in accordance with the audit strategy of the operational programme and reporting any shortcomings found in the systems for the management and control of the programme. The first report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to in point (e);
 - (ii) issuing an opinion, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;
 - (iii) submitting, where applicable under Article 88, a declaration for partial closure assessing the legality and regularity of the expenditure concerned.
 - (e) submitting to the Commission at the latest by 31 March 2017 a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report.
2. The audit authority shall ensure that the audit work takes account of internationally accepted audit standards.
3. Where the audits and controls referred to in paragraph 1(a) and (b) are carried out by a body other than the audit authority, the audit authority shall ensure that such bodies have the necessary functional independence.
4. The Commission shall provide its comments on the audit strategy presented under paragraph 1(c) no later than three months from receipt thereof. In the absence of comments within this period it shall be considered to be accepted.

Group of Auditors

According to Article 14 of the ERDF Regulation, the Group of Auditors will be set up to assist the Audit Authority. The representatives shall be appointed by each National Authority responsible for audit in the concerned Member State. Auditors from Romania will be nominated by the operationally independent body associated to the Romanian Court of Accounts, while auditors for the Hungarian side will be nominated by the Audit Authority directly.

The Group of Auditors will be set up within three months from the approval of the operational programme. It will draw up its own rules of procedure and will be chaired by the Audit Authority

The Audit Authority and the auditors appointed in the Group of Auditors shall be independent of the management and control system of the programme. If necessary, the Joint Technical Secretariat of the program can support the activities of the AA (ee. providing support in organizing the meetings of the Group Auditors, etc).

4.1.6 Joint Technical Secretariat (JTS) and Info Point (IP)

The programme will have a single Joint Technical Secretariat in accordance with Article 14 (1) of the ERDF Regulation. The Joint Technical Secretariat (Budapest, Békéscsaba) in cooperation with the Info Point (Oradea) will support the Managing Authority in the following programme co-ordination and implementation activities.

The tasks of the Joint Technical Secretariat are:

- **General Programme Co-ordination tasks**
 - a) necessary data and information collection in the programming process;
 - b) collaborate with the administrative, central, regional (NUTS III) and local organizations (in the programme area) with the view to collect data and information necessary in the process of the program implementation
 - c) co-ordinate and prepare the promotion activities related to the OP;
 - d) co-ordinate and contribute to the organization of work-shops addressed to potential beneficiaries;
 - e) participate in the working groups set up for elaborating/revising the programming documents;
 - f) prepare proposals for programme amendments.
- **Secretariat Tasks in support of the Joint Monitoring and Joint Steering Committees**
 - a) fulfil the usual work of a secretariat;
 - b) submit the result of the project assessment for the JSC approval;
 - c) provide the JMC with reports in English on the implementation of the program;
 - d) implement operational decisions of the JMC, including running written procedures;
 - e) assistance and technical coordination in elaboration of the annual report for the European Commission.
- **Administrative activities**
 - a) ensure the administrative management of (external) tasks and services.
 - b) support the Audit Authority in its activity
- **Programme monitoring and information system**
 - a) contribute to setting up, regularly maintaining and updating the monitoring system;
 - b) insert data into the system.
- **Project development (generation) and selection**
 - a) co-ordinate and support of project generation and development;
 - b) manage the project application process: prepare and make available documents necessary for project application and selection;
 - c) provide information and advice to applicants, receiving, recording and co-ordinating the assessment of the applications;
 - c) ensure the efficiency of project development;
 - d) ensure exchange of information on different project proposals;
 - e) support the Info Point (IP) in its activities;

f) manage the joint projects/partner search database.

▪ **Implementation**

a) manage the programme/project implementation: prepare material necessary for programme/project implementation; provide advice and assistance to project partners regarding implementation of activities and financial administration;

b) prepare the ERDF subsidy contracts on behalf of the MA;

c) check the progress and financial reports elaborated by the Lead Partner, verify the existence of the declaration on the validation of the expenditures issued by the controllers and examine the ERDF payment claims;

d) monitor project progress through collecting and checking project monitoring reports,

e) monitoring outputs etc.;

f) prepare progress and verification reports on programme and project implementation and submit them to the JMC and MA; prepare any other documents required by the European Commission.

▪ **Information and publicity**

a) to develop an overall system for public relations and elaborate a common corporate, identity connected for the programme to be used in all means of communication,

b) to develop Information and Publicity Plans,

c) to develop informational material for dissemination (both electronic and hard copies),

d) to create, maintain and update the Internet homepage,

e) to organise information events with partners from the programme area,

f) to maintain necessary public relations with the media,

g) to be responsive to any request of information,

h) to organize a major information campaign publicizing the launch of the programme,

i) to publicize the list of beneficiaries, the names of the operations approved and the amount of public funding allocated to the projects.

Activities will be carried out according to the Information and Publicity Plan adopted by the Joint Monitoring Committee. More detailed description of the activities will be included in the Implementation Manual.

The Joint Technical Secretariat shall work in close cooperation with the Managing Authority. The two institutions will be set up in a structure most securing their co-operation on one hand and their independence from national structures on the other.

The work plans of the Joint Technical Secretariat will be approved by the Joint Monitoring Committee. The Secretariat will be funded from the Technical Assistance budget.

The Joint Technical Secretariat will be located in Budapest close to the Managing Authority but will also have JTS members in the Békéscsaba office. On the Romanian side, the Info Point in Oradea will perform the same tasks as JTS Békéscsaba in order to manage the information at regional (NUTS III) level and support local project development in the programme area. The Joint Technical Secretariat shall have equal number of staff from both Member States. JTS (Budapest, Békéscsaba) will be employed by VÁTI Hungarian Public Nonprofit Company on the basis of a framework contract with the MA. The number and qualification of staff shall correspond to the tasks defined above.

The Joint Technical Secretariat will ensure all of the operational implementation tasks of the programme including coordination of project development and project selection process,

The main tasks of an Info Point will be:

- to assist the applicants in project generation ;
- to contribute to information and publicity actions at regional (NUTS III) and local level;
- *to present and represent the programme at regional (NUTS III) level so that partners are able to collect information necessary for developing projects,*
- to develop and deliver country specific information to the JTS for use on the Internet site.
- to serve as a contact point for project applicants and partners at the regional (NUTS III) level in co- operation with the Joint Technical Secretariat;
- to respond to requests by the JTS in the project selection and evaluation process according to the program procedures;
- to assist the JTS in the preparation of contracts with the Lead Partners.

Activities of the IP will be financed from the programme's TA budget according to the provisions laid down in the *Specific implementation rules of the programme TA budget* chapter.

At national level, the following structures will manage the programme:

4.1.7 National Authority (NA)

The National Authorities of the programme are:

National Development Agency (Hungary)	Ministry of Development, Public Works and Housing (Romania)
H - 1133 Budapest	Sector 5.
Pozsonyi út 56.	Apolodor Bvd. 17.

The National Authorities are representing the Member States of Hungary and Romania respectively.

The NA carries out mainly functions as follows:

- signing agreement or Memorandum of Understanding regulating the responsibilities between the two Member States;
- contributing on behalf of the concerned MS to the program planning and modification;
- supporting dissemination of the information about the program, implementing national level publicity actions;
- being responsible for the development of guidelines for specific national control, based on the program level guidelines developed by the JTS;
- setting up a control system to validate the expenditures at national level (project partner level and TA expenditure);
- ensuring co-financing according to the program budget;
- operating the payment system of the national co-financing including verification of the expenditures; providing information on the national co-financing payment flows;
- detecting and correcting irregularities, recovering amounts unduly paid;
- participating in the JMC and JSC meetings;
- accessing the programme's MIS.

4.1.8 Control Bodies (CB)

The designated controllers of the programme will work in the frame of:

- VÁTI Kht with its regional offices in Békéscsaba and Mátészalka, in Hungary
- BRECO CBC Regional Office (Oradea, Timisoara, Satu Mare, Arad) in Romania.

The main activity of the Control Bodies will be verification for validation of the expenditures at partner level in the respective national territory. Further tasks may include updating the Program Monitoring System and other tasks which are related to their control activities.

4.2 Project development and selection

4.2.1 Overall concept of project development and selection

The overall aim of the programme is to realize high quality, result orientated cross-border projects of clear added value and strategic character relevant for the programme area.

Joint Steering Committee should support the strategic character of the project selection itself and ensure the competition between the project proposals at the same time avoiding the overload of both the programme management structures and applicants. JMC/JSC can consider introducing top-down elements to project generation in order to achieve high level cross-border projects. Details about project development and selection will be provided in the Implementation Manual/Call for proposals, to be approved by the JMC/JSC.

The Operational Programme defines the specific fields of interventions, which can clearly contribute to the overall objectives. The JSC has the right to fine-draw the available activities within the definition included in the priority descriptions, when the successful implementation of the programme requires it or when more focus of the activities is needed to safeguard the project development and selection to reach the declared objectives. It will be included in the Implementation Manual and result in specific calls for proposals approved by the JSC.

4.2.2 Project generation

Generation of cross-border projects will be the task of the Joint Technical Secretariat and the Info Point. The latter and the JTS will ensure to spread information on funding to potential applicants in the eligible area.

While generating projects the following have to be secured:

- All potential applicants and project partners get the same information wherever they might be located in the eligible border area;
- Assisting the establishment of partnerships by helping to find interested actors, e.g. by means of a database or partner search events;
- Project ideas with potentially negative effect on the environment, shall be treated with a particular attention throughout their development and implementation in order to minimise or eliminate those effects, already at the beginning.
- Providing technical assistance to projects (e.g.: in form of model-contracts, etc).

4.2.3 Project selection

The selection of projects can be performed through open call for proposals either in a one-step approach or in a two-step approach introducing a joint pre-selection step of project drafts. Determining the project selection model according to the type of the activity in a certain call for proposals (CfP) is the responsibility of the JSC. Applications can be submitted in an open call and evaluated against a pre-defined set of criteria in the one-step approach. The two-step approach contains a pre-selection stage compared to the one-step model. Applicants submit "expressions of interest", based on which proposals will be pre-selected for further development in order to reach high quality projects. Pre-selected applications as a next step hand in their project applications which will be evaluated against a pre-defined set of criteria. These models will be described in details in the Implementation Manual/Call for proposals.

The programme will contribute to the protection of the programme area's environment and shall not produce negative effects on it. Therefore, aspects of environmental protection and sustainability will be incorporated into the eligibility conditions. Thus, the positive environmental impact and the sustainability will get a special emphasis during the implementation of the programme.

Final decision on approval/rejection of projects is the responsibility of the Joint Steering Committee. Sets of criteria (including eligibility, coherence and quality criteria) used in course of project selection will be developed by the JTS in cooperation with the other programme management bodies from both Member States. Criteria will be prescribed in the Implementation Manual/Call for proposals approved by the JMC/JSC. The Joint Steering Committee has the right to restrict the scope of eligible applicants in a given Call for Proposals taking into account the specific arrangements of the given Call.

The responsibility of keeping the State Aid rules during the implementation is installed to each Member State by the treaty. For this purpose each MS has to name a State Aid Authority and contact person whom will be able to provide the MA with proper data about aid schemes in their Country until the end of the implementation of the OP. Parallel with this each MS bears the responsibility of threatening and infringement of State aid rules and the common market towards the EC.

4.3 Information and publicity

The information and publicity measures for the interventions of the Structural Funds are aimed at publicising the role of the Community and ensure that assistance from the Structural Funds is transparent (see Article 69 Council Regulation (EC) No. 1083/2006). The Managing Authority is responsible for carrying out the information and publicity measures.

The general objectives of the information and publicity measures are the following:

- increasing public awareness of the role played by the European Union in cross border development thanks to Structural Funds,
- increasing transparency about funding opportunities and administrative procedures,
- creating a coherent picture of the Hungary-Romania Cross Border Co-operation Programme 2007-2013 across Hungary and Romania as well as across the Member States.

The specific objectives of the information and publicity measures are the following:

- informing the public about the role of the European Union and about the significance of Structural Funds in the Hungary-Romania Cross Border Co-operation Programme 2007-2013,
- delivering adequate information about the programme, its role, impact and aims to the designated target groups,
- informing the institutions involved in the implementation of the programme about their role in information and publicity,

- ensuring transparency to achieve as broad as possible participation of potential project applicants and thus absorption of the funds available.

The information and publicity measures are presented in the form of a communication plan. Their implementation shall be the responsibility of the respective administrative body responsible for the programme. The information and publicity measures within the scope of the Hungary-Romania Cross Border Co-operation Programme 2007-2013 are designed:

- to inform the general public of the role that the European Union plays together with Hungary and Romania in the respective interventions and of their results;
- to guarantee transparency vis-à-vis potential and final beneficiaries by a general information on the Hungary - Romania Cross Border Co-operation Programme 2007-2013. Furthermore to give an overview of competencies, organisation and project selection procedures as well as standardised information on project applications (application authority, contacts at the national, regional (NUTS III) and local levels). Also the selection criteria and valuation mechanisms for tenders and project applications will be published. All the information is available for downloading on the respective programme websites;
- to inform the public about announcements on the start of the programme in the media, giving an appropriate presentation of the participation of the European Union. Ongoing communication on the stages of a project's implementation throughout the entire programme planning period and the presentation of the final results of the Hungary- Romania Cross Border Co-operation Programme 2007-2013.

The general strategic goal of the information and publicity measures within the scope of the Hungary- Romania Cross Border Co-operation Programme 2007-2013 is to create a uniform public image which should achieve the status of a brand name or a "corporate identity" with time. To this end, a common logo is used on printed matter, publications, in the printed and electronic media. For the strategic implementation of the contents listed above, the following shall be used:

- A **programme-specific website with electronic newspaper** providing ongoing information to the general public, potential and final beneficiaries - The homepage is the key source of up-to-date information, it describes the programme, it outlines priorities and measures and it indicates necessary contact details. All relevant documentation such as the application pack or the programme documents will be available as downloads. It will provide information about approved and running projects and it will collect questions and answers.
- **Programme document** - The Hungary- Romania Cross Border Co-operation Programme 2007-2013 document forms the basis for cross border cooperation in the Hungary- Romania programme area from 2007 to 2013. It describes the eligible area, outlines priorities and measures, designates competent authorities and provides information on programme and project implementation as well as financial implementation and control.
- **Leaflets** - are symbolic business cards of the programme; they are appetisers in so far as they contain general information about the programme. The target groups of leaflets are the potential applicants, the general public, the NGO's, trade and professional bodies, economic and social partners, public authorities and project promoters; and they are aimed at encouraging a wide participation in the programme as well as helping to spread information about the programme.
- **Brochures** - If leaflets are the business cards, brochures are the product catalogues of the programme, which give a comprehensive survey of a given programme period with a handful of projects summarising the activities, the results and the outcomes. They are targeted at applicants and at institutions involved in programming and

implementation as well as NGO's, trade and professional bodies, economic and social partners, public authorities and project promoters.

- **Advertisements** - Calls for proposals published in nationwide and in local daily papers as well as in professional magazines will make the Hungary- Romania Cross Border Co-operation Programme 2007-2013 programme more transparent in the programme area to the general public.
- **Regional (NUTS III) and local information events, seminars** - Contacts between actors involved in the programme as well as proper information flow to potential applicants/final beneficiaries and to the general public are ensured by means of information events held in the frame of the programme. Potential applicants/final beneficiaries, NGO's, trade and professional bodies, economic and social partners, public authorities, project promoters, institutions involved in programming and implementation, politicians and representatives of the media will form the basis of target audience of these events.
- **Partner search forums** - To help potential applicants to develop their projects and to search for partners. Partner search forums will be organised by the JTS, Info Point. These occasions will give way to discuss project ideas, management and implementation issues, to meet potential applicants and to facilitate partner search. These events are to cover areas that participate in the programme.
- **Kick-off events at the start of the programme** – provide spreading of common information about the programme at national level in both Member State.
- **Closing conference at the end of the programme** – a presentation of the completed projects and a review of the created co-operation projects.

According to the preliminary TA budget plan, approximately 2% of the total programme budget will be spent for the above activities.

The responsibility of carrying out information and publicity measures lies with the Managing Authority. External suppliers will be selected (in public procurement procedure) for designing of the logo, website, publications and organising seminars, partner search forums, kick off events and closing conference of the programme in close cooperation with JTS staff and Info Point.

Some activities (information events, forums, edition of articles) of information and publicity measures will be implemented **according to Programme demand** (launching of CfP) while the other ones (webpage, electronic newspaper) **continuously**.

The main **target groups/beneficiaries** of the information and publicity measures are potential and final beneficiaries as well as regional (NUTS III) and local authorities and other public bodies, professional associations and business communities, economic and social partners, non-governmental organisations, especially bodies to promote equality between men and women and bodies working for the protection and improvement of the environment, project operators and promoters.

The application of the above-mentioned information and publicity measures are differentiated within the programme planning period (2007 to 2013) by three phases each of which having different requirements:

- Information on the start and the announcement of the Hungary- Romania Cross Border Co-operation Programme 2007-2013: The objective of this phase is to spread the information as widely as possible (potential and final beneficiaries as well as the general public) and to inform in general about the programme, contact partners, info points, procedures and decision-making structures, etc. Communication means: Kick-off events in both Member State; leaflet, press conferences, press releases on the start of the programme (as fast as possible after the programme has been approved by the EC).

- Ongoing information, communication and presentation: In this phase, the public is regularly informed on the current status of the implementation of the programme and on the completion of successful projects. Furthermore, clear information (homogenous) at the regional (NUTS III) and local level on the administrative procedures and information on the selection criteria and valuation mechanisms are provided. Regular information and networking events by project organisers, financing institutions and funding bodies are crucial in this phase for the implementation of the joint programme planning document. Communication means: Brochures, information events, organisation of events to share experiences among projects, press releases on the status of the implementation.
- Presentation of results and review: As of the end of the programming planning period, a presentation of the completed projects and a review of the co-operation projects created are given. Communication means: Brochures, final events, etc.

Monitoring and evaluation of the communication plan

In line with *Article 3 of the Rules for Implementation*, the Managing Authority / Joint Technical Secretariat has to inform the Joint Monitoring Committee about the progress in implementing the communication plan, the information and publicity measures carried out and about the means of communication used.

The information and publicity actions will be subjected to ongoing and ex-post evaluations, based on the indicators and evaluation criteria defined in advance. The indicators will be clearly specified in the Communication Plan. Thus, the plan will contain indicators of outputs, indicators of results and indicators of impact.

4.4 Implementation of projects, description of financial procedures and flows

4.4.1 Project level implementation

The project implementation from contracting to project closure including reporting obligations and payment of ERDF Funds will be executed according to the regulations and rules relevant for the Programme.

The Lead Partner principle

Lead Partner principle according to Article 20 of the ERDF Regulation is a basic requirement for all operations financed from the Programme.

The project will be presented by the Lead Partner who will act as the only direct contact between the project and the joint management bodies of the Programme. It is the responsibility of the Lead Partner to create a well working consortium based on a partnership agreement ensuring the proper and sound implementation of the project.

Contracting procedures

Based on the formal project approval by the Joint Steering Committee the JTS prepares the *subsidy contract* (subject to approval by the JMC) with the Lead Beneficiary. The MA bears legal responsibility for signing the subsidy contracts.

The legally binding subsidy contract of a project shall be reported by the JTS to the Programme Monitoring System.

National co-financing will be ensured automatically for projects approved by the Joint Steering Committee. Contracts for national co-financing will be concluded separately from ERDF by the respective National Authorities, after the signature of the ERDF subsidy contracts and the partnership agreement between the project partners. The subsidy contracts for national co-financing will be concluded at project partner level.

Project reporting

Progress reports and payment claims will be linked during the project implementation period. They should be submitted as stipulated by the subsidy contract.

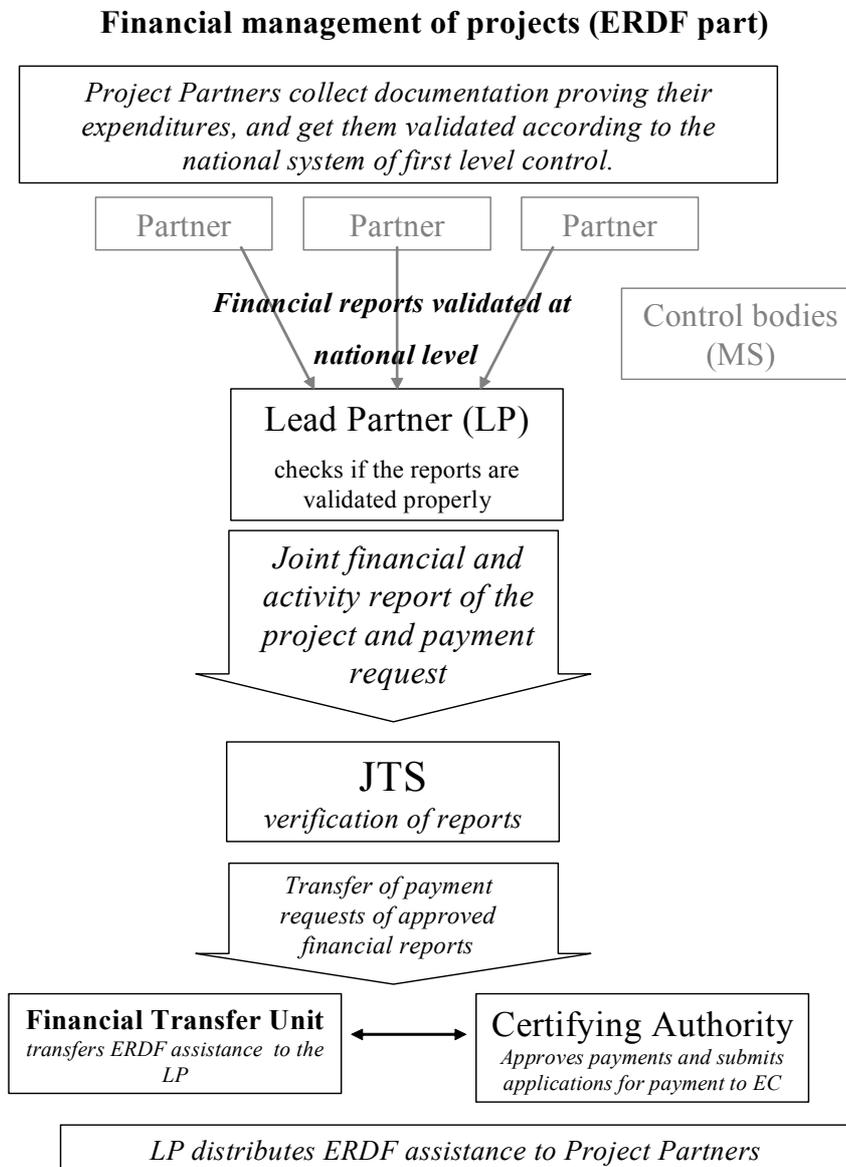
4.4.2 Control systems to validate expenditures

According to Article 16 of the Regulation (EC) 1080/2006, both Member States shall set up a control system to validate the expenditures at national level. The designated controllers of the programme will work in the frame of VÁTI Kht (Békéscsaba, Mátészalka) in Hungary and BRECO CBC Regional Office (Oradea, Timisoara, Satu Mare, Arad) in Romania.

In accordance with Article 13 of the implementation regulation, verifications to be carried out at national level shall cover administrative, financial, technical and physical aspects of operations. In order to ensure the common understanding of the rules applied for control at national level *Guidelines for control* including detailed checklists will be developed at programme level. The guidelines have to be developed in line with the relevant EC and national regulations and should be available on the programme homepage as well. Further details on the control system set up by the Member States will be provided in the description of the Management and Control System in accordance to Commission Regulation 1828/2006 of 8 December 2006. The Managing Authority, the JTS and the Certifying Authority should be regularly informed on the control system set up by both Member States.

4.4.3 Description of ERDF financial flows and procedures from project level to programme level

The steps of financial flows for ERDF are presented by the following flowchart.



4.4.3.1. Flow of payments

a) The controller responsible checks the invoices or accounting documents of equivalent probative value submitted by the beneficiary and verifies the delivery of the products and services co-financed, the soundness of the expenditure declared, and the compliance of such expenditure and related (parts) of operations with Community rules and relevant national rules.

b) After reception of the validated payment claims submitted by the beneficiaries the Lead Partner draws up and submits the project-level payment claim to the Joint Technical Secretariat.

c) Following the checks on the payment claim and the relating progress report the JTS forwards the payment claims to the Financial Transfer Unit (FTU). The FTU is a separate and functionally independent department of VÁTI Public Nonprofit Company responsible for the technical management of payments of ERDF funds to final beneficiaries. In the course of the requests of funds, the Financial Transfer Unit draws payment requests for the transfer of ERDF contribution through the Programme's Monitoring System from the Certifying Authority (CA). Following the approval of payment requests, the CA transfers the ERDF contribution from the programme account to the disposal bank account kept by the Financial Transfer Unit.

Following the approval of the Certifying Authority, the Financial Transfer Unit transfers the payment of the ERDF contribution to the lead beneficiaries. The implementation of the payment process is supported by the Monitoring and Information System of the programme. The project payment claims and the specific stages of the process are entered into the Monitoring System so that they can be traced back afterwards.

d) The Lead Partner transfers the ERDF contribution to beneficiaries participating in the operation.

4.4.3.2. Programme level financial procedures (ERDF), certification process

The ERDF contribution is paid into a single account opened and managed by the Certifying Authority. Payments made by the European Commission take the form of pre-financing, interim payments and payment of the final balance.

Based on validated eligible expenditure verified by the Joint Technical Secretariat which can be supported by receipted invoices or accounting documents of equivalent probative value the Managing Authority draws up the statement of expenditure. The statement of expenditure shall include for each priority axis the total amount of eligible expenditure paid by the lead beneficiaries or beneficiaries in implementing the operations and the corresponding public contribution. Based on the statement of expenditure submitted by the Managing Authority the Certifying Authority draws up the application for payment and the certification of expenditure and submits them together with the certified statement of expenditure to the European Commission.

In support of the certification activity of the Certifying Authority the Managing Authority operates a verification reporting system. Before compiling the statement of expenditure the Managing Authority prepares a verification report on the procedures and verifications carried out in relation to expenditure included in the statements of expenditure. In order to have adequate information on the validation and verification of expenditure the Managing Authority will request information in the form of a verification report from the Partner State.

In order to support its certification activity, the Certifying Authority performs system controls, carries out so-called fact-finding visits at the joint management structures participating in financial management of the programme.

4.5 Monitoring and Evaluation

4.5.1 Monitoring

According to the Article 66(2) of General Regulation No.1083/2006, the Managing Authority and the Joint Monitoring Committee shall carry out monitoring by reference to the indicators specified in the Strategic Chapter of the Operational Programme.

Indicator system

A full set of indicators will be further developed in the Implementation Manual/Call for proposals. The full set of indicators serves for the internal programme management and forms an indispensable basis for the reporting and communication needs to make the programme achievements visible to the programme partners and to a broader public. Targets of the full set indicators may be ex-ante-quantified for internal use if appropriate. The full set of indicators is not part of the OP.

The indicators shall make it possible to measure the progress in relation to the baseline situation and the effectiveness of the targets implementing the priorities. The Joint Technical Secretariat will monitor these indicators.

Annual report on implementation

In accordance with Article 67 of General Regulation annual report and final report on implementation have to be prepared. The annual reports will be drafted by the Joint Technical Secretariat and will be verified and submitted by the Managing Authority and approved by the Joint Monitoring Committee before they are sent to the Commission.

Project level monitoring

The purpose of the project monitoring is to keep track of how the project is progressing in terms of expenditure, resource use, implementation of activities and delivery of results and management of risks. The monitoring activity of the project presumes the systematic and continuous collection of the information, input the data into the monitoring system, analysis of the value of the indicators defined in the project and use the system to support effective decision-making.

Joint Technical Secretariat may review project progress and performance on a periodic basis by monitoring the indicators of the project and take the necessary decisions to keep the project on track.

Programme Monitoring and Information System

The Managing Authority is responsible for the setting up of a system to gather reliable financial and statistical information on implementation for the monitoring indicators and for evaluation and forwarding these data in accordance with arrangements agreed between the Member States and the Commission using computer systems permitting the exchange of data with the Commission.

The common Monitoring and Information System of the Programme will be based on a management information system which allows data collection and monitoring at programme level for both partners in the Programme. The system is to provide the competent bodies (Joint Monitoring Committee, Managing Authority, National Authority, Certifying Authority, Audit Authority, and the Joint Technical Secretariat, Info Point and Financial Transfer Unit) with a practical tool to perform their tasks and should also foster communication and the flow of information among the two participating Member States. The system will support both the project cycle and the programme implementation.

The development and implementation of the Programme Monitoring and Information System will be financed from the TA budget.

Exchange of Computerised Data

Electronic data exchange between the Commission and the program management institutions is a requirement according to Article 39 of the Rules of Implementation. After having set up the monitoring system for the program, in co-ordination with the European Commission, an efficient way of data exchange will be decided.

The computer system for data exchange shall be developed as a tool of exchange of all data relating to the operational programme. The computer system used must meet accepted security standards to ensure that the documents held comply with national legal requirements and can be relied on for audit purposes

4.5.2 Program Evaluation

The aim of the program evaluation is to improve the quality, effectiveness and consistency of the use of assistance, the strategy and the implementation of the programme. Evaluation shall be carried out before (ex-ante evaluation), during (on-going) and after (ex-post evaluation) the programming period. Both Member States shall provide the resources necessary for carrying out evaluations, organise the production and gathering of the necessary data and use the various types of information provided by the monitoring system. The results of the evaluations shall be published on the website of the program.

In accordance with Article 48 of the General Provisions, Member States will carry out the first evaluation linked to the monitoring of the operational programme at the end of 2010, when the first set of projects are expected to be finalised. Where the results reveals a departure of at least 40% from the goals initially set in the programming document and Implementation Manual they will be sent to the Joint Monitoring Committee and to the Commission. This evaluation should be carried out by an independent assessor.

As a part of the closure of the Programme, the Commission shall carry out an ex post evaluation in close cooperation with both Member States and Managing Authority. Ex-post evaluation shall be completed by 31 December 2015.

Evaluations shall be financed from the TA budget with the exception of the ex-post evaluation carried out by the Commission.

4.6 Specific implementation rules of the programme TA budget

Technical Assistance is necessary to assist the joint structures in implementing the programme. Taking into consideration the size and diversity of the programming area 6 % of the ERDF funds allocated to this programme will be used for the Priority axis "Technical Assistance". The co-financing rate will be 50 %. Both Member States will transfer their national co-financing share in advance to a separate bank account on a yearly basis. Certifying Authority will be responsible for transferring ERDF match funding from the Commission appropriate to the national contributions provided by both Member States.

Furthermore, TA budget should be used for tasks aimed to improve and assure proper programme implementation at project generation level (e.g. thematic seminars, information and publicity measures, evaluation) and to increase the overall quality of funded projects.

4.7 Audits

*Implementation Regulation Article 16
The Audits of the Operations*

1. The audits referred to in point (b) of *Article 62 (1) of the Regulation (EC) No 1083/2006* shall be carried out each twelve month period from 1 July 2008 on a sample of operations selected by a method established, or approved by the Audit Authority in accordance with Article 17.

The audits will be carried out on the spot, on the basis of documentation and records held by the beneficiary.

The audits shall verify that the following conditions are fulfilled:

- The operation meets the selection criteria for the operational programme and has been implemented in accordance with the approval decision and fulfils any applicable conditions concerning its functionality and use or the objective to be attained
- The expenditure declared corresponds to the accounting records and supporting documents held by the beneficiary
- The expenditure declared by the beneficiary is in compliance with the Community and national rules
- Public contribution has been paid to the beneficiary

Where problems detected appear to be systemic in nature and therefore entail a risk of other operations under the programme, the Audit Authority shall ensure that further examination is carried out, including additional audits where necessary, to establish the scale of such problems. The relevant authorities shall take the necessary preventive and corrective actions. The method of sampling for the operations to be audited should be in line with the Article 17 of the Implementation Regulation.

The Group of Auditors comprising a representative of both Member States will assist the Audit Authority as described in point 4.1.5.

4.8 Irregularities and recovery of funds unduly paid

4.8.1 Definition

General Provisions Article 2

'irregularity': any infringement of a provision of Community law resulting from an act or omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the European Union by charging an unjustified item of expenditure to the general budget.

The responsibilities related to handling irregularities contain two main duties, one is the reporting to the Commission and the other is the recovery of the amounts unduly paid.

4.8.2 Reporting

Implementation regulation Article 28

1. Without prejudice to the other obligations under Article 70 of Regulation (EC) No 1083/2006, within two months following the end of each quarter, Member States shall report to the Commission any irregularities which have been the subject of a primary administrative or judicial finding.

4. Irregularities relating to operational programmes under the European territorial cooperation objective shall be reported by the Member State in which the expenditure is paid by the beneficiary in implementing the operation. The Member State shall at the same time inform the managing authority, the certifying authority for the programme and the audit authority.

The Member State shall send a copy of their quarterly reports to the MA. The MA shall make a register for these reports so that it can inform the EC about the irregularities at programme level.

4.8.3 Recovery

The MA can recover money only from natural or legal persons with whom is in contractual relation.

4.8.4 Responsibility scheme

The responsibility of the Member States is limited to the errors and expenditure irregularities committed by partners located in their national territory.

In the implementation phase of the programme two types of responsibilities can occur:

1. Contractual liability between the MA and the LP (parallel with this there is also contractual liability between the LP and the PP)
2. Legal liability between the EC and the concerned Member State.

4.8.5 Irregularities related to TA projects

Irregularity can be committed by those who benefit from the TA budget.

If any control or audit activity detects an irregularity related to a TA project the affected part of the management has to pay back the unduly paid amount to the Certifying Authority.

4.8.6 Errors which are system in nature

During the running of the system, errors can be detected which make impossible to detect irregularities or cause irregularities themselves. (For example there is a mistake in the call for proposals which indicates irregularities)

In this case if anybody detects an error like this, the MA/CA submits the whole documentation to the MS (JMC) with a recommendation how to solve the problem. The MS (JMC) shall have the possibility to decide on the options in order to solve the problem.

V. Programme Financial Provisions

The tables set out the financial plans for the Hungary – Romania Cross-border Co-operation Programme 2007-2013.

Table 7. Financial plan of Program giving the annual commitment of European Regional Development Fund (EUR)

	Structural Funding ERDF (EUR)
2 007	32 524 831
2 008	29 095 155
2 009	29 418 787
2 010	31 318 733
2 011	32 045 938
2 012	34 017 133
2 013	36 054 358
Total	224 474 935

Table 8. Financial plan of the operational program (EUR)

	Community Funding (a)	National Public funding (b)	National private funding (c)	Total funding (d) = (a)+(b)+ (c)	Co-financing rate % (e)=(a)/(d)	EIB Contributions	Other funding
Priority Axis 1	114 482 217	20 202 744	0	134 684 961	85	0	0
Improvement of the key conditions of joint, sustainable development in the co-operation area							
Priority Axis 2	96 524 222	17 033 686	0	113 557 908	85	0	0
Strengthen social and economic cohesion of the border area							
Priority Axis 3	13 468 496	13 468 496	0	26 936 992	50	0	0
Technical Assistance							
Total	224 474 935	50 704 926	0	275 179 861		0	0

The co-financing rates for all Priority Axis are calculated on a public cost basis.

Indicative breakdown by category – Codes by Dimension

(in euros)

Dimension 1	
Priority theme	
Code	Amount
01	6 748 000
02	14 120 000
03	6 705 000
05	18 501 000
09	7 845 000
10	5 879 000
11	4 312 500
13	2 958 000
14	14 801 000
16	16 992 500
23	33 128 028
24	1 768 000
44	2 861 950
46	7 573 415
48	7 154 575
50	2 861 950
51	2 131 375
53	9 928 549

cont.

Dimension 1	
Priority theme	
Code	Amount
54	2 131 375
55	2 795 347
56	2 131 375
57	2 652 000
58	3 040 000
59	3 040 000
60	1 680 000
66	2 606 500
69	3 606 500
71	3 377 000
72	2 632 000
73	2 632 000
74	2 924 000
75	2 176 000
76	5 272 500
81	2 040 000
85	6 734 248
86	6 734 248

Total: 224 474 935

(in euros)

Dimension 2	
Form of finance	
Code	Amount
1	224 474 935
Total	224 474 935

(in euros)

Dimension 3	
Territory	
Code	Amount
8	224 474 935
Total	224 474 935

ANNEXES

ANNEX 1. Data, places of partnership events

ANNEX 2. Tables, key indicators

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ANNEX 4. County-towns

ANNEX 5. Euro Regions

ANNEX 6. Coherence with sectoral Operational Programmes of Hungary 2007-2013

ANNEX 7. Coherence with sectoral Operational Programmes of Romania 2007-2013

ANNEX 8. Supported grant projects by PHARE-CBC

ANNEX 9. Ex-ante evaluation report

ANNEX 1 Data, places of partnership events

Data	Place	Event
Task Force meetings		
11 April 2006	Békéscsaba, Hungary	1 st Task Force meeting
20 June 2006	Timisoara, Romania	2 nd Task Force meeting
04 September 2006	Nyíregyháza, Hungary	3 rd Task Force meeting
21 November 2006	Satu Mare, Romania	4 th Task Force meeting
30. January 2007	Hajdúszoboszló, Hungary	5 th Task Force meeting
Other events		
19-29 May 2006	Hungary, Romania	Delivery of interviews and questionnaires with Hungarian, Romanian stakeholders
19 June 2006	Makó, Hungary	Hungarian – Romanian meeting for regional (NUTS III) stakeholders
24 July 2006	Oradea, Romania	Hungary – Romania technical meeting on implementation procedures
14-24 August 2006	Budapest, Debrecen	Conciliations with experts in the fields of traffic and natural protections
15 September 2006	Bucuresti, Romania	Sectoral conciliation on Romanian side with the Managing Authorities of the Sectoral and Regional Programmes, as follow: <ul style="list-style-type: none"> ▪ Ministry of Finance – department for Coordinating the European Financing ▪ Ministry of Economy and Trade ▪ Ministry of Transport, Construction and Tourism ▪ Ministry of Environment and Water Management ▪ Ministry of Labour and Family ▪ Ministry of Internal and Administration ▪ Ministry of European Integration-Unit of Regional Development ▪ Ministry of Health
27 September 2006 28 September 2006 03 October 2006 04 October 2006	Timisoara, Arad, Oradea, Satu Mare	Regional (NUTS III) workshop for Romanian stakeholders
05 October 2006	Budapest, Hungary	Hungary – Romania technical meeting on implementation procedures
October 2006	Budapest, Bucuresti	Sectoral conciliation on Hungarian side with the follow institutions: In Hungary: <ul style="list-style-type: none"> ▪ Prime Minister's Office

		<ul style="list-style-type: none">▪ Ministry of Justice and Law Enforcement▪ Ministry of Economy and Transport▪ Ministry of Education and Culture▪ Ministry of Health▪ Ministry of Municipalities and Regional Development▪ Ministry of Municipalities and Regional Development – Tourism Unit▪ Ministry of Environmental Protection and Water Management▪ Ministry of Foreign Affairs▪ Hungarian National Railway Company
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ANNEX 2 Tables, key indicators

Area and population

Table 9.

Area	Land area (in sq. km)	Population (inh.)	Population density (People/sq km)	Migration Growth/loss (per 1000 inh.)	Natural growth/Los s (per 1000 inh.)
Szabolcs-Szatmár-Bereg	5 936	581 623	88	-3,8	-1,3
Hajdú-Bihar	6 211	549 372	98	-0,9	-1,8
Békés	5 631	389 590	69	-3,5	-6,4
Csongrád	4 263	424 849	100	0	-4,8
<i>Programme area in Hungary</i>	22 041	1 945 434	89	-2,1	-3,1
Satu Mare	4 418	367 281	84	-1,6	-1,9
Bihor	7 544	600 246	80	-0,2	-1,0
Arad	7 754	461 791	59	3,0	-4,0
Timis	8 697	677 926	78	2,9	-2,0
<i>Programme area in Romania</i>	28 413	2 107 244	74	1,3	-1,2
Total programme area	50 454	4 052 678	80	-0,19	-2,1
Hungary	93 030	10 097 549	89	0	-3,7
Romania	238 391	21 680 974	91	0	-0,13

Basic data

Sources: Hungarian Central Statistical Office - Census 2001, Ministry of Development, Public Works and Housing, Romania (2007)

Table 10.

Nationality

Area	Hungarian	Romanian	Gipsy	Slovakian	Serbian	German
Szabolcs-Szatmár-Bereg	96,35%	0,04%	4,57%	0,06%	0,00%	0,18%
Hajdú-Bihar	95,35%	0,18%	2,12%	0,02%	0,01%	0,16%
Békés	94,83%	1,34%	1,40%	2,58%	0,15%	0,55%
Csongrád	93,98%	0,21%	0,73%	0,19%	0,27%	0,35%
<i>Programme area in Hungary</i>	95,24%	0,38%	2,40%	0,59%	0,09%	0,29%
Satu Mare	35,2%	58,1%	3,7%	n.a	n.a	1,8%
Bihor	26,1%	67,8%	5,0%	1,2%	n.a	0,2%
Arad	10,7%	82,6%	3,2%	1,2%	0,3%	1,1%
Timis	7,6%	83,4%	2,4%	0,3%	2,0%	2,0%
<i>Programme area in Romania</i>	18,4%	74,9%	3,7%	0,7%	0,7%	1,3%
Total programme area	56,34%	38,78%	3,07%	0,59%	n.a	0,55%

Surces: Hungarian Central Statistical Office - Census 2001, Ministry of Development, Public Works and Housing, Romania (2007)

Table 11.

Distribution of settlements by population size group

Area	1-499 inh.	500-1999 inh.	2000-49,999 inh.	Over 50,000 inh.
Szabolcs-Szatmár-Bereg	15,3%	51,9%	32,3%	0,4%
Hajdú-Bihar	6,1%	41,5%	51,2%	1,2%
Békés	6,7%	38,7%	53,3%	1,3%
Csongrád	3,3%	38,3%	56,7%	1,7%
<i>Programme area in Hungary</i>	<i>10,8%</i>	<i>44,7%</i>	<i>43,6%</i>	<i>0,9%</i>
Satu Mare	0,0%	13,3%	85,0%	1,7%
Bihor	0,0%	10,5%	88,4%	1,1%
Arad	1,3%	26,7%	70,7%	1,3%
Timis	3,7%	19,5%	75,6%	1,2%
<i>Programme area in Romania</i>	<i>1,3%</i>	<i>17,3%</i>	<i>80,1%</i>	<i>1,3%</i>
Total programme area	6,7%	34,2%	58,1%	1,0%

Surces: Hungarian Central Statistical Office, National Institute of Statistics (Romania) 2004

Table 12.

Urbanisation

Area	Rate of towns	Rate of urban population
Szabolcs-Szatmár-Bereg	8,73%	47,57%
Hajdú-Bihar	24,39%	77,61%
Békés	22,67%	69,33%
Csongrád	13,33%	71,89%
<i>Programme area in Hungary</i>	<i>14,57%</i>	<i>65,72%</i>
Satu Mare	8,33%	46,20%
Bihor	10,53%	50,40%
Arad	13,33%	55,60%
Timis	12,20%	63,30%
<i>Programme area in Romania</i>	<i>11,22%</i>	<i>54,50%</i>
Total programme area	13,19%	60,12%

Surces: Hungarian Central Statistical Office, National Institute of Statistics (Romania) 2004

Economy

Table 13.

GDP/capita

Area	GDP per capita, PPS (2002)	GDP per capita (PPS), % of EU-25 average
Szabolcs-Szatmár-Bereg	3996	18,9%
Hajdú-Bihar	5438	25,7%
Békés	4388	20,7%
Csongrád	5528	26,1%
<i>Programme area in Hungary</i>	<i>4815</i>	<i>22,7%</i>
Hungary	12402	58,6%
Satu Mare	2083	9,8%
Bihor	2682	12,7%
Arad	2596	12,3%
Timis	3301	15,6%
<i>Programme area in Romania</i>	<i>2758</i>	<i>13,0%</i>
Romania	2426	11,5%
EU 25	21170	100%

Surces: Hungarian Central Statistical Office, 2005

Table 14.

 Gross value added by sources, 2003
(at current basic prices)

Area	agriculture in %	industrial sector in %	services in %
Szabolcs-Szatmár-Bereg	6,62	28,31	65,07
Hajdú-Bihar	6,31	33,3	60,39
Békés	8,98	26,81	64,21
Csongrád	6,24	27,19	66,57
<i>Programme area in Hungary</i>	<i>6,86</i>	<i>29,35</i>	<i>63,79</i>
West Region	15,2	33,6	51,2
North-West Region	15,3	32,8	51,9
Hungary	3,29	30,39	66,31
Romania	13	30,90	46,40
EU 25	2,94	27,6	69,46

Sources: Hungarian Central Statistical Office, National Institute of Statistics (Romania), 2004

Table 15.

Foreign direct investment (FDI) per inhabitant (EUR)

Area	2003	2004	Changes
Szabolcs-Szatmár-Bereg	458,6	649,0	41,5%
Hajdú-Bihar	1652,6	1603,6	-2,9%
Békés	646,3	670,9	3,8%
Csongrád	727,5	815,3	12,1%
<i>Programme area in Hungary</i>	<i>871,3</i>	<i>959,4</i>	<i>10,1%</i>
Satu Mare	6,60	13,82	109,4%
Bihor	9,54	19,31	102,4%
Arad	31,17	50,87	63,2%
Timis	63,95	26,54	-58,5%
<i>Programme area in Romania</i>	<i>32,25</i>	<i>29,63</i>	<i>91,87%</i>
Total programme area	451,78	494,5	109,45%
Hungary	3362,2	3856,6	114,7%
Romania	52,49	105,35	200,7%

Sources: Hungarian Central Statistical Office, National Trade Register Office (Romania) 2004

Employment, unemployment

Table 16.

Activity, employment, unemployment

Area	Activity rate of population aged 15-64 (%)	Employment rate of population aged 15-64 (%)	Unemployment rate of population aged 15-64 (%)
Szabolcs-Szatmár-Bereg	55,1	47,6	13,7
Hajdú-Bihar	58,2	52,8	9,3
Békés	55,1	50,7	7,8
Csongrád	61,2	57,6	5,9
<i>Programme area in Hungary</i>	<i>57,4</i>	<i>52,2</i>	<i>9,2</i>
Satu Mare	65,1	62,9	3,4
Bihor	78,8	76,7	2,7
Arad	72,1	69,5	3,6
Timis	74,9	73,2	2,3
<i>Programme area in Romania</i>	<i>72,7</i>	<i>70,6</i>	<i>3</i>
Total programme area	48,0	45,6	4,6

Area	Activity rate of population aged 15-64 (%)	Employment rate of population aged 15-64 (%)	Unemployment rate of population aged 15-64 (%)
<i>Hungary</i>	62,0	57,3	7,5
<i>Romania</i>	62,4	57,7	5,9
<i>EU-27</i>	70,1	64,3	8,2

Sources: Hungarian Central Statistical Office, National Institute of Statistics (Romania), 2006

Table 17. Average monthly net earnings of male / female employees in euro*

Area	Male		Female	
	Manual workers	Non-manual workers	Manual workers	Non-manual workers
Szabolcs-Szatmár-Bereg	291,2	516,8	250,5	420,0
Hajdú-Bihar	299,0	561,1	250,0	434,0
Békés	299,9	509,0	251,6	423,9
Csongrád	316,0	546,8	266,3	431,5
<i>Programme area in Hungary</i>	301,5	533,4	254,6	427,3
Area	Manual workers (male + female)		Non Manual workers (male+ female)	
Satu Mare	173,3		255,3	
Bihor	150,7		232,1	
Arad	180,5		255,8	
Timis	188,2		284,8	
<i>Programme area in Romania</i>	173,2		257,0	
Total programme area	243,1		405,9	
Hungary	326,9	651,0	275,0	472,4
Romania	320,4		273,8	

Sources: Hungarian Central Statistical Office, National Institute of Statistics (Romania), 2005

* average yearly exchange rate in 2005: HUF/EUR(ECU): 248,05, RON/EUR: 3,6234 Sources: Magyar Nemzeti Bank, Banca Nationala Romania

Table 18.

Structure of unemployment

Area	Registered unemployed persons	Rate of unemployed					Highest educational level of the registered unemployed		
		over 180 days	Males	Females	Manual workers	Non manual workers	8 grades at primary school ¹⁰	Secondary education	University or college
Szabolcs-Szatmár-Bereg	41 014	49,9	57,8	42,2	86,8	13,2	50,1%	47,5%	2,5%
Hajdú-Bihar	30 471	49,6	52,1	47,9	85,6	14,4	47,5%	48,9%	3,6%
Békés	20 230	41,7	55,5	44,5	84,3	15,7	38,6%	58,3%	3,0%
Csongrád	17 272	46,1	47,7	52,3	75,5	24,5	31,6%	61,6%	6,8%
<i>Programme area in Hungary</i>	<i>108 987</i>	<i>47,7</i>	<i>54,2</i>	<i>45,8</i>	<i>84,2</i>	<i>15,8</i>	<i>44,3%</i>	<i>52,1%</i>	<i>3,6%</i>
Satu Mare	6 222*	-	55,7*	44,3*	-	-	80,1%	16,3%	3,5%
Bihor	5 819	-	60,4	39,6	-	-	77,9%	14,7%	7,3%
Arad	7 488	37,5	57,8	42,2	-	-	77,6%	17,1%	5,3%
Timis	8 219	-	50,4	49,6	-	-	71,8%	20,4%	7,8%
<i>Programme area in Romania</i>	<i>24 457</i>	<i>-</i>	<i>58,0</i>	<i>42,0</i>	<i>-</i>	<i>-</i>	<i>76,9%</i>	<i>17,1%</i>	<i>6%</i>
Total programme area	133 444	-	-	-	-	-	60,6%	34,6%	4,8%
Hungary	400 597	47,0	52,3	47,7	82,6	17,4	42,7%	53,1%	4,1%
Romania	227154	34,85	56,72	43,28	-	-	63,69	29,22	7,09

Sources: Hungarian Central Statistical Office, National Institute of Statistics (Romania) 2004, and Romanian County Statistics, 2006

- No data available

* data for 2002

¹⁰ Including also vocational education

Table 19.

Employment broken down by economic branches

Area	Employees in agriculture (%)	Employees in industry (%)	Employees in services (%)
Szabolcs-Szatmár-Bereg	3,79	31,09	65,12
Hajdú-Bihar	6,78	31,24	61,98
Békés	8,34	33,37	58,29
Csongrád	5,55	31,13	63,32
<i>Programme area in Hungary</i>	<i>6,12</i>	<i>31,71</i>	<i>62,18</i>
Satu Mare	45,5	29,5	25,0
Bihor	37,7	30,6	31,7
Arad	25,5	34,9	39,6
Timis	24,9	34,5	40,6
<i>Programme area in Romania</i>	<i>32,2</i>	<i>32,6</i>	<i>35,2</i>
Hungary*	5,0	32,4	62,6
Romania*	32,7	30,8	36,5

Sources: Hungarian Central Statistical Office, 2004, National Statistic Institute, Romania (2007)

Health

Table 20.

Geographical division of foreign in-patients in 2003

Area	Total number of patient	Foreign patient	Rate of the foreign patient (%)
Szabolcs-Szatmár-Bereg	144 451	1553	1,08
Hajdú-Bihar	167 719	1 476	0,88
Békés	87 435	348	0,40
Csongrád	128 566	1 540	1,20
Hungary	2 606 583	18 157	0,70

Sources: Development of the cross border health care and cooperation (patient mobility); National Health Insurance Fund in Hungary, 2005

Table 21.

Nationality of the foreign in-patients

Nationality	Number of case		Rate out of the total number of foreigners		Change	
	2002	2003	2002	2003	Case	%
German	1 607	1 516	8,50	8,35	-91	5,66
Romanian	7 400	7 743	39,14	42,67	+343	4,64
Serbian	1 506	1 187	7,96	6,54	-319	21,18
Ukrainian	2 865	2 613	15,15	14,39	-252	8,8
Other	5 530	5 098	29,25	28,05	-432	7,81
Total	18 908	18 057	100	100	-851	4,5

Sources: Development of the cross border health care and cooperation (patient mobility); National Health Insurance Fund in Hungary, 2005

Infrastructure

Table 22.

Public utilities

Area	Public water conduit (%)	Public sewerage (%)
Szabolcs-Szatmár-Bereg	91,5	44,0
Hajdú-Bihar	94,0	45,4
Békés	90,1	40,6
Csongrád	89,6	50,0
<i>Programme area in Hungary</i>	<i>91,3</i>	<i>45,0</i>
Satu Mare	44,01	39,36
Bihar	47,55	40,06
Arad	51,13	36,61
Timis	63,59	54,95
<i>Programme area in Romania</i>	<i>51,57</i>	<i>42,74</i>
Total programme area	71,4	43,9
Hungary	93,7	62,2
Romania	48,71	44,64

Sources: Hungarian Central Statistical Office, National Institute of Statistics (Romania) 2004

Education

Table 23.

Educational level of the population

Area	Without first class of primary education (% in 10-X years)	Only with primary education (% in 15-X years)	Only with secondary education (% in 18-X)	With university /college degree (% in 25-X)
Szabolcs-Szatmár-Bereg	1,2	10,5	80,0	8,3
Hajdú-Bihar	0,5	11,9	76,8	10,8
Békés	0,6	13,3	78,0	8,1
Csongrád	0,4	13,2	73,9	12,5
<i>Programme area in Hungary</i>	<i>0,7</i>	<i>12,3</i>	<i>77,1</i>	<i>9,9</i>
Satu Mare	5,8	13,6	73,7	6,9
Bihor	6,1	14,4	69,5	10,1
Arad	5,3	16,0	70,1	8,7
Timis	4,5	11,2	72,0	12,3
<i>Programme area in Romania</i>	<i>5,41</i>	<i>13,8</i>	<i>71,3</i>	<i>9,5</i>
Total programme area	3,1	13,1	74,2	9,7
Hungary	0,7	12,3	74,4	12,6
Romania	5,6	14,9	69,2	10,3

Sources: Hungarian Central Statistical Office - Census 2001, National Institute of Statistics - Census 2002 (Romania)

Table 24.

Research and development

Area	Rate of scientist and engineers to the country value	Rate of capital expenditures to the country value	Rate of the population
Szabolcs-Szatmár-Bereg	2,00%	0,56%	5,8%
Hajdú-Bihar	6,48%	6,99%	5,4%
Békés	0,64%	0,90%	3,9%
Csongrád	6,91%	2,70%	4,2%
<i>Programme area in Hungary</i>	<i>16,03%</i>	<i>11,16%</i>	<i>19,3%</i>
Satu Mare	0,16%	0,33%	1,7%
Bihor	0,17%	0,13%	2,8%
Arad	0,87%	0,22%	2,1%
Timis	4,36%	2,84%	3,1%
<i>Programme area in Romania</i>	<i>5,56%</i>	<i>3,53%</i>	<i>9,7%</i>

Sources: Hungarian Central Statistical Office, National Institute of Statistics (Romania) 2004

Tourism

Table 25.

Characteristics of foreign tourists coming to Hungary in the biggest share

	One-day visitors (Thousand person)	More-day visitors (Thousand person)	Total number of visitors (Thousand person)	Days spent in Hungary (Thousand days)	Total expenditures (Million HUF)	Expenditure per capita per day (HUF)	Motivation				
							Transit	Shopping	Business tourism	Free-time/leisure tourism	Other
Romanian	4 952 (Highest)	1 970	6 922 (Highest)	16 859 (Highest)	78 041	4 600 (Lowest)	52,9 %	23,1 %	1,9 % (Lowest)	18,2 % (Lowest)	3,9 %
Slovakian	3 993	1 119	5 112	9 170	43 950	4 800	18,1 %	27,2 %	3,4 %	36,8 %	14,4 %
Austrian	3 168	1 901	5 069	15 567	168 036	10 800	17,5 %	29,0%	3,7 %	44,8 %	5,0 %
German	943	2 011	2 954	16 686	151 483	9 100	34,5 %	1,3 %	8,4 %	53,5 %	1,9 %

Source: Hungarian Central Statistical Office, 2004

Table 26.

Number of tourists coming to Romania, of which Hungarian

	2005								2006				
	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Total	494.000	522.773	678.030	728.556	531.917	476.644	420.277	434.370	337.648	331.709	396.232	446.166	486.243
Hungarian	139.495 (28,24%)	131.190 (25,09%)	156.863 (23,14%)	149.741 (20,55%)	118.597 (22,3%)	115.814 (24,3%)	114.419 (27,22%)	104.882 (24,15%)	83.318 (24,68%)	81.791 (24,65%)	110.624 (27,91%)	112.586 (25,23%)	117.305 (24,12%)

Source: Monthly Statistical Bulletin for May 2006

Table 27.

Private accommodation in the North Great Plain and in the South Great Plain regions

	Number of beds by private quarters (Share from the national value - %)	Number of guests by private quarters (1000 person) (Share from the national value - %)	Tourist nights by private quarters(1000) (Share from the national value - %)
South Great Plain Region	5 683 (2,4%)	29 (4,3%)	121 (3,9%)
North Great Plain Region	18 024 (7,5%)	79 (11,6%)	326 (10,5%)
Hungary	240 376 (100%)	680 (100%)	3 094 (100%)

Source: Hungarian Central Statistical Office, 2004

Table 28.

Share of the inland and foreign tourists in the North Great Plain and in the South Great Plain regions

	Tourist nights at the commercial quarters (1000)	Of which foreign	Of which inland
South Great Plain Region	1 028 (5,4%)	257 (25%)	771 (75%)
North Great Plain Region	1 696 (9%)	576 (34%)	1 120 (66%)
Hungary	18 899 (100%)	10 508 (55,6)	8 391 (44,4%)

Source: Hungarian Central Statistical Office, 2004

Table 29.

Tourist capacity and service in the Romanian programme area

Area	Existing places (share from the national value)	Arrivals thousand (share from the national value)	Staying overnight thousand (share from the national value)	Rate of territory	Rate of population
Satu Mare	1.902 (0,7%)*	61,3 (1,2%)	97,0 (0,5%)	1,9%	1,7%
Bihor	10.475 (3,8%)*	216,6 (4,3%)	1178,3 (6,6%)	3,2%	2,8%
Arad	4.690 (1,7%)	151,0 (3,0%)	302,0 (1,7%)	3,3%	2,1%
Timis	5.187 (1,9%)	190,0 (3,8%)	514,0 (2,9%)	3,6%	3,1%
Programme area	22.254 (8,1%)	618,9 (13,6%)	2100,5(11,8%)	11,9%	9,7%
Romania	272.596	5.057	17.845	100,0 %	100%

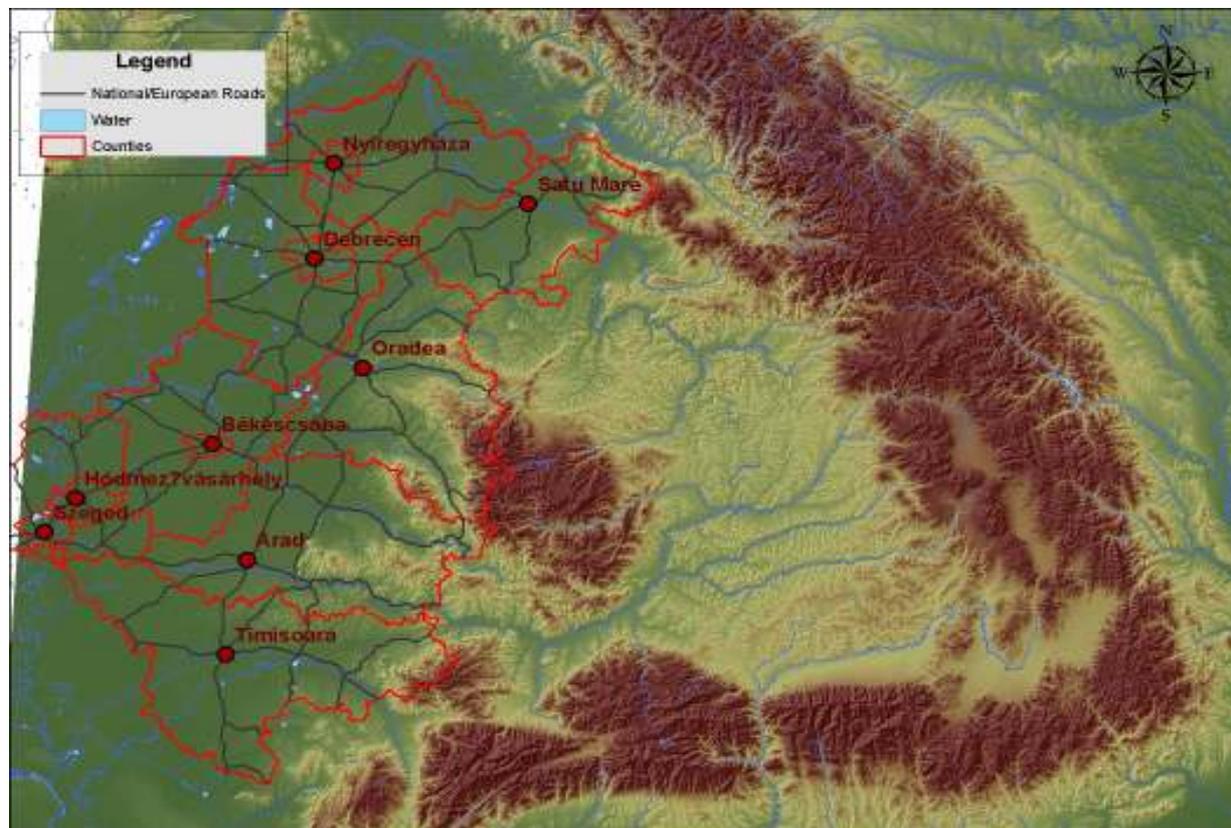
Source: Romanian Statistical Institute, 2004

*) for Bihor and Satu Mare counties the statistical data are for 2003

ANNEX 3 Maps

Map 3.

Geographical map of the area



Rivers crossing the border from Romania towards Hungary (worded from North to South)

- Tur
- Someș
- Crasna
- Barcau
- Crisurile (Repede, Negru, Alb)
- Mures

On the Hungarian side lies the Hungarian Great Plain and on the Romanian side lies the Romanian Western Plain, the Western Hills and the Western Carpathian Mountains.

Map 4

Transport lines in the programme area



Source: Megakom Consulting

ANNEX 4 County-towns

Satu Mare

Satu Mare city is placed in the north-western part of Romania, it is the administrative centre and in the same time the most important town of the county, with a population of cca.117.000 inhabitants (in 2002). Its favourable geographic position at the cross-roads of three countries (Romania, Hungary, and Ukraine) has a special strategic importance.

Satu Mare is a typical cross-border, multi-ethnic town: the structure of its population is 55% Romanians, 40% Hungarians, and 2,8% Germans. The city is passing through a significant social and cultural development process, proven by the increased level of investments and real estate prices, and also by the development of the educational system. Satu Mare is the educational and cultural centre of the county, with a developed educational network.

Nowadays Satu Mare is a dynamic city with an industry that is entering the global economy: it has a developed and continuously expanding business environment, and an increasing number of foreign-owned enterprises and multinational companies are present here. As many as 6000 enterprises are present on its territory, out of which approximately 1000 are foreign-owned. 71% of the total investments of Satu Mare county are concentrated in Satu Mare city. The most popular fields for investment are the machine building industry and light industry (with a proportion of cca. 50% of total investments).

Comparing to the other Romanian county towns in the programming area, Satu Mare has not so strong power in neither the leisure nor the shopping tourism.

Oradea

Oradea is only 10 km away from Bors, the most important border crossing point on the western border of the country. Oradea is the capital of Bihor county, and it has a population of 206.614 inhabitants (in 2002). The main part of the settlement is situated on the floodplain and on the terraces situated on the river Crişul Repede.

Oradea is also an important cultural centre, and one of the main education centres of Romania. The city is home of the University of Oradea, one of the largest and most modern universities in the country: it comprises 15 faculties, 3 colleges and 2 research centres (geo-thermal waters and medical) and has more than 20.000 students.

Oradea is one of the most prosperous cities of Romania. Due to its important base of consumers, Oradea enjoyed an economic renewal, not so much in industry but rather in the services sector. More than 10.000 companies are registered in Oradea recently, out of the total of 25.000 in Bihor county. The city accomplishes cca. 63% of the industrial production of the county, with traditional industrial branches, such as light industry (ready made clothes, footwear, leather, textiles), food, chemical, machine building industry, nonferrous iron and steel industry, as well as furniture manufacturing industry.

Oradea is famous for its thermal springs. The rich history, its buildings, and the geo-thermal water (also from Baile Felix and Baile 1 Mai) with its healing effect favour tourism development, and also recreation and entertainment.

Arad

The Municipality of Arad is the most important trans-European road and rail transportation junction point in western Romania, included in the 4th Pan-European Corridor, linking Western Europe to South-Eastern European countries. The Mureş River crosses the city from east to the west. The total population is 172.827 inhabitants (in 2002).

Arad is also an important cultural centre, and has a multi-ethnic and multi-confessional character: Romanians, Hungarians, Germans, Jews and Serbs make up its population. Arad offers to its visitors a real out-door museum of the architectural styles specific to the XVIII, XIX and XX centuries, art and historical monuments, as well as theatre performances, philharmonic orchestra concerts, plastic art and historical exhibitions, festivals and feasts. The city is also an important educational centre: two major universities - the "Aurel Vlaicu" University and the Western University "Vasile Goldis"- are located here, with above 13.000 students.

The geographical location of the city at the junction of major commercial roads, as well as the vicinity of the border has favoured the economical development of the city. The main industrial fields are: freight and passenger railcars, clothing and textiles, food industry, furniture and accessories for furniture, equipment for the car industry, electric components, as well as footwear industry. It is important to note, that a well-developed business infrastructure exists through the Curtici-Arad Duty-Free Area and of the Industrial Areas.

The international airport places at a 4 km distance from the city centre, where medium-sized passenger and cargo airplanes can land. The airport has a cargo terminal, which create favourable conditions for international cargo transport, through all of its facilities.

Timișoara

Situated in the western part of Romania, located at the crossing of three countries (Romania, Hungary and Serbia), with a population of 317.660 (in 2002), Timișoara represents a zone of interference of several ethnic groups, languages, customs and cultures. It is the centre of the West Development Region and capital of Timiș county.

The city is served by the second-largest airport of Romania, Traian Vuia International Airport, which is the hub of the Romania's second-largest airline, Carpatair that facilitates connection to a series of major European and domestic destinations. Timișoara is also an important railway centre and is connected to all major Romanian cities, as well as local destinations.

Timișoara is a significant cultural centre of Romania, holding cultural traditions, varied cultural patrimony, and diverse cultural offers. Timișoara is also a major educational centre of the region and of Timis county , it has a highly developed and diverse school education network. The university level education is represented by seven institutions (4 public, 3 private) – including the Western University of Timișoara and Timișoara Polytechnic University – with 33 facultatives offering specializations in diverse fields: economy, engineering, medicine, agriculture, etc. It is also the home of research centres with tradition and highly skilled staff in several domains.

Timișoara has a powerful industry due to the high quality of human resources, professionalism and efficiency of the public institutions and private firms. The Timișoara Science and Technology Park can be mentioned as an excellent example of public-private partnership, as a project being implemented with Timis County and Timișoara City Hall. The main industrial fields are: machine building industry, electronics, light industry (food, textile, footwear), and IT industry.

Timișoara is an important tourist attraction, both domestically and internationally. There are many historical traces recalling events of the past history of the country and numerous monuments of art, as well as original ethnographic and folkloric items. The tourist potential of the area is reflected mostly in the extremely favourable conditions for all kinds of tourism:

winter and summer sports, short and long-term relaxation, children and youth camps, balneary cures, etc.

County towns located on the Hungarian programme area:

Nyíregyháza

Nyíregyháza is the seventh biggest town of Hungary, with more than 115.000 inhabitants. It is the capital of the county from 1876, and in the same time the economic and cultural centre of the county. Due to its lucky geographical location, it means a bridge between west and east, in the nearby of three land border (Romania, Ukraine and Slovakia). Recently it has developed to one of the most popular tourist target point of the North Great Plain Region. Sóstó is an important part of the town, where various tourist attractions take place, such as the Zoo (which is the most visited Zoo of all in Hungary apart from the one in Budapest.), the Sóstó Thermal Bath, Aquarius Theme Bath, and the Museum Village (open air ethnic museum).

To its economic development has contributed the establishment of the industrial park, namely the Login Park in 1997, which offers opportunities for lunching plants companies in the field of processing, logistic, electronic, high-technology industries. The M3 motorway will reach the city in 2007, which probably will increase more the opportunity of the city in the field of logistic and its attraction for investments.

The College of Nyíregyháza means an important role in the higher education of the region, with 5 faculties. Its infrastructure has had a significant development in the recent years.

Debrecen

Debrecen is the second largest city in Hungary after Budapest. It is the regional centre of the North Great Plain region and the capital of Hajdú-Bihar county.

The city has been somewhat isolated due to poor transport links connecting to Budapest, and due to the fact that Hungary's transport system is very centralized. This retarded the city's tourist and economic potential. However, the new sections of motorway M30 have already significantly decreased travel times between Budapest and Debrecen. Just at the end of 2006 its construction had been finished. Debrecen Airport (the second largest in Hungary) has recently undergone modernisation in order to take more international flights.

In its industrial structure take place with a great part the food industry and the light industry. In the recent years the leader of the town improved mostly the living and leisure conditions for the inhabitants. Big leisure, sport halls and conference halls have been built, which offers proper places for organising international cultural and sport events. Event tourism gets a more and more role near its traditional cultural tourism.

Debrecen is home to a large university, University of Debrecen, whose main building is a widely recognized work of architecture. The university has many departments and is a major research facility in Hungary. The medical department of the University, traditional medical factory and geothermal potential together mean the basis of the health industry, which branch began to pick up.

Békéscsaba

Békéscsaba is a city in Southeast Hungary the capital of the county Békés. According to the census in 2001, there were 67.383 people residing in the town; between Hungarian, 6% of the population is Slovakian.

During the Socialist times Békéscsaba became the county seat of Békés (1950), and began to develop into one of the most important centres of food industry of Hungary. After the change of regime in 1990 the industry got into a crisis, lots of people lost their jobs. Today the crisis seems to be over and Békéscsaba recover again.

The nearest motorway M5 is rather far from Békéscsaba. The city has a secondary highway, the No. 44 one, which ensures access to the city from the direction of Romania and, respectively to Budapest. The other secondary highway running through Békéscsaba is the one, which connecting Szeged to Debrecen, viz. secondary highway No. 47. This highway mainly ensures connections within the frontier.

The Békéscsaba railway station is one of the largest rail centres and, at the same time, a determinant one of the southern region of the Great Hungarian Plain. The station lies by the electrified international long-distance railway line between Budapest and Lökösháza (Hungarian-Romanian border).

There is an airfield in the outer area of Békéscsaba. The airfield still has no scheduled passenger traffic. The flight time between Békéscsaba and Budapest is 1 hour in a 5-ton aeroplane.

Szeged

Szeged is the fourth largest city of Hungary, the regional centre of South-Great Plain Region and the capital of Csongrád county.

Szeged is situated near the southern border of Hungary, just to the south of the mouth of the Maros River, on both banks of the Tisza River.

There are more than 175.000 people residing in the city; 93.5% Hungarians, 0.7% Roma, 0.5% Germans, 0.2% Serbs, 0.2% Romanians, 0.1% Croats, 0.1% Slovakian and 5.9% other.

Szeged is the higher education centre of southern Hungary and has built quite a reputation for itself. Thousands of students study here, many of whom are foreign students from all around the world. The Centre for Biological Research of the Hungarian Academy of Science, which was built with the help of UNESCO funds, has also been a considerable source of advanced research. The University of Szeged was ranked as the best university of the country on Academic Ranking of World Universities – 2005, and one of the best 100 of Europe.

Szeged is famous from its food industry, the Szeged paprika and the Pick salami are world-famous. After the change of socialist regime, the importance of the towns in the county economy decreased.

ANNEX 5 Euroregions

Duna-Körös-Maros-Tisza Euroregion / Dunube-Criş-Mureş-Tisa Euroregion

Starting with 1997, discussions were initiated for the establishment of larger scale collaboration in the western part of Romania. At that time, Arad and Timiş counties from Romania, Bács-Kiskun, Békés, Csongrád and Jász-Nagykun-Szolnok from Hungary, and the Autonomous Province of Voivodina from Yugoslavia expressed their willingness for collaboration. Later, Caraş-Severin and Hunedoara counties from Romania joined the group in order to form a Euroregion, named the Dunube-Criş-Mureş-Tisa Euroregion.

The aims of the Euroregion are the strength the competitiveness of the agricultural sector, the improvement of the co-operation between the universities of the region (Szeged, Timisoara, Novi Sad) and development of the cross-border transport facilities (go on building of the M5 motorway, exploitation of the international Airport Timisoara's advantages).

Bihar-Bihar Euroregion

The Bihar-Bihar Euroregion was established in 2002, it includes the south part of the Hungarian Hajdú-Bihar county, and the Romanian Bihar county. Its seat is in Biharkeresztes. The aim of the association is to resettle the formerly prosperous economy zone of Oradea. To reach this, the improvement of the transport infrastructure is very important, especially regard to the reconstruction of the rail-line connection between Debrecen-Oradea. The erurogion concerns 55-60 settlements and around 200.000 inhabitants. The managing of the euroregion is handled by the participated counties, government of Hajdú-Bihar county and Bihar county council.

Carpathian Euroregion

The Carpathian Euro Region is made up of the most countries resulted the largest Euro Region in Hungary. It involves the Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Bihar and Satu Mare counties considering the programme area. Further regions are involved from Hungary, Romania, Ukraine, Slovakia and Poland. These counties seem to be peripheral areas. Having different legal and economic regulations and a lack of such institutions supporting CBC investments result difficult common operation of the involved countries.

Nevertheless, several international exhibitions, trade fairs arranged are arranged for private individuals, NGOs, and business men with co-operation of chambers and associations. Conferences and workshops are delivered in field of education and culture. However, it can be stated, that protocol, foreign affairs and cultural co-operations tend to be stronger instead of economic partnership.

Collaboration within the frame of these Euroregions is being carried out through the establishment of some direct links between the regions and communities situated on both sides of the state border, being a competence of local public authorities.

Direct links between local public authorities within the frame of the Euroregions covering entire state border is an asset for this area.

The cooperation of the local and regional (NUTS III) actors would be backed by the good governmental levelled relationship and stimulated by the favourable economic cooperation framework offered by the joint Trade and Industrial Chambers, set up either in Romania and Hungary.

ANNEX 6 Coherence with Sectoral Operational Programmes of Hungary 2007-2013

PRIORITY 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	Economic Development OP		Social renewal OP		Environment and energy OP		Transport OP	
	Coherence	Intervention	Coherence	Intervention	Coherence	Intervention	Coherence	Intervention
<i>1.1 Improvement of cross-border transport facilities</i>							x	Improvement of regional accessibility
<i>1.2 Improvement of cross-border communication</i>	x	Modern information infrastructure						
<i>1.3 Protection of the environment</i>					x	Waste management		
						Protection of water base, improvement of quality of drinking water supply		
						Elaboration of best practice in flood prevention		
						Protection of quantity and quality of water, prevention of further contamination		
						Increase the use of renewable energy		
						Preservation, renovation and development of common, protected natural values and areas		

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

PRIORITY 2: Strengthen social and economic cohesion of the border area	Economic development OP		Social renewal OP		Environment and energy OP		Transport OP	
2.1 Support of cross-border business co-operation	X	Development of business sites						
		Business consultancy, information and market services for entrepreneurships						
2.2 Promotion of co-operation in the field of R+D and innovation	x	Promoting RTD co-operations between universities, research institutes and entrepreneurships	x	Strengthening the role of the higher education in RTD				
		Development of innovation and technology parks		Strengthening social publication and recognition of RTD results				
2.3 Cooperation in the labour market and education – joint development of skills and knowledge			x	Labour market promotion, prevention and training				
				Increase of participation of Roma population in the labour market				
				Employment of people with special needs				
				Equal opportunities for women and men in the labour market				
			Vocational and adult trainings adjusting to the market demands					

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

				Comprehensive training programmes				
				Training programmes for those with special needs				
				Strengthening partnership in the labour market, development of institutions and mechanism of social discussions				
				Transparent labour market				
				Combination of formal, non-formal and informal systems				
				Development of inter-cultural education				
<i>2.4 Health care and prevention of common threat</i>			x	Improvement of quality and accessibility of social services, development of expert skills				
				Support for structural reform in health care				
<i>2.5 Cooperation between communities</i>			x	Development of cultural capital for social and cohesion and creativity				

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

PRIORITY 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	State reform OP		Electronic administration OP		Social infrastructure OP		Technical Assistance OP	
	Coherence	Intervention	Coherence	Intervention	Coherence	Intervention	Coherence	Intervention
<i>1.1 Improvement of cross-border transport facilities</i>								
<i>1.2 Improvement of cross-border communication</i>							X	
<i>1.3 Protection of the environment</i>								
PRIORITY 2: Strengthen social and economic cohesion of the border area								
<i>2.1 Support for cross-border business co-operation</i>								
<i>2.2. Promotion of cooperation in the field of R+D and innovation</i>								
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>					x	Development of labour market service infrastructure		
<i>2.4 Health care and prevention of common threat</i>					x	Preparation of the institutional system for structural reform in the field of rest patient service; establishment of efficient providing structure		
<i>2.5 Cooperation between communities</i>					x	Integrated development of culture infrastructure for partnership and networking		

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

PRIORITY 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	North-Great Plain OP		South-Great Plain OP	
	Coherence	Intervention	Coherence	Intervention
<i>1.1 Improvement of cross-border transport facilities</i>	X	Development of small roads (with 4 and 5 numbers) or roads belong to local government Improvement of public transport	X	Development of road accessibility Improvement of public transport
<i>1.2 Improvement of cross-border communication</i>	-	-		
<i>1.3 Protection of the environment</i>	X	Protection of natural values in North Great Plain,	X	Protection of natural values in South Great Plain,
PRIORITY 2: Strengthen social and economic cohesion of the border area	North-Great Plain OP		South-Great Plain OP	
<i>2.1 Support of cross-border business co-operation</i>	X	Development of business environment in the region Promoting cooperation Development of competitive tourist products and services Destination management Development of bicycle path	X	Development of business infrastructure in regionally balanced way Promotion of enterprises by consultancy Setting up cluster management organisations. Development of competitive tourist products and services Development of bicycle path
<i>2.2 Promotion of co-operation in the field of R+D and innovation</i>	x	Development of innovative potentials of the region	x	Development of the innovative infrastructure of the Region, innovative programmes
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>	X	Development of educational institutions, Development of the infrastructure of the civil organisations	X	Development of educational institutions,

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

<p><i>2.4 Health care and prevention of common threat</i></p>	<p align="center">X</p>	<p>Development of health care institutions Development of social care institutions Development of the infrastructure of the civil organisations</p>	<p align="center">X</p>	<p>Development of health care institutions Development of social care institutions</p>
<p><i>2.5 Cooperation between communities</i></p>	<p align="center">X</p>	<p>Development of public (recreational) institutions Development of the infrastructure of the civil organisations</p>	<p align="center">-</p>	

ANNEX 7 Coherence with the Sectorial and Regional Operational Programmes of Romania 2007-2013

PRIORITY 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	Regional Operational Programme OP		Human Resources Development OP		Increase of Economic Competitiveness OP	
	Coherence	Intervention	Coherence	Intervention	Coherence	Intervention
1.1 Improvement of cross-border transport facilities	x	2.1.The rehabilitation/ modernization of the county roads and urban streets network-including construction and rehabilitation of ring roads				
1.2 Improvement of cross-border communication					x	3.1. Supporting the Information Technology use
						3.2. Developing and increasing the efficiency of electronic public services
1.3 Protection of the environment						
PRIORITY 2: Strengthen social and economic cohesion of the border area						
2.1 Support for cross-border business cooperation	x	4.1 Development of sustainable business support structures of regional and local importance	x		x	1.3. Sustainable entrepreneurship development

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

		5. Sustainable development and promotion of tourism				
						3.3 E-Economy Development
2.2. Promotion of cooperation in the field of R+D and innovation			x		x	2.1 R&D partnerships between universities/research institutes, and enterprises for generating results directly applicable in economy
2.3 Cooperation in the labour market and education – joint development of skills and knowledge	x	3.4 Rehabilitation/modernisation/development and equipping of pre–university education and continuous vocational training infrastructure.	x	1.1 Quality in higher education		3.2. Investments in RDI infrastructure
2.4 Health care and prevention of common threat	x	3.1, Rehabilitation/modernisation/development and equipping of the health services infrastructure	x	1.2 Human resources development in education and training		
				1.3 Doctoral and postdoctoral programmes in support of research		
				6.2 Improving the access and participation of vulnerable groups to the labour market		
				6.3 Promoting equal opportunities on the labour market		
2.5 Cooperation between communities	x	3.2 Rehabilitation/modernisation/development and equipping of social services infrastructure		3.2 Development of partnerships and encouraging initiatives		

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

				for social partners and civil society 5.2 Promoting long term sustainability of rural areas in terms of HRD and employment		
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PRIORITY 1: Improvement of the key conditions of joint, sustainable development of the co-operation area	Transport OP		Administrative Capacity Development OP		Environment OP		Technical Assistance OP	
	Coherence	Intervention	Coherence	Intervention	Coherence	Intervention	Coherence	Intervention
<i>1.1 Improvement of cross-border transport facilities</i>	x	1.1 Modernization and development of road Infrastructure along the TEN-T priority axis 7 1.2 Modernization and development of railway Infrastructure along the TEN-T priority axis 22 2.1 Modernization and development of national road Infrastructure 2.2 Modernization and development of railway Infrastructure and passenger services						
<i>1.2 Improvement of cross-border communication</i>							x	3.2.2.3. Training of the users, distribution of user guides and communication related to SMIS
<i>1.3 Protection of the environment</i>					x	1.1 Extension/modernization of water/ wastewater systems		

HUNGARY-ROMANIA Cross-border Co-operation Programme, 2007-2013

						2.1 Development of integrated waste management		
						4.1 Develop and implement management plans for protected areas and provide the adequate frame of the management for institutions responsible for nature and landscape protection		
						5.1 Protection against floods		
PRIORITY 2: Strengthen social and economic cohesion of the border area								
<i>2.1 Support for cross-border business cooperation</i>								
<i>2.2. Promotion of cooperation in the field of R+D and innovation</i>								
<i>2.3 Cooperation in the labour market and education – joint development of skills and knowledge</i>								
<i>2.4 Health care and prevention of common threat</i>								
<i>2.5 Cooperation between communities</i>			x	3.2.2.1. Activities supporting the management of the reforms in local public administration				

ANNEX 8 Supported grant projects by PHARE-CBC

Theme 1: Business development

Grant scheme	Project name	Beneficiaries	Grant sum
On the Hungarian side			
HU2002/000-627-02 Cross-Border Economic Development Grant Scheme	A small-regional business service centre in Baktalórántháza	Local Municipality of Baktalórántháza	227 878 Euro
	Knowledge doesn't recognize borders	Chamber of Commerce and Industry of Békés County Service Public Company	360 572 Euro
	Euro regional agrarian and regional development programme centre	Csongrád County Agrarian Public Company	166 490 Euro
	Regional Centre for enterprise promotion	University of Debrecen, Centre of Agricultural Sciences	66 703 Euro
	Creating a Training Centre for small and medium sized enterprises in the cross border area	Euro-Region House Public Company	148 560 Euro
	Establishing a Training and Information Centre	Szabolcs-Szatmár-Bereg County Development Agency Public Company	325 454 Euro
	Cross-border Advisory, Training and Innovation Centre	University of Szeged	499 350 Euro
HU2003/005-830-01 Cross-Border Economic Development Grant Scheme	Founding of "House of Arts"	Municipal Government of Szentes	299 979 Euro
	Foundation of Centre for Innovation and Services	Hajdú-Bihar County Foundation for Enterprise Promotion	300 000 Euro
	Touch-Screen Tourist Info Terminals in Szeged	Szeged Region Tourist Service Public Company	88 075 Euro
	Developing cross-border rural tourism	Tiszasziget Municipality	77 964 Euro
	Inside and outside the European Union - a series of special cross-border exhibitions and conferences	Duna-Körös-Maros-Tisza Euro-region Development Agency	249 072,57 Euro
	Improve ability to absorb capital investment - Human resources development, training and innovation	Tessedik Sámuel College	168 397 Euro

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	Thermalcamera network for the Carpathian Thermal Region	Hajdúság Civil Centre and Databank Fund	99 712 Euro
	Development of Health Tourism in Vásárosnamény and Szatmár county	Local Government of Vásárosnamény	299 960,3 Euro
	Development programme for the cross-border tourism of Tiszavasvári and Sárközújlak	Municipality of Tiszavasvári	291 600 Euro
	Stimulating the economy by generating cross border ecosystems	Körös-Maros Foundation For Rural Development and Eco Farming	207 852 euro
	Border-land development - Establishment of a Regional Handicraft Centre	"Homokkert" Small Regional Agrarian Integration Public Company (Mórahalom)	296 100 Euro
On the Romanian side			
2001 PHARE CBC RO/HU Programme Program Code No: RO0102	Construction of a Regional Business Centre for promoting economic activities – Timisoara	Timisoara Chamber of Commerce, Industry and Agriculture	3 070 000 Euro
2002 PHARE CBC RO/HU Programme Programme Code: RO 2002/000-628-02	Arad International Expo Fair Centre	Chamber of Commerce, Industry and Agriculture of Arad;	2 710 000 Euro

Theme 2: Transport development

Grant scheme	Project name	Beneficiaries	Grant sum
On the Hungarian side			
HU0009 01-01	Development of the cross-border station Csengersima (Hu) – Petea (Ro) and the improvement of tracks to be suitable for cargo carriage on both sides	Hungarian Customs and Finance Guard	2 250 000 Euro
HU2002/000-627-01	Reconstruction of the Road No. 4915 between Nyírbátor and Vállaj	Road Management and Co-ordinating Directorate	1 819 030 Euro
HU9914-01-01	Improvement of the road from Kiszombor to the frontier	Road Management Company of Csongrád County	2 500 000 Euro
HU9914-01-02 and	Development of the	Road Management	2 500 000+950 000

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HU9705-04-06	road among Battonya (frontier) – Mezőkovácsháza – Orosháza	Company of Békés County	Euro
On the Romanian side			
1999 PHARE CBC RO/HU Programme RO 9912	Airport Cargo Terminal Arad	Arad County Council;	2 735 000 Euro
	Rehabilitation of DN6 Road between Timisoara and the Hungarian border (Cenad/Kiszombor)	Timis County Council + Ministry of Public Works, Transport and Housing/National Administration of Roads	1 235 000 Euro
2000 PHARE CBC RO/HU Programme Program Code No: RO 0003	Infrastructure facilities for Cenad / Kiszombor Border Crossing Point, 2 nd phase	Timis County Council + Ministry of Public Works, Transport and Housing / National Administration of Roads + Timis Customs Administration;	1 330 000 Euro
2002 PHARE CBC RO/HU Programme Programme Code: RO 2002/000-628-02	Crossover railway in Satu Mare on the route DN 19 to Petea (RO) - Csengersima (HU)	Municipality of Satu Mare	6 990 000 Euro

Theme 3: Research and development

Grant scheme	Project name	Beneficiaries	Grant sum
On the Hungarian side			
HU2002/000-627-02 Cross-Border Economic Development Grant Scheme	Agro-innovation Centre at the College of Nyíregyháza	College of Nyíregyháza	491 174 Euro
HU2003/005-830-01 Cross-Border Economic Development Grant Scheme	Training and innovation in the higher education of plant biology	University of Szeged	286 970 Euro

Theme 4: Environment protection

Grant scheme	Project name	Beneficiaries	Grant sum
On the Hungarian side			
HU2002/000-627-02 Cross-Border Economic Development Grant Scheme	Setting up a professional plant protection consulting system	Hungarian Chamber of Plant Protection Professionals and Doctors of Plant Medicine, Chapter of Hajdú-Bihar County	92 000 Euro
	Establishing of sustainable sand farming methods in the Nyírség region	Westsik Vilmos Foundation for Rural Development in the Nyírség region	135 000 Euro
HU 2003/005-830-02 Cross-Border Environment Development Grant Scheme	Development of the Infrastructure network for water damage protection in the Maros Valley in Hungary	Directorate for Environmental Protection and Water Management of the Lower-Tisza District (ATIKÖVIZIG)	498 509 Euro
	Establishing an ultrasonic discharge measurement network on the Hungarian- Romanian cross-border rivers Tur and Kraszna	“Upper-Tisa” Natural Protection and Water Management Authority	442 000 Euro
	Building of solid surface on the right side dam of Kraszna river, between 27+400- 33+450 dam km sections	“Upper-Tisa” Natural Protection and Water Management Authority	499 985 Euro
	Development of flood protection on river Kettős- and Sebes- Körös	Körös-valley District Environment and Water Directorate (KÖRKÖVIZIG)	500 000 Euro
	Expansion of the waste water treatment plant in Ruzsa	Local Government of Ruzsa	458 810 Euro
On the Romanian side			
1999 PHARE CBC RO/HU Programme Program Code No: RO 9912	Flood Prevention in the Upstream Tisa River Basin	Ministry of Waters, Forests and Environment Protection + National Company “Romanian Waters”	2 450 000 Euro
2000 PHARE CBC RO/HU Programme Program Code No: RO 0003	Flood Prevention: Suplacu de Barcău Permanent Accumulation Basin	Ministry of Waters and Environment Protection + Bihor County Council Törölt: + “Romanian Waters” National Company-Oradea Branch;	

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	Tur River Environmental Protection	Negrești-Oaş City Council + National Company "Romanian Waters" /Water Directorate Someș-Tisa.	2 300 000 Euro
2001 PHARE CBC RO/HU Programme Program Code No: RO0102	Protection and promotion of the Meadows of Mures River	National Forests Administration - Forestry Directorate of Arad	2 670 000 Euro
2003 PHARE RO/HU Programme Programme code: PHARE/2003/005-702	"Romanian Hungarian Corridor for the Biodiversity Conservation"	National Forests Administration - Forestry Directorate of Bihor	2 600 000 Euro

ANNEX 9 – Ex-ante report

Ex-ante Evaluation

of the

**Hungary-Romania Cross-border Co-operation
programme document 2007-2013**

Final version, submitted on 30 April 2007, based on the 11. Draft OP version of March 2007

Prepared by:



[Pillars Consulting Ltd.](#)

Commissioned by:

Váti, Hungarian Public Nonprofit Company for Regional Development and Town Planning

Introduction

The aim of the ex-ante evaluation is to provide an independent expert view on the Programming Document. This ex-ante evaluation is carried out by Pillars Consulting Ltd, a consulting firm experienced in the field of EU programming evaluation.

More specifically, the evaluation examines the “Analysis of the Programming Area”, the SWOT, the Strategy, the Priorities and the implementation and financial provisions in order to establish if the Programming Document is in line with the EU regulations. In order to be in line with those regulations, the Programming Document has to be clear, concise and accurate, strong logical links should lie between the problems and opportunities identified on the one hand and of the strategy and priorities on the other hand.

The Programming Document should reinforce and not duplicate the goals of the other Programming Documents by identifying specific funding gaps and cross-border synergy possibilities and filling those gaps by specifically designed interventions.

The execution of the programme should be easily monitored by drawing adequate indicators and an efficient and transparent implementation system.

The evaluators have relied on the relevant rules of law and methodology guidelines.

Antecedents of the evaluation

The ex ante evaluation process was based on the co-operation of the authors and the evaluators. The final report was prepared on the basis of continuous liaising, regular and occasional consultations and exchanges of opinion. This co-operation was co-ordinated by VATI.

Milestones of the evaluation:

- First evaluation: the evaluation considered the November 2006 version of the OP. The first report with detailed remarks was completed and sent to the authors of the Programme in the end of December 2006.
- Hungary-Romania OP authors - ex-ante evaluators meeting (17 January 2007): At this meeting organised by VÁTI Kht. the comments raised in the ex ante evaluation and the reactions of the OP authors were discussed.
- 5th Task Force meeting of the Hungary-Romania Cross-border Co-operation Programme: Held on 30, January. At the Task Force meeting the methodology and the main findings of the ex-ante evaluation were presented, followed by the OP authors’ reactions to the ex ante remarks.

Eligibility check

Respect	YES/ NO	Comments
Contains the 5 major chapters (Analysis of the programme area, Strategic, Priority axes, Implementing provisions, Financial provisions)	Yes	
Analysis of the programme area		
Contains the main driving forces of social and economic development, the development tendencies, and covers the	Yes	

sectoral and regional dimensions		
Shows regional and/or local disparities	Yes	
Presents the strengths, weaknesses, opportunities and threats in the form of a SWOT analysis	Yes	
The chapter contains cross references to all the relevant documents of the detailed analysis	-	No reference to other documents, only to statistical tables contained in the annexes
Limited volume (maximum 10 pages)*	No	
Contains indicators and statistical data	Yes	
Takes into consideration the lessons learned from the previous programming period, the experience of other regions or member states and the conclusions of the ex ante evaluation	Yes	

Strategic		
Based on the analysis of the programme area	Yes	
Contains a comprehensive objective	Yes	
Contains specific objectives	Yes	
Contains priority axes and their justifications	Yes	
Specific objectives are in line with the priority axes	Yes	
Specific objectives can be measured with output, result and, if possible, impact indicators	Yes	partially
On programme level, contains an indicative division by categories	Yes	
Contains a summary of the main findings of the ex ante evaluation	-	
Briefly outlines the partnership process leading to the identification of the programme strategy	Yes	
Describes how the equality of the sexes and equal opportunities will be ensured	Yes	
Describes how the programme aims to ensure sustainable development	Yes	

Priority axes		
Contains the main objectives of the priority axes	Yes	
Contains measurable, clearly defined indicators with their basis of departure given, explains the measuring method and outlines the source of information	Yes	partially
Identifies the target group/sector/area and/or the beneficiaries	Yes	
Provides information about distancing from similar activities financed from other sources and about linking with other programmes	Yes	
Technical assistance is presented as a separate priority	Yes	
Implementing provisions		
Describes the implementation and control organisations (MA, CA, AA, IB)	Yes	
Describes the monitoring and evaluation systems	Yes	
Contains the summary of the evaluation plan	Yes	
Outlines the order of procedure of the accounting, monitoring and financial reporting systems	Yes	
Sets out the measures planned to ensure the publication of information related to the OP	Yes	
Outlines on all levels of implementation the measures taken to ensure the principle of partnership	Yes	
Financial provisions		
Contains priority level, simplified financial tables	Yes	

Evaluation of the analysis of the programme area, of the SWOT analysis and of the relevance

Are the statements of the situation analysis supported by reliable and comparable data from both sides of the border?

Is the situation analysis complete, including all relevant factors with regards the border area and the programme?

Is the situation analysis sufficiently focused on the special characteristics of the border area?

Is the „SWOT” analysis correct: are the statements correctly categorised as strength, weakness, opportunity or threat? Is the SWOT focused on the border area, presenting its specific analysis?

Is there a differentiation between the significance or importance of the SWOT statements?

The programme document should contain the region and sector specific situation analysis of the given border region with regard to the various strengths and weaknesses. The SWOT analysis describes in a concise manner the strengths, weaknesses, opportunities and threats of the border region and also gives a textual conclusion of the analysis by grouping SWOT elements. The joint aim of the situation analysis and the SWOT analysis is to provide a relevant foundation for the strategic decisions.

Compared to the earlier versions, the situation analysis part shows significant improvements both in content and quality. In the course of the preparation of the chapters the authors took into consideration and included in the document the majority of comments and suggestion made by the evaluators earlier. Earlier evaluations noted that the analysis of the programme area did not focus properly on the area specific problems and their root causes, consequently did not always provide a relevant foundation for the SWOT analysis. The presentation of data underlying the main region or sector specific processes often lacked background information and a root cause, the situation analysis concentrated mainly on statistical data and was of descriptive nature. One of the major changes implemented by the authors was that with the help of observations inserted at the end of each topic, they managed to sum up the problems typical of the given area and their causes in an adequate way. These relevant observations provide an appropriate basis for the SWOT analysis, but resulted in an unwelcome change as far as the volume of the situation analysis is concerned. In the light of the objectives of the Programme and preserving the observations serving as the basis of the SWOT analysis, it would be possible to reduce the length of the individual chapters.

The situation analysis is properly supported by data, the inaccuracies and insufficiencies identified by the earlier evaluations have been addressed. The tables containing the statistical data used during the completion of the document are collected in a separate annex at the end of the document, with references placed within the main text. The analysis took into consideration the significant differences between the two countries in the state of development of a number of areas and the resulting differences in their social and economic characteristics. It is an advantage that there are mostly relative indicators in the text, and that comparison with EU figures is of proper frequency. Both the situation analysis part of the document and the annex contain maps and charts about the area of intervention. The bar charts to be found in the chapters of the analysis of the programme area are informative.

The description of the counties involved in the programme, which is to be found at the end of the document, in Annex 4, can be linked to the analysis of the programme area. The description is limited to county centres instead of covering the whole territory of the counties,

and focuses almost exclusively on the positive aspects and tourist attractions, without mentioning the problems and the sectors waiting to be developed. In the evaluators' opinion, this part in its current form does not contribute significantly to supporting the objectives and the strategy, and, in addition to it, has a negative effect on the size of the document.

1. table. The main evaluator remarks about the Analysis in the previous Programme versions

General remarks
<p>text itself is nothing more than the transcription of statistical tables; the expected additional value of experts is completely missing; the main "problem or opportunity areas" are not obvious.</p> <ul style="list-style-type: none"> - establishment of logical links between data (i.e.: analysis) - substantial conclusions - a "how-we-got-there" type of analysis
<p>the key aspects of the area should be given in a clear and concise manner, and at the same time the main challenges should be described. The origin of these challenges has to be explained in particular in cross-border programmes and the negative effects of the existence of these borders should be pointed out.</p> <p>The chapter has to identify challenges (both positive and negative), ...</p>
<p>A strong analytical focus has to be added and graphs, maps and tables should be inserted where the better understanding of a particular issue requires it.</p>
<p>A specific title should be given to the tables</p>
Specific remarks
<p>Two irrelevant statements are as "effects of the cities to the other side of the border"</p>
<p>advantages compared to what could not be seen really. To the minor cities? If yes what's the point? To each other?</p>
<p>Table 5: data are missing; no source is referred to Table 9: Data are missing Table 10: Data are missing Table 11: Data missing and no source is identified Table 7, "Changes" column should precise that the 100% is not the growth but the basic value.</p>
<p>Table 6: No NUTS 2 level data is given for Romania. Data are incorrect for "west region" and "north west region" and Romania lines. (The sum is lower than 100). No data is given for "Programme area in Romania". Other data are missing as well.</p>
<p>The Annex 2 "County towns" presents needs some serious revision. ...feeling of reading some tourism leaflets ("places to see"???). Only positive aspects are mentioned without too much goal at the end. ...the complete lack of the presentation of a strong methodology on which the tables were computed and values were given makes the tables inappropriate. The graphs used in this Annex 2 for showing the "Intensity of the towns on the different fields" are surprising. Lack of the presentation of a strong methodology on which the tables were computed and values were given makes the tables inappropriate.</p>

Further explanation is required.: the areas economical structure is “fragile”, because of the high rate of agriculture in the GDP “competitiveness of the enterprises is limited”.
Infrastructure: Focus should be given to the presentation of the “missing links” –as described (only) for railway infrastructure. The poor quality of the infrastructure especially of roads could be described in more detail.
the level of detail for analysing the Hungarian and the Romanian telecommunication infrastructure presents a disparity
If R&D activities in a specific county are compared with the national average then the relative weight of the county should also be presented. This could be done either by giving the percentage of population or the GDP compared to the national average. In this way a relative weakness or strength could be identified.
“Comparing data of Table 12. in the Annex 1., on the Hungarian and Romanian side the most important issue is the slightly higher rate of population with lower education and the slightly lower rate of population with middle and higher education on the Romanian side”. How a „slightly lower rate” can be „the most important issue”?
no information related to Hungary regarding flood prevention (state and age of installations). The list of completed projects could be expanded to those on-going and under preparation (with the geographical delimitation of their use). A map would be welcome. Further information on underground water, water quality (in case of Hungary) could be added to the chapter.
No information is given on waste management and treatment and on industrial pollution risks (especially of water basins).
Tourism: The data are not symmetrical in terms of Hungary and Romania The major missing point is however, the conclusion. Is there an opportunity to promote cross-border tourism? Are there enough quality accommodation? Is there a need to develop further attractions? What are the fields where co-operation could bring the case forward? Etc

The brief geographical and social description of the border area is satisfactory. The statistical tables presented in the annex at the end of the document – with the help of the references at the end of the paragraphs – provide a proper basis for the observations. At the same time, for instance when describing the development of the settlement structure (‘micro-villages’ in Szabolcs-Szatmár-Bereg county) or outlining the current migration trend, it would be advisable to present the underlying reasons more emphatically. The outline of the economic situation of the programme area contains the fundamental information. Based on data and with frequent comparisons to EU figures, it presents the differences and general problems springing from the different economic structures of the two countries. In connection with the future chances for growth, it would be worth mentioning that the economic differences between the two countries are expected to decrease, especially in the border region, due to the expected strengthening of the Romanian economy. In the introduction of the SME sector, which is in a disadvantaged situation in various aspects, it would have been advisable to include some figures (e.g. the per capita income-generation capacity depending on the size of the enterprise).

The chapter describing the labour market situation deals markedly with structural unemployment and the economic activity of the population. It would have been worth mentioning in the analysis the long term, economically unfavourable demographic processes, and the processes and possible benefits, problems resulting from the lifting of labour market restrictions. The analysis of the programming area points out that in the field of health care the priority objective is to improve cross-border co-operation and develop joint services. The

evaluators find it important to note that, due to the differences in the financing and legal systems, the health care co-operations between the two countries do not come under regional level (NUTS III) authority exclusively, so consultations should be conducted on national level.

The analysis describes the areas with underdeveloped infrastructure, and outlines the possible development directions. The evaluators find it important to stress that such infrastructural developments should only be implemented under the Programme which have beneficial effects on both sides of the border.

The analysis of the programme area highlights the joint tasks related to the protection of nature protection areas, ecological corridors and rivers. The maps showing the distribution of Natura 2000 areas between the countries are difficult to survey, due to the layout. It would be worth presenting all the counties involved in the programme in one single map, thus showing the cross-border nature protection areas in an illustrative way.

The part dealing with tourism emphasises the significant volume of traffic between the two countries. It should be stated more pronouncedly that this phenomenon cannot be considered as fully beneficial for tourism, as most of it is transit traffic or shopping tourism.

SWOT analysis

The SWOT analysis offers a comprehensive picture of the major social, economic and environmental factors and influences which affect the programme area. Evaluators noted about the earlier OP versions that some observations were not placed in the appropriate category, and that the otherwise important and true observations were not based on the analysis of the programme area.

2. table. The main evaluator remarks about SWOT in the previous Programme versions.

General and specific remarks
The high or growing number of visitors is not a strength
Significant rural areas and high dependency on agriculture in itself is not a weakness
Continuation of the relatively low level of economic development: Since both countries have a high rate of GDP growth this is hardly a threat. Moreover, with this phrasing this is rather a potential scenario, than a threat.
many of the statements cannot be found in the previous chapter, such as: - Poor R&D infrastructure and low level of co-operation - Low level of ICT usage - Weaknesses of the tourism sector - Deficiencies of skills

The authors took into consideration the evaluators' comments when preparing the current version of the OP, as a result of which the SWOT analysis is much more coherent with the analysis of the programme area and the observations are mentioned in the proper categories. The strengths, weaknesses, opportunities and threats identified in the situation analysis are generally adequate and important, and are in harmony with the items contained in the SWOT table. The table is clearly arranged, the observations are organised in line with the structure of the situation analysis. The authors supplemented the tabulated analysis with

a list of the disadvantages typical of the region and the major directions of development. The suggestion made by the evaluators earlier to set out the findings of the SWOT analysis in an order congruent with the structure of the analysis of the programming area was disregarded by the authors. An important and valuable element of the document is that the evaluation of the results of the SWOT constitutes a separate chapter, highlighting the observations important from the point of view of the Programme's strategy.

Description of programming process and experience with previous cross-border activities

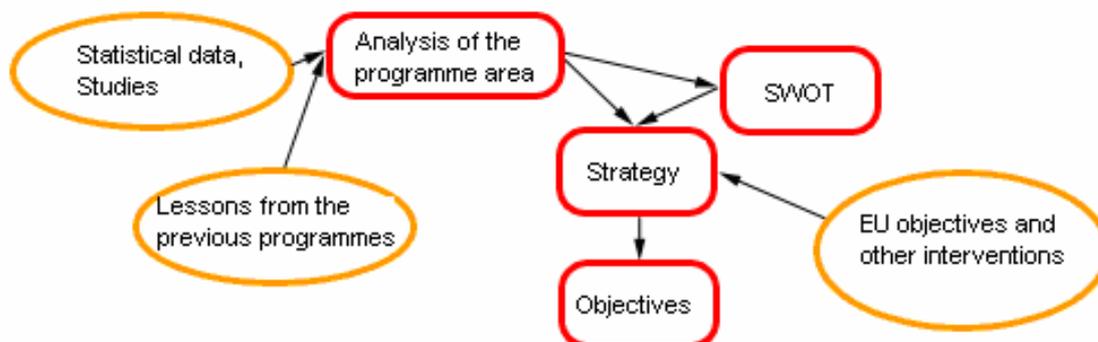
The earlier versions of the programme document did not contain an overview of the programming process, it was not clear who were or who had been involved in it. Furthermore, the evaluators found it important that a short summary of the implementation experience of the PHARE CBC, which in many aspects can be considered as the predecessor of the current programme, be presented in the document. Acting on the suggestion of the evaluators, the authors included in the document the overview of the programme drafting process which covers the relevant organisations, the main stages of the working process and the role of social consultation. Besides the brief introduction of the earlier (2004-2006) PHARE CBC Programme, it is important to note that though its implementation has not been completed yet, the major negative and positive lessons are mentioned. If the authors and, more importantly, the implementors take these observations into consideration, it may contribute significantly to the success of the Programme and to the fullest possible realisation of its objectives.

Evaluation of the relevance

Are the strategic goals of the programme based on the elements of the SWOT analysis; are there logical connections between them?

Is the strategy built on the justified elements of the SWOT (such as (reinforcing the strength, reducing of weaknesses, catching the opportunities and avoiding threats)?

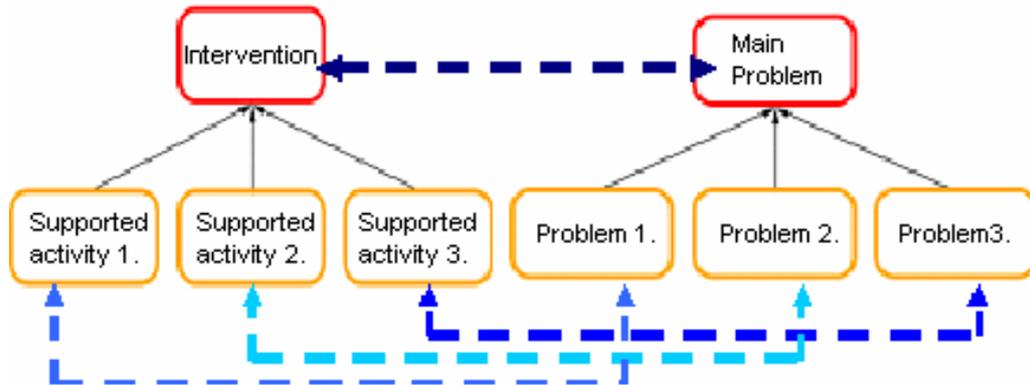
The logic of the relevance of the Operational Programme:



The above flow chart demonstrates what kind of foundation analyses and external directives should govern the forming of the strategy which provides the basis for the objectives of the Operational Programme. As far as relevance is concerned, the strategy should be based primarily on the findings of the analysis of the programme area and the SWOT analysis, and should be in line with the relevant EU and national policies. The objectives, the areas of

intervention and the supported activities should always correspond to an overall or a specific problem or opportunity. It is the task of the analysis of the programme area and the SWOT analysis to present the initial problems.

Cause and effect check:



In the course of the examination we aim to answer the following questions:

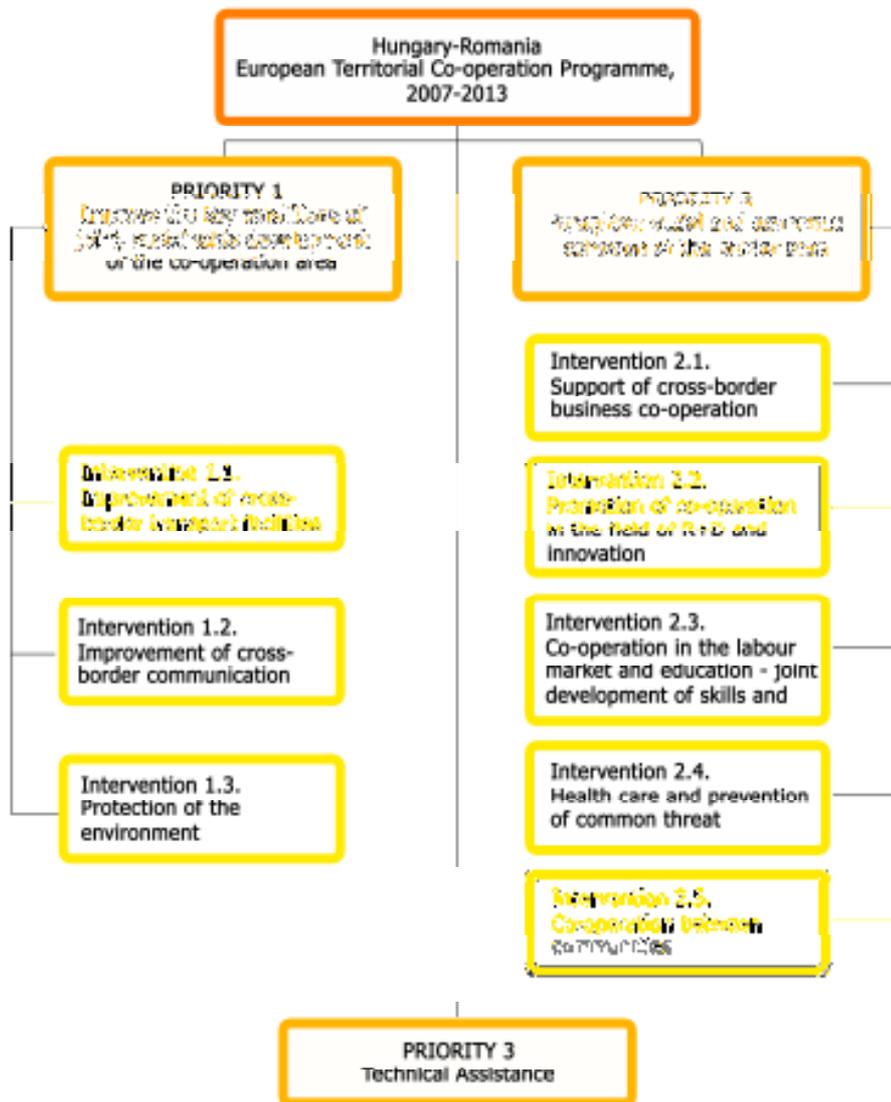
Does each and every objective offer a solution for a given problem identified in the OP?

Have the problems and needs been justified?

Where does the Programme analyse or present the given problem and the supporting evidence?

The following chart provides an overview of the interventions proposed under each

Priority:



As far as internal logical links and relevance are concerned, the document has undergone some significant improvements. The evaluation of the earlier programme versions noted that while the SWOT analysis was properly elaborated and provided a relevant basis for the justification of the necessity of the intervention areas, the logical link between the analysis of the programming area and the SWOT analysis or the intervention areas was not satisfactory. The problem descriptions which provide the basis for the specific interventions were often missing from the relevant chapter of the analysis of the programming area.

3. table. The main evaluator remarks about relevance in the previous Programme versions

Remarks
The lack of relation between “description” and the SWOT”,
No information on cooperation between communities is to be found in the Description and in the SWOT
No information on health is to be found in the Description and in the SWOT

There are no deficiencies in the internal logical continuity of the current version of the OP. The objectives set out in the programme and the interventions to facilitate them are properly supported. In the course of the examination the evaluators found that all areas of intervention have their necessity and underlying problem presented either in the analysis of the programming area or the SWOT analysis. The improvements added to the analysis of the programme area, which mainly concentrate on the summaries to be found at the end of each chapter, provide a suitable basis for the observations set out in the SWOT analysis. At the same time the processes and negative tendencies underlying the various problems are often presented only in the summary part. The not highlighted parts of the analysis of the programme area remain to be of descriptive nature mainly, whereas the already mentioned observations of “analytical approach” can usually be found in the summary at the end of each chapter.

Analysis of the level of commitment towards the strategy

Were the relevant stakeholders involved in the preparation of the documents?
 Does the document reflect the development areas, goals and means as required by the stakeholders?
 Is there a consensus between the opinion of the public, stakeholders and the findings of the document?

The earlier versions of the OP did not contain the sufficient amount of information about partnership activities conducted during the preparation of the programme. The Partnership subchapter provides general information only, without any specific details (e.g. dates, participants, results)

4. table. The main evaluator remarks about the level of commitment toward the strategy in the previous Programme versions

Remarks
Description of the partnership activities is insufficient. Missing:
Who were the participants?
What were the opinions expressed?
To what extent were these opinions taken into consideration?
The main pieces of information needed are (indicative list):
description of how the planners involved the stakeholders in the preparation of the document
Is the document available for download on the internet?
Were there any comments sent by the stakeholders?
What were the main areas of interest?
How will the continuous publicity of the programme be ensured?

When preparing the final version, the authors took into consideration the majority of the evaluators' comments. Chapter 1.2 (Description of programming process) outlines the partnership activities conducted in the course of the preparation of the programme. The

responsible and co-operating organisations are listed in the document. The document contains a general description of the consultative role of the major elements in the work process (Task Force meetings, workshops), but the important conclusions made at various stages of the consultation process and the possible differences of opinion are not presented. In order to ensure that the wider public have access to the document, the draft versions of the OP were made available for download and comment on the website of a relevant institution in both countries. At the same time it would have been advisable to supplement the subchapter with some figures (e.g. number of downloads, number of comments).

Analysis of the support, economic rationale and general consistency of the strategy

Main Evaluation Questions:

Analysis of the support of the strategy

Are the goals and priorities of the programme in harmony; do the goals and the underlying analysis justify the allocated amounts and their proportions?

The economic rationale of the strategy

Does the strategy focus on the main problems?

Can the strategy be carried out with the given resources?

Internal consistency

Is there overlapping among the various priorities? Are there any conflicting or mutually weakening effects? Can synergies be identified?

External consistency

Is the strategy in conformity with the relevant EU and national strategic documents?

When drafting the objectives and the chosen strategy, the authors took into consideration the characteristics of the border region, the lessons of the previous programming period and the Community Strategic Guidelines for the 2007-2013 period. The overall objective is to reduce the dividing role of the border, thus assisting the social and economic development of the border region. This objective is supported by the specific goals which include the social and environmental aspects, and the related priorities and intervention areas. The specific objectives, which support the overall goal and stem from the priorities, focus on the development of the economy, society, infrastructure and environment. The overall strategy of the cross-border co-operation programme should be based on the problems and opportunities identified by the analysis of the programming area and the SWOT analysis. The authors dealt with two segments of the OP's strategy: improvement of the physical and electronic infrastructure and increased co-operation between the parts of the programme area. Evaluators noted about the earlier versions of the OP that the problems and opportunities constituting the basis of the strategy were raised in the SWOT analysis mainly, and the observations and antecedents were often missing from the situation analysis. The "Evaluation of the relevance" chapter deals with this in more detail.

5. table. The main evaluator remarks about the consistency of the strategy in the previous Programme versions

Remarks
Activity is 2.4. "Health care and prevention of common threat". First of all the activity is "out of the blue". No mention of any problem, need or opportunity is mentioned previously.
The activity 1.3. Encompasses many of the 2.4. goals namely the co-operation in various fields of environment (emergency) preparedness.
Health care services are regulated and financed at state level so the activity should put more emphases on how regional level (NUTS III) intervention will be possible let alone beneficial.
Rather a wrong choice of name for activity 2.3. where labour market is mentioned. Co-operation in this field will only be possible if state regulations are taken care of and applied already in the planning phase.
The chapter (3.6: Coherence of the programme with EU objectives and other interventions) however is in large part missing... ...an analysis of the delimitation of this programme to the other regional and sector OPs as to insure no financing overlapping will occur

In the current version, the analysis of the programme area and the SWOT analysis provide a proper basis for the strategy, and the areas of intervention described within the priorities are suitable for the realisation of the strategy. Shortcomings identified in the course of the evaluation were address by the authors. In the case of areas with co-ordination difficulties (e.g. healthcare), more emphasis is given now to taking into consideration the special characteristics resulting from the different legal background of the two countries. In the case of areas with difficulties resulting from the different legal background (health care, labour market) the differences between the national systems are presented more emphatically, consequently it would be reasonable to support exemplary pilot projects in the beginning. The evaluators have not found overlaps between the priorities. The various intervention areas are also clearly marked off, the earlier overlaps have been eliminated.

Considering the external coherence of the OP, it can be stated that the authors took into consideration the relevant EU policies and directives and the development strategies of the two countries. The external coherence of the various areas of intervention with EU directives and sectoral operational programmes is demonstrated with the help of tables. At the same time, the evaluators note that in the case of several key sectors (e.g. transport) the chapter dealing with the topic of external coherence lacks references aiming at ensuring a clear demarcation between the OP and the sectoral programmes of the given countries, made with the intention to avoid overlaps in financing.

The financial allocation is likely to satisfy a small part of the expected demand only, given the large size of the region. The OP does not contain the allocation of funds among the various areas of intervention (only at priority level), so we are not in the position to perform the joint evaluation of the allocation of funds and the objectives planned to be achieved.

Quantitative analysis of the goals

Is the hierarchy of the indicators acceptable in relation to the hierarchy of objectives?

Are the indicators SMART?

Are the indicators easily collectable on both sides of the border?

Are there any key-indicators making it possible to compare various programmes?

Are there any proxy indicators in those cases where no SMART indicator can be established?

Does the programme contain any information regarding the procedure for collecting and analysing the required data? Are those data suitable for the monitoring and evaluation process?

As a result of regular consultation, the system of indicators was changing and improving continuously during the evaluation period. The authors took into consideration the recommendations of the evaluators and the European Commission, which helped them to define more specific indicators, and they provided target values for the output indicators, too. Some indicators were rather vaguely defined, most of these have been supplemented.

The definition of the indicator 'Improved environmental situation', which belongs under Priority 1 (Improvement of the key conditions of joint, sustainable development in the co-operation area), is still unclear. In the evaluators' view, it should be specified what is meant by "improved environmental situation", and what is the point from which an area can be considered as improved. In Priority 1 two output indicators currently have identical names (Reducing isolation) though they measure different things. It would be advisable to give them different names, in order to avoid any mix-up.

It is problematic that the starting value is zero in the case of almost all indicators. (The only exceptions are areas where there was no need to set a target value) It means that the usefulness of the interventions cannot be assessed, the connection between the current conditions and the objectives of the programme, the real significance of the programme cannot be revealed. With the funds allocated to the intervention areas left undefined, the reality of the target values of the indicators cannot be established wholly. For better visibility of results it is preferred to have both absolute and relative numbers. Only absolute values have been assigned to the result indicators of the document.

The document does not provide information about the method of setting the target value of the indicators. According to the authors, the indicative allocation of funds among the various interventions was taken into consideration when setting the target values. Presumably this holds true for the 'Number of projects' indicators only. But the evaluators did not find any reference to the allocation of funds among the interventions in the OP, allocated funds are broken down by priority only in the document. As according to the Working Paper on Interreg Programmes, it is not required to set a target value for the context indicators, the financial evaluation of the indicators cannot be carried out at the moment. Furthermore, the evaluators find that the target value of 'Level of people to people' co-operation (2500 people at jointly organised/attended events in 7 years) is rather low. (Though the attendance of such events is not known)

The indicator system contains only one impact indicator (Level of economic co-operation), which, in the view of the evaluators, does not cover the priorities fully. There is no impact indicator attached to one of the main objectives (Strengthening social cohesion), which constitutes 'one half' of Priority 2. (There was one in the earlier versions)

Earlier the evaluators suggested that the definition of the impact indicator (% growth in the share of Romania in the annual foreign trade turnover of the Hungary and vice versa) should be changed and the volume of trade should be expressed in absolute value, but, according to the authors, this data is rather difficult to obtain. Not having the current base values at their disposal, the evaluators find it difficult to decide whether the expected 5% increase in volume is too low or ambitious enough measured against the significance of the programme.

The indicators have been set on the appropriate programme levels, though earlier the logical link between the indicators of the various levels was incomplete, the results did not follow from the outputs clearly, etc. In the current document the indicators fall into a transparent hierarchic order (see Table 'Logical connections of indicators Priority 1.').

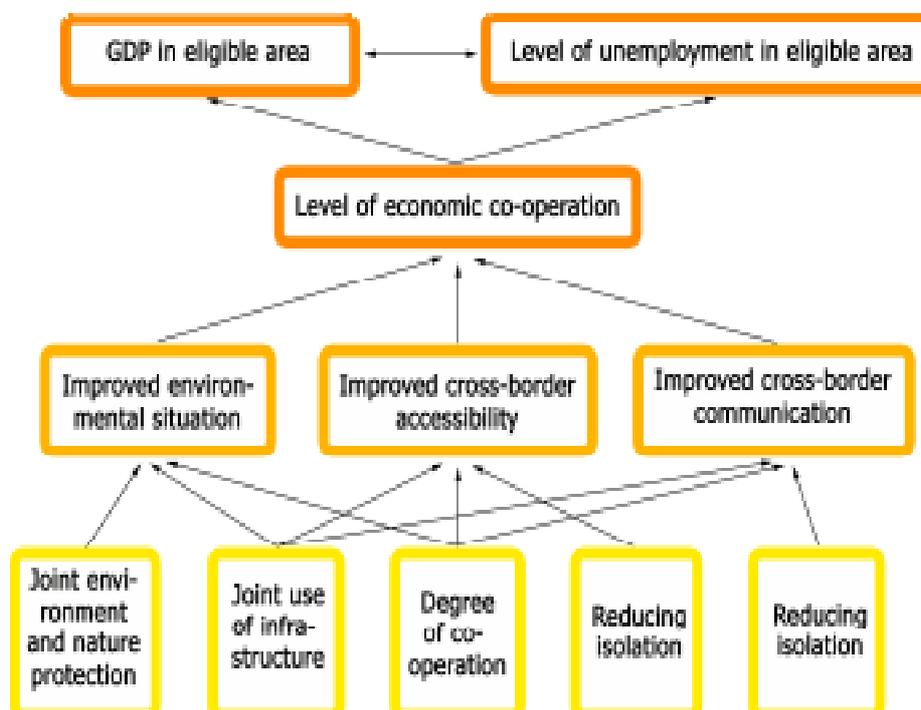
Each intervention has to have specific output and result indicators and priorities should have specific impact indicators. The hierarchy of indicators by and large corresponds to the system of objectives, and with a few exceptions the indicators correspond to the interventions and priorities. The exceptions are the following:

1. Output indicator 'Reducing isolation' (Number of projects reducing isolation through improved access to ICT networks and services) rendered to Intervention 'Improvement of cross-border communication' does not cover fully the activities included in the intervention. The indicator of the various programmes is also missing – in the HU-SK Interreg they have the indicator called 'Joint communication' (Number of joint communication initiatives (infrastructure building and services)) as output indicator.

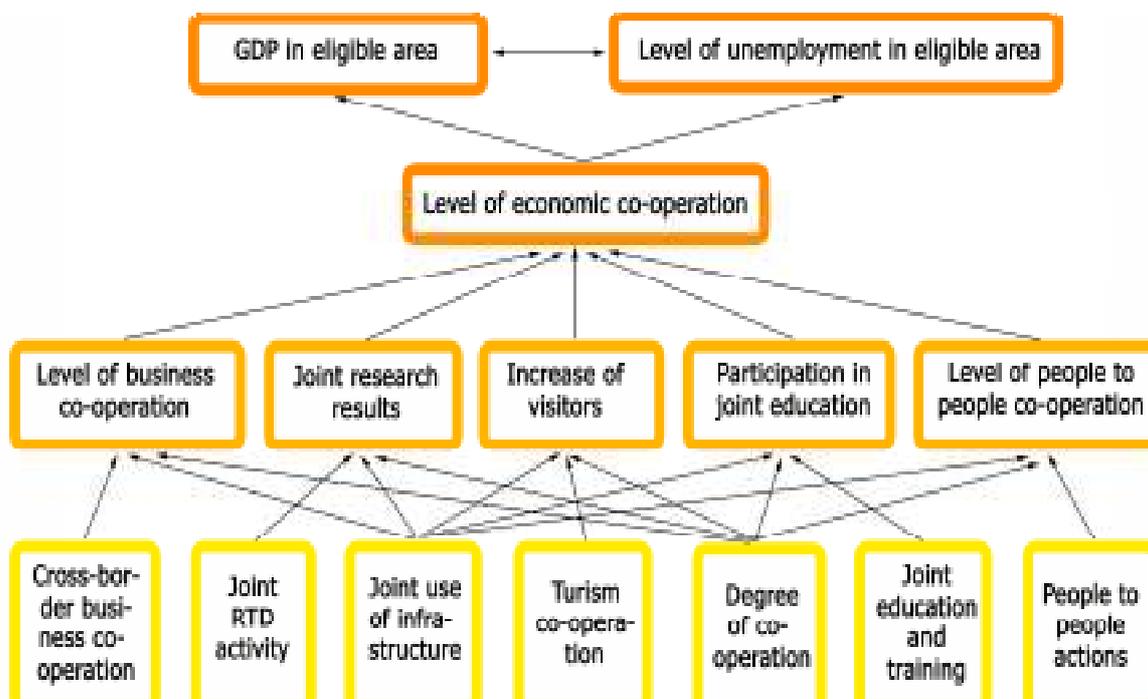
2. Intervention '2.4 Health care and prevention of common threat' has neither output nor result indicator!

The way of collecting and monitoring the indicator value has to be defined in parallel with the designation of the body responsible for it. The sources of the indicators are indicated in the final version (!!!though SO SR stands for Statistical Office Slovak Republic!!!), but the Programme does not provide information either about the process of collecting and monitoring data or about the analysis of data. Lacking the relevant information, the difficulty of collecting data cannot be estimated. At the same time, it can be said about the indicators in general that they are suitable for the monitoring and evaluation processes.

Logical connections of indicators Priority1



Logical connections of indicators Priority2



Evaluation of the implementing and monitoring mechanisms

Are the human and infrastructural capacities adequate to the quantitative and qualitative needs of the implementation?

Does the organisational set-up facilitate the fast and efficient implementation of the program?

Are the legal aspects and the personal and institutional responsibilities clearly established?

Are the stakeholders sufficiently involved in the implementation phase?

Does the project selection procedure help the transparent and fast execution of the program?

Are the control and audit procedures reliable and accurate to this programme?

Are the risks and assumptions clearly stated, including the way to manage them?

Compared with the previous versions the chapter is more structured, clear and feasible.

It can also be stated that the proposed implementation chapter is line with the relevant regulations, and therefore is supposed to be able to manage the programme.

The main difficulty of the evaluation resides in the fact that the „details” of the implementation in large part are referred at a later stage (eg. Action Plans) over which the evaluators have no mandate to examine. Therefore the proposed implementation chapter still leaves many questions without answers – but it has to be noted that this is not contrary to the regulations.

Joint Monitoring Committee: (chapter 4.1.1., from page 4.)

The description satisfies the regulation.

The evaluators propose to define the national representation quotas just as it has been done for the JTS.

Joint Steering Committee: (chapter 4.1.2. , from page 5.)

The description satisfies the regulation.

The evaluators propose to define the national representation quotas just as it has been done for the JTS.

The description of the role of the JSC is to be defined by the JMC according to this chapter. Therefore the evaluators cannot comment it in detail.

Managing Authority: (chapter 4.1.3. , from page6.)

The description satisfies the regulation.

VÁTI is mentioned in the text as an Intermediary Body, however its role is not clear or well defined. The document says that VÁTI is to carry out „certain pre-defined program level tasks”.

Certifying and Audit Authorities: no comments

Joint Technical Secretariat: (chapter 4.1.6., from page 8.)

Among the project development and selection tasks the following statement can be found: „[to] ensure the efficiency of project development; carry out the quality assessment of the proposals by internal staff or external experts”. The evaluators did not found the description of how project preparation/generation and project assessment and control will be separated as to ensure transparency and objectivity.

Although it might be true, the evaluators did not find any supporting evidence of the following statement: The two institutions [MA and JTS] will be set up in a structure most securing their co-operation on one hand and their independence from national structures on the other

„Info Points”: It would be helpful to briefly explain why only Romania have Info Points.

Implementation of projects...: (chapter 4.4. from page 15.)

The evaluators do not see why it is the best solution to contract the European funds and the national financing separately. This is multiplying the contractual relations which is increasing in an exponential way the possible future conflicts, problems and responsibility issues. If one looks at the lessons learned from the previous period, it will become obvious that the administrative burden should be decreased and not increased.

Monitoring and Evaluation: (chapter 4.5. from page 19.)

Since the weakest point of the whole programme is the set of indicators, it is not convincing that an efficient monitoring of the programme, which takes into account qualitative and quantitative aspects as well can be put in place

Analysis of the employment, equal opportunity and economic sustainability aspects

Main Evaluation Questions:

What are the guarantees that the equal opportunity will be fully respected

Are there any negative effects regarding gender issues?

What are the environment aspects of the programme?

What are the effects of the programme on the labour market of the border regions?

How well is the programme accepted in the vulnerable groups of the society?

The following horizontal themes are mentioned in the OP:

1. Equal opportunities
2. Sustainable development
3. Partnership
4. Bilingualism

It was noted by the evaluators in connection with the earlier programme versions that not too much information was given on how the program will ensure that equal opportunity would be embraced by the applicants. The chapter dealing with the issue remains at the level of generalities, which does not reassure the evaluators as how seriously this issue will be dealt with.

The authors have considerably revised and supplemented the chapter dealing with the programme-level enforcement of the horizontal principles. Similarly to the other sub-chapters, the specific intervention areas where the horizontal principle is implemented directly through the intervention are given special emphasis here, too. The evaluators have not found any interventions or activities which could have a negative effect from the point of view of equal opportunities. It is primarily the task of SEA to examine how the principle of sustainable development is ensured on programme level. In the general view of the ex ante evaluators, the strategy of the programme contributes to the implementation of sustainable development. Besides interventions directly helping to protect environmental and natural

values, there are some of interventions which are expected to cause damages to the environment (e.g. linear infrastructure developments). In the case of the latter, it would be advisable to emphasise already in the description of the supported activities that solutions which minimize the negative environmental effects shall be given preference. The programme intends to intervene in the labour market directly with the help of education and adult training, stressing the importance of cross border connections and the exchange of information. As for adult training, not only women but the other disadvantaged social groups should also be given preferential treatment already in the short descriptions of the supported activities. The evaluators find it important that the document, when describing the horizontal principles, deals with their future role as well, since it is mainly the period of the selection of the projects which offers the opportunity to implement these principles in practice. Partnership is a compulsory element of the supported projects, only projects to be realised with the participation of two countries are eligible for support. Bilingualism is another important aspect during the realisation of projects, so it is one of the overall objectives of the Programme to ensure it.