EUROPEAN UNION

GOVERNMENT OF ROMANIA

SERBIAN GOVERNMENT

Structural Funds
2007 - 2013

International Consulting Expertise
Intelligence • Commitment • Energy

Contract title: “Technical assistance for multi-annual programming of future cross border cooperation programme in the Romania-Serbia cooperation area”

Reference: 1277/STC/2013

Programme: IPA

Contracting Authority: Regional Office for Cross Border Cooperation Timișoara

Romania-Serbia IPA CBC Programme 2014 - 2020

Territorial Analysis

March 2014

Table of Contents

Acronyms

AP	Autonomous Province
FDI	Foreign Direct Investments
GDP	Gross domestic product
IPA	Instrument for Pre-Accession Assistance
IPA CBC	IPA Cross-border Cooperation Programme
JTS	Joint Technical Secretariat
NUTS	Nomenclature of Units for Territorial Statistics
NUTS 3	Nomenclature of Units for Territorial Statistics (Romania: counties – Serbia: districts)
OECD	Organisation for Economic Co-operation and Development
PA	Programme Area
ROP	Regional Operational Programme 2007 - 2013 (REGIO)
SEE	South East Europe Programme
SMEs	Small and medium enterprises
TA	Territorial Analysis
FDI	Foreign Direct Investment

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

1 Introduction

This Territorial Analysis (TA) provides an overview of the eligible area and the framework – key conditions and constraints – for the strategic planning process for the CBC Programme Romania Serbia.

The Analysis relies on information obtained from various sources, including primary and secondary sources alike. The foundation of the analysis has been established using statistical data, and then its content has been further complemented and enriched based on information from analysis of county and district level documents; analysis of documentation delivered from national and local level sources, both in Romania and Republic of Serbia; relevant inputs from the evaluation of the current (2007-2013) Romania-Serbia CBC Programme carried out in 2012.

The availability of comparable and homogenous statistical information at the level of NUTS3 units in the two countries represented a relevant constraint for the level of detail that could be achieved. Secondary sources, and studies, surveys carried out by international and national organizations were used to complement, and enrich, the basic statistical information available.

The main components of the territorial analysis include the following:

- Eligible area administrative and geography description;
- Social and demographic structure and dynamics;
- Labour Market and Social inclusion;
- Health services
- Public infrastructures transport services;
- Environmental resources and infrastructures;
- Tourism;
- Education, research and innovation, Smart specialization;
- The current CBC programme Romania Serbia;
- Other EU and National programmes in the area;

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

In each part of the report the common characters where described first. Then, the heterogeneity inside the two countries and across the borders have been analysed. Last, the current and potential interactions across the border have been highlighted.

CROSS BORDER COOPERATION Romania-Serbia

Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

2 Eligible area

- The eligible area includes a relevant part of the territory of the two countries.
- 8 NUTS 3 units are included in the area, 5 districts in Serbia and 3 counties in Romania.
- The area is in the core of the Danube basin and of the European Danube macro region.
- The population number is balanced on the two sides of the border.
- The geography of the eligible area is complex and heterogeneous.
- There are plains in the north (the Banat), and in the south east. There are mountains: the Southern Carpathians range, Western end of the Southern Carpathians, the Veliki Krš, Mali Krš and Stol mountains, dominated by karst formations. In Romania the Mehedinţi Mountains.
- The Danube generates critical factors of cross-border interaction, and produces many opportunities/needs for cooperation. Other smaller rivers crossing area have relevant impact: Tisa, Timiș, Cerna, Caraș Nera.

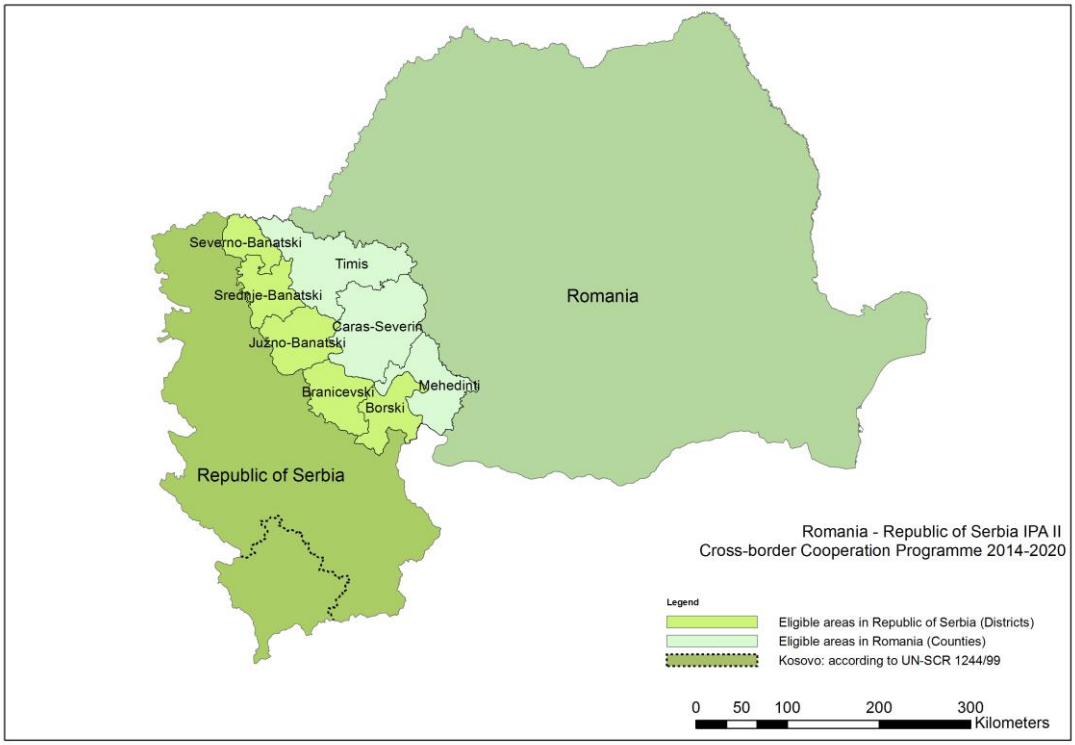
The eligible area for the programming period 2014-2020 under the IPA CBC programme Serbia Romania will include three counties of Romania, and five districts of the Republic of Serbia[1].

The programme area is at the centre of the European Danube Macro Region. The two partner countries include a large share of the river basin, their total surface representing 10% of the basin in Serbia and 29% in Romania[2].

The total area is 39.346 sqkm (56,2 % in Romania/ 43,8% in Serbia), including the Romanian counties Timiș, Caraș-Severin and Mehedinţi, and the Serbian districts (Severno Banatski, Srednje Banatski, Južno Banatski, Braničevski, Borski).

[1] DG Regio: draft implementing acts. list of ETC programmes: http://ec.europa.eu/regional_policy/what/ future/experts _documents_en.cfm#2
[2] http://www.icpdr.org/main/danube-basin/countries-danube-river-basin

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Map 2-1 The eligible area of the Romania Serbia IPA CBC Programme

The eligible area is split in two NUTS2 regions in Romania, and two NUTS2 regions in Serbia.

In Serbia, the three Banat districts belong to the Autonomous Province of Vojvodina, an administrative entity classified as NUTS2 statistical region according to the law 46/2010, that has revised the territorial statistical units in Serbia according to the EU criteria. The Braničevski and Borski districts belong to the NUTS2 statistical region of Southern and Eastern Serbia.

In Romania, Mehedinți County belongs to the Development Region South West. The two counties of Caraș-Severin and Timiș belong to the Development Region West.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

Country	NUTS 3 units:	Administrative status	Capital city / Seats of districts
Romania	Timiş	County (Judeţ) (NUTS2 West)	Timișoara
	Caraş-Severin	County (Judeţ) (NUTS2 West)	Reșița
	Mehedinţi	County (Judeţ) (NUTS2 South West)	Drobeta Turnu-Severin
Republic of Serbia	Severno-Banatski	Severno Banatski (part of Vojvodina Autonomous Province, NUTS2[3])	Kikinda
	Srednje-Banatski	Srednje Banatski (part of Vojvodina Autonomous Province NUTS2)	Zrenjanin
	Južno-Banatski	Južno Banatski (part of Vojvodina Autonomous Province NUTS2)	Pančevo
	Braničevski	District (part of South East Serbia Region NUTS2)	Požarevac
	Borski	District(part of South East Serbia Region NUTS2)	Bor

Table 2-1 Eligible areas

The eligible territory in Republic of Serbia represents 27% of the total, a larger share than in Romania, were the three eligible counties represent just 9% of the national territory.

The length of the border in the eligible territories between Romania and Republic of Serbia is 546 km, out of which 290 km (53,1 %) on the Danube river. The length of the border in the programme area represents 26% of the external borders of Republic of Serbia, and 17% of the external borders of Romania.

Along this common border there are 5 constantly operating road border crossings and 2 constantly operating railroad crossings. Also, there are 6 fluvial ports in Serbia, and 3 on the Romanian shore.

According to the 2011 census[4], a population of roughly 2,2 million live in the eligible area, that represents roughly 8% of the total combined national populations of Romania and

[3] According to the Law 46/2010 http://www.mrrls.gov.rs/sites/default/files/attachment/UREDBA%20O%20NOMENKLATURI%20STATISTICKIH%20TERITORIJALNIH%20JEDINICA%20latinica.pdf Last accessed January 2014.
[4] NIS Serbian Census 2011.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Republic of Serbia. Based on the most recent estimations, in the eligible area it is produced roughly 7% of the GDP of the combined national GDP of the two countries.

The geography of the region is complex and heterogeneous.

The Banat Plains extend in the North in the Serbian Districts and Timiș County. Moving to South East, transition hills between the plans and Mountains lead to the centre occupied by the Southern Carpathians range, with Banat Mountains, Țarcu-Godeanu Mountains and Cernei Mountains and elevations between 600 and 2100 meters in Caraș Severin district. The Danube flows in the South Banat plains, at the border with the Braničevski district, and it reaches the border between Romania and Serbia in the vicinity of Baziaș in Romania. In Romania, Timiș, Cerna, Caraș and Nera rivers cross the counties, some of them through spectacular valleys and gorges. Also worth to mention the Bega channel, connected to the Rhine – Danube network.

Between the southern Carpathian Mountains and the north-western foothills of the Balkan Mountains, the Danube flows through the Iron Gates gorges (Iron Gates is another name of Đerdapska klisura and it is from Golubac to Simska klusura, 98 km. The Đerdap water gate is half on Romanian and half on Serbian side). The Romanian side of the gorge constitutes the Iron Gates natural park, whereas the Serbian part constitutes the Đerdap national park. In the South East is the Western end of the Southern Carpathians. In the Borski district are Veliki Krš, Mali Krš and Stol mountains, dominated by karst formations, and are collectively known as "Gornjanski kras". In Romania are the Mehedinți Mountains with heights of up to 1500 m. The heights decrease towards the South East, passing through the hills to a high plain to the Western end of the Romanian Plain.

The relations between the eligible area and the Danube Region can be analysed in the following main fields: mobility, energy, environment, risks, and socioeconomic development.

In all these fields of interaction challenges and opportunities can be identified, according to the scale of the phenomena – local, regional or international – and according to the main driving factors – like the global environmental changes, the international tourism markets. We can consider fields of interdependency, or synergy, or competition.

In some areas a strong interdependency between the eligible area and the larger Danube region can be identified. These areas are dominated by international and interregional factors, with impacts that largely overcome the regional dimension. Some examples:

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

reduction and prevention of pollution of land, water and air by industrial and urban sources, control and mitigation of environmental risks, development of the integration of the European Transport Networks. In these areas the action of the CBC programme partners should be focused on the integration of the local with the global strategies at the level of Danube region.

In other areas there is always strong interaction, but the main driving factors depend at list in part on local factors, therefore the local stakeholders can benefit of some autonomy, planning interventions that do not entirely depend, but can benefit, from cooperation at the larger Danube regional level.

Among these areas can be mentioned the preservation of environmental resources, biodiversity, landscape; development of renewable energy sources, increase of accessibility and connectivity, reduction of localized pollution sources, promotion of smart innovation initiatives.

Last, there are areas of competitive interaction, where the single territories in the Danube regions are at least in part “in competition” among them, because the local actors aim to the same markets niches or to the same global partners.

Two examples of this type of interaction can be those of: the attraction of thematic tourism (cultural tourism, natural tourism), the attraction of foreign direct investments.

In the eligible area the main potentials of action can be identified in the fields of environment protection, SMART innovation, accessibility, renewable energy. Most of these areas can aim to a synergic interaction with the Danube Regions.

In some other areas, especially the promotion of tourism along the Danube River, the development of transport services, multimodal hubs the promotion of innovation and research clusters, a cooperative action should be established, in order to maximize synergy and avoid negative impact of competition.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

3 Social and demographic structure and dynamics

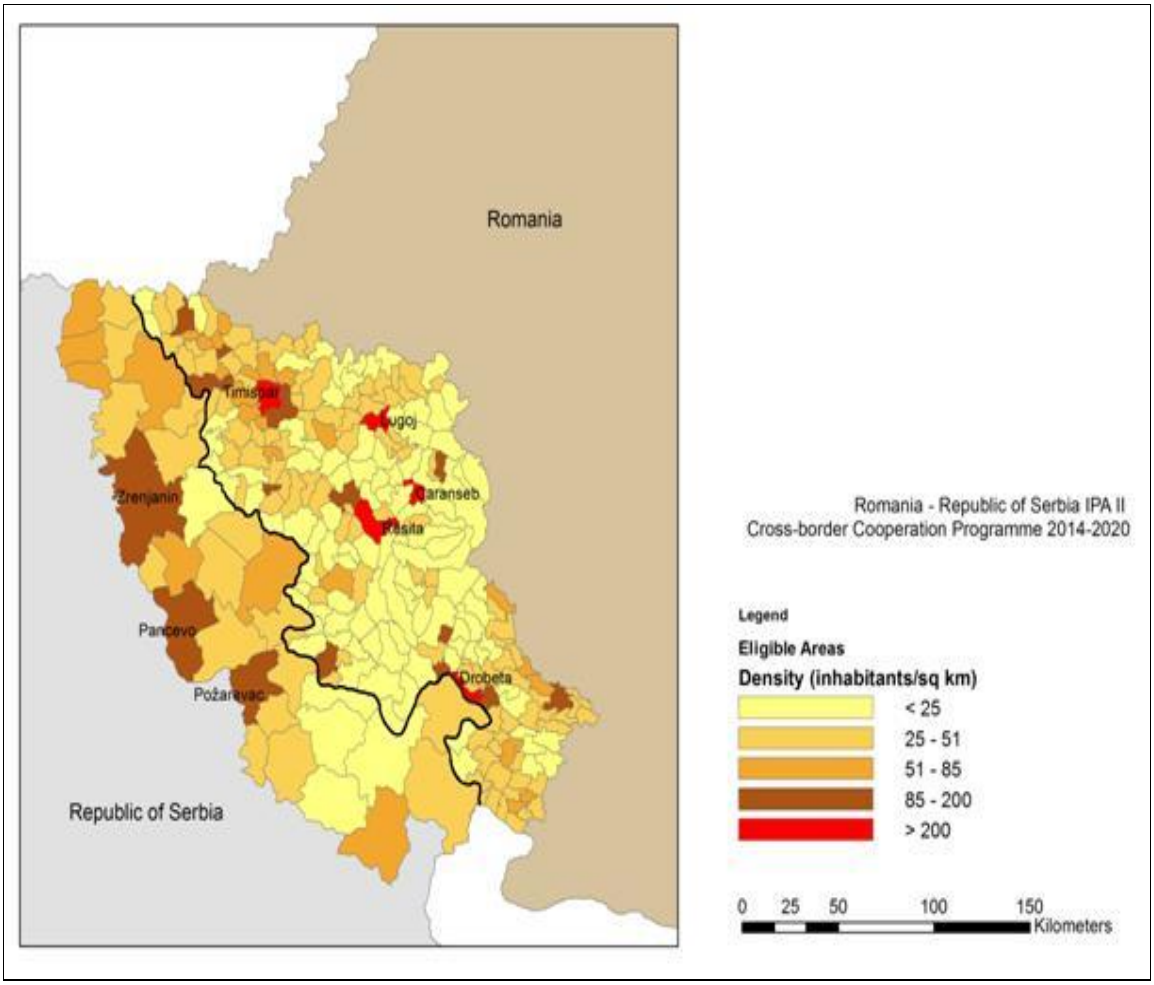
- Similar number of inhabitants on the two sides of the border;
- Population unequally distributed, with low density in rural areas and in the mountains, higher density in planes in the North and West Banat Planes;
- Just one urban pole, Timișoara, inside the area. Two urban poles in Serbia very close to the edge of the eligible area (Novi Sad and Belgrade);
- Most of the regions predominantly rural, in the South East remote rural, especially considering the limited access to large urban poles.
- Numerous ethnic minorities in the area, large communities of Hungarians in the North, Roma communities present in all areas. Romanian communities especially in the Centre and South of eligible area in Serbia, and Serbian communities in Timiș and Caraș Severin.
- Decline of population main structural process in the whole eligible area, all Serbian territories and most of Romanian loosing population, often more than 10% in a decade;
- Natural demographic trend is negative in most areas, limited positive trends in Timiș county;
- Most of the migration flows are directed outside of the eligible area, limited share of migration is directed to metropolitan areas in the eligible in Romania.
- Serious Aging of the population as a consequence of emigration and natural decline, especially in the rural areas, and in the South East.

The population in the eligible area is almost evenly split in the two countries, according to the demographic data in 2011 1.179.713 live in Romania and 937.784 live in Republic of Serbia[5]. Thus, within the border area, 56% of the population is living in Romania, and 44% is living in Republic of Serbia.

The population has been decreasing from 2,335 million in 2005, with a steep decline in the last years due to both negative migratory and demographic balance.

[5] NIS Serbia Population Census 2011. NIS Romania, Population Census 2011.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Map 3-1 Population density

The eligible area has a population density lower than in the neighbour regions. The average density of the population is below 70 per sqkm. Lower than the average density of 89.6 inh/sqkm in Romania, and 83 in Serbia.

In Serbia, just a few municipalities reach a density above 100/sqkm, while in Romania there are 5 municipalities above 200 /sqkm, including Timișoara and Reșița (Map 3.1). However, in order to make a proper comparison of the density of population per municipality, the different extension of the administrative units in the two countries should be considered, apart from the stronger rural character of the Serbian territory. In fact, in Serbia the average area of the administrative units is much larger than in Romania, and each administrative unit includes various settlements that can have a different number of inhabitants and an heterogamous urban structure.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Romania	Population*	Serbia	Population*
Bocșa	15.842	Bor	34.160
Caransebeș	24.689	Negotin	16.882
Reșița	73.282	Požarevac	44.183
Drobeta-Turnu Severin	92.617	Pančevo	76.203
Lugoj	40.361	Kikinda	38.065
Timișoara	319.279	Senta	18.704
		Vršac	36.040
		Zrenjanin	76.511
Total	566.070		340.748
Percentage of population in larger urban centers on total	**48%**		**36%**

*NSI, Census 2011

Table 3-1 Major urban centres (>15000 Inh.) in the eligible area

In the eligible area there are only 14 centres with a population larger than 15.000 inhabitants, and just one centre, Timișoara, larger then 200.000, the threshold considered in the OECD and EU methodology for the analysis of the urban – rural structure at regional level. In Serbia only Pančevo and Zrenjanin have more than 50.000 inhabitants.

3.1 Rurality

The large majority of territories in the eligible area can be considered as rural, due to the low density of the population, and the small size of most of the settlements (Table 3.1). The rural areas are strongly differentiated in terms of relevance and productivity of the agricultural sector. In the plains in the Banat area, the rural communities are based on a strong agricultural economy. In the mountains, rurality is associated to a low productivity of agricultural resources, leading to additional difficulties for the economic development and the quality of life of local population.

Considering rurality at the level of districts and counties, additional criteria can be used to explore characteristics and differences.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

According to the criteria used by the Commission for the fifth cohesion report, described in EUROSTAT[6] the counties in the eligible area can be classified as predominantly rural, with the exception of the Timiș County in Romania. Timiș is classified as intermediate rural, because, in its case, the population living in rural areas is less the 50% of the total. The EUROSTAT methodology was not yet applied to Serbian districts, but some scientific studies elaborated in recent years, and the statistical information available, can allow a qualitative estimation[7], leading to the description of all districts as rural.

However, this basic classification doesn't highlight some relevant local differences, at the municipal scale, and some additional features especially relevant for the Cross Border Cooperation strategy.

According to the last Eurostat methodology[8], which modifies the basic methodology proposed by OECD in the 90's, the classification of the rural areas is based on two steps. First of all it considers the population density and concentration in urban settlements, and then the share of rural units in the NUTS3 territorial units. In the second step the criteria of accessibility to larger urban centres and services to the rural population is applied to the basic classification. In fact, the accessibility criteria, or "remoteness", was adopted by OECD[9] among the criteria for the classification of rural areas in 2009, and has been tested on the EU regions.

Economic and sociological studies carried out at European level have proved that this last classification is powerful in explaining regional disparities and development potential.

According to this extended classification, the three Romanian counties belong to three different typologies. Timiș is considered an intermediate rural region close to a city (Timișoara), Caraș Severin is classified as predominantly rural and remote (most of the population doesn't have easy access to a large city) and Mehedinți is considered predominantly rural, close to a city.

---

[6]Eurostat Urban-rural typologies:
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Urban-rural_typology

[7] For Serbia, among other studies, see: Natalija Bogdanov, David Meredit, Sophia Efstratoglou A typology of rural areas in Serbia. Economic annals Faculty of Economics Vol 177 DOI:10.2298/EKA08177007B

[8] In 2009, the OECD extended its classification to include the remoteness dimension. It followed the approach developed by Dijkstra and Poelman.

[9] *Lewis Dijkstra and Hugo Poelman* Regional Typologies a compilation Regional focus 1/2011 DG Regio.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

In Serbia, a qualitative assessment could lead to hypothesize that the three Banat districts and Braničevski can be considered predominantly rural and close to a city, because of the proximity of the two urban centres of Novi Sad and Belgrade, while Borski district could be classified as remote.

The programme partners considered the challenges generated by the rural areas in the previous programming period. The number of projects simply focused on the theme of rural development was limited to few units. More numerous are projects that address specific issues related to rural development, like accessibility, capitalization of resources of rural areas in tourism initiatives.

3.2 Ethnic Minorities

On both sides of the border there are significant ethnic minorities, which include Serbian and Romanian communities in the neighbour country. While the majority of the 18,076 Serbs from Romania lives in Timiș (10.102 % ~1,5) and Caraș Severin county (5036 ~1,7%) (both counties parts of the former Banat territory), the majority of Romanians in the Republic of Serbia lives in South Banat, (18.000), which is more than 60% of all Romanians in Serbia. While in Bor District there are 791 Romanians; in Braničevski district there are 728 Romanians; Vlach national minority lives in Borski District 13.313; and Braničevski district 13.238. In the Banat-districts - the number of Romanians is limited to few units, but in the villages where they are present they still represent a significant potential and a challenge, for the CBC programme.

According to the 2011 census[10], in the Timiș county, the largest ethnic groups apart from Serbian, were the Hungarians (5.20 % of the population total), and the Roma population (2.20%). In Caraș Severin County, Hungarians (roughly 2%), Germans (1.75%), and Roma (2.50%). In Mehedinți County the largest ethnic group is that of Roma (5%). The others are present with few units.

In the Serbian part of the eligible area, the largest ethnic group is that of Hungarians, (11% of the population in the eligible area). A large community of Vlachs is present in Braničevski and Borski.

[10] NIS Romania Population census 2011

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Apart the Hungarians, the Roma ethnic group is the one homogeneously present in all counties and districts. The integration of this minority in the labour market, the access to basic services, the access to primary and higher education of the Roma children, are among the most relevant common challenges for the programme.

	Romanians	Vlachs	Serbian	Croatians	Roma	Hungarians
Timiş			1,5%	0,0%	2,1%	5,2%
Caraş-Severin			1,7%	1,7%	2,5%	1,0%
Mehedinţi			0,1%		4,1%	0,1%
ROMANIA			**0,1%**	**0,0%**	2,9%	**5,7%**
Severno-Banatski	0,3%				2,9%	42,1%
Srednje-Banatski	2,1%				3,5%	11,3%
Južno-Banatski	5,7%				2,0%	4,2%
Braničevski	0,4%	6,6%			1,6%	0,1%
Borski	0,5%	9,1%			1,0%	0,0%
SERBIA	**0,4%**	**0,5%**			2,0%	**3,4%**

Table 3-2 The Main Ethnic groups. Percentage on total population

In the middle of the last decade, as a result of the past conflicts in the Former-Yugoslav Republic, all districts had a significant population of refugees (from Croatia and Bosnia and Herzegovina) and internally displaced persons (from Kosovo and Metohija); this refugee population was estimated at 5% of the total population, in the following years this percentage declined, leading the population structure closer to that observed before the crisis, but there is still a relevant number of these refugees and internally displaced persons living in those districts, especially in districts situated on the right bank of the Danube.

3.3 Demographic trends

The largest part of the eligible area is experiencing a negative demographic trend, because of negative natural balances and migration flows.

Population outflows are directed abroad and to the large metropolitan centres located in the relative proximity or inside the area: the capital as well as Novi Sad in Serbia, Timișoara, Reșița in Romania.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

The variation of the population is very strong, and it is following distinct trends. The population of the whole area has been decreasing dramatically, more than 10% in just 10 years (Map 3.2).

The loss of population is not limited to the mountainous and more deprived areas, but it also concerns to the rural areas of the North plains.

The aggregate trends are the result of different local dynamics. On the Serbian side of the border, in all municipalities of the eligible area the population is declining, in some cases at dramatic speed, and a few limited differences can be noticed in the North Western area, where the decline has been slower.

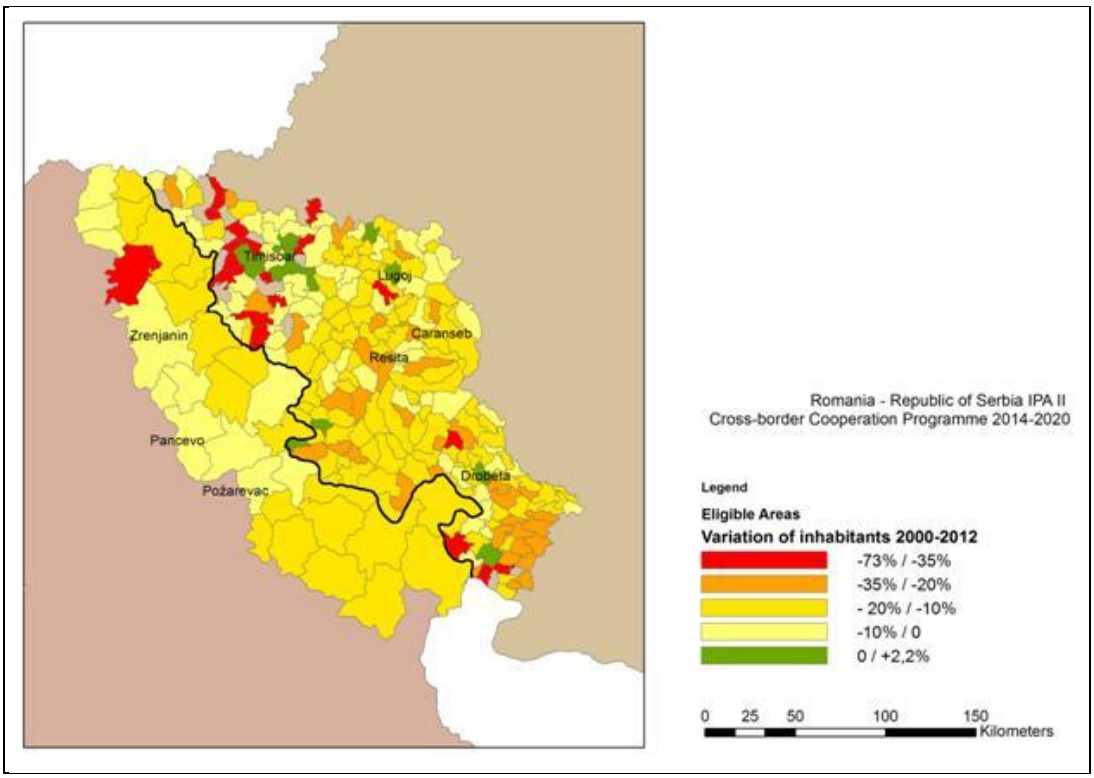
In Romania, on the contrary, there is an evident internal dynamic in the eligible area, with some municipalities suffering strong losses of population, both because of the demographic and migratory balances, and some other municipalities reaching even positive demographic balances.

This model of structural demographic change can be observed in the area of the urban poles, both in the planes around Timișoara, and in the mountains, in the area of Reșița (Map 3.2).

The capacity of these urban poles to attract population is increasing in parallel with recent local economic booming, driven by significant FDIs in the industrial sectors, and to the strengthening of the service sector.

On the contrary, in Serbia, all municipalities, including the bigger cities located inside the eligible area, as Zrenjanin, present negative migration balance, as a result of a combination of different factors, like competitive living conditions in major urban poles in the proximity of the eligible area (Belgrade, Novi Sad), limited public services, and deindustrialization. In an intermediate position stand vital towns like Vršac, that can be relatively more attractive, due to local industrial development supported also by some FDI, and better quality of services.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**



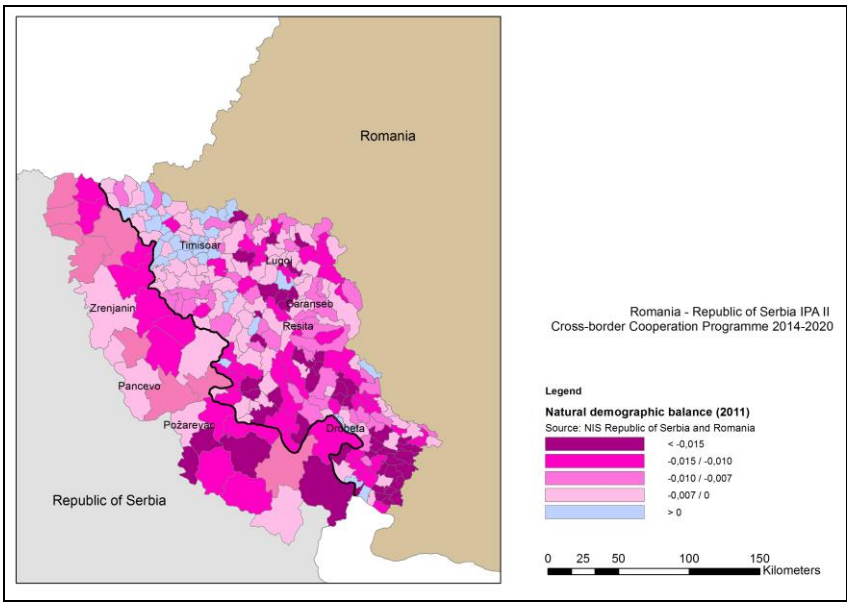
Map 3-2 Variation of population 2000-2012 in the eligible area

As a consequence of the migratory trends, there is a huge number of inhabitants living and working abroad (in EU countries or Swiss), with familiar economic and social connections in the eligible areas. This could be considered a common issue and opportunity for cross border cooperation, still not tackled by projects of the current programme.

The natural demographic trend contributes to the decline in most of the eligible area. Especially in the South, on both sides of the border, many municipalities present a natural demographic balance lower then -0,015 (Map 3.3). In Romania, a limited number of cities and villages, especially in the Timiș County, present a positive natural balance.

The main reasons of these trends can be identified in the migration process, that involves for the largest part young adult active persons, that move abroad or outside the eligible area, and establish there new families. Also, the natural balance proves that the only area capable to attract population, for temporary and permanent migrations, is that in proximity of Timișoara. In that county a significant number of municipalities present positive migratory and natural balance.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Map 3-3 Natural demographic balance in 2012

County -districts	65 older /total population in 2001	65 older /total population in 2011
Timiş*	17%	14%
Caraş-Severin*	20%	18%
Mehedinţi*	22%	18%
ROMANIA	**19%**	**14%**
Severno-Banatski	16%	17%
Srednje-Banatski	15%	17%
Južno-Banatski	16%	16%
Braničevski	22%	21%
Borski	18%	19%
SERBIA	17%	17%
EU 27	**17%**	**17%**

* Data 2001: +60 years older

Table: 3-3 Ageing dynamic (NIS, EUROSTAT)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

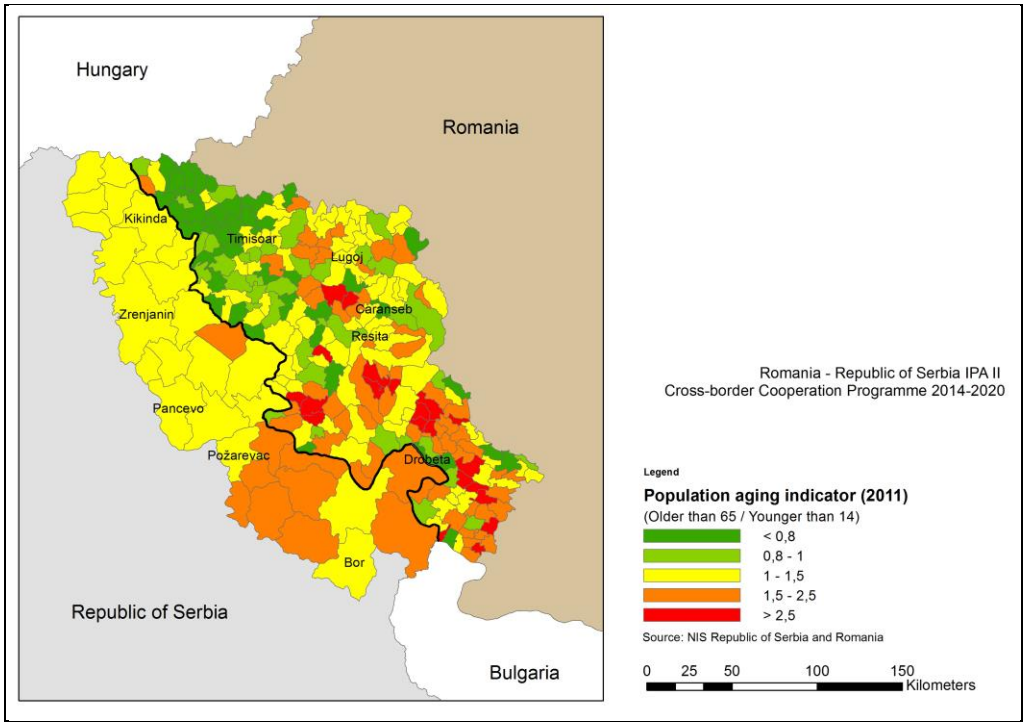
The aging of the population is significant but not hhomogenous in all territories (table 3.3). The share of elder population is lower in Romania then in Serbia, but the age structure is very heterogeneous in the eligible area. The higher indicators of ageing can be observed in the south east of the area, in Caraș-Severin and Mehedinți in Romania, and Braničevski and Borski in Serbia. In these areas the indicator is higher than the national and European average. In Timiș county the indicator is the lowest, much lower than the EU average.

In the last ten years the aging indicators has remained stable, or slightly increased.

In order to identify the capacity of the local communities to remain stable in the long term, and to estimate the impact on potential and needs due to the ageing process, a second indicator has been calculated, in the form of the ratio between the number of persons older than 65 years and the number of children younger than 14.

The higher the indicator the worst is the perspective of ageing. In the Serbian territory in all municipalities this indicator is higher than 1, meaning that there is more than one person older than 65 per each children younger than 14, and the situation is worst in the South where in most of the municipalities the indicator is higher than 1,5. In Romania the indicator signals a stronger heterogeneity, with municipalities in the South, and in the rural areas, where the indicator reaches levels higher then 2,5, and some towns especially in the North and also the larger centres in the South, where the indicator is lower than 1.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**



Map 3-4 Ageing of population

All these phenomena signal an intensive process of structural transformation of the social and demographic structure of the programme area. The younger population and the young families are moving toward the urban poles, inside the eligible area in Romania, and in the neighbouring districts in Serbia. The aging of population, and the related decline of the number of active persons in the rural and remote areas, are changing the needs and the potential of these areas, increasing the economic dependency of these communities, and reducing the capacity of development.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

4 Economic structure and dynamic

- The economic development of the whole area, measured with the GDP per capita, is close to the national levels, but the average is the result of strong dualism, specially between North and South East, on both sides of the border;
- In Romania, in Timiș the GDP/pc is almost double than the national average, in Caraș Severin and Mehedinți GDP /pc is 30% lower.
- In Serbia, in the Vojvodina autonomous province the level of GDP is almost at the level of Serbia average, while in Braničevski and Borski 40% lower. Among the Banat districts in Vojvodina, the North lags behind the others in terms of GDP per capita;
- In the North, the growth pole of Timiș county generates an impact that extends beyond the borders, producing a potential for cross border interactions;

  In the centre, and south east, the comparable level of GDP and the similar structure more bilateral partnership than unilateral flows.

The total GDP in the eligible area represents approximately 8% of the combined GDP of the two countries, in Romania less than 7%, in Serbia close to 12%.

In both countries the GDP/pc in the eligible area is very close, but smaller than the national average. However, inside the area the local economic systems are very heterogeneous.

In the North, on both sides, are located some of the advanced and dynamic territories. In Romania, apart Bucharest, Timiș is the largest county per GDP, representing more than 4,5 % of the national total, with a growth between 1995 and 2005 of 1%. Caraș-Severin and Mehedinți represent percentages close to 1%, but their share has been declining in the same period, due to the weaker economic growth compared to the rest of the country (Graph 4.1).

In Romania, in Timiș the GDP per capita is much larger than the national average, while in Caraș-Severin and Mehedinți, in the mountain area, it is below that threshold. In the Serbian Territory, the Autonomous Province of Vojvodina (APV) has always been among the most developed provinces of the country, and it remains, after Belgrade, the most prosperous region, with a GDP per capita above the national average.

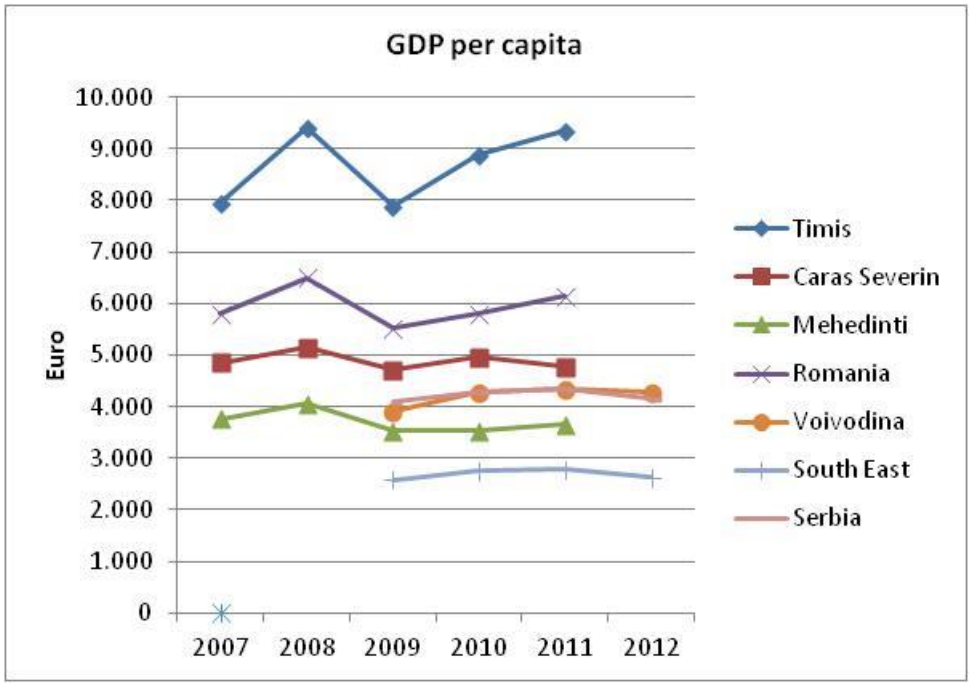
CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

	2007	2008	2009	2010	2011	2012
Timiș	7.940	9.410	7.884	8.880	9.343	0
Caraș Severin	4.852	5.147	4.704	4.959	4.787	0
Mehedinți	3.763	4.071	3.534	3.535	3.649	0
Romania	**5.798**	**6.507**	**5.513**	**5.814**	**6.148**	**0**
Vojvodina	0	0	3.896	4.280	4.335	4.270
South East Serbia	0	0	2.586	2.756	2.795	2.634
Serbia	**0**	**0**	**4.098**	**4.280**	**4.335**	**4.155**
EU27	25.100	25.100	23.500	24.500	25.200	0
GDP per capita % on EU average						
Timiș	32%	37%	34%	36%	37%	
Caraș Severin	19%	21%	20%	20%	19%	
Mehedinți	15%	16%	15%	14%	14%	
Romania	23%	26%	23%	24%	24%	
Vojvodina			17%	17%	17%	
South East Serbia			11%	11%	11%	
Serbia			17%	17%	17%	

Table 4-1 GDP per capita (NIS Serbia, Eurostat GDP at NUTS3 level)

On the other hand, the three Banat districts in the eligible area represented and still represent the less developed component of the AP Vojvodina. Rough expert estimations of the GDP per capita of the three districts situate Banat from 15% to 20% below the provincial figure. According to experts' opinion, Severno-Banatski GDP is lower than that of the other Banat districts. Braničevski and Borski districts lay even below this level. Compared to the EU average, the GDP per capita reaches the maximum in Timiș, where it is the 37% of the EU level down to the 11% of the South East Serbia.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 4-1 GDP per capita, at county / district level

The dynamic of the GDP per capita shows the impact of the global crisis in 2008 (graph 4.1).

The whole eligible area has been hit by the crisis, but the intensity of the impact, and the recovery in the next years, has been substantially different. Timiș County experienced the strongest slowdown in 2009, but at the same time it showed the strongest recovery in the next years, moving back to the pre-crisis levels in 2011. In all other counties and districts the impact of the crisis was lighter, but the recovery was slower, to the point that in Caraș Severin and in Mehedinți the GDP per capita is still lower then pre-crisis levels, while in South East Serbia a slight decline, down to the 2009 level, was estimated in 2009.

Information on sectoral distribution of the GDP is not available at the level of districts and counties, and can only be estimated from secondary variables and indicators.

A relative concentration of the GDP in the industrial sectors, compared to that average in the two countries, can be estimated, especially due to the vigorous growth of industrial activities in the last decade that led to almost doubling the GDP per capita.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

The share of agricultural product is close to the national levels, but the absolute values are much differentiated, with large productions of intensive agriculture in the planes of Timiș and Banat.

Industrial production is relatively higher than the average in the two countries, as a result of strong specialization in traditional sectors and new clusters, especially in Timiș County.

Metal Mining activities are present in both countries but more relevant in Serbia, in the South Eastern part of the eligible territory.

Service production is concentrated in public and traditional sectors, advanced services, in research, and development, in transport and in higher education. A strong concentration of these activities can be noticed in the Timiș County. Higher level services are less present in the Serbian eligible area because of the proximity to the large urban poles.

The commercial relations between Romania and Serbia show a balance in favour or Romania, that exports almost the triple than the value of imports from Serbia. However, Serbia is a minor commercial partner for Romania, ranking below the 15th position for both the value of imports and exports. The importance of Romania in the Serbia external trade is higher, with Romania representing the 6th most important export destination and the 5th most important import origin.

Romania International Trade with Serbia
MEuro

	2010	2011	2012
Import	253	283	225
Exports	510	737	745

Table 4-2 Romania Serbia trade.(NIS Romania)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

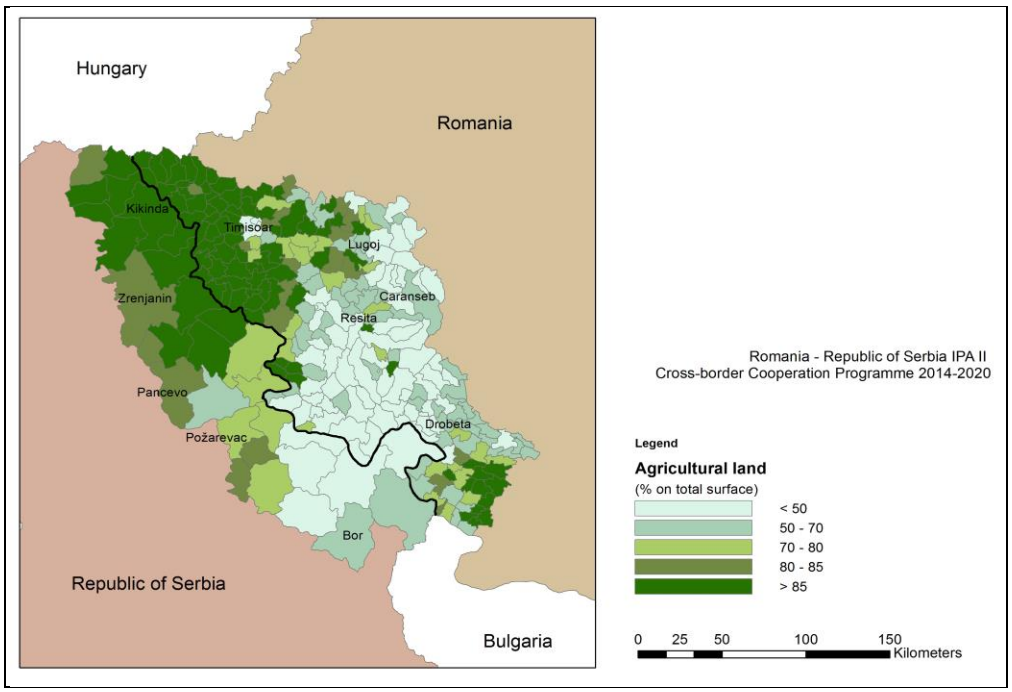
4.1 The Economic sectors.

- Agriculture presents a very dualistic quality and quantity distribution of resources, and levels of productivity, between the planes of Banat and Timiș and Carpathian Mountains area;
- Mining in metals and oil represents an historical specialization in the area, but it experienced a sharp decline in the last decades because of structural factors, quality and quantity of reserves, and international competition of new producers;
- Energy: very large hydro electrical power capacity on the Danube centrals, and some small plants in the other rivers, some potential of development in renewable resources, in particular biomass in the central and south eastern areas.
- Manufactures: traditional productions in large part of the eligible area; Strong growth of innovative sectors in recent years, due also to strong FDI flows both in Serbian and Romanian regions.
- Services: Basic services in health, education, utilities commerce, transport, present in the area. Advanced services strongly concentrated in the urban poles in Timiș County in Romania, smaller centres, often connected to the leading institutions in Serbia.

4.1.1 Agriculture

The agricultural sector and the activities connected to agriculture in the rural areas represent a major component of the local economy. There is a strong dualism between the agricultural sector in the planes in the North West, that hold a strong productive potential in intensive cultivations, and the agricultural sector in the mountains in the South East, with a minor share of cultivated land in extensive agricultural productions, and forestry.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**



Map 4-1 Share of Agricultural land on total (NIS Romania and Serbia)

Agricultural land occupies the largest share of the surface in the North on both sides of the border, while in the central and South East regions it represents less than 50%. (Map 5.1)

Strong dualism can be described also in land productivity[11], between the plains and the Carpathian Mountains. This leads to a strong differentiation of the land use between the areas in the North, including Timiș County and Banatski districts, and the Carpathian areas in Branicevski and Borski,and Caraș Severin.

[11] The Importance Of Agriculture Recovery For The Economic growth In Timiș County Nicoleta Mateoc-Sîrb, Teodor Mateoc, Camelia Mănescu, Diana Blaga, Cristian Matiaș.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

	total land (ha)	Arable Land / total	% on total land				
			Cereals, industrial, vegetables	Fodder crops	Orchards	Vineyards	Meadows, pastures
Timiş	693.034	77%	71%	4%	1%	1%	18%
Caraş-Severin	396.928	33%	11%	19%	3%	0%	45%
Mehedinţi	293.381	64%	56%	4%	2%	2%	28%
ROMANIA	**14.621.427**	**64%**	**51%**	**11%**	**1%**	**1%**	**22%**
North Banatski	207.806	85%	76%	6%	1%	0%	11%
Centre Banatski	283.975	80%	74%	5%	1%	0%	15%
South Banatski	342.020	88%	84%	3%	1%	1%	9%
Braničevski	240.364	65%	48%	11%	6%	2%	27%
Borski	169.500	45%	31%	7%	2%	2%	50%
SERBIA	**5.096.267**	**65%**	**51%**	**9%**	**5%**	**1%**	**29%**

Table 4-3 Agricultural land use 2001 NIS Romania, Serbia, Census

Commodities (wheat, corn, soya and sunflower) represent the main specialization, and food industries, wine, beer are connected to the agricultural activities especially in the Banat and Timiș area. Forestry and pasture occupy the largest share of the area on the mountains in the south and east.

Vegetable and industrial crops and in general commodities are typical productions of the agriculture of the Banat's districts, whilst in the Centre and the South, meadows and pastures occupy a large portion of the territory.

Livestock productions experienced a very strong structural adjustment in the last decade, with decline in some areas, and large investments in new technologies[12].

[12] The importance of agriculture recovery for the economic growth in Timiș County, Nicoleta Mateoc-Sîrb-and others, Lucrări ştiinţifice – vol. 53, nr. 2/2010, seria agronomie.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

4.1.2 Mining Industries

In Serbia, exploitation of the underground resources including ores (iron, copper, zinc, lead, uranium), precious metals gold and silver, and also construction materials (sand, granite, clay and marble) led to the growth of tradable products sectors since the beginning of the last century, integrating the local economy in the international markets.

In Romania, the Mining industry occupied a similar place in the local economy, especially in Caraș Severin, since the 19th century Reșița became a modern industrial centre under Austrian rule. Also worth mentioning are the areas of Anina and Moldova Nouă were the mining activities still generate relevant threats of environmental degradation

The area received considerable attention due to its mining industry. In the nineteenth century, the entire Banat area, with its supplies of mineral deposits and timber, was the object of investment by international companies.

In more recent times, the development has been supported by important public investments in state-owned companies. The increased costs of the factors of production caused the closure of several exploitations in the 90's, in both countries, with severe social consequences on the labour market and environmental risks, still waiting to be afforded with a comprehensive approach.

In the Borski district, the RTB holding company of Bor operates the largest-size copper mining area in Europe, with close to 5000 employee in 2012.

Oil reserves were strategically important during the first half of the XXth Century in both countries, and their extraction still plays a potential role, however marginal in the local economy, in spite of dramatic reduction of reserves and increased costs of extraction, due to new technologies of extraction.

4.1.3 Industrial sectors

On the Serbian side of the border the major industrial concentrations by sectors are in the chemical industry sector, food, in pharmaceutical - cosmetic sector and in the non-metallic processing sector as the glass industry. In addition, there is considerable activity in the metal processing and foundry sector and factory producing agricultural machinery and equipment,

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

railway wagons. Braničevski district has developed food processing industries especially candies and sweets (Bambi). Beer production in Zrenjanin and wine production in Vršac (also candies and sweets), Negotin area is famous by wine.

In the Timiș districts, the main components of the industrial system are those in automobile manufacturing, textiles, food, chemicals, ICT, furniture., constructions and building materials, textile, leather industry, shoe industry, wood and furniture industry, commerce,

In Caraș Severin, Building materials, Information technologies, Electrical industry, Energy, Iron and steel industry, Light industry, Machinery and furniture, Mechanical industry, Metallurgy, High technology.

In Mehedinți, Chemicals, Metallurgy, Energy, Mining, are the main sectors of industrial production.

4.1.4 Energy

In the energy sector a key resource is the hydro-electric power central on the Danube at Porțile de Fier/Đerdap. The two units, both shared by Romania and Serbia, produce a relevant share of the total production from renewable sources, and of the total electricity production.

The Romanian units produce 35%-40% of Romania's Hydro-electricity[13], with some variations due to climate conditions and 25% of renewable energy sources[14]. It represents 10-15% of total National production. In Serbia, the production from Porțile de Fier/Đerdap represents roughly 70% of hydro-electricity production, and 20-25% of total Serbian electricity produced.

An important project is the development of oil pipeline Constanța-Pančevo, as this is becoming a very important route for infrastructure development.

To ensure electricity transit through Serbia along the corridor that runs from east/northeast to west/southwest, a double 400 kV interconnection is planned between substation Pančevo 2

[13] http://www.renewablefacts.com/country/romania/hydro
[14] http://www.renewablefacts.com/country/serbia/hydro

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

in Serbia and – transformer substation Reșița (Sokol) in Romania (RO) to facilitate connection of more than 1000 MW of renewable generating capacity in the region[15].

The eligible area is rich of renewable energy resources, in particular Timiș: geo-thermal waters sources. There are also climatic conditions for developing new wind power centrals, in Oravița in Caraș Severin, in Moldova Nouă.

Mehedinți: along the hydro power related projects, there are also projects for developing new wind energy parks, in, Orșova Wind Farm is an under construction wind power project in Mehedinți County, Romania

In Serbia there is a relevant potential for renewable energy, in particular Biomass power centrals and Wind, especially in the Branicevski and Borski districts.[16]

4.2 Industrial infrastructures

In Romania, at county level, there are various industrial parks and business centres, in particular in Timiș County and Caraș Severin, while in Mehedinți – there are no industrial parks / business centres.

Regarding Industrial parks, among the most important can be mentioned the two in Timișoara, Freidorf Industrial Park owned by a partnership led by the City Hall of Timișoara, and the Technological and Industrial Park owned by the Timiș county council, and one in Mosnita Nouă (the Mosnita Noua Industrial Park);

Business centres: 1 business incubator - Business Incubator and Technological Transfer in IT Timișoara, created by a partnership of university and local administrations, and the support of the German bank for cooperation GTZl[17]; and 1 Regional Business Centre in Timișoara –

In Caraș Severin an industrial park Valea Terovei Reșița, located on the former site of a chemical plant (brown field site conversion); 3 business centres, financed by World Bank – in

[15] http://www.irena.org/DocumentDownloads/events/2013/December/Background_Paper-C.pdf
[16] http://www.geni.org/globalenergy/library/renewable-energy-resources/world/Europe/wind-europe/wind-serbia.shtml
[17] German Agency for Technical Cooperation.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Anina (services and commercial activities), Moldova Nouă and Reșița; the first 2 were created for helping the underprivileged mining areas.

In Serbian districts a dense network of industrial areas can be observed, both in green field and brown field. Among the most relevant can be mentioned the Industrial Zone in Zrenjanin free zone, the Technology Park in Vršac, the industrial areas in Kanjiža, Kikinda, Pančevo.

4.3 SMEs

SMEs occupy a prominent role in the economy of the eligible area. In terms of number of enterprises, SMEs represents for more than 98% in all areas, up to picks close to 100%, like for example, in Zajecar in Serbia region where is 99,94%. Also the SME sector dominates in terms of employment in all regions and areas of Serbia. The SME sector has a dominant influence on the formation of trade and GDP in most regional areas, except in, South Backa, Bor and Branicevo regions.

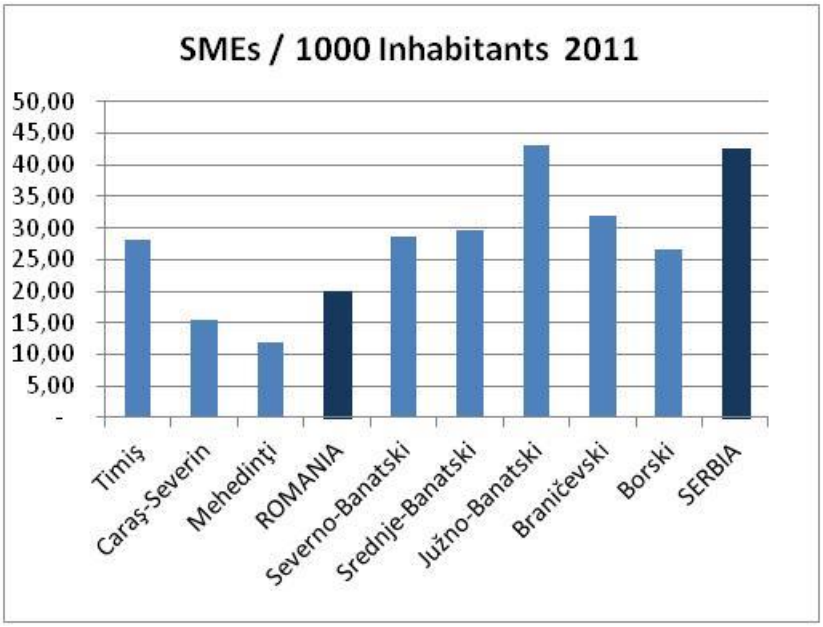
In both countries in the last decade an intense development of the entrepreneurial activity led to an intensive growth of SMEs in all sectors of industrial productions and services[18]. In the eligible area the density of SMEs, measured as number of SMEs per 1000 of inhabitants, is lower than the average in the two countries. However, the concentration of SMEs is strongly heterogeneous, confirming the dualism between the North and the South of the area.

In particular, in the Romanian counties, the concentration of SMEs in Timișoara is largely stronger, more than two times the indicator, than that of the other two counties.

The SMEs dominate in all regions and most regional areas of Serbia in 2012. In the eligible area four out of five districts show a density around 25% lower than the national average, while the South Banat is above the national average.

[18] Data from National Council of regional development, Serbia and Romania, NIS Serbia and Romania.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 4-2 Density of SMEs in the eligible area in 2011[19]

The differences might be caused by main factors, as the presence of growth poles with strong FDI, like in Timiș County, the proximity to metropolitan areas like for the South Banat, the industrial structure concentrated in traditional sectors and large companies, like in Bor.

For a better understanding of the role of SMEs and the potential contribution to economic development, it is necessary to look in deeper detail in the composition of the SMEs system, first of all in terms of size[20]. In fact, all companies between one and 250 employee are classified as SMEs, but obviously the role and the potential economic impact of the companies at the two extremes of the range are substantially different.

Looking at the distribution of SMEs in the size classification of Micro, small and medium enterprises, based on the number of employee, a substantial heterogeneity emerges, in this case between the two sides of the Border. In Romanian eligible area the small and medium

[19] Sources from: Ministry of Finance and Economy, Ministry of Regional Development and Local Self-Government National Agency for Regional Development Romania
[20] According to the Romanian legislation the classification of Enterprises considers also the turn over and the total asset.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

companies, those larger than 9 employees, represent a relevant share of the total. On the contrary in Serbia almost all SMEs are concentrated in the class "Micro" (Table 4.4). In both countries the structure in the eligible area is close to that at national levels.

	Number of SME / Total (classified per number of employee)		
	Micro <9	Small >10 < 50	Medium > 51 <250
Timiş	87%	11%	2%
Caraş-Severin	87%	11%	2%
Mehedinţi	86%	12%	2%
Romania EA	87%	11%	2%
ROMANIA	**88%**	**11%**	**2%**
Severno-Banatski	96%	3%	1%
Srednje-Banatski	96%	3%	1%
Južno-Banatski	97%	2%	0%
Braničevski	98%	2%	0%
Borski	97%	2%	1%
SERBIA EA	97%	3%	1%
SERBIA	**96%**	**3%**	**1%**

Table 4-4 SMEs per size

In Romania in all counties the medium enterprises represent roughly 2% of the total, in line with the National average. For the economic potential, even more important, is the large number of small enterprises, in all counties at the level of the national average.

The class of micro enterprises, includes companies with very limited managerial structures, limited or no capacity to operate actively on the final markets, usually no capacity of endogenous generation of innovation, a part special cases of start ups in innovative sectors.

The unequal structure of SMEs in the eligible area on the two sides of the borders, associated to the recent common growth of the SMEs sectors, signals a potential for CBC, with the creation of partnerships for business development, research, action on the international markets, to help the SMEs on both sides of the border to consolidate the recent growth and create the capacities for a long term sustainable development.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

4.4 Foreign Direct Investments

The eligible area has been the object of an intensive flow of Foreign Direct Investments, with a performance comparable to the average of the two countries. As described by the statistical information in the table below, the annual flow of FDI continued after 2008, with some differences between the two countries.

	2008	2009	2010	2011	2012
Romania*	**48798**	**49984**	**52585**	**55139**	**59126**
West	2,626	3095	3446	3987	4510
West /Total	5%	6%	7%	7%	8%
South West	1226	1940	1928	1806	2068
SW / Total	3%	4%	4%	3%	3%
Serbia **		**1810**	**1139**	**2236**	**1967**

*Romania National Bank ** Serbia National Bank

Table 4-5 Foreign Direct investments Euro Million

The flow of investments continued to grow after the global crisis in 2008, more regularly in Romania, with some variations in Serbia, a significant decline in 2009, and then a growth in the next years.

In the North, the Timiș County presents a value of FDI higher than that in the West Region, while the Mehedinți County has not attracted any significant FDI in recent years[21].

In Serbia, the strongest attractivity to FDI can be observed in Severni Banat and Srednji Banat inside the eligible area, also in Južni Banat in Vršac[22]. FDI are particularly attracted by the free zones network, that ensure fiscal incentives, large availability of business services and infrastructures, free custom incentives[23]. In the eligible area is located one of the most developed free zones, in Zrenjanin. However, in the other districts it should be considered the

[21] Report: The situation of regional investments 2011 and 2012, Romania.
[22] See the case of Hemofarm in Vršac.
[23] Ministry of finance of Republic of Serbia, free zones administration. http://www.usz.gov.rs/eng/index.php last accessed on 15th of January 2014.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

economic impact of FDI oriented to Belgrade, and Novi Sad, and other industrial poles at short travelling distance from the eligible area.

In the Serbian eligible area in recent years, among the main FDI there can be mentioned those in the food and textile industry that have been made in Zrenjanin, wood in Kovin and those in the Automotive sector, in Kikinda and Zrenjanin[24].

In Romania,in the eligible area FDI inflows are concentrated in the mechanical, automotive, textile, food industries, energy. In Timiș County there is the higher and most diversified flow of FDI, in Mehedinți the lowest.

The main FDI flows originate from main advanced European economies: the Nederland, Germany, France Italy, and outside Europe, from USA.

Romania - Serbia Cross border investment flows represent a minimum percentage of the total.

However, the common recent experience in the attraction of foreign investments and in the promotion of business activities can generate a potential for cooperation.

[24] http://www.investinserbia.biz last accessed on 15th January 2014

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

5 The labour market

- Activity rate per sector Strong dualism between North eligible area (labour concentrated in Manifacturing, lower agricultural activity) and the Centre east (Labour concentrated in Agriculture);
- In the Eligible area Lower employment rate then in the national average.Lower rate of activity;
- Strong disparities inside the Eligible area, beetween Timiș county with very low unemployment andhigh activity rates, and other counties and districts with higher unemployment in the south east;
- Strong dualism across the border in the north, with full employment in Romania, and high unemployment in the neighbouring district;
- Limited differences among women and men unemployment rate on the labour market;
- Significantly higher unemployment rates among young active population in the rural areas, and among Roma minorities;
- Social inclusion and poverty: the area is affected by poverty and social exclusion of large shares of the population, concentrated in the rural areas, and in the mountaineus districts of the Carpathians.
- Main factors of social exclusion and poverty risk seem unemployment, and capacity to access basic services due to remoteness.

The Labour market in the eligible area confirms the dualism emerged in the economic structure of the area. The distribution of active population per sector shows a strong specialization in manufacture in the Timiș county and in Severno Banatski in the North of the Eligible area, while In Caraș Severin, Mehedinți and Braničevski in in the Centre East, emerges a strong concentration in Agriculture. These data, together to the lower productivity, and the smaller quantity of agricultural resources, in particular land, confirm the distance in the level of local development between the two areas. In the Borski district can be noticed the specialization in the Mining sector. Mededinți, and Braničevski, share a specialization in the energy sector, due to the activities related to the hidrohelectric power centrals.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

The strong similarity of neighbouring regions on the two sides of the border, and the dualism from North to South -East, signals a strong potential for cross border cooperation.

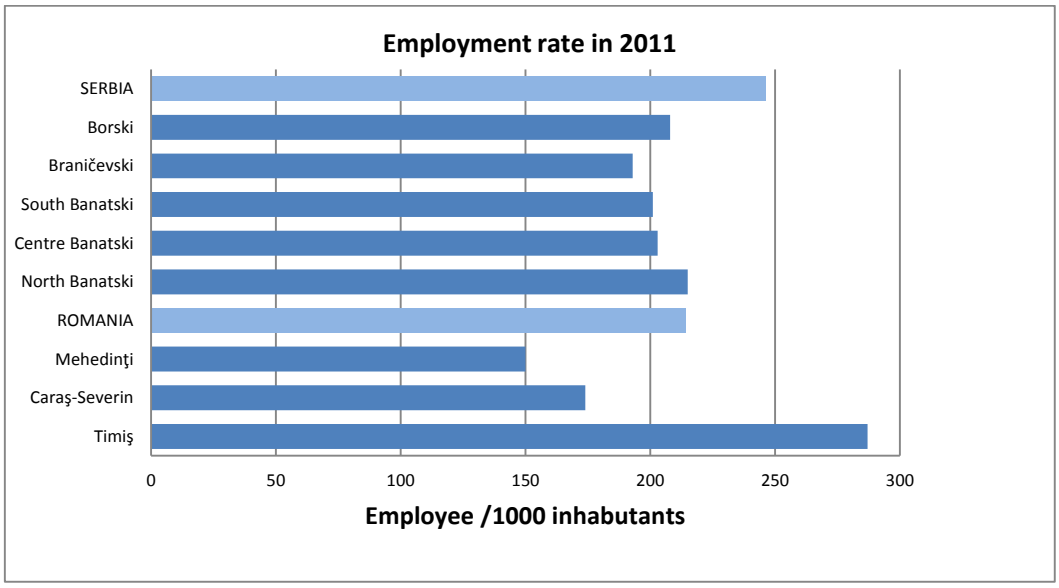
	Agriculture	*Mining*	*Manifacture and construction*	*Electricity-water, utilities*	*Services*
Timiş	23%	0%	31%	2%	44%
Caraş-Severin	37%	0%	25%	3%	35%
Mehedinţi	47%	1%	18%	4%	31%
ROMANIA	**29%**	**1%**	**25%**	**2%**	**43%**
Severno-Banatski	28%	1%	42%	3%	26%
Srednje-Banatski	26%	2%	38%	4%	29%
Južno-Banatski	22%	0%	38%	4%	35%
Braničevski	37%	4%	21%	9%	29%
Borski	29%	11%	27%	8%	26%
SERBIA	**28%**	**3%**	**34%**	**6%**	**30%**

Source: NIS Serbia NIS Romania Census Data

Table 5-1 Active population per sector 2011

The whole area presents an employment rate lower then the national average, with a more homogenous structure in the Serbian districts, and a strong dualism between Timiș and the other counties in Romania (graph 5.1).

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

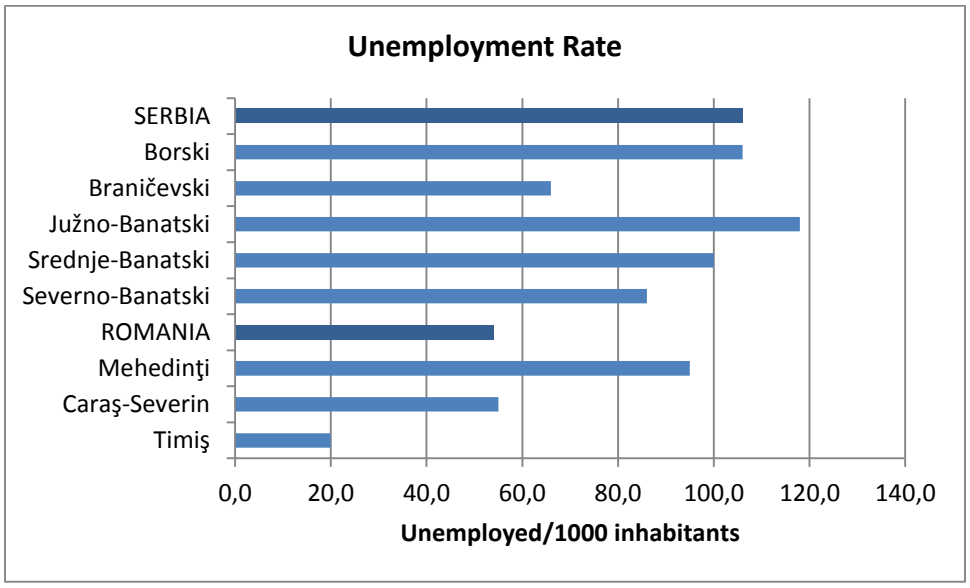


Graph 5-1 Employment rates. (NIS Romania, NIS Serbia)

The level of unemployment, measured as number of unemployed per 1000 of inhabitants, is lower in Romania then in Serbia, but there are strong inequalities among counties and districts. In the North the Timiș County shows a very low rate, which could lead to define the local labour market as a market of full employment. In the districts on the other side of the border the unemployment rates are much higher, three times that of Timișoara. The very strong differential of unemployment could lead to identify a potential attractiveness of the Romanian local market for labour forces from the other side of the border. And in fact, according to information provided by experts and stakeholders, there are initiatives by large companies in the district of Timiș, to assess the possibilities of recruitment of labour forces across the border.

In the centre and east of the eligible area the labour market is much more homogeneous, with high unemployment rates on the two sides of the border. This data, considered together to the large rate of activity in the agricultural sector, signals the relevance of the challenge for the local communities, and a potential for common actions for growth and employment.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

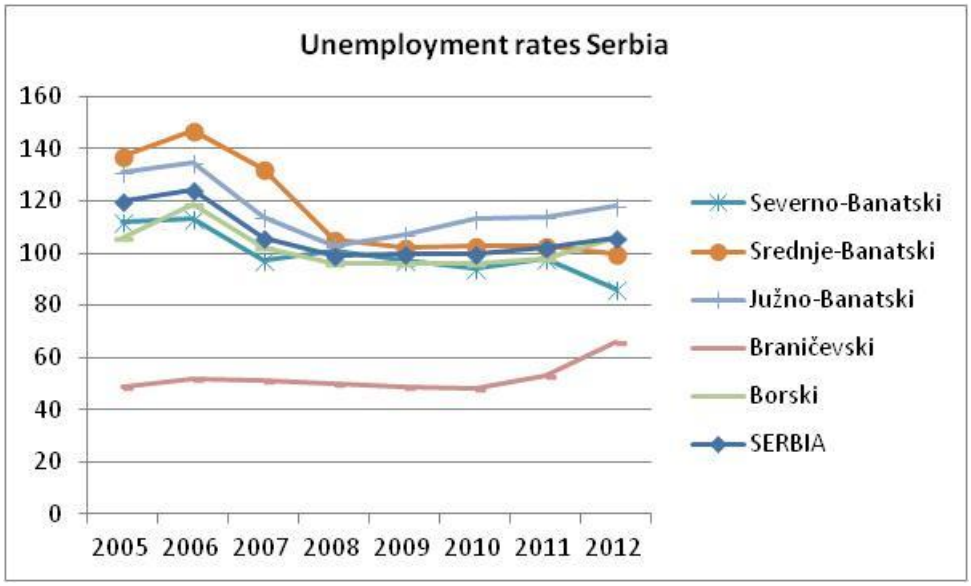


Graph 5-2 Unemployment rates (unemployed /1000 inhabitants)

The area suffered the impact of the global crisis in the last years, with an increase of unemployment, which was in line with the national tendencies. According to the dynamic of unemployment observed between 2005 and 2012[25], in the counties and districts, in all areas the impact of the crisis was similar, with a difference between Serbia and Romania.

[25] Data From NIS Serbia and Romania.

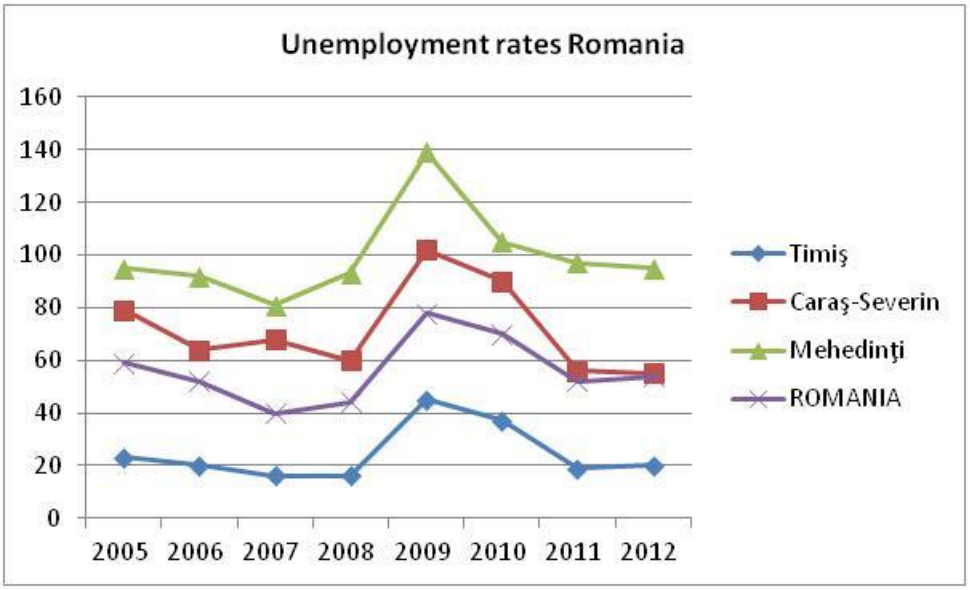
CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 5-3 Unemployment rates (unemployed /1000 inhabitants)

In Serbia the crisis in 2008 led to the interruption of the positive trend of the last 4 years, and to the stagnation of the unemployment in the next years. In Romania **the crisis** led to an immediate, dramatic impact of **the crisis**, but the recovery was very fast, leading in 2012 to a level lower then that observed before the crisis.

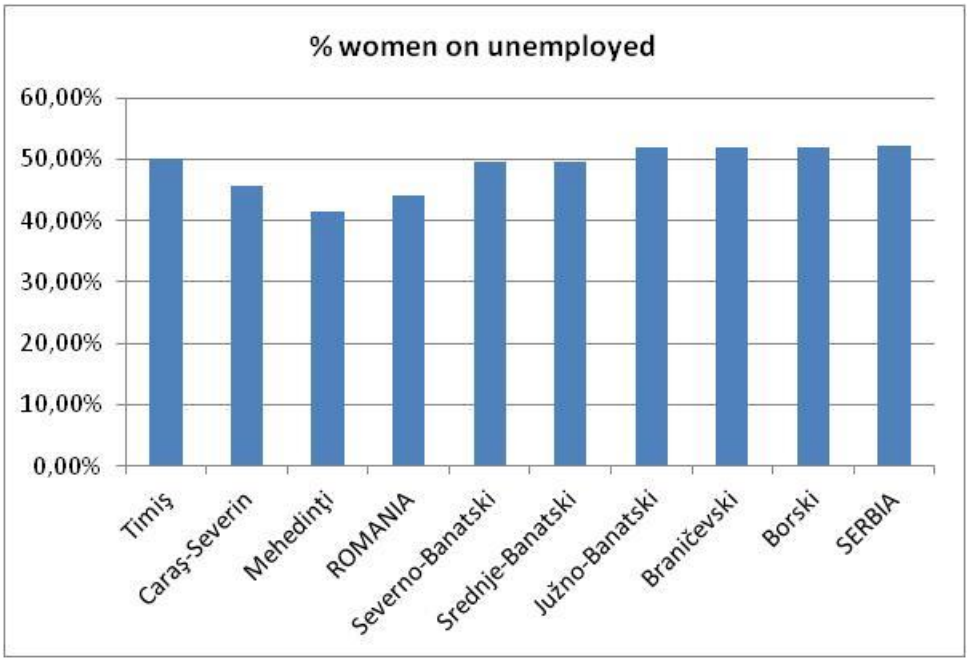
CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 5-4 Unemployment rates (unemployed /1000 inhabitants)

Unemployment among women is relatively hhomogenous in the eligible area, women representing roughly 50% of the unemployed population, slightly less then that in Serbia, and slightly more compared to Romania.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**



Graph 5-5 Share of women among unemployed people in 2011. (Source NIS Serbia and Romania)

Urban/rural differentiation in unemployment is relevant. In the most remote-rural regions like Mehedinți, unemployment is higher, and employment rate is lower.

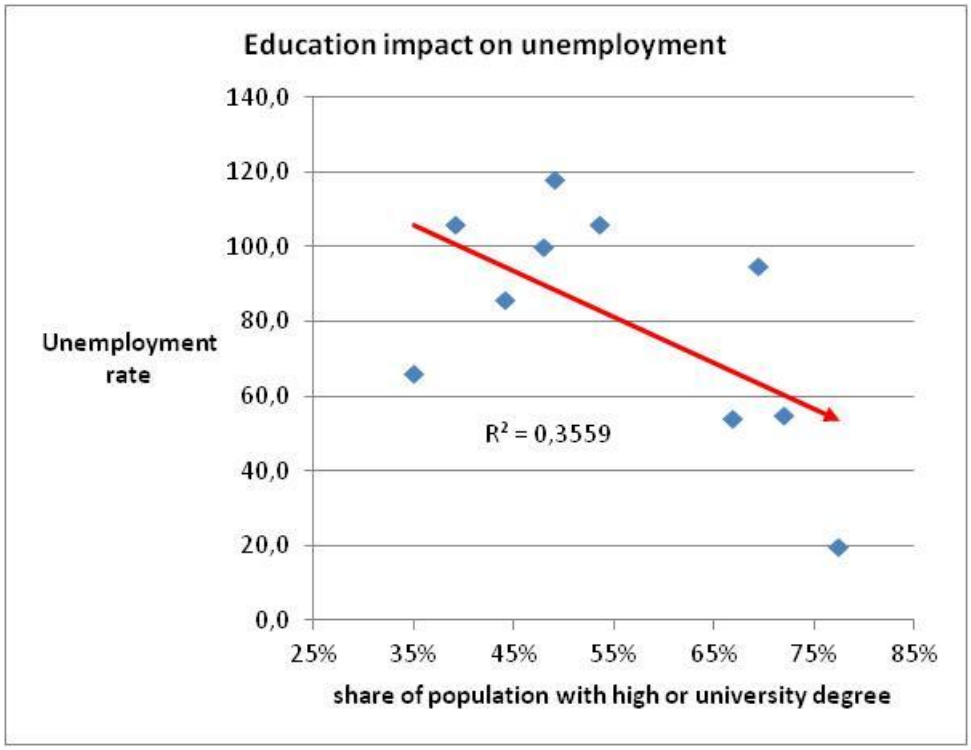
Unemployment among young people is dramatically high, according to national estimations. In Serbia unemployment among people 14-25 years old is 42% while in Romania is less than half, 20,08%[26].

Access to labour market of disadvantaged groups, in particular Roma groups, is difficult, and unemployment among them is higher.

5.1 Education, entrepreneurial development and access to labour market.

[26] NIS Serbia and Romania

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 5-6 Impact of education on unemployment 2012 NIS data.

A horizontal analysis in the eligible area leads to identify a substantial impact of education attainment on the risk of unemployment. According to a very simple statistical indicator, the level of educational attainment of the population can explain 35% of the differences in the unemployment rate.

The counties and districts in the south east of the area are those lagging behind, specially for the share of population with university degree.

A second factor that shows a significant correlation with the labour market dynamics and equilibrium is that of entrepreneurship. The density of SMEs has an impact on economic development, activity rates, unemployment.

The quantitative growth of SMEs has been generated by different dynamics of the economic and social structures in the regions, and has produced a substantial impact on the labour market.

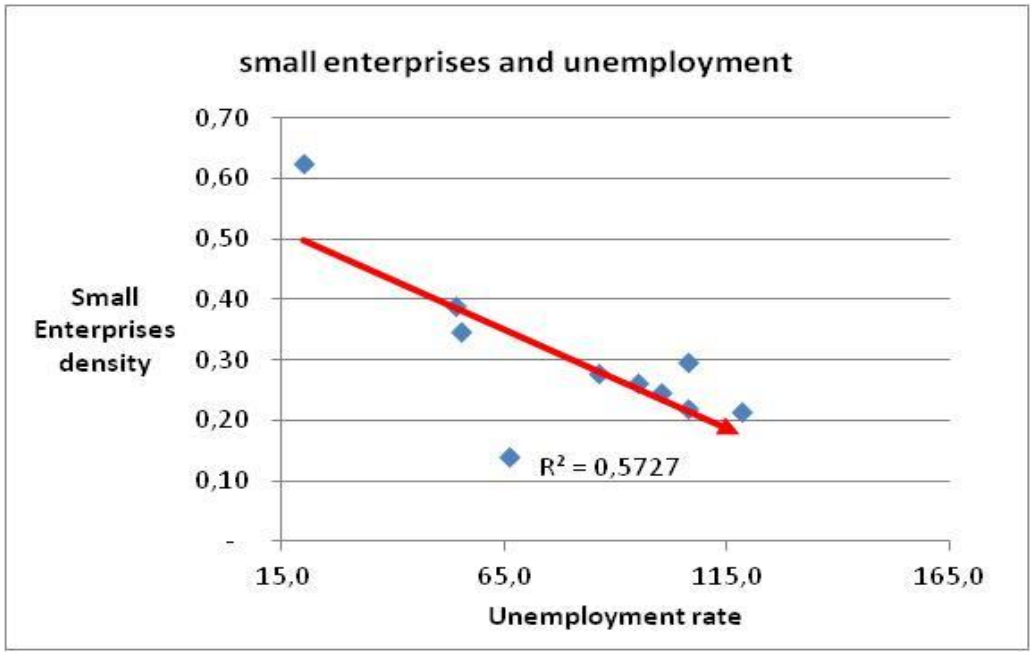
CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

As observed in the previous chapter the density of all SMEs (from 1 to 250 employees) is now much higher than a decade ago, and relatively homogenous in the eligible area. However, the class is so large that the indicator is not sufficiently homogenous to identify its impact on the labour market

The class of enterprises that seem to play the most significant role in the labour market is that of the small enterprises those with a number of employees between 10 and 50.

In fact, as described by the graph below, the relation between the density of small enterprises (number /1000 of inhabitants), and unemployment rates is particularly significant.

According to the indicators in 2012 in the eligible area, the density of small enterprises can explain up to 57% of the unemployment differences.



Graph 5-7 small enterprises density and impact on employment rates

5.1.1 Potential for cross border cooperation in the labour Market

Regarding the analysis presented in the previous chapter, the main field of cooperation, based on common needs and challenges, are those of the promotion of access to higher education,

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

promotion of access to the labour market in rural and remote areas, and by disadvantaged groups, capacity building of innovative skills for work forces demanded in particular by microenterprises.

In the previous programming period few projects addressed the challenge, but some examples of cooperation between university institutions can be mentioned. A stronger involvement of institutions active in the areas of adult and vocational education could be promoted.

5.2 Social inclusion and Poverty

The eligible area faces serious problems of social inclusion and poverty. In particular, in the remote rural areas a relevant share of population experience problems of access to the essential goods and basic services. The strong differences in the concentration of economic activities, unemployment, productivity of rural resources, remoteness of territories, generates strong dualism of poverty rates in the area.

In Romania and Serbia the share of population at risk of poverty is among the highest compared to the average level in Europe, and also among the new European members. The national data signal a decline in the last years, but the rate is still above 20% in both countries.

	2007	2008	2009	2010	2011	2012
European Union, 27	16.5	16.4	16.3	16.4	11,9	17,0
European Union, 15	16.0	16.2	16.1	16.2		
New EU member states,	18.2	17.3	17.1	16.9		
Romania	24.8	23.4	22.4	21.1	22,2	22,6
Serbia	22.8	20.2	21.2	20.6		

Source: Eurostat and NIS Serbia.

Table 5-2 At-risk-of-poverty rate for the population, after social transfers, %

The concentration of population at risk of poverty is higher in the rural areas and regions with lower activity rate and higher unemployment. In the eligible area all districts and counties are

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

classified as rural, but the extension of the poverty and social exclusion problems is strongly heterogeneous.

Unfortunately comparable statistics are not complete at county and district level in the eligible area. The variability of local conditions can be estimated from different available variables. Other indicators, like the percentage of population below the absolute poverty line[27], are close to 10% at national level.

According to the Poverty Map for Romania[28] in the Timiș County, in the rural area, the poverty rate by county is roughly at 30%, the lowest rate in the West region. At county level the most deprived areas are: Barna, Ohaba Lunga and Pietroasa.

In Caraș Severin rural area, the poverty rate calculated at county is 44%, the highest rate in the West region. At county level the most deprived areas are: Cornereva, Prigor, Socol, Sopotu Nou and Ticvaniu Mare.

In Mehedinți County, in the rural area, the poverty rate by county is 54%, the highest rate in the region South West. At county level the most deprived areas are: Balta, Balvanești, Cazanești, Cireșu, Dumbrava, Godeanu, Husnicioara, Ilovat, Jiana, Padina, Podeni, Prunisor, Punghina, Tamna.

In Serbia, population poverty and poverty risks are estimated only at the level of regions. In the last year available, the percentage of population below the absolute poverty line is close to 9% at national level, with a minimum of 5% in Belgrade and a maximum of 12% in central Serbia. In Vojvodina in 2010 the percentage of population below the poverty rate was 6,8. Actually in recent years the percentage was extremely variable in Vojvodina, moving below and above the national average. In general, after the global crisis, absolute poverty increased in Serbia, in all regions.

[27] http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:EU_statistics_on_income_and_living_conditions (EU-SILC)
[28] http://sedac.ciesin.columbia.edu/ povmap/downloads/ methods/ Harta_ saraciei_in _Romania.pdf

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

	2006	2007	2008	2009	2010
Poverty line in RSD (1000 Dinars):RSD/month/consumer unit	6,221	6,625	7,401	8,022	8,544
% of the poor National level	8.8	8.3	6.1	6.9	9.2
% of the poor by region:					
Belgrade	4.3	2.4	2.9	3.8	5.3
Central Serbia	10.7	9.0	7.0	9.3	12.0
Vojvodina	8.6	11.9	6.8	4.9	6.8
% of the poor by type of settlement:					
Urban area	5.3	6.0	5.0	4.9	5.7
Other area	13.3	11.2	7.5	9.6	13.6

Table 5-3 Serbia: Population below the Absolute poverty line (CPI)[29]

The access to health care services, which will be discussed in better detail in the next chapter, can provide an indirect indicator of the problems of social exclusion and poverty.

Considering the indicator of number of doctors per thousand of inhabitants, can be noticed a large disparity between Timiș and all the other counties and districts.

In fact in the Timișoara area the presence of Universities and health care centres, public and private, leads the indicator of number of doctors per 1000 of inhabitants to the double than the average in the two counties, and in the other districts.

Cross border interactions influence the dynamic and the improvement of poverty and social exclusion. The integration of local markets can offer job opportunities, as traditionally happened for Romanian seasonal workers in Serbian agriculture. Micro Enterprises starting tourism activities can generate cross border flows of visitors. Populations at the borders can access to products and services that are available in the neighbour country,

29 Monitoring Social Inclusion in Serbia Overview and Current Status of Social Inclusion in Serbia Based on Monitoring European and National Indicators 2006 – 2012 Second amended edition Belgrade, October 2012. Social Inclusion and Poverty Reduction Unit and Republic Statistical Office

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

In the current programme, some initiatives have been implemented in particular in the health care services sector for the improvement of the quality and accessibility of services.

CROSS BORDER COOPERATION
Romania-Serbia

Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

6 Health care services

Quality and quantity of health care services in the area can be described through some quantitative indicators, and few quantitative indicators available in all counties and districts of the eligible area, shown in the table below. The health care services play a critical role in the creation of the conditions for an inclusive growth, and the fight against social exclusion and poverty.

Indicators of health care services: units per 1000 inhabitants. Source NIS Serbia and Romania (2012).

	doctors	dentists	pharmacists	personnel in health sector[30]
Timiş	5,21	1,28	0,95	7,92
Caraş-Severin	2,00	0,52	0,30	6,99
Mehedinţi	1,76	0,40	0,47	5,58
ROMANIA	**2,45**	**0,62**	**0,68**	**5,86**
Nord Banatski	2,06	0,23	0,19	18,59
Centre Banatski	1,91	0,27	0,35	18,35
Sud Banatski	2,36	0,65	0,50	18,38
Braničevski	2,24	0,21	0,28	17,36
Borski	2,84	0,27	0,27	20,70
SERBIA	**2,81**	**0,30**	**0,28**	**21,47**

Table 6-1 Health care services indicators Nis Serbia and Romania

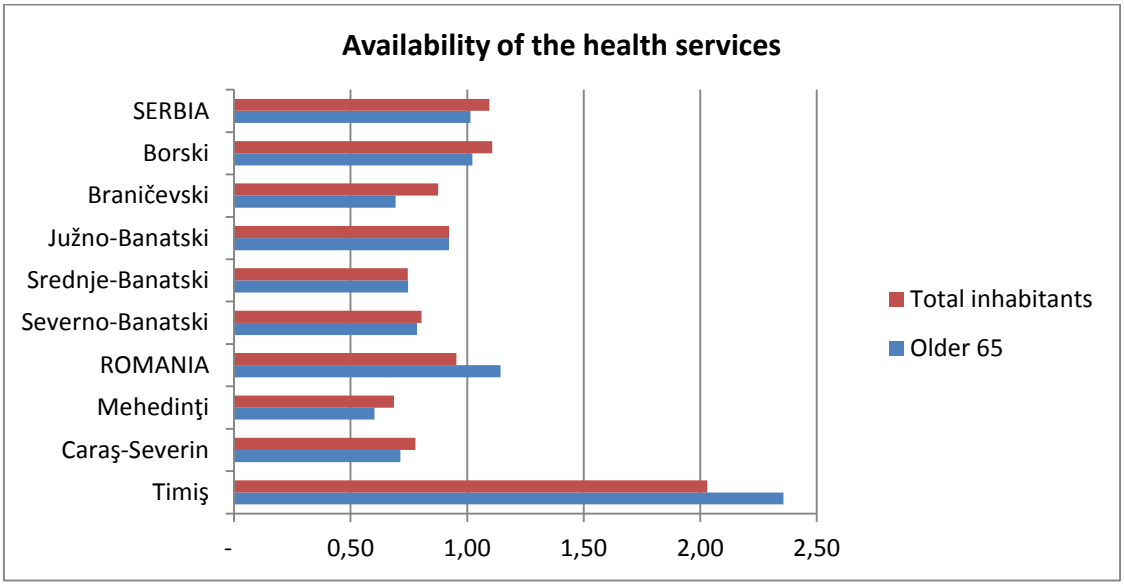
In the eligible area, the availability of health care services as signalled by the indicator of number of doctors, and by other indicators available, is relatively homogenous, roughly one doctor per each 50 inhabitants, with one exception that is that of Timișoara, where the concentration of health care service centres is close to the double then in the rest of the eligible area.

[30] In the two countries the classification system for the variable "personnel in the health sector) is not identical, therefore the comparison is not possible.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

University centres of Medicine are located In Timișoara, inside the eligible area, and in Novi Sad, Belgrade, Nis at the edge of the area in Serbia.

In recent years, according to the information provided by the local stakeholders, an intensive growth of private centres for health care services, including private hospitals, have been developing all over the eligible area, in particular in the main urban centres. This process could lead to a larger disparity in the accessibility of health care services among urban and rural population, and active and non active groups (elders, disadvantaged groups).



Graph 6-1 Indicators of availability of health care services. 2012 (NIS Serbia and Romania)

An indicator of availability of health care services for the population[31] older than 65 signals that in the most advanced areas, like Timiș county and in South and Centre Banat, the availability is higher for elders, while in the remote and rural areas, like in Branicevski and Mededinți, the availability of health care services is even lower then for the whole population.

The same dualism among regions could be identified in the availability of health care services and the level of income, in particular between urban areas and Northern plains, and the counties and districts in the centre east.

[31] The indicators is calculated as the number of doctors per 100 inhabitants and per 100 inhabitants older then 65, normalized by the average of the same indicator in the eligible area.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Main challenges for in the eligible area: improving accessibility to health care services for the population in the marginal areas, and for disadvantaged groups, establishment and management of emergency services, preventive health care services and campaigns.

In all these areas can be identified a strong potential for cross border cooperation, to exchange good practices, to establish joint networks, to start the joint cross border access to specific health care services.

In the current period the sector of health care has been quite active and various projects have been implemented. The experience created can be capitalized in the next period, possibly developing new projects focused on the most important challenges, those of the access to health care in remote areas, in rural communities,

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

7 Public Transport and ICT infrastructures

- Eligible area is well connected to main European Networks;
- Central position in the Rine-Danube European core network;
- Disparities in the accessibility of international network among the eligible areas;
- Areas close to Belgrade and to Timiș much better accessible from international networks than the others;
- Areas in the planes are better connected then those peripheral and in the mountain area;
- Density and quality of the local transport network lower than the national average;
- Low speed of public transport services reduces accessibility of rural and remote areas;
- Accessibility of border crossings sufficient, but poor quality of infrastructures;
- Interconnection of eligible area is limited by infrastructure quality and distances;

7.1 The eligible area in the European Networks

The eligible area benefits of the proximity to two of the Core European Networks. Orient/East-Med Corridor[32] and Rhine Danube (former Corridors IV, X, VII).[33]

Particularly important in the eligible area is the Rhine - Danube River core network, for its impact on the local system, and for the role that it offers to the region especially in connection to the European Union Strategy for the Danube River. The current volume of traffic on the Danube is much smaller than the potential capacity.

[32] REGULATION (EU) No 1316/2013, 1315/2013 Of The European Parliament And Of The Council of 11 December 2013
[33] TEN-T Core Network Corridors (Regulation (EU) No 1316/2013 O.J. L348 - 20/12/2013.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Map 7-1 Core European Networks in the Mediterranean and Balcan Area. (source EC Transport and mobility, http://ec.europa.eu/transport/index_en.htm)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Map 7-2 Annex III regulation 1306/2013 and 1305/2013:

Indicative maps of the trans-European transport network extended to specific third countries. Roads and fluvial[34]

[34] http://ec.europa.eu/transport/infrastructure/ tentec/tentec-portal/site/en/maps.html Last accessed March 2014

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

Map 7-3 Annex III regulation 1306/2013 and 1305/2013: Indicative maps of the trans-European transport network extended to specific third countries Rails.

In Timiș, the international airport ensures large availability of connections to international routes. The international airport *Traian Vuia* processes around 1 million passengers per year. In the Serbian area, there are no airports located, but the *Nikola Tesla* International Airport

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

located in Belgrade is at reasonable distance from all main towns of the eligible area. Three fluvial ports offer access to the Danube (Rhine-Danube corridor).

Good inland waterway infrastructures are present in all districts. The irrigation system Dunav-Tisa-Dunav (DTD) in Vojvodina (Banat and Bačka) has a canal network of 960 km, of which 600 km are navigable.

The Timiș County has one of the few inland waterways which are navigable, the Bega channel, as part of the Rhin - Main – Danube system (linking at European level the Black Sea and the North Sea). The length of the Bega channel is of 44,5 km for the Romanian section and of 74 km of the Serbian section, its meeting point with the Danube is on the Serbian side at Klek.

The main transport infrastructures in the area:

Road transport (AGR):

E70: (Beograd) – Vrsac – Stamora Moravița – Timișoara – Lugoj – Caransebeș – Orșova – Drobeta Turnu Severin – (Craiova)

E 771: Drobeta Turnu Severin – Kladovo – (Nis)

Railway transport (AGC):

E66: (Beograd) – Vrsac – Stamora Moravița – Timișoara

E 56: (Arad) – Timișoara – Lugoj – Caransebeș – Orșova – Drobeta Turnu Severin – (Craiova)

Inland waterway transport (AGN):

Danube

Bega (till Timișoara)

TEN-T network:

(Belgrad) – Vrsac - Stamora Moravița – Timișoara

Timișoara – Lugoj – Caransebeș – Drobeta Turnu Severin – (Calafat)

Airports Timișoara international Airport

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

In recent years few infrastructures were completed.

On the corridor IV (according to the former classification), it was completed a 32 Km segment of the highway between Timișoara and Arad, on the North, and the Timișoara's bypass road.

On the corridor X (former classification), it was completed a segment of the Horgos – Novi Sad – Beska highway, Horgoš border crossing between Hungary and Republic of Serbia, on the north east of the eligible area)

7.2 Internal Transport network and accessibility

Concerning the local road network, despite recent improvements the proportion of modern roads is still small, and local roads in particular, are obsolete and in poor repair.

The length of public roads is 6697 Km in the Romanian counties (of which 1467 km are national roads) and 5256 km on the Serbian side (of which 1142 km major roads and 1423 km of regional ones).

The indicator of road density per unit of surface shows that the availability of road infrastructure is lower than the national average, both in Serbia and in Romania.

Country	NUTS 3 units:	Km roads /1000 sqkm
Romania	Total	343
	Timiş	335
	Caraş-Severin	229
	Mehedinţi	376
Republic of Serbia	total	490
	North-Banatski	260
	Centre-Banatski	226
	South -Banatski	145
	Braničevski	376
	Borski	425

Table 7-1 Road infrastructures in the Area (Data Ministry of infrastructure and transport Romania and Serbia).

The same indicator, also describes a strong heterogeneity, with the lowest levels in South Banatski, with less than 150 Kms of roads per 1000 sqkm, and the highest in Borski, with 425.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

However this indicator should be used taking in to account the strong structural heterogeneity of population density, distribution and size of settlements, topography, quality of maintenance and operation that also depend on the resources of the local administrations. In fact, in the northern plains of both Romania and Serbia, roads, and railroads, ensure a sufficient accessibility to national and international networks. In the southern parts, rail network is less developed, and also because of the mountainous profile and lower density of the population, road network is less efficient, and accessibility is more difficult.

Considering these structural specificities, accessibility measured in terms of travelling time declines much faster than that measured in terms of physical distances (table 7.2).

In the table below, the travelling times where estimated for public transport services, which in most cases need a combination of trains and buses. Most of the travelling distances between the main towns in the eligible area are higher than 3 hours.

The average travelling distance to the other towns in the area is higher than 4 hours for all towns considered. The average travelling time distance is above 6 hours for the most isolated town, Bor in Borski district.

	Timișoara	Dobreta Turnu S.	Reșița	Kikinda	Zrenjanin	Pancevo	Pozarevac
Timișoara							
Dobreta Turnu S.	5,07						
Reșița	3,59	2,2					
Kikinda	2,24	7,01	6,37				
Zrenjanin	3,5	10,01	8,25	1,07			
Pancevo	3,4	8	7,4	3,4	1,2		
Pozarevac	5,15	7,31	8,05	3,55	2,34	1,54	
Bor	12,36	3,02	6,56	11,45	9,48	6,19	9,2

Source: http://www.rome2rio.com/ last accessed on 15th December 2013

Table 7-2 Public transport traveling time among main towns in the eligible area (hours) (Bus or Train + Bus)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

7.3 Cross border points accessibility and flows

The two sides of the border are connected by 10 border crossing points, two of them on roads and railroads, and three fluvial ports on the Danube. A detailed list of crossing points is provided in the table below.

Serbian point	Modality	Operativity	Romanian Point
Veliko Gradište	Port	Functional permanent	
Donji Milanovac	Port	Functional permanent	
Tekija	Port	Functional permanent	
Kladovo	Port	Functional permanent	
Đerdap	Port	Functional permanent	Moldova Veche
	Port	Functional permanent	Orșova
	Port	Functional permanent	Drobeta Turnu Severin
Prahovo	Port	Functional permanent	
Kikinda Crinja (Srpska Crnja)	Road	Functional permanent	Jimbolia
Vrbica	Road	Functional temporarily	Valcani
Nakovo	Road	Functional temporarily	Comloșu mare
Kikinda Crinja (Srpska Crnja)	Train	Functional permanent	Jimbolia
Međa	Train	Functional temporarily	Ionel
Jaša Tomić	Road	Functional temporarily	Foeni
Vrsac Vatin	Rail/ train	Functional permanent	Stamora Moravița (Moravița)
Kaluđerovo	Road	Functional permanent	Naidăș
Đerdap 1	Road	Functional permanent	Porțile de Fier 1 (Gura Văii)
Kusjak (Đerdap 2)	Road	Functional permanent	Porțile de fier 2 (Izvoru Frumos)

Table 7-3 Border crossings in the PA (source: Border police Serbia and Romania)

The flow of passengers and vehicles is available only for some specific crossing points, and no records about the local cross border traffic are available.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

However, according to the qualitative information collected among stakeholders the number of crossing points is adequate for the intensity and direction of cross border flows, including a large share of travellers to the long distance international destinations, and a minor share of commuters in the border area.

However, there are only few fully operated cross-border points (near Vršac, Jimbolia). The others are not permanently functional cross-borders, and some of them are just seasonal and limited.

The traffic of vehicles across the border crossings has been growing at a fast pace, in both directions, growing from roughly 200 thousands in 2009 to up to more than 300 thousands in 2013.

The annual flows of vehicles to long distance destinations correspond to an average of less than 1 thousands vehicles per day, almost the totality represented by cars (table 7.4).

Half of the traffic is concentrated at the Đerdap crossing points.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

Vehicles crossing the border between Serbia and Romania in 2009(vehicles per day)

	Romania to Serbia				Serbia To Romania			
	All	Passenger cars	Buses	Motorcycles	All	Passenger cars	Buses	Motorcycles
-Total	583	578	5		542	537	4	0
Out of which:								
Vatin	146	144	2		132	130	2	0
Srpska Crnja	76	76	1		76	75	1	
Other	361	359	2		333	332	2	0

Vehicles crossings the border between Serbia and Romania in 2012 (vehicles per day)

	Romania to Serbia				Serbia To Romania			
	All	Passenger cars	Buses	Motorcycles	All	Passenger cars	Buses	Motorcycles
	930	923	5	2	865	859	4	2
Out of which:								
Mokranje	79	78	0		64	64	0	
Đerdap	412	410	2		353	351	2	
Kaluđerovo	171	169		2	173	171	0	2
Other	268	265	2		275	273	2	

Source: NIS Serbia Border police data on border traffic of motor vehicles and passengers.

Table 7-4 Traffic at the border crossing Romania- Serbia

The travelling time measured for cars, proves that all capitals of districts and counties can reach at least one neighbouring town on the other side of the border in less or roughly 2 hours (table 7.5). This time distances are compatible with daily commuting for social and economic activities.

Considering the common availability of resources especially natural and cultural heritage, the cross border distances allow the identification of a potential for stronger interaction and cooperation, for the access to basic services by the local population, for the creation of joint business initiatives, especially in the area of tourism, and for the development of cultural partnerships and networks.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

	Timiș	T. Severin	Reșița	Kikinda	Zremjanin	Pancevo	Pozarevac
Timiș							
T. Severin	4,17						
Reșița	2,05	2,44					
Kikinda	1,31	5,47	3,22				
Zremjanin	1,55	5,17	3,4	1,2			
Pancevo	2,2	4,4	3	2,4	1		
Pozarevac	3,43	2,52	4,01	3,15	2,52	1,37	
Bor	5,44	2,3	4,32	5,1	4,29	3,31	2,47

Source: http://www.rome2rio.com/ last accessed on 15th December 2013

Table 7-5 Driving time distances among main towns in the Programme area (hours).

7.4 E-Society and digital divide

The Access to broadband connections is quite similar at National level in the two countries, close to 50%. The differences are much larger inside the eligible areas, where in the Serbian areas the access is below 30% in all regions; while in the Romanian eligible area the average is much closer to the national level.

The digital divide follows the dualism between urban and rural areas. In Serbia the share of households in rural and urban areas accessing to internet through broadband connection is estimated 16.4% versus 41.2%[35]. In the same year 2011 according to the Romanian Authority for Management and Regulation in Communications (ANCOM), in the rural areas of Romania the rate of access to broadband connections was approximately 22%.

[35] Usage of information and communication technologies in the Republic of Serbia, 2011 NIS

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Broad Band connection: % households 2011 (NIS Serbia and Eurostat)		
West Region	Timiş	53
South West	Caraş-Severin	48
	Mehedinţi	
	ROMANIA	**50**
Vojvodina	Severno-Banatski	28,8
	Srednje-Banatski	
	Južno-Banatski	
Central Serbia	Braničevski	26,5
	Borski	
	SERBIA	51

Table 7-6 E-society Indicator: broadband access

Considering all technologies of connection, according to the available estimations at national level 55%[36] of Serbian families and 55% of Romanian Families have access to Internet[37].

The use of internet describes a much weaker situation in terms of access to services and E-society development. According to Eurostat data, only 10% of Romanians made shopping through internet services in 2012[38], and just 5% in Serbia.

Regional data are not available, but according to qualitative information available the average access to the net in the eligible area seems close to the national level.

Data on the quality of the access to internet indicate that Timișoara is the best performing in Romania, according to the average connections speed. In Serbia, the same ranking per connection speed scores Kikinda 28th, Bor 44th, among the Serbian towns [39]

[36] UN's International Telecommunications Union ITU data for Serbia 2010 Romania 2012.
[37] According to ITU estimations in Romania in 2012 the percentage is lower, 44%.
[38] http://epp.eurostat.ec.europa.eu/ cache/ITY_OFFPUB/KS-SF-12-050/EN/KS-SF-12-050-EN.PDF
[39] http://www.netindex.com/upload/2,225/Serbia/

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

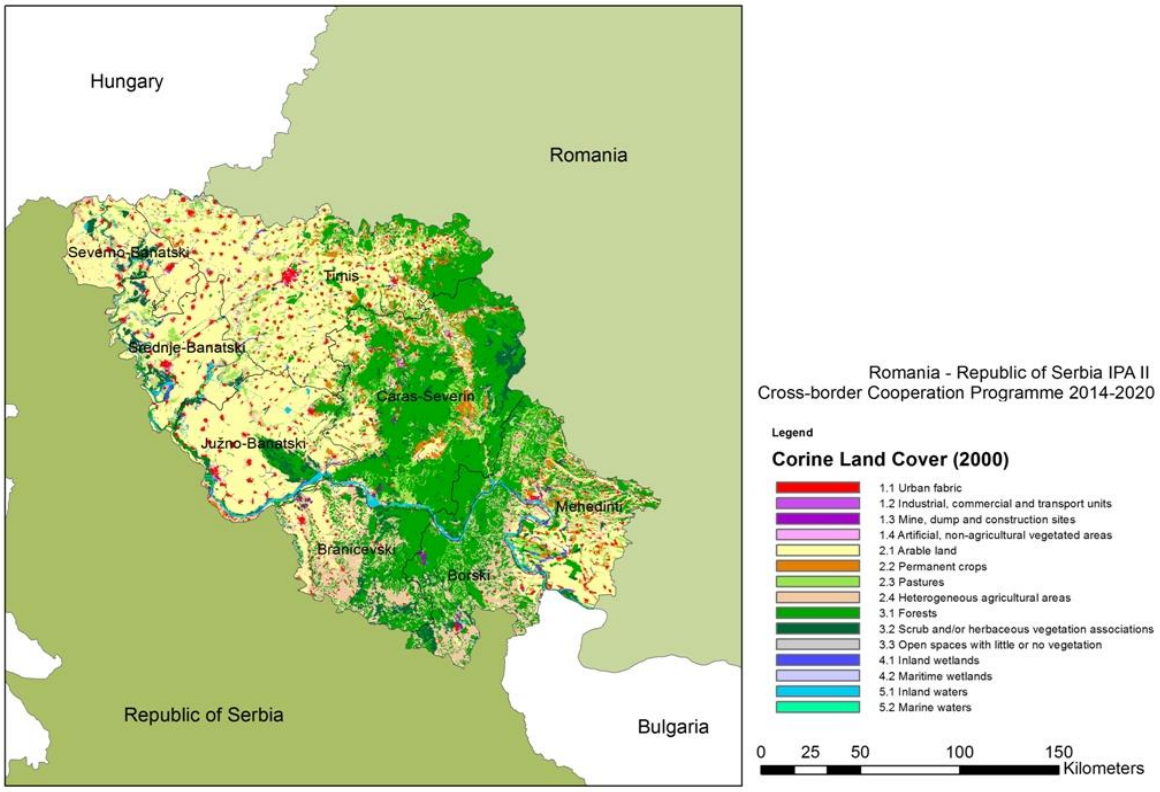
8 Environmental resources and infrastructures

- Divide of land use and land cover with agriculture dominating in the Northwest and mountain and forested areas dominating in the Southeast, with punctual foci of human activity (e.g. mines);
- Rich natural environment and cultural heritage with many small and dispersed attractions which is at pressure either by abandonment in peripheral areas or by overexploitation in the plains;
- Large number of NATURA 2000 and Natural Protected Areas covering a large part of the programme area;
- Rivers and water bodies mostly heavily modified and with weak ecological potential burdened by agricultural, industrial and municipal discharges;
- Relative low level of service of water supply and sewage treatment especially in the rural areas and difficulties to overcome this by conventional approaches;
- Environmental Infrastructure is often obsolete, underperforming and with limited perspective for financing beyond rudimentary operation and maintenance; Municipal waste treatment is nascent and is relying in simple landfills or uncontrolled dumps;
- Air pollution in the urban centres as a consequence of traffic and poor industrial emissions standards;
- Environmental hotspots and risks, especially due to past and present mining and industrial activity, in many cases in remote areas with poor civil protection mechanisms;
- Flood risks (fluvial and flash floods) in different parts of the Programme area;
- Flood Awareness Systems and disaster protection improving and connecting to European networks but still poor at the local level

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

8.1 Land uses

The Programme Area is characterised by a basic division of land uses and land cover from Northwest to the Southeast. In the northwest, agriculture predominates, while in the southeast mountain areas and forests/woods are more common.



Source: EEA (2006), CORINE Land Cover 2000, own illustration

Map 8-1 Programme Area Land uses

Considering the land use structure, the following picture exists:

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Land use	Share
Agriculture	52,26%
Forests	33,88%
Pastures	7,95%
Settlement	3,80%
Water bodies	1,09%
Marshes	0,76%
Mines	0,14%
Parks	0,04%
Barren land	0,04%
Transport infrastructures	0,02%
Dumpsites	0,01%
Total	**100%**

Source: EEA (2014), CORINE Land Cover 2000, own calculation

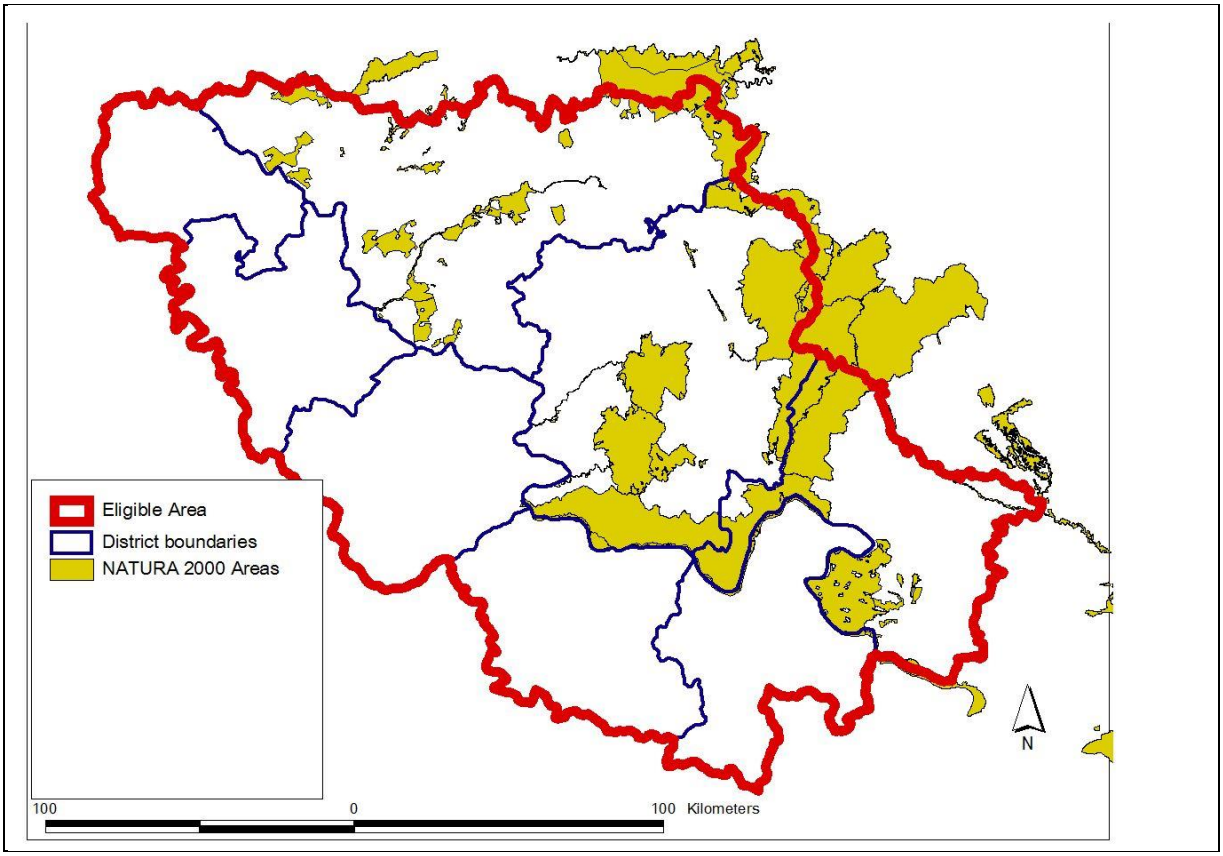
Table 8-1 Land uses in the eligible area

8.2 Natural and cultural resources

The programme area is extremely rich in natural resources. During the long geologic history, influences from relief, climate, soil etc. has contributed to create a rich mosaic of ecosystems and sites, e.g. the Porțile de Fier/Derdapa Klisura on the Danube in the central section of the area, is among the most celebrated sites of the "Wild Europe".

The border area is characterized by highly varied flora, fauna and natural habitats. Natura 2000 sites cover for example up to 32% in the Mehedinți County.

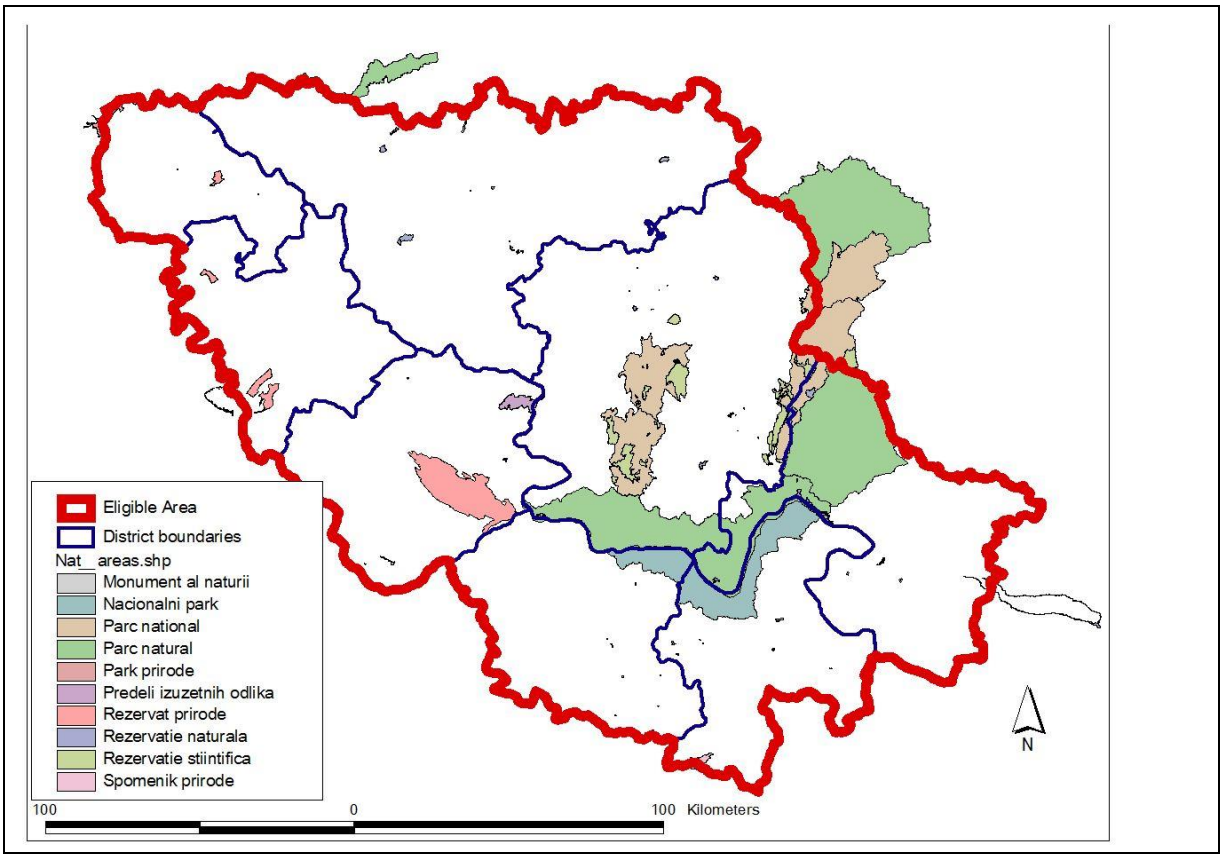
CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Source: EEA (2013), NATURA2000, own illustration

Map 8-8-1 *NATURA 2000 Sites in and near the Programme Area*

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**



Source: EEA (2013), nationally designated areas (CDDA), own illustration

Map 8-8-2Nature protected areas in and near the Programme Area

This rich natural environment is evident by the numerous protected areas with an area of several thousand hectares.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Among others areas of attraction, which can be an important asset in tourism development include:

Country	District	Natural Protected Areas	Main Cultural and historical Attractions
Romania	Timiș	Saraturile Dinias Reserve Mlastinile Satchinez Reserve Lacul Surduc Reserve Insula Mare Cenad Reserve Mlastinile Murani Reserve Padurea Cenad Reserve Lunca Poganisului Reserve	Historic centre in Timișoara with the traditional neighbourhoods of Cetate, Iosefin, Fabric and Elisabetin; Old town of Lugoj Castle of General Mercy Fortifications and town of Făget Town and Thermal Baths of Buziaș
	Caraș-Severin	Porțile de Fier Natural Parc Cheile Nerei – Beusnita National Parc Semenic - Cheile Carașului National Parc Izvoarele Nerei Reserve Rezervatia Cheile Nerei - Beusnita Reserve	Town and Thermal Baths Băile Herculane Semenic Winter sports resort Gărâna Jazz Festival Caransebeș synagogue Caransebeș Museum of Ethnography
	Mehedinți	Porțile de Fier Natural Parc Geoparcul Platoul Mehedinți Natural Park Domogled – Valea Cernei Natural Park Cornetul Baltii Reserve Cornetul Babelor si Cerboanei Reserve	Towns of Drobeta and Orșova Drobeta Castrum Drobeta Castelul de Apa (Water Castle) Remains of Podul lui Traian (Apollodorus Bridge) Monastery of Baia de Aramă
Serbia	Severno-Banatski	Great Bustard Pastures	"Kika" mammoth in Kikinda; The Treadmill or "Suvaca" – mill that works on horse power, form the mid 19th century; one of the only two left in Europe;[40] - The special nature reserves „Karadjordjevo"[41]
	Srednje-Banatski	Slano Kopovo salt marshes, Rusanda Wetlands, Special Nature Reserve Stari Begej-Carska Bara	Dundjerski (Fantast) Castle, near Bečej Ecka Castle, near the city of Zrenjanin, Zrenjanin National Museum
	Južno-Banatski	Sokolac Park, Nature parks Ponjavica, Deliblatska peščara, Vršačke planine,	Vršac Castle and town Mesić Monastery

[40] www.kikinda-turizam.rs
[41] http://virtuelnimuzejdunava.rs/serbia/natural-heritage/special-nature-reserves/karadjordjevo.454.html

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

		Uzdinska forest and Hajdučki park	
	Braničevski	Đerdap National Park including an UNESCO protected area, Deli Jovan mt., Kučajske mts. and Radujevac in Braničevski District	Town of Požarevac
	Borski	Lazarev kanjon Natural Monument	- Kladovo Fortress[42] and the Trajan's Tabula and the Canal[43] Negotinske (Rajačke, Rogljevačke) pivnice.[44] - Archeological site „Lepenski vir" – near Donji Milanovac

Table 8-2 Main attractions

[42] http://virtuelnimuzejdunava.rs/serbia/cultural-heritage/fortresses/kladovo-fortress-(fetislam).369.html
[43] http://virtuelnimuzejdunava.rs/serbia/cultural-heritage/archaeological-map-of-danube/trajan%E2%80%99s-plaque--tabula-traiana-.trajanova-tabla.355.html
[44] http://whc.unesco.org/en/tentativelists/5537/

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

8.3 Environmental protection, water and Water and waste management, public utilities

Public utilities infrastructure (water and sewage infrastructure) is on the path to improvement in the eligible border area as a whole[45]. Water quality is measured across a number of measuring stations in the main rivers and the groundwater bodies, although their density decreases as moves from the north-west (from a monitoring station density of <50 km^2/station) to the south-east (density of <200 km^2/station), hence making the measurements especially for groundwater less reliable, although the overall status is considered to be qualitatively and quantitatively good[46].

The overall situation of the rivers water is summarised below:

River	Natural status	Ecological status and/or potential	Chemical status	Nitrogen loads in the catchment area	Phosphorous loads in the catchment area
Tisa	Heavily modified	Moderate or worse potential	At risk	6-9kg/ha*year	30-45 kg/km2*year
Tisa-Danube channel	Heavily modified	Moderate or worse potential	At risk	6-9kg/ha*year	30-45 kg/km2*year
Danube	Heavily modified	Moderate or worse potential	Failing good status	9-13 kg/ha*year	45-60 kg/km2*year
Old and Navigable Begej	Heavily modified	Good upstream of Timișoara, moderate or worse potential downstream	Good upstream of Timișoara, at risk downstream	6-9kg/ha*year	30-45 kg/km2*year
Timiș/Tamiš	Mixed	Good	Good status	Up tp over 13 kg/ha*year	45-60 kg/km2*year
Velika Morava	Natural	n.a.	Possibly at risk	9-13 kg/ha*year	30-45 kg/km2*year
Timok	Natural	n.a.	Possibly at risk	9-13 kg/ha*year	30-45 kg/km2*year

Source: ICPDR 2009, 2012

Table 8-3 The overall situation of the rivers water

[45] ICPDR (2009), Danube River Basin Management Plan, Annex I Maps, Map 18 Urban Wastewater Discharges Reference Situation 2006 and Map 19 Urban Wastewater Discharges Baseline Scenario 2015.
[46] ICPDR, ibid

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

The following table gives an overview over the access to water and sewage in the area:

Country	District	Access to Waters	Connection to Sewage network
Romania	Timiş	The existing 2816 km of water supply network covers 88 administrative units (10 towns and 78 communes). The volume of drinking water in 2012 is 34.228.000 cubic meters. The water supply system covers a population of 468.220 inhabitants (nearly 70% of the total population of the county).	The county is the second in the region related to the settlements access to sewage (with 9 towns and 17 communes in 2010), and to the lengths of sewage network – 1.003 km.
	Caraş-Severin	35 settlements have no access to a water supply network. The existing 911 km of water supply network covers 46 administrative units (8 towns and 38 communes). The volume of drinking water in 2011 is 11,200,000 cubic meters, decreasing with 20% from 2007.	The county is the last in the region related to the settlements access to sewage (with only 8 towns and 16 communes in 2010), and to the lengths of sewage network - 393.2 km, representing 13.6% from the total regional network.
	Mehedinţi	Water supply: Out of the 65 settlements, only 43 have access to a water supply network. The existing 911 km of water supply network cover 5 towns and 38 communes. The volume of drinking water in 2011 is 9,341,000 cubic meters, decreasing with 23% from 2007.	The county is the last in the region related to the settlements access to sewage (with only 5 towns and 10 communes in 2011), and to the lengths of sewage network – 230,7 km, representing 11% of the total regional length.
Serbia	Severno-Banatski	Supplied drinking water – **7435000** m3 Number of households connected to the water supply network **- 56784**	The total discharged waste water – **5374000** m3 Wastewater discharged from municipalities with a system for waste water **- 3259000 m**3 Treated wastewater – **2599000** m3 Number of households connected to the sewage network **- 20609**
	Srednje-Banatski	Supplied drinking water – **11094000** m3 Number of households	The total discharged waste water – 8620000 m3 Wastewater discharged from

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

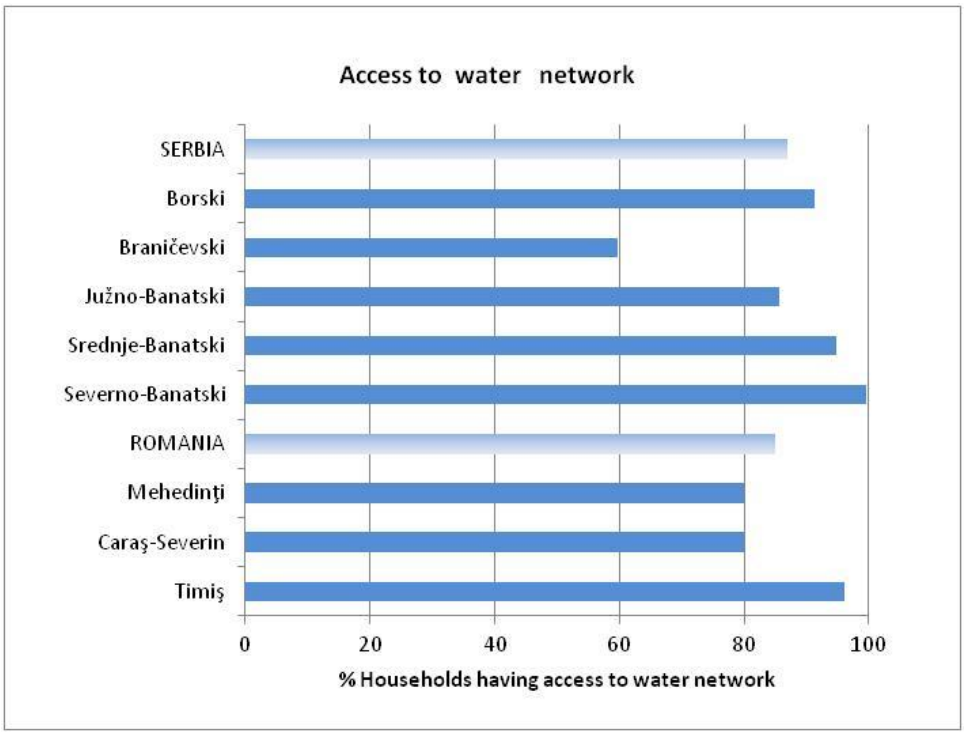
		connected to the water supply network **-72740**[47]	municipalities with a system for waste water- 5225000 m3 Treated wastewater -0 m3 Number of households connected to the sewage network **- 28953**
	Južno-Banatski	Supplied drinking water - **21729000** m3 Number of households connected to the water supply network **- 105919**	The total discharged waste water – **13355000** m3 Wastewater discharged from municipalities with a system for waste water - 9223000 m3 Treated wastewater – **2708000** m3 Number of households connected to the sewage network **- 51057**
	Braničevski	Supplied drinking water - **7633000** m3 Number of households connected to the water supply network **- 40295**	The total discharged waste water – **4963000** m3 Wastewater discharged from municipalities with a system for waste water **- 4575000** m3 Treated wastewater - m3 Number of households connected to the sewage network **-22063**
	Borski	Supplied drinking water – **8644000** m3 Number of households connected to the water supply network **- 35330**	The total discharged waste water – **5281000** m3 Wastewater discharged from municipalities with a system for waste water - **5281000** m3 Treated wastewater - 8000 m3 Number of households connected to the sewage network **- 22333**

Source: West Region RDA, 2014, Институт за јавно здравље Србије „Др Милан Јовановић Батут" (2011)

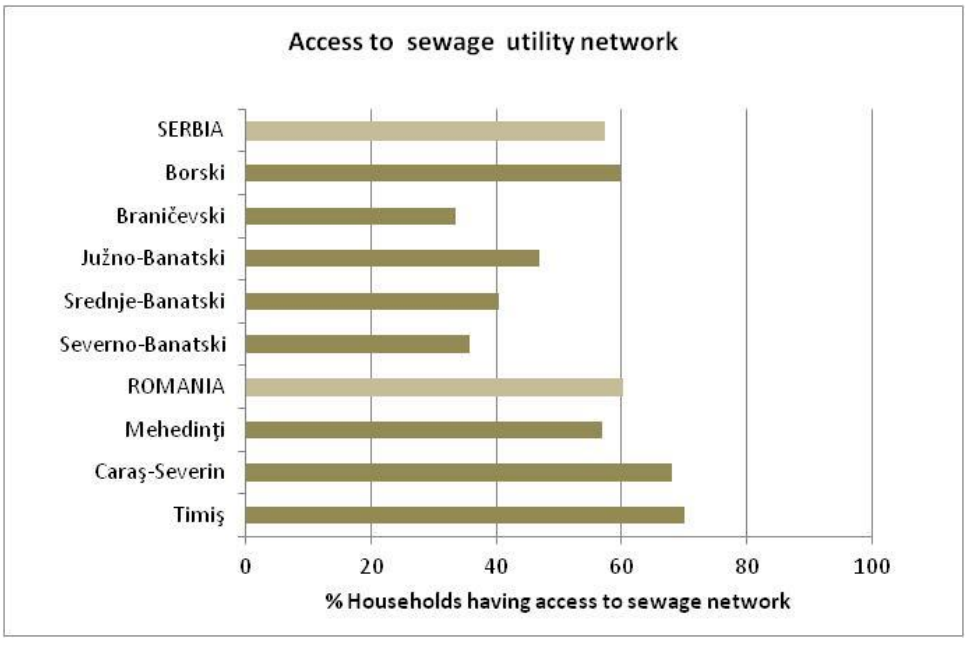
Table 8-4 Overview over the access to water and sewage in the area

[47]Source: http://marketing-pr.fon.rs/webroot/uploads/Gradovi%20i%20opstine%202011%20G20112005.pdf Table: 11-1 (chapter 11)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 8-1 Access to the water network (NIS Serbia and Romania)



Graph 8-2 Access to the sewage network (NIS Serbia and Romania)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Disparities exist across the border and intra-regionally mainly between urban areas with higher connectivity and rural areas not served by the networks and relying on makeshift infrastructure.

In those areas connected to the networks, the infrastructure is obsolete and in need of overall overhaul. Water treatment plants in the best cases only provide primary (mechanical) treatment and many are not continually operated, due to poor maintenance and lack of financial resources hence releasing wastewater untreated into the adjacent water bodies, among them to the Danube. In the ICPDR scenarios on the development of the Urban Wastewater and Water Treatment after 2015, all scenarios presume an upgrade for the urban centres (3-grade treatment with removal of Nitrogen and Phosphorus in Romania and Phosphorus removal in Serbia) but also forecast only a slight improvement for the smaller settlements, where non-treatment will remain prevalent.

Waste management is based on collection and waste disposal in landfills; in some cases these landfills are regional sanitary landfills with basic infrastructure, but in many cases they are small open dumps especially in rural areas and near or within vulnerable areas.

Waste separation and recycling, especially packing materials, has been promoted and is at nascent stadium. Separation of biodegradable waste is also very low, although it traditionally occurs at household level in the rural areas. No other advanced infrastructure (e.g. biogas capture, incarceration etc.) exists.

Country	District	Waste disposal	Recycling and waste separation
Romania	Timiş	Waste management raises environment problems as it is done in landfills, located in vulnerable areas, without special protection measures. For year 2010, the quantity that was stored there was of 215 837 tones.	No information available
	Caraş-Severin	Waste management raises environment problems as it is done in landfills, located in vulnerable areas, without special protection measures. For year 2011, the quantity that was stored there was of 112 751 tones.	No information available
	Mehedinţi	Waste management it is controlled at regional level – with 4 specially designed storage facilities, and Mehedinți county has one in	No information available

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Country	District	Waste disposal	Recycling and waste separation
		Drobeta Turnu Severin. For year 2011, the quantity that was stored there was of 44 429 tones, which about 18% of the total regional.	
Serbia	Severno-Banatski	Area near Kikinda: Have been identified: one sanitary landfill, two rehabilitated and reclaimed landfill and 16 which do not fulfil the sanitary conditions (wild and official) Σ = 18 landfills Σ = 32,06 ha + 8,2 ha (re-cultivated) = 40,26 ha 1,490 t of waste per month (packaging waste, Construction Waste, Hazardous household waste, Agricultural waste, garden waste, Electrical and electronic waste, etc..)48	Kikinda: Collection of plastic and paper
	Srednje-Banatski	Numerous smaller land fields	-
	Južno-Banatski	Numerous smaller land fields	Vrsac: connection of plastic
	Braničevski	Numerous smaller land fields	-
	Borski	Numerous smaller land fields	-

Source: Source: Environment Protection Agency for each Romanian county (2014) anecdotal information via RDA West, ISC (2014) Serbian Green List-Recycling Islands, EEA (2013) Municipal waste management in Romania, ISWA (2012) State of the Nation Report: Serbia

Table 8-5 Waste disposal

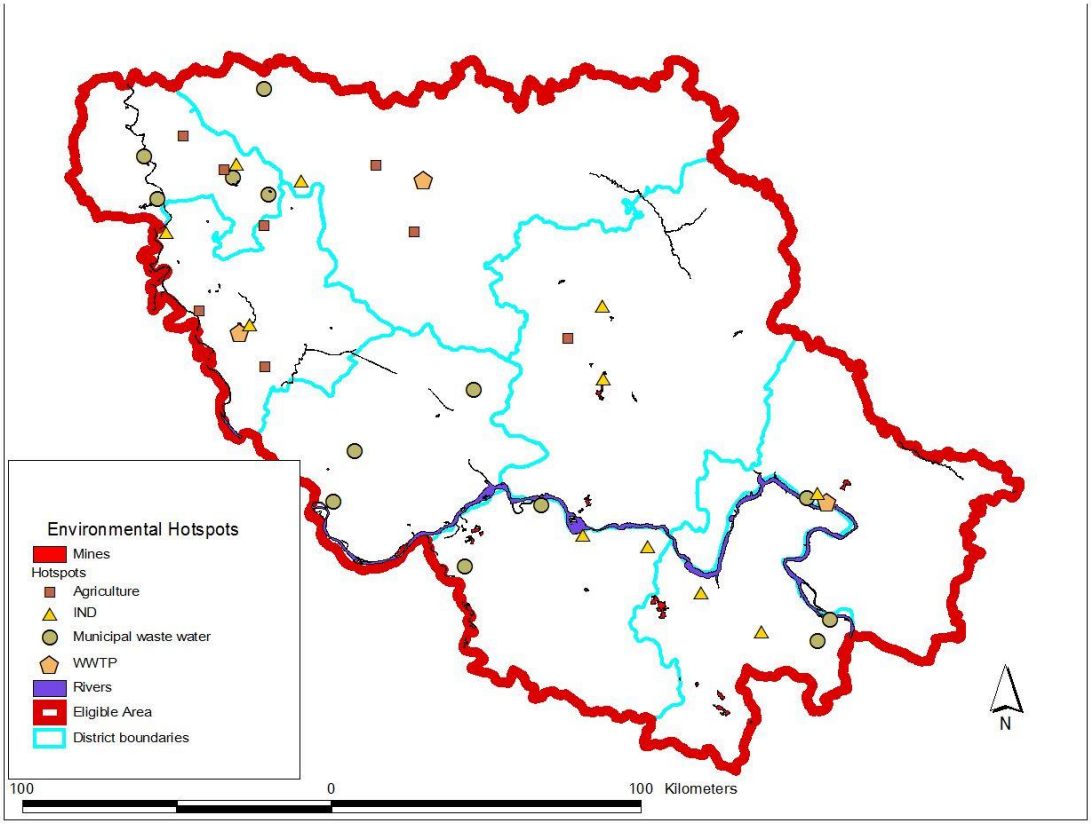
The issues on public utilities infrastructure is similar on both sides of the border and can be summarised as low level of connection and supply, underserved rural areas, obsolete infrastructures and uncontrolled discharges.

[48] https://www.google.rs/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCkQFjAA&url=http%3A%2F%2Fwww.futura.edu.rs%2Fservisi%2Fmaterijali%2FFEP%2520Opstine%2520Kikinda%2520final%25201.ppt&ei=B8koU6m4Msj-ygPPq4LACg&usg=AFQjCNGQXhliQgF76m-Kccg7BAerpPQS7g&bvm=bv.62922401,d.bGQ

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

8.4 Environmental hotspots and risks

The area is characterised by a very large number of hotspots in relation to agriculture, industrial sites and brown fields, mining activities and municipal waste water. The figure below gives an overview.



Source: ICPDR (2009), EEA (2013), own illustration
***Map 8-3** Danube River Basin District: Significant Point Sources of Pollution*

8.4.1 Agriculture

Agriculture poses a threat to the environment especially in the Northern Plains due to its contribution to the Gross Nutrient Balance of the water bodies and the threats to biodiversity and landscape, since gross-scale commodities production is prominent.

In peripheral rural areas, where often small scale semi-subsistence agriculture exists, the problems arise mainly due to abandonment of traditional cultivation and decline of the infrastructures (ICPDR (2009), Danube River Basin Management Plan).

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

8.4.2 Air

Air pollution has been decreasing as an overall trend due to the decline of industrial activity. At the same time emissions (CO2, NOx, PM10) by traffic and transport have increased due to the increased activity and higher private vehicle fleets. Low quality fuel and heating systems emit considerable amounts of particle matters especially in urban centres, Pančevo, Bor being notorious cases in Serbia.

Sulphur-dioxide has been monitored in 31 settlements at 75 sampling sites in 2011.

District	SO2	NOx	NMVOC
Timiş	1561 tones	1477 tones	3299 tones
Caraş-Severin	147 tones	2950 tones	5160 tone
Mehedinţi	5620 tones	8888 tones	1039 tones

Source: Source: Environment Protection Agency for each Romanian county (2014) anecdotal information via RDA West

Table 8-6: pollution indicators

Station/ parameter	SO2 [µg/m^3]	NOx [µg/m^3]*
Kikinda ***18/03/2014 15:30***	**11.4**	**6.1**
Pančevo - Sodara ***18/03/2014 15:30***	**9.3**	
Kostolac ***18/03/2014 15:30***	**21.3**	**11.1**
Bor - Institut RIM ***18/03/2014 15:30***	**6.9**	**47.6**
Bor - Gradski Park 2 ***18/03/2014 15:30***	**9.0**	
Bor - Krivelj ***18/03/2014 15:30***	**7.7**	

Source: http://www.sepa.gov.rs/ams/xajax_data/eas_kvalitet_vazduha_1.php

Table 8-7 Some pollution indicators

8.4.3 Industries

In certain parts of the border area, extraction of fossil fuels, mines, and heavy industry significantly contribute to the pollution of the environment.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

The most polluting units are in the fields of mining, chemical processing, animal breeding, agricultural products processing, machinery industry and metallurgy.

Technologies applied are often obsolete or poorly operated. The main form of pollution is through the ground water and the discharge in the water bodies, through canalisation and minor tributaries.

Special forms of industrial waste are derelict production plants and brown fields which pose a significant threat to human health, flora and fauna without the possibility to reclaim the areas in the short term.

8.4.4 Flood risks

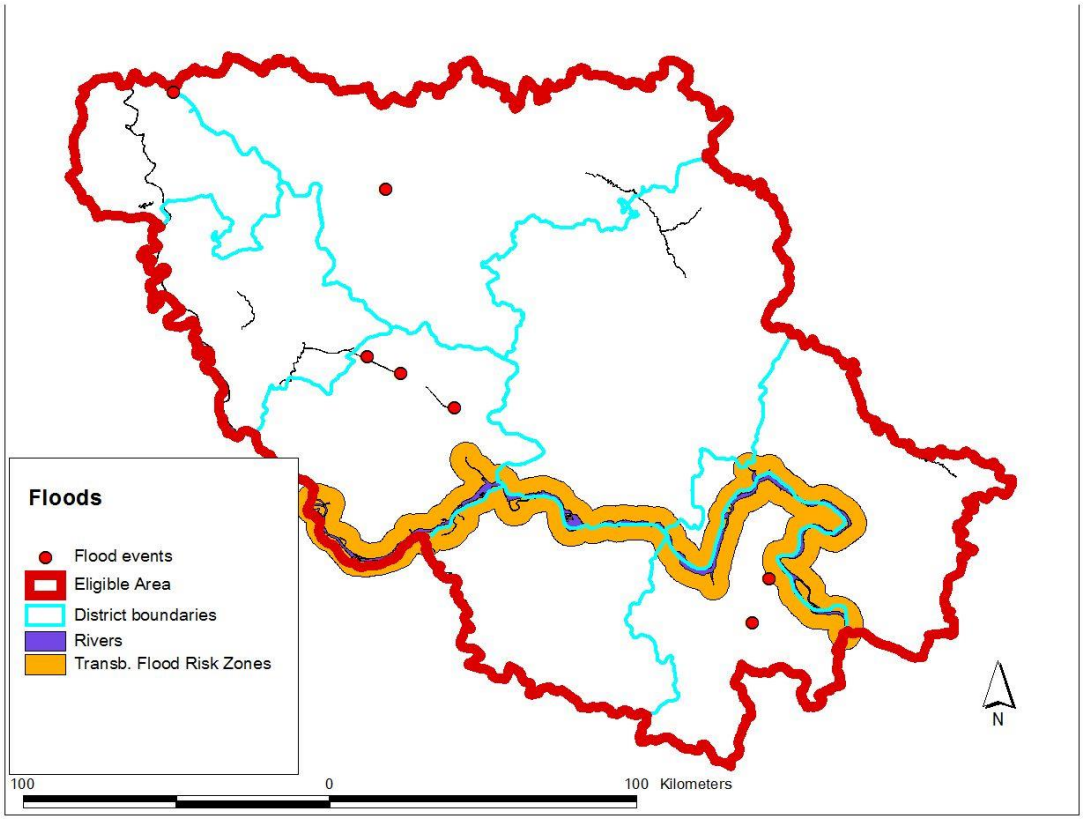
Floods are a constant threat to the area, accentuated by climate change but also by human interaction, e.g.: uncontrolled hydro morphological alterations through sediment extraction for the construction sector or fragmentation of adjacent wetlands and floodplains.

Areas near the Danube will face fluvial floods, while others will encounter flash floods due to extreme weather. Overall civil protection mechanisms, administrative response capacity and interoperability have a lot of improvement potential.

In 2010 for example, the most serious events in Serbia were encountered in the Timok River, and the rivers in Banat, exceeding emergency flood defences. In Romania major flood events have been registered on Timiș, Barzava and Moravita rivers[49].

[49] ICPDR (2012), 2010 Floods in the Danube River Basin, Vienna

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Source: ICPDR (2012), 2010 Floods in the Danube River Basin, Vienna and ICPDR (2012), Preliminary Flood Risk Assessment in the Danube River Basin, own illustration

Map 8-4 d events in the Danube River Basin (2010) and area of potential significant flood risk

Apart from the major basins affected by fluvial floods, others will encounter flash floods due to extreme weather events and ground saturation.

Overall EU wide initiatives, such as the European Flood Awareness System[50] (EFAS) and the Danube Flood have improved the situation at the macro-level.

However the prediction and disaster protection mechanisms, administrative response capacity and interoperability at the local level still need improvement.

[50] JRC (2013), Joint Research Centre — Annual Report 2012, Luxemburg

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

9 Tourism

- Relevant potential for various types of tourism on both sides of the border, based on natural and historical resources, and on business and cultural activities that attract tourism demand;
- Ecotourism in the protected areas, cultural tourism attracted by historical heritage, business tourism generated by growing international integration of industrial clusters and business poles, present the highest potential;
- Resources are sparse on the territory, producing a potential for integrated tourism networks, more than for spot tourism attractions. All tourism attractors present a potential for integration in cross border networks;.
- Accommodation infrastructure is underexploited, signalling the need for soft investments in coordinated actions for increasing attractiveness and national and international demand;
- International connections are adequate for tourism travels to the area, but the quality of local transport infrastructures and services is poor, constraining the development of coordinated offers and cross border initiatives;

9.1 Tourism potential

The PA presents a relevant potential for the development of various types of tourism. Most of the tourism potential is shared on the two sides of the borders, and its development could benefit from a stronger cross border cooperation.

Eco tourism and cultural tourism can be attracted by a rich patrimony of natural resources, historical heritage, cultural resources, on both sides of the border, presented in the previous chapters. The main potential is represented by the natural parks along the river Danube, the natural areas on the mountains, and the historical sites.

The development of business activities, and the intensive flow of FDI, has created a significant potential for business tourism. These types of tourism generate demands for accommodation and services in the main business centres in the eligible area, and in the historical and natural

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

areas, for events like company conventions, or congresses. At present these flows are concentrated in the Timișoara area, but in some measure also in other centres of the eligible area, like in Borski district, and Mehedinți.

Leisure and ethno-gastronomic tourism can be attracted by the cultural events, festivals, fairs that are present in the area, one example being the Danube Wine Route in Južni Banat, and the wine production centres in Timișoara county. Many of these attractions include a cross border dimension. Rural and Agri-tourism could be developed especially in agricultural territories in the proximity of the national parks and protected areas.

Health and thermal tourism can be attracted by the thermal centres. The whole programme area is very rich in high quality therapeutic thermal water having important springs of mineral and thermal waters contributing to the development of spa resorts. In Serbia, among the most popular spa resorts are in Banja Kanjiža, Brestovačka Banja, and Banja Rusanda In Romania, there is the Băile Herculane, an old city known since the Roman Empire, and Bala, Balta and Negoiesti Dubova, Simian, Obarsia Closani, Ieselnita, Bala municipalities.

Resources for sports and hunting tourism can be mentioned along the Danube, and especially on the Carpathian mountains. Other potentials can be identified in mountain biking cycling along the Danube, water sports (the example of cave diving in caves Isverna and Topolnița, in the Orsova or Drobeta Turnu Severin)

Next to the potential, some weaknesses and structural constraints should be mentioned. The natural and historical patrimony is extended over a large territory, and there are few points that can exhibit a special and unique character at international level, able to attract international visitors. The same beautiful sites on the segment of the Danube that crosses the eligible area should compete with other tourism attractions on the same river, with a stronger consolidated image on the international tourism markets.

The transport infrastructure allows a good connection with international and national networks, but the local, internal network is still poor, and the public transport is not developed to the quality standards of tourism service, making difficult the creation of an offer for integrated tours that represent a large share of the tourist market.

Secondary infrastructures and services, like info points, Hiking trails, road signs, guidance services, are still underdeveloped, also in the attractive natural areas.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

9.2 Tourism facilities

The basic infrastructure, mainly in form of hotels and other accommodation facilities, is available, but it is still underdeveloped. Hospitality infrastructures are strongly concentrated in the Romanian side, in particular in Timiș county and Mehedinți. The Serbian districts have a lower but equally spread, asset of tourist facilities.

In the last decade a growth of accommodation facilities has been observed, that has led the number of beds in tourism facilities close to 22 thousands in total of which less than 6 thousands located in the Serbian provinces[51].

Number of tourism facilities

Year:	2007	2008	2009	2010	2011	2012
Timiş	102	148	115	122	131	-
Caraş-Severin	118	118	144	143	149	181
Mehedinţi	19	19	30	27	35	42
ROMANIA	**4694**	**4884**	**5079**	**5222**	**5003**	
Severno-Banatski	19	19	19	19	18	-
Srednje-Banatski	13	13	13	13	13	-
Južno-Banatski	23	23	25	25	28	-
Braničevski	16	16	18	19	17	-
Borski	17	18	20	21	20	-
SERBIA	**898**	**948**	**965**	**1038**	**1039**	

Source: NIS Serbia and Romania

Table 9-1 Tourism infrastructures stock and dynamic

Since 2007 the number of facilities has been growing at intensive pace in the Romanian side of the eligible area, and in some of the Serbian districts, in particular Južno-Banatski and Borski, but in these last two districts the initial asset was limited to 40 units in total.

The number of beds per tourism facility is below the national averages, with just two exceptions in Serbia, and below 50 in most of the areas, signalling a tourist hospitality based

[51] NIS Romania and Republic of Serbia timis - http://www.timis.insse.ro /cmstimis/rw/pages/statJud.ro.do for Caras severin - http://www.carasseverin. insse.ro/main.php?lang=fr&pageid=519 for mehedinti - http://www.mehedinti.insse.ro /main.php?lang=fr&pageid=486

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

on small hotels, in most cased independently operated and not integrated in international brands and networks.

The growth of the last years has not changed this structure, in Romanian counties in particular the average number of bed has slightly declining, signalling that the new structures hold very few beds, and are concentrated in the basic hotel categories.

In Branicevski and Borski the trend has been different, and the establishment of larger new hotels has led to a steep growth of the number of bed per facility.

Average number of beds per tourism facility

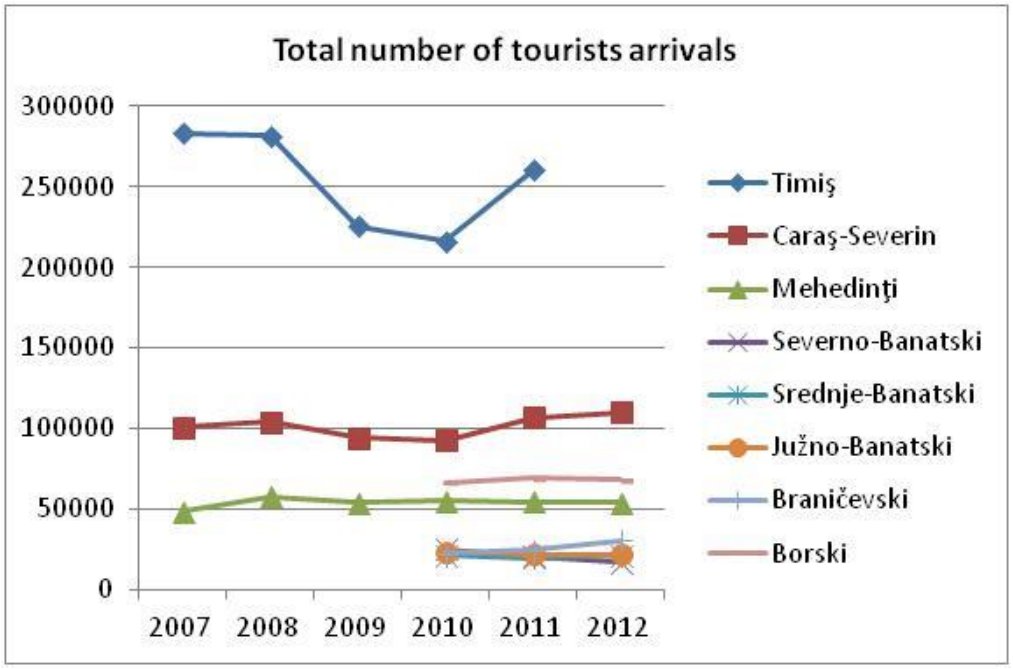
Year:	2007	2008	2009	2010	2011	2012
Timiş	56	43	57	56	57	
Caraş-Severin	59	61	55	50	47	42
Mehedinţi	67	64	51	56	45	42
ROMANIA	**60**	**60**	**60**	**60**	**56**	
Severno-Banatski	28	28	29	29	34	
Srednje-Banatski	22	22	29	28	33	
Južno-Banatski	48	50	46	47	44	
Braničevski	53	55	55	53	74	
Borski	55	53	57	56	65	
SERBIA	**50**	49	47	46	49	

Source: NIS Serbia and Romania

Table 9-2 Structural indicators of tourism facilities.

The number of arrivals and overnight stays confirms the large dominance of Timiș County, receiving more than the double of arrivals than the second largest county per number of facilities (Mehedinți).

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph n. 9-1 Tourist arrivals in the eligible area (NIS Serbia and Romania)

The trend of arrivals, that had reached a pick in the 2006-2007, has declined in the years after the global crisis, with a reduction of the average number of nights spent[52].

The sharp decline of arrivals in Timiș, followed by a partial recovery in the next years, compared with the much more limited losses suffered by the other counties and districts, signals the stronger integration of Timiș in the international markets for tourism, and confirms that a large share of visitors to that area is represented by business travellers and tourists.

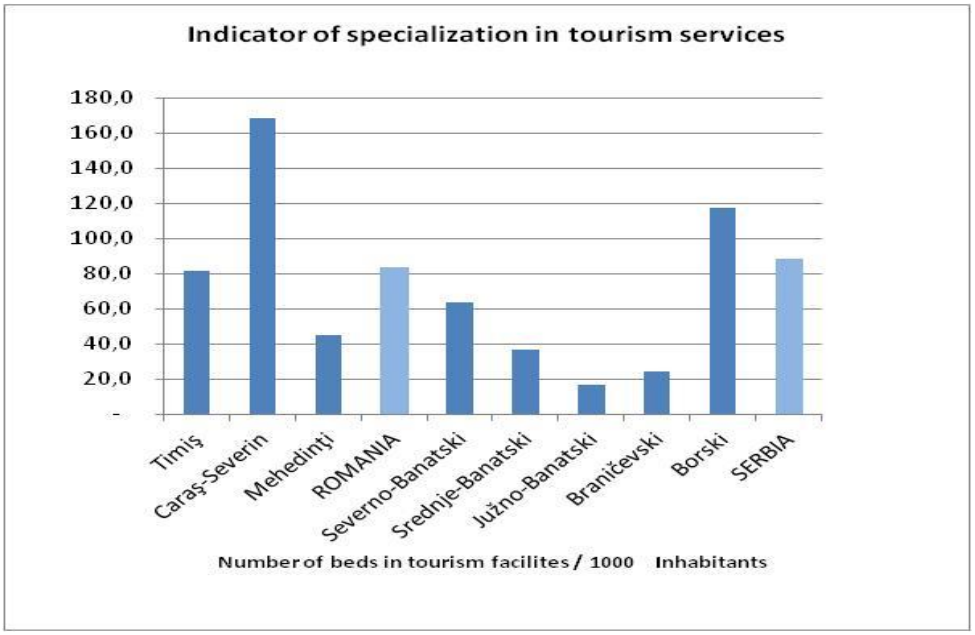
9.3 Performance and trends of the tourism sector

In order to assess the role of the tourism services in the local economy, and to analyse the performance, some basic indicators have been calculated.

The number of beds in tourism facilities per 1000 of inhabitants can be used as very rough indicator of the relevance of the tourism sector in the eligible area (see graph below).

[52] NIS Serbia and NIS Romania

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 9-2 Specialization in tourism services. (NIS Serbia and Romania)

According to this indicator the highest density of tourism activities (in relation to the population) is that of Caraș Severin, and Borski in the Serbian Eligible area. In all other counties and districts the basic indicator of specialization is much lower than the National average, particularly in Serbia.

The current performance of the tourist sector in the area has been analyzed using the indicator of occupancy rate of the tourist infrastructure, calculated as number of nights spent by tourists per bed available, compared to the maximum potential.

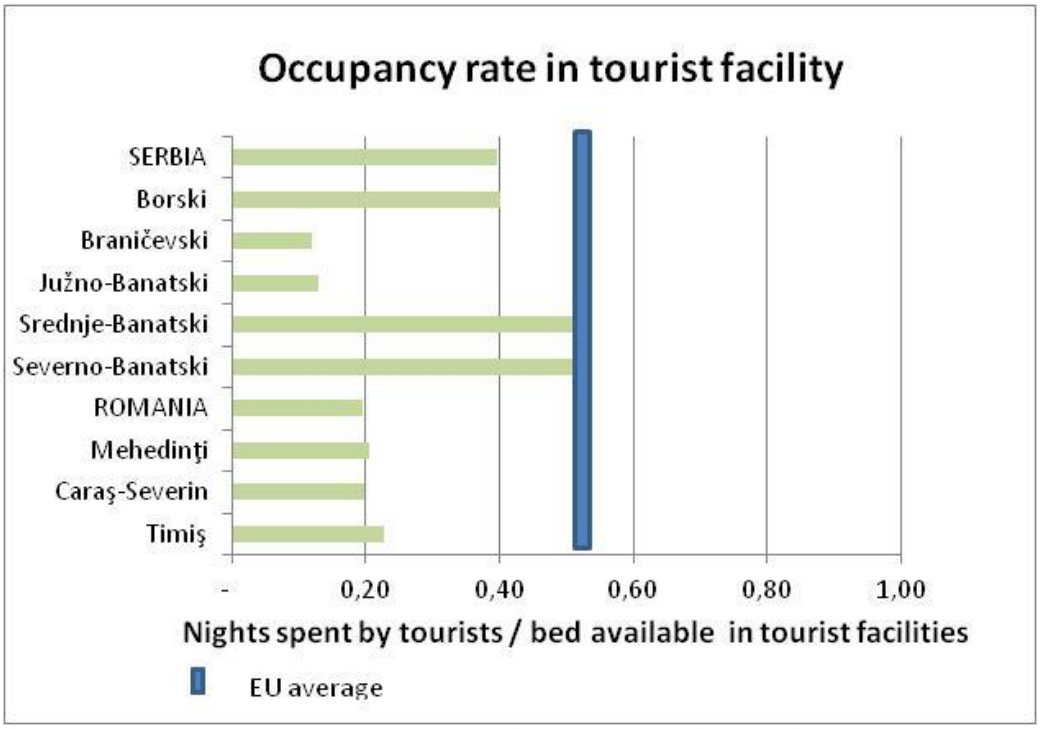
Both Serbia and Romania present an occupancy rate below 30%, among the lowest in Europe[53].

At least from this rough indicator, it seems possible to conclude that the tourism sector in the area is has difficulties in increasing the tourism demand sufficiently enough as to exploit the infrastructural asset available.

In Caraș Severin, where it was observed the highest density of accommodation facilities in relation to the population, the occupancy indicator is even lower than in the other counties.

[53] http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Tourism_statistics_-_occupancy_rates_in_hotels_and_similar_establishments

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 9-3 Occupancy rate of tourism facilities (NIS Serbia and Romania, EUROSTAT)

The Srednje Banatski and Severno Banatski outperform the others, reaching an occupancy rate of 170 nights per year. Borski presents an average close to the national level in Serbia. In Romania, all counties present a relatively low level of the occupancy rate, including in Timiș County, where the dominant form of tourism, that is related to business, could lead to expect a more efficient use of the tourism infrastructures.

In Serbia the occupancy rate is almost constant all year-around, while in Romania there is a pick of arrivals in the summer season. However, this pick does not concern much the eligible area, since at national level the pick depends largely on the summer arrivals on the Black Sea coast.

The forms of tourism where can be identified the highest potential for cross border actions seem those related to cultural tourism, eco tourism, and all those niche tourisms based on natural and cultural resources. The quality and quantity of resources available, and their distribution in the eligible area, lead to identify the main challenge in the creation of a common image of the area, a territorial brand capable to attract a significant flow of demand, and to exploit the synergy between the single tourism attractors.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

In the current programming period the programme partners generated a significant number of projects in the field of tourism, most of them of soft type, aiming to the promotion of attractiveness of touristic areas.

CROSS BORDER COOPERATION Romania-Serbia

Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

10 Education, research and innovation

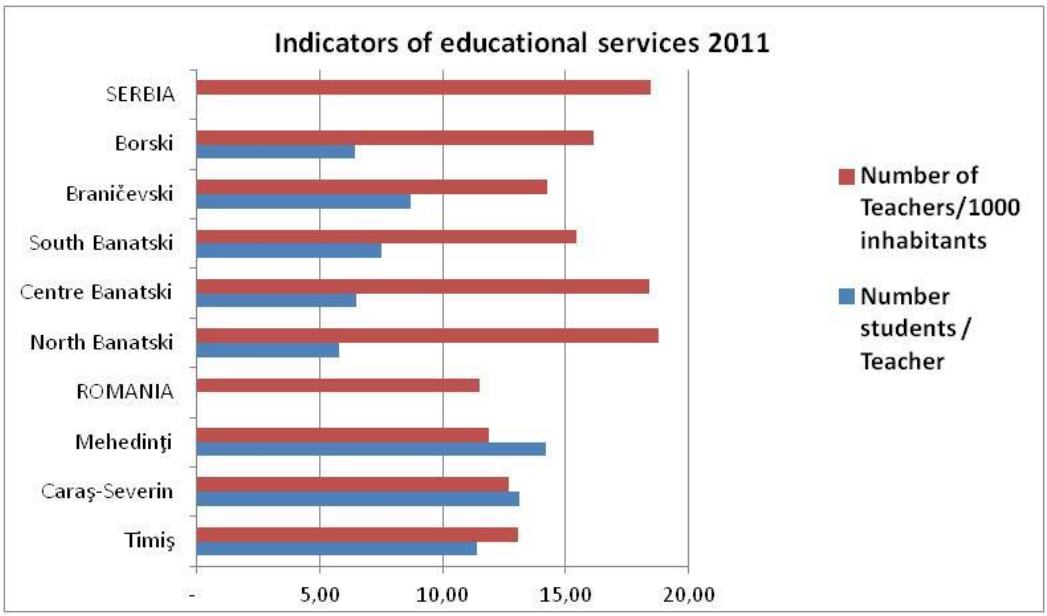
- The educational system is experiencing intensive structural changes in both countries;
- Basic primary and secondary education quantitatively adequate in the eligible area, limited differences pre-primary education, more developed in Romania;
- The Programme Area presents an unequal distribution of higher education and research poles;
- Private schools are growing in both countries; however limited statistical information is available;
- In the North of the eligible area in Romania counties are located many university poles, with a national and international potential;
- In Serbia there are no large university poles in the PA, but many are located close to the edge in the main urban poles, accessible to the local population;
- Many research centres in the Romanian area, fewer in the Serbian side;
- Common needs of improvement of the effectiveness and quality results of education.
- Common needs of improvement of the access to education for disadvantaged groups.

10.1 The Educational system

Primary and secondary education institutions are present in the eligible area, at a quantitative level comparable to the National averages. In Serbia the number of employees in the primary and secondary school system is higher compared to the population than in Romania. And the number of students per each teacher is lower, below ten units[54]. In Romania the best student/teacher ratio is in Timiș County.

[54] Data source: NIS Serbia Municipalities of Serbia, Employees by section of activity, Education and NIS Romania.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net



Graph 10-1 Indicators of educational services (NIS Romania and Serbia)

In both areas the educational system has experienced substantial structural evolutions, because of the administrative and political reforms, and the demographic change. In the eligible area, following the demographic decline, the number of students in primary and secondary schools has declined regularly. In Romania, the decline has been more intensive in professional schools balanced by a growth of enrolments in the lyceums.

Higher education institutions are present in the eligible area, but the territorial distribution of the offer is asymmetric, in the Romanian territory there are five large universities, in the Serbian area there are in Bor a Technical Faculty as branch of the University of Belgrade, in Vršac there is a research centre connected with Hemofarm industry. Also there are various newly established private educational facilities at the eligible area. In fact the access to university institutions by the local population is not as unequal as these locations could suggest, because in Serbia the population has easy access to the University poles located at the borders of the eligible area, in Belgrad, Novi Sad, Niš.

In the Romanian eligible area there are 5 public universities, largely concentrated in Timiș, as in Timiș County there are 4 public universities (Universitatea Politehnică din Timișoara, Universitatea de Vest Timișoara, Universitatea de Științe Agricole și Medicină Veterinară a Banatului Timișoara, Universitatea de Medicină și Farmacie Victor Babes Timișoara). In Caraș-

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Severin County there is one public university (Universitatea Eftimie Murgu Reșița) and in Mehedinți there are no higher education institutions.

In the Serbian districts there are fewer public higher education institution, one is the Mihajlo Pupin" Technical Faculty in Zrenjanin, connected to Novi Sad, also, in Bor there is a Technical Faculty as branch of the University of Belgrade.

However, the accessibility of university centres is much more homogenous in the eligible area, than the location of centre just described.

In fact the Serbian students can access at a reasonable distance four of the largest universities in Serbia, in Belgrade, Niš, Kragujevac and Novi Sad.

All over the eligible area the sector of private schools, in particular high schools and universities, is growing at a fast pace, according to the local stakeholders. Some examples are the Tibiscus University, private, in Timișoara, with faculties of informatics and design, and the Mihai Eminescu University , Timișoara (tourism and social studies);

In Drobeta, the Universitary Centre Drobeta Turnu-Severin, a branch of the University of Craiova- (developed by merging the old private University Gheorghe Anghel in 2004), includes 5 faculties / colleges.

According to the available statistics, the share of population with university degrees is similar, ranging from the maximum of Timiș county to the minimum in Branicevski. This indicator is less than half of the EU average.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Population per education attainment in 2011

	Inhabitants with:		% on total Inhabitants	
	University education	Higher education	University education	Higher education
Timiş	119213	410356	17%	60%
Caraş-Severin	29142	183595	10%	62%
Mehedinţi	25694	158488	10%	60%
ROMANIA	2591021	11759627	12%	55%
Severno-Banatski	13683	59420	8%	36%
Srednje-Banatski	20055	79903	10%	38%
Južno-Banatski	30386	123955	10%	39%
Braničevski	13456	56692	7%	28%
Borski	11561	45831	8%	31%
SERBIA	1000569	3015092	13%	40%
TOTAL EU (27)			26,7	46%

Source: Eurostat, NIS Serbia, Romania

Table 10-1 Indicators of educational attainmentThe indicator for higher education is much more heterogeneous. In Serbia it is close to one half of the level in Romania. Furthermore, in Romania the indicator is higher than the EU average, while in Serbia it is much lower.

In both countries, according to surveys and studies, carried out by national and international institutions, the quality of education has experienced a decline in the last decade.

The PISA tests indicators for mathematics achievements declined in Serbia from 477 to 436, and in Romania from 475 to 415[55]. Similar variations are reported for science and reading.

At national levels, the enrolment rates are similar in both countries, with the exception of pre-primary schools that are more developed in Romania than in Serbia.

The two countries share the problem of providing educational services to minorities and disadvantaged groups. One significant indicator is that of the access to primary education of Roma children, that is roughly 40% compared to 90% of Romanian and Serbian children.

[55] http://www.unicef.org/ceecis/Romania.pdf

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

10.2 Research and Innovation activities

Research and innovation activities in the eligible area are extremely polarized, with one main pole, in Timiș County, and a low density in all other areas.

In Timiș County research specialization is very diversified varying from medicine, to engineering, physics, social sciences. Timiș County houses more than 20 public and privately owned, research centres, some based in the local universities, other connected to industrial and scientific organizations.

Poles of research can be mentioned in the engineering, testing of the materials, chemistry related laboratories, physics, forestry, constructions, public health, social sciences, etc. Regarding the human resources, the number of employees in R&D field is estimated at 0,88% out of the total employees in the county, close to the national romanian average.

In Caraș Severin County, the research specialization is focused on fruit production and animal breeding (2 research centres) and on mechanical engineering (UCM Reșița - Research and Development Center for Hydraulic Equipments and Hydro-Engineering SA – Research centre for Hydraulic, Automation and Thermal Processes). The number of employees in R&D field is 0,11% of the total number of employees in the county, which represents roughly the 22% of the average in the West region , and even less in comparison to the national average. In Mehedinți County Research& Development activities are very limited, as in the entire in South West region.

Regarding research activity in the Serbian border regions, there are fewer research institutions, mainly in the fields of agriculture and forest studies, food processing, mining technologies. A university centre in research in Engineer fields is located in Vršac and an Institute for Research in mining sciences is based in the city of Bor.

As it was mentioned for the University network, companies and public institutions in the Serbian side of the eligible area have easy access to the research and innovation facilities in the neighbourhood of the area, in particular in the Belgrade area, and in Novi Sad.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

10.3 Smart specialization

Smart Specialisation is a strategic approach to economic development through targeted support to Research and Innovation. It will be the basis for European Structural and Investment Fund interventions in Research and Innovation as part of the future Regional and Cohesion Policy's contribution to the Europe 2020 jobs and growth agenda[56].

Smart specialisation involves a process of developing a vision, identifying competitive advantage, setting strategic priorities and making use of smart policies to maximise the knowledge-based development potential of any region, strong or weak, high-tech or low-tech.

Vojvodina region in the Republic of Serbia and West Development Region in Romania are actively working for the implementation of the European SMART specialization strategy, and have joined the European network S3 platform, therefore five out of eight districts in the eligible area are directly involved in the platform, creating a strong basis for the extension of the strategic approach to the whole programme area.

The S3 Platform assists EU countries and regions to develop, implement and review their Research and Innovation Strategies for Smart Specialisation (RIS3)[57]. The role of the S3 Platform is to provide support to national and regional policy makers, as well as promote mutual learning, trans-national co-operation and contribute to academic debates around the concept of smart specialisation.

According to the preliminary analysis of the regional potentials, some fields of specialization have been identified by the regional stakeholders, and could become the object of cross border cooperation:

> **Timiș County:** Automotive, Textiles, Technologies for renewable energies, Health technologies, food industries.
>
> **Caraș Severin County:** Food industries, production and animal breeding. Spa and wellness tourism

---

[56] Communication Regional Policy contributing to smart growth in Europe 2020, http://ec.europa.eu/regional_policy/sources/docoffic/ official/communic/sustainable/ comm2011_17_en.pdf

[57] http://s3platform.jrc.ec.europa.eu /s3-platform -registered-regions;jsessionid=0pKHSy ZDw GJwlL9L87 y0hj Qkd9xfy8Kkvg 1MGwGq1QKpFy Q8hbHr!1794812450!1390991811073

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

On the basis of the territorial analysis in the other districts of the eligible area some other areas of specialization could be identified, for further analysis. Many of them could be considered for cross border partnerships.

Mehedinți County: Renewable energies, eco-tourism

Banat districts: food industries, mechanical and ICT industries

Branicevski: Agriculture and food industries, Renewable energies, eco-tourism

Borski: sustainable mining industries, forestry, eco-tourism.

In the current programme a large number of University and research centres was involved in the programme, specially, but not only, in the area of environmental protection, and resource management. The main challenge for the next programme could be that of the involvement of the local stakeholders in the field of SMART specialization shared by the economic systems on the two sides of the border.

CROSS BORDER COOPERATION Romania-Serbia

Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

11 The current CBC programme Romania -Republic of Serbia

The strategy of the CBC Programme Romania-Republic of Serbia 2007-2013 is focused on addressing the following key challenges:

- Specific issues related to the connectivity of the region;
- Lack of competitiveness, in terms of low levels of entrepreneurship and business activity, innovation, and investment;
- Rural development, in relation to key areas, such as agriculture, rural tourism and labour market;
- Environment and Emergency preparedness;
- The general challenge of the border as a "dividing factor".

In order to tackle the challenges the Programme's stakeholders have set-up the Strategic Goal: "to achieve on the basis of joint cross-border projects and common actions by Romanian and Serbian stakeholders a more balanced and sustainable socio-economic development of the Romanian-Serbian border area", which is broken down into two specific objectives:

- No. 1: Increase in the overall competitiveness of the economy in the border area;
- No. 2: Improvement of the quality of life for the communities of the area.

The specific objectives of the Programme are addressed through 3 thematic Priority Axes:

- PA 1 "Economic and Social Development" is directly linked to Specific Objective 1;
- PA 2 "Environment and Emergency Preparedness" is directly linked to Specific Objective 2;
- PA 3 "Promoting People to People Exchanges"

According to the feedback from the stakeholders, the Programme Strategy is still consistent with the socio-economic environment of the cross-border area and both the logic of intervention and needs remain valid. After the assessment considering the structural and economic changes happened in the programme implementation period, the assumptions of the SWOT analysis have largely remained the same, marked by the economic downturn.

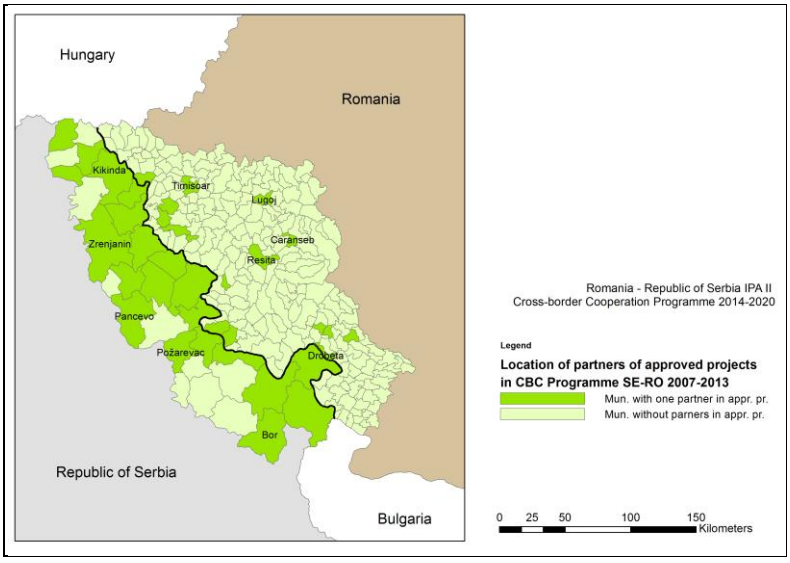
CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

However, according to the survey carried out during the Programme Evaluation exercise, the programme Stakeholders consider the strategy too broadly defined, lacking of focus on specific development priorities for the area. One of the main causes identified by stakeholders was the too broad definition of objectives and the excessive number of types of eligible interventions.

Programme Stakeholders also pointed out the need of stronger coordination with the central administrative level in each country and with the MAs of other IPA Programmes covering overlapping eligible regions (Romania – Serbia, Hungary – Serbia and Bulgaria – Serbia) and with the European macro-regional strategies relevant to the cross-border area[58].

The two calls attracted partners almost homogenously spread over the eligible area (map below).

The territorial distribution of projects shows that all counties and districts have been involved. In Serbia, at least one application was submitted from most of the municipalities. In Romania the applications where submitted by entities located more concentrated in the main centres.

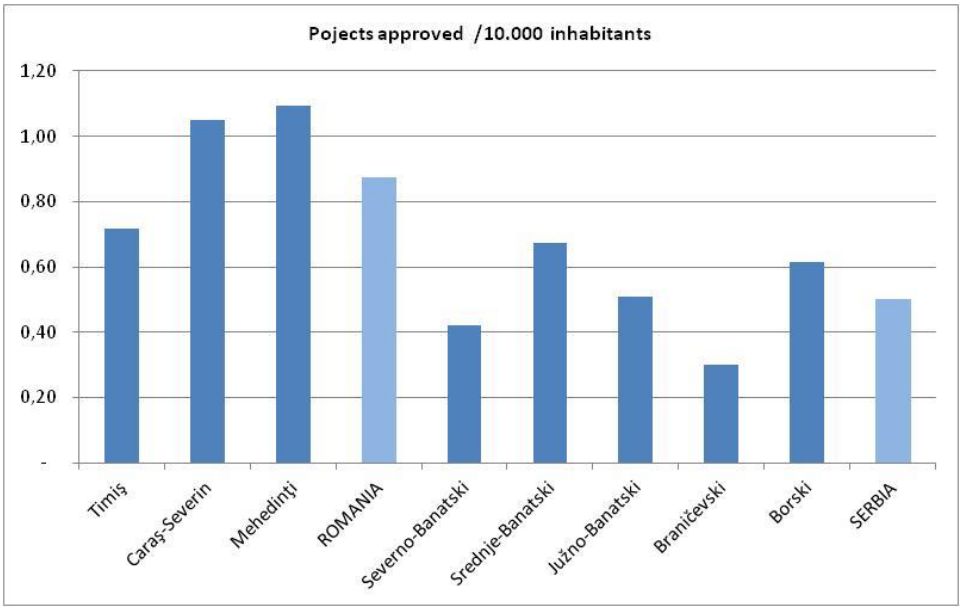


Map 11-1 Location of project partners in the current CBC programme Serbia Romania (data from JTS)

[58] Evaluation Report Romania-Republic of Serbia Programme 2012

A concentration of project applications can be observed in Timiș County and in Centre and South Banat, both in terms of number of applications and in terms of total budget of projects. However, the relative distribution of project applications, compared to the population, proves that the Caraș Severin and Mehedinți counties have been even more active than the Timiș county. In Serbia, the Borski province has been more active than the two Banat counties.

The involvement of the single communities in the programme has been measured also through the indicator of the number of applications per number of inhabitants (graph below) According to this indicator, the participation of Romanian communities has been slightly stronger than that of Serbian, The most involved areas are those of Mehedinți in Romania and Srednjie – Banatski in Serbia. The only two districts where the involvement seems significantly lower are Braničevski and Severno Banatski, but the differences are not so large to be interpreted as a major gap of the programme capacity to reach all eligible territories.



Graph 11-1 Indicator of project "density" in the eligible area (data from JTS, NIS Serbia and Romania)

The results of the two calls for projects carried out during the programme implementation proved that the target groups generated a large number of projects addressing all priorities.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

The larger part of funds has been allocated to the first priority, as could be expected considering that, in this priority, "soft" projects are mixed with "investment" projects.

The lowest share was allocated to the third priority, focusing on soft projects with limited budgets.

A lower performance has been observed for the priority 2, for Environment and Emergency Preparedness (see tables below). According to the stakeholders, the main reason is due to the difficulty for NGOs to access to this priority. In the same priority the sub-priority for actions in the field of waste and waste water management was not successful.

The second call, dedicated to the priority 2, coordinated to the strategy of the Danube Region, led to the approval of 6 projects on environmental protection and emergency management.

CROSS BORDER COOPERATION Romania-Serbia

Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Priorities	First call	Second call
PA 1 - Economic & Social Development	**62,32%**	**63,71%**
1.1 Support for local/ regional economic and social infrastructure	18,08%	23,78%
1.2 Develop the tourism sector	30,73%	24,51%
1.3 Promote SME development	5,17%	12,70%
1.4 Support increased levels of R&D and innovation in the border region	8,34%	2,72%
PA 2 - Environment & Emergency Preparedness	**21,76%**	**22,99%**
2.1 Improve systems and approaches to address cross-border environmental risks	11,37%	6,72%
2.2 Develop and implement effective strategies for waste and waste water management		
2.3 More effective systems and approaches to emergency preparedness	10,39%	16,27%
PA 3 - Promoting "people to people" exchanges	**15,92%**	**13,30%**
3.1 Support the development of civil society and local communities	0,30%	3,66%
3.2 Improve local governance in relation to the provision of local services to communities in the border areas	3,09%	1,66%
3.3 Increase educational, social cultural and sporting exchanges	10,67%	7,97%
3.4 Enhance social and cultural integration of border area	1,86%	-
total	**100,00%**	**100,00%**

Table 11-1 Allocation of funds in the first and second call. (Data from JTS)

The type of project partners includes first Public administrations, which were awarded the largest part of funds. Educational and Health care services institutions are the second most relevant type of partners in terms of funds allocated. NGOs and cultural organizations are present only in the priority 3. In the priority 2, as already discussed, are present only public administrations.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Project budget per type of organization lead partner
First Call

	Priority			
Type of organization	1	2	3	total
Business	6%		0%	3%
Cultural	4%		37%	9%
Educational			26%	11%
Health care services	15%			9%
NGO			23%	4%
Public Administration	64%	100%	14%	64%
Total	100%	100%	100%	100%

Second Call

	Priority			
Type of organization	1	2	3	total
Business	8%		8%	6%
Cultural	6%		11%	5%
Educational			27%	4%
Health care services	9%			6%
NGO	1%		26%	4%
Public Administration	76%	100%	29%	75%
Total	100%	100%	100%	100%

Table 11-2 Project budgets per priority and type of partners. (Data from JTS)

The distribution of projects per priority and per county-districts shows that Timiș and Južno-Banatski are the only two areas where some projects were started in most or all priorities, while in the other counties and districts the projects approved are concentrated in one or two priorities (see tables below). A partner from the Serbian Capital was awarded a large share of the budget for the second priority in the second call.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Priority		TM	CS	MH	NO BA	CE BA	SO BA	BOR	BRAN	Total
1	1	18,5%	49,9%				31,6%			100,0%
	2			45,4%	9,2%		30,2%		15,2%	100,0%
	3						63,4%		36,6%	100,0%
	4	82,3%					17,7%			100,0%
total 1		**16,4%**	**14,5%**	**22,4%**	**4,5%**		**31,7%**		**10,6%**	**100,0%**
2	1				20,4%	23,5%	56,2%			100,0%
	3	55,0%		45,0%						100,0%
total 2		**26,3%**		**21,5%**	**10,6%**	**12,3%**	**29,3%**			**100,0%**
3	1		100,0%							100,0%
	2	34,3%	65,7%							100,0%
	3	37,1%	25,7%	23,2%		5,1%	4,4%	4,6%		100,0%
	4	53,6%			27,7%	18,7%				100,0%
total 3		**37,8%**	**31,9%**	**15,5%**	**3,2%**	**5,6%**	**3,0%**	**3,1%**		**100,0%**
total		**21,9%**	**14,1%**	**21,1%**	**5,7%**	**3,6%**	**26,6%**	**0,5%**	**6,6%**	**100,0%**

Table 11-3 First call Project budget per priority and per location of the lead partner.(Data from JTS)

Priority	TM	CS	MH	NO BAN	CE BAN	SO BAN	BRA	Belgrade	
Total 1	**29,06%**	**19,15%**	**16,65%**	**1,19%**		**23,92%**	**10,04%**		**100,00%**
1	21,73%	42,99%				11,88%	23,40%		100,00%
2	38,72%	8,05%	43,27%			6,58%	3,38%		100,00%
3	8,95%			5,98%		85,07%			100,00%
4	100,00%								100,00%
Total 2		**18,74%**	**36,14%**					**45,13%**	**100,00%**
1		64,11%	35,89%						100,00%
3			36,24%					63,76%	100,00%
Total 3	**44,47%**	**16,28%**	**5,66%**		**16,16%**	**17,43%**			**100,00%**
1	17,98%				48,10%	33,92%			100,00%
2	100,00%								100,00%
3	45,05%	27,15%	9,44%		4,87%	13,49%			100,00%
total	**24,43%**	**18,67%**	**19,67%**	**0,76%**	**2,15%**	**17,56%**	**6,39%**	**10,37%**	**100,00%**

Table 11-4 Second call. Project budget per priority and per location of the lead partner. (data from JTS)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

12 ETC programmes in the area

The Programme Area partially overlaps with (e.g. CBC HU-RS) or is contained by (e.g. South East Europe or the future Danube Programme) a number of other Territorial Cooperation Programmes. Many of these Programmes follow similar objectives and have relevant thematic orientations. The evaluation of the current programme signalled the need to improve coordination and to exploit synergies. In all cases, they contribute to the development of capacity and know-how among the administration and stakeholders of the region about the modus operandi of Territorial Cooperation. The table below gives an overview of the current programmes 2007-2013, the perspective asset for the next 2014-2020 programming period, and the common eligible territories.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Programme	Area	Strategic Objective	Total Budget (MEUR)	Competition for funds[59]	Priority Axes[60]
INTERREG- IV	EU	Improve, by means of interregional cooperation, the effectiveness of regional development policies in the areas of innovation, the knowledge economy, the environment and risk prevention as well as to contribute to economic modernisation and increased competitiveness of Europe.	420	Very high	PA1: Innovation and knowledge economy PA2: Environment and risk prevention
SEE	South east Europe	Improvement of the territorial, economic and social integration process and contribution to cohesion, stability and competitiveness through the development of transnational partnerships and joint action on matters of strategic importance.	246	Medium to High	PA1:Facilitation of innovation and entrepreneurship PA2: environment PA3: accessibility PA4: transnational synergies for sustainable growth areas
IPA CBC	Hungary-Serbia	Facilitation of a harmonic and cooperating region with a sustainable and safe environment.	21,7	Medium (due to low funds)	PA1: Infrastructure and Environment PA2: Economy, Education and Culture
IPA CBC	Bulgaria-Serbia	Strengthen territorial cohesion of the Bulgarian–Serbian cross-border region, its competitiveness and sustainability of its development through co-operation in the economic, social and environmental area over the administrative borders.	13,5	Medium (due to low funds)	PA1: Development of small-scale infrastructure PA2: Enhancing capacity for joint planning, problem solving and development

Table 12-1 Interreg and CBC programmes involving eligible area

[59] Competition for funds is a composite indicator defined by the ratio Funds/Inhabitants in the Programme area and a Centrality index (existence of large metropolitan areas), assuming that in those areas there is a higher density of skilled applicants who compete for the funds.
[60] Excluding Technical Assistance

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

Apart from those programmes, various international, bilateral and European programmes have supported interventions for a range of topics, ranging from environmental infrastructure and urban rehabilitation up to economic development and civil society environment. Romania after accession to the EU in 2007 has been able to use Structural Funds to its avail, building on the rich experience accumulated through PHARE. In Serbia CARDS and IPA efforts have been accompanied by numerous projects e.g. through GTZ, World Bank and other donors. While the multitude and magnitude of these programmes and single projects is too long to list here, it would be a prerequisite for every project financed under the CBC-OP to demonstrate how it builds on past experiences and projects of different frameworks.

Apart from those programmes, various international, bilateral and European programmes have supported interventions for a range of topics, ranging from environmental infrastructure and urban rehabilitation up to economic development and civil society environment. In Romania EU accession and the utilisation of the European Structural Funds led to a rapid rise of the capacity level of the administration and the potential applicants also building on the rich experience accumulated through PHARE. In Serbia CARDS and IPA efforts have been accompanied by numerous projects e.g. through GTZ, World Bank and other bilateral and multilateral donors.

Every project financed under the CBC Programme will have to demonstrate how it builds on past experiences and projects.

Last but not least, a number of euroregions are active in the area, the most important being the “Danube-Kris-Mureș-Tisa Regional Cooperation” (DKMT) established in 1997 with the aim to develop and broaden relationships among local communities and local governments in the field of economy, education, culture, science and sports – and help the region to maintain the process of the European integration.

The Euroregion maintains a number of workgroups in the domains:

- Economy, infrastructure and tourism workgroup
- Urbanism, nature and environmental protection workgroup
- Culture, sports, non-governmental organisations and social issues workgroup
- International relations, information and mass communication workgroup

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

- Catastrophe prevention workgroup
- National health workgroup
- Healthcare workgroup
- Industrial park workgroup
- Tourism workgroup
- Agricultural workgroup

The DKMT demonstrates an example of bottom up engagement and also a platform for sustainable project results, acting as a show case of cross border governance and integration and as a cadre to refer to.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access **www.romania-serbia.net**

13 Conclusions

The TA provided a description of many common challenges for a smart sustainable and inclusive growth. Some of these challenges can be effectively addressed by joint cross border actions.

Both communities, in the Republic of Serbia and in Romania, suffer of a demographic decline, with aging of the population particularly severe in the marginal areas. This process led to increased difficulties of the weaker components of society to access the basic social services, first of all health care services, and also primary education and adult training.

Unemployment and low rate of activities are another common and serious challenge in the eligible area.

In both fields can be identified a relevant potential of joint cross border actions, created under the thematic priority a) established by the IPA II regulation[61], "promoting employment, labour mobility and social and cultural inclusion across the border...".

The long history of cross border interaction, and the recent experience of cooperation under the current programme, created a relevant potential for common actions, especially in the field of social services in marginal areas, or social and cultural inclusion, and promotion of access to the labour market.

The second common challenge is related to environmental issues. From the plains of Banat and Timiș counties, to the Carpathian Mountains, to the Danube valley, all the Serbian and Romanian communities live in an extremely integrated and interdependent environmental system. These systems generates challenges that can be addressed only through common actions, by establishing a sustainable use of natural resources, in particular water, by developing and managing environmental infrastructures, by protecting natural resources. All these challenges can be addressed by actions in the framework of the second thematic priority of the IPA II regulation: "Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management" The actions in the field of environmental

[61] Regulation (Eu) No 231/2014 Of The European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net

protection and sustainable development are also those where the strongest synergies with the Danube regions strategy can be pursued.

The third area of potential cooperation that clearly emerged from the territorial analysis is that of local transport and utility networks and services. The eligible area has good accessibility to national and European transport networks, but suffers of a poor quality and inefficiency of local networks, for both transport infrastructure and public services. The severity of this challenge is worsened by the risks of marginalization of the remote rural areas, in particular those close to the borders, and those in the mountains.

Similar dualism can be observed in the basic public service networks, for example waste management, with the remote areas on both sides of the border needing strong improvement and extension of the services provided.

The strong similarity of structural conditions and recent trends generate a potential of common cross border actions, in the framework of the third thematic priority proposed by the IPA II regulation: “Promoting sustainable transport and improving public infrastructures …” In particular common action for soft innovations in the provision and management of public services, for the establishment of innovative systems for public transport, for the provision of basic utilities to remote areas, could benefit of joint actions and sharing of experiences across the border.

Last one of the main potential actions for sustainable development in the area can be identified in the enormous capital of natural resources, most of them shared across the border and strongly interconnected. The Territorial analysis highlighted that the natural patrimony is relevant and that the main attractors are widespread all over the eligible area. The growing global competition for the innovative demands on tourism, like eco-tourism, cultural tourism, as many forms of thematic tourism, forces the local systems to adopt integrated territorial strategies, creating tourism products based on networks of attractors and services. These actions could benefit from strong cross border synergies, and could be implemented in the framework of the fourth priority proposed by the IPA II draft regulation: “Encouraging tourism and cultural and natural heritage.”

These preliminary conclusions will be further elaborated in the SWOT analysis and in the design of the programme strategy.

CROSS BORDER COOPERATION Romania-Serbia
Investing in your future!
Romania-Republic of Serbia IPA Cross-border Cooperation Programme is financed by the European Union under the Instrument for Pre-accession Assistance (IPA) and co-financed by the partner states in the programme. For more information, please access www.romania-serbia.net