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SWOT Analysis

March 2014

1 Introduction

In this report the second draft of the SWOT analysis for the CBC programme Romania - Serbia 2014-2020 is discussed.

The SWOT focuses on those issues that are relevant for the identification of the development challenges that can be addressed by the CBC programme.

The items are classified in 6 main areas:

- ✓ Social and demographic structure
- ✓ Economy, SMEs development, Labor Market
- ✓ Transport infrastructures, Accessibility, CBC connection
- ✓ Environment Natural and cultural resources, Tourism
- ✓ Education, R&D, Innovation
- ✓ Local institutions and civil society

The SWOT analysis is based on the outcomes of the Territorial Analysis (TA), and the consultation among potential beneficiaries and stakeholders.

After the presentation of the SWOT the main links between the TA and the single sections of the SWOT are discussed.

Last the outcomes of the consultations with stakeholders are analyzed. The consultations were conducted through workshops, held in February in Romania and Serbia, and a survey, carried out with email interviews. the questionnaire used for the survey is in annex.

Sector	Strengths	Weaknesses	Opportunities	Threats
Social and demographic structure	<ul style="list-style-type: none"> • Presence of urban poles accessible to a significant part of the population. • Equal number of population on the two sides of the border in the PA, facilitating balanced partnership. • Long history of Romanian-Serbian cooperation • Tradition of respect and coexistence among ethnic groups 	<ul style="list-style-type: none"> • Large part of population living in small settlements scattered in remote rural areas, which not being able to compete with the larger urban poles, lose population • High share of population at risk of poverty 	<ul style="list-style-type: none"> • EU support for social inclusive growth • Growing social and cultural ties between RO and SR • Integration in the macro regional framework EU Danube region. 	<ul style="list-style-type: none"> • Continuing Aging of population. • Relative attractiveness of metropolitan areas, also due to EU integration, pulling out emigration and accelerating marginalization of rural areas • Declining population, especially of young active people.
Economy, SMEs development, Labor Market	<ul style="list-style-type: none"> • Presence of dynamic economic poles in the area. • Traditional industrial presence with local “ecosystems” operating. • Attractiveness and capacity for FDIs, continuing after global crisis. • Large availability of local resources, in agricultural land, mineral reserves, renewable energy fonts. 	<ul style="list-style-type: none"> • Strong dualism in economic development , between more advanced districts (Timiș, Banat) and others, in industrial sectors, SMEs development, services, • Low access to basic services in rural and remote areas • High level of unemployment in lagging behind districts and counties 	<ul style="list-style-type: none"> • Growth of industrial and business clusters inside the PA and at the edge, promoting business and facilitating access to services and jobs of resident population. • Investments supported by IPA II strategy in Serbia and Cohesion Policy in Romania offering potential synergies with cross border initiatives 	<ul style="list-style-type: none"> • Uncertainties in the global and national economic scenario leading to decline of investments (national and FDI) • Persistence of high unemployment rates, due to weak economic growth at national level
Transport infrastructures,	<ul style="list-style-type: none"> • Strategic location in the European Corridors Network • Good accessibility from larger 	<ul style="list-style-type: none"> • Poor quality of local and intraregional transport infrastructures for moving 	<ul style="list-style-type: none"> • Easing of visa procedures facilitating cross border mobility 	<ul style="list-style-type: none"> • Financial crisis limiting capacity of local administration to

Sector	Strengths	Weaknesses	Opportunities	Threats
Accessibility, CBC connection	<p>centers to national and international destinations, due to adjacent national road, rail and airport connections</p> <ul style="list-style-type: none"> • Good availability of Border crossings • Multimodal transport infrastructures easily accessible to most of the programme area • 	<p>within the Programme Area</p> <ul style="list-style-type: none"> • Severe limitations to accessibility in rural and mountainous areas. • Heterogeneous Service level of Border Crossing points. • Poor efficiency of local transport services. • Poor development of common transport monitoring systems on the Danube; 	<p>and interaction.</p> <ul style="list-style-type: none"> • New infrastructures and services developed in the EU corridors network • Soft technologies for the development, operating and monitoring of more efficient transport services • Advanced transport monitoring infrastructure on the Danube on the Romanian side. 	<p>maintain local transport infrastructures.</p> <ul style="list-style-type: none"> • Risks for security from increasing illegal traffic flows (illegal migration, smuggling, especially along the fluvial routes.).
Environment, Natural and cultural resources, Tourism	<ul style="list-style-type: none"> • Low levels of pollution in peripheral areas of scenic beauty • Major natural resources for tourism development: national and natural parks, thermal springs, forests and areas of outstanding natural beauty. • Striking cultural, ethnic and natural diversity, generating attractiveness for business and tourism. • Low population density and low pressure in naturally attractive and remote areas 	<ul style="list-style-type: none"> • Environmental hotspots and risks, especially due to past and present mining and industrial activity • Obsolete environmental infrastructure • Disaster protection and preparedness systems improving but are still weak especially at the local level. • Flood risks (fluvial and flash floods) in various parts of the Programme Area • Dispersion of tourism attractors in small poles in a large territory, limiting the capacity to attract 	<ul style="list-style-type: none"> • European strategies for environmental protection in macro regions, offering additional support to local strategies (Danube region) <p>International proofed models of voluntary local disaster response and preparedness systems with low overall costs available Europe-wide</p> <ul style="list-style-type: none"> • Growth of new models of tourisms attracted by local resources. (Eco tourism, rural tourism, 	<ul style="list-style-type: none"> • Demographic decline of marginal areas increasing risk of environmental degradation due to abandonment of settlements and industrial areas. • Climate change leading to increased extreme events: floods, rainfall etc forest fires, droughts etc.. • Risks emerging outside of the Programme Area, e.g. pollution upstream in Danube, which can

Sector	Strengths	Weaknesses	Opportunities	Threats
		<p>international demand</p> <ul style="list-style-type: none"> • Insufficient exploitation of existing tourism infrastructures, leading to low productivity and non sustainability of private investments 	<p>business tourism).</p> <ul style="list-style-type: none"> • International networks promoting integrated offers (e.g. Green ways along Danube) 	<p>have severe impacts in the area;</p> <ul style="list-style-type: none"> • Shrinkage of public budgets and lack of funds for environmental infrastructure renewal and reclamation of brown-fields • Increasing competition by National and European touristic destinations.
Education, R&D, Innovation	<ul style="list-style-type: none"> • Poles of advanced research institutes and Universities in the PA and at the edge of the eligible area(e.g. Timis, Belgrade) • Existence of poles of excellence and success stories, (e.g. Timiș, Vrșac) in area of RTD 	<ul style="list-style-type: none"> • Low rates of university education attainments among adult population in some districts. • Weak performance of primary and secondary educational systems which impacts on the quality of education. • Unequal access to ICT, digital divide in remote rural areas • Poor availability of educational services, especially in remote areas 	<ul style="list-style-type: none"> • Involvement of Vojvodina and Timiș in European strategies for smart specialization • Danube region strategy generating opportunities of partnerships for innovation 	<ul style="list-style-type: none"> • Declining student population due to negative demographic trends, reducing availability of educational services, especially in remote areas. • Financial crisis leading to reduction of investments in public education in remote areas which are not attractive for private entities
Local institutions and civil society	<ul style="list-style-type: none"> • Strong involvement of civil society groups in Cross border Partnerships. 	<ul style="list-style-type: none"> • Administrative burdens and limited capacities in public institutions limiting cross 	<ul style="list-style-type: none"> • Official start of accession negotiations for Serbia promoting 	<ul style="list-style-type: none"> • Low level of support from the national authorities or no



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	<ul style="list-style-type: none"> Existing private and public networks, offering the possibility of cooperation in several thematic areas, education and culture, etc.) Tradition of cross border exchanges in the past 	<ul style="list-style-type: none"> border interactions Difficulties and delays in implementation of projects under the current programming period, creating obstacles for new partnerships and project generation. 	<ul style="list-style-type: none"> participation to CBC Improving economic ties between Romania and Republic of Serbia 	<ul style="list-style-type: none"> national policies to support the creation of cross-border partnerships.

TA outcomes supporting the SWOT analysis

The Elements of strength, weaknesses, opportunities and threats were identified per each of the sections of the TA on the basis of the most relevant outcomes of the analysis of the structure and recent dynamic of the social and economic system in the eligible area.

SWOT items on Social and demographic system are supported by qualitative and quantitative indicators in chapter 3 and 5 of the TA. The indicators in chapter 3 about outbound migration, ageing of the population and natural balance, support the identification of the main weakness and the relevance of the threat of declining population. The indicators on rurality, and remoteness discussed in the chapter 3 and the qualitative information provided in paragraph 5.3 on poverty and social exclusion, support the identification of the risk of poverty as one of the most important weaknesses of the eligible area.

Considering Economy, SMEs development, Labor Market, the indicators on FDI inflows, the SWOT items are supported by quantitative and qualitative indicators provided in the chapters, 3,4,5. Among the others, the indicator of SMEs density, supports the ranking of strengths, while the indicators on level of GDP per capita, especially the disparities of this indicator among the eligible areas, and the indicators on unemployment rate, support the identification of weaknesses, in particular the dualism in economic development, other

The analysis of Transport infrastructure, Accessibility, CBC connection, based on statistical indicators provided by National authorities and those at EU level, led to the identification of the main strengths in the location of the eligible area in key point of the European transport network, as defined by the recent regulation on European transport strategy. The main weaknesses and threats are supported by the analysis of density and quality of transport infrastructures in the eligible area. A detailed analysis of border crossing points, and on the traffic in the main points, has led to the identification of some weaknesses in this area.

Considering Environment, Natural and cultural resources and Tourism the SWOT is based on the qualitative description and quantitative indicators provided in the chapters 8 and 9 of the TA. These topics are presented in a single SWOT heading, since they are closely interrelated, environmental quality being an essential intermediate input to tourism. Essential sources have been the datasets compiled by the European Environmental Agency, which have been

processes in GIS creating visualizations of the quantitative information, especially regarding land use and land cover, position of main sources of pollution and protected and sensible area. Also the findings of the SWOT have been supported by the River Basin Management Plans based on the Water Framework Directive (compiled by International Conference on the Protection of the Danube River) and by the European Flood Awareness System. Further details have been collected from the records of the sectoral or spatial relevant authorities and by anecdotal information provided by local experts (e.g. the experts of the Regional Development Agencies and Serbian N.A.).

Concerning Education, R&D, Innovation, the main issues discussed in the Territorial Analysis using quantitative and qualitative indicators are those of the presence of poles of university research in the area or in close proximity, the educational attainment among the active population, the new opportunities created by the involvement in the SMART innovation strategy of the EU, the threats generated by the marginalization of rural areas

Local institutions and civil society issues were particularly discussed by stakeholders and potential beneficiaries in the consultation held in the eligible area.

The outcomes of the consultations on SWOT

The stakeholders and potential beneficiaries were asked to contribute to the elaboration of the SWOT by participating in two workshops, one held in Romania at Drobeta Turnu Severin and one held in Serbia at Pancevo.

The participants expressed their views and opinions by answering the open questions in the questionnaire provided, and offering a quantitative ranking for their agreement to the sections of the first draft of the SWOT, based on a scale of 5 levels from total disagreement (1) to perfect agreement (5).

The participation to all three parallel stages of consultation was large, and active, from all counties and districts of the eligible area. A little more of the 50% of the participants to the survey are partners of projects financed by the current programme, and among them were included representatives of NGO, educational and university institutions, local administrations.

The qualitative feedback, proposals of new items for the SWOT, critics to others, were considered for the revision of the SWOT, and are incorporated in the new draft proposed to the partners.

The quantitative evaluation, based on “agreement marks” from 5, maximum, to 1 minimum, produced very positive results.

The average of these quantitative appraisals is very high for all sections of the SWOT, as shown in the table below.

SWOT SECTION	Average evaluation mark of SWOT items (5 perfect agreement 1 total disagreement)		
	Serbian stakeholder	Romanian Stakeholders	All interviews Average
Social and demographic structure	4,44	4,43	4,44
Economy, SMEs development, Labor Market	3,89	4,39	4,25
Transport infrastructures, Accessibility, CBC connection	4,50	4,43	4,45
Environment Natural and cultural resources, Tourism	4,33	4,50	4,45
Education, R&D and Innovation	4,33	4,35	4,34
Local institutions and civil society	4,44	4,67	4,60