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# Territorial analysis Interreg NEXT Black Sea Basin Programme 2021-2027- Key points



2<sup>nd</sup> JPC meeting

9<sup>th</sup> of December 2020

## Territorial analysis-overview

First input to the development process of the Interreg NEXT Black Sea Basin Programme 2021-2027 and provides factual evidence for the JPC

Is based on statistical data provided by international, national and local sources, further complemented by the study of different documents, reports

Identifies the main joint challenges and needs of the Black Sea Basin area

Takes into account the current megatrends: blue economy, innovation, smart specialisation, digitalization, climate change, green deal

Considers the current challenges faced by the cooperation area due to the COVID 19 pandemic

Facilitates the thematic concentration  
and it is the starting point for consultations with the programme partners

# Structure of the Territorial Analysis



## Chapter 1 - General characteristics of the programme area

- Territory and demography
- Economic structure
- The impact of COVID-19 crisis



## Chapter 2- Strategic Framework

- Macro-regional strategies and sea basin strategy
- Black Sea Basin as a functional area

## OBJECTIVES

- 1.
- 2.
- 3.



7 chapters dedicated to the 5 Policy Objectives (PO) and 2 Interreg Specific Objectives (ISO)

- Challenges and needs
- Potential activities
- SWOT Analysis and Conclusions



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## Chapter 1 - General characteristics of the programme area



Strong urbanisation process;

Ageing population (Greece, Bulgaria, Romania, Ukraine, Georgia and Russian Federation) leading to health and pension-financing issues;

Tourism is a major economic pillar in most of the BSB countries

In all the BSB countries, services represent the main economic sector, followed by industry and agriculture;

Most of the BSB countries have trade deficits;

In most of the countries, the inflation was under control in the 2016-2019 period;

The impact of COVID-19 on gross domestic product for 2020 is estimated to be significant in the countries of BSB area, with an average of -4, 79% decrease.



## Chapter 2- Strategic Framework



In case transnational programme covers the same geographical area as a macro-regional or sea basin strategy, at least 80% of the EU financing shall be programmed on the objectives of that strategy (art 15 Draft Interreg Regulation);

BSB programme should take into consideration:

- Common Maritime Agenda for the Black Sea
- Black Sea Synergy

Main

Synergies should be sought with:

- EU Strategy for the Danube Region
- EU Strategy for the Adriatic and Ionian Region

## PO 1 -A smarter Europe and its neighbourhood



### Strengths

- A high level of diversity in terms of business conditions and business growth throughout the region;
- Tourism has grown significantly across the BSB
- The availability of a healthy and skilled workforce;
- Wide access and an increasing trend of using Internet services
- Existence of functional researchers' networks in the BSB area;
- The marine aquaculture has been one of the fastest growing activities in the last years.

### Weakness

- Decline of tourism and cultural and entertainment activities in the BSB area due to COVID-19 pandemic;
- Rather low research and development expenditures in the BSB area;

SWOT

### Opportunities

- A smarter cooperation area, as part of the blue economy is a key objective of the Common Maritime Agenda and of the Strategic Research and Innovation Agenda;
- The previous ENI/ENPI Black Sea Basin programmes have already financed projects in the field of tourism, aquaculture, entrepreneurship, research and innovation and digitalization;

### Threats

- Decline of tourism and cultural and entertainment activities due to COVID-19 pandemic discourage investments in culture heritage;
- COVID-19 health crisis and its economic consequences;
- Conflicts in the BSB area.

This policy objectives offers a clear potential for future projects in the Black Sea Basin area, which could involve the already created networks of cooperation

## PO 2 - A greener low-carbon Europe and its neighbourhood



### Strengths

- BSB region is generally well provided with freshwater resources;
- Gradual decarbonisation of some of main economies in the area;
- Large cities outside the coastal zone mostly have full and sufficiently biological treatment of wastewater;
- Black Sea ecosystems are known to be rich and diverse;
- Unique natural heritage resources.

### Weakness

- Usage of groundwater for drinking purposes is not possible everywhere;
- Wastewater treatment often not sufficient in rural areas and coastal cities;
- Low use of renewable energy;
- High waste generation and low levels of recycling;
- Large areas exposed to erosion.

SWOT

### Opportunities

- PO2 is supporting one of the 3 key objectives of Common Maritime Agenda for Black Sea;
- Previous ENI/ENPI Black Sea Basin programmes have already financed projects in the field of environment;
- Compulsory to be financed according with the draft regulations.

### Threats

- Discharge of insufficiently treated sewage;
- Risks related to pollution of water and soil;
- High degree of vulnerability to climate change;
- Significant future erosion of the beaches;
- Invasive plants and animal species.

Policy Objective 2 is recommended as one of the most relevant objectives for support

## PO3- A more connected Europe with its neighbourhood



### Strengths

- Transport of oil and gas across the Black Sea is a major activity;
- Energy projects, including major infrastructure projects, continued to be developed with EU support, showing the potential of the Black Sea region to become an energy hub;
- The digital gap that existed among Black Sea Basin countries and the EU has narrowed;

### Weakness

- Quality of ports infrastructure around the Black Sea still needs improvements;
- Slow transition towards green maritime transport;
- Less progress with regard to intermodal transport.

SWOT

### Opportunities

- The ports of the Black Sea region may increase their role in the Europe-Asia connection;
- Investment in fully renewable fuels technologies, with green ports becoming hubs for energy production;

### Threats

- Conflicts in the BSB area;
- COVID-19 pandemic.

Given the size of the covered area and the faced challenges, high value investments in infrastructure are need, therefore cooperation under PO3 is not encouraged



## PO 4 -A more social Europe and its neighbourhood



### Strengths

- Higher level of education well represented overall;
- Life expectancy has increased more quickly in BSB countries than in the EU.

### Weakness

- Significant unemployment rate in many BSB countries (Greece, Armenia, Georgia, Ukraine and Turkey);
- Proportions of population under poverty line and of population at risk of poverty are generally high;
- Low spending on education and health as percentage of GDP, below EU average in many BSB countries;
- Great inequalities between programme countries in terms of life expectancy;

SWOT

### Opportunities

- In the context of COVID-19 crises and restrictions, digitalisation and online communication should be considered for supporting education system and the labour market

### Threats

- COVID-19 pandemic brings severe disruptions in the education systems, with a higher impact on the already vulnerable categories of people;
- In the context of COVID-19 pandemic, the labour market in the BSB countries is considerable deteriorated;

This policy objectives offers a clear potential for future projects in the Black Sea Basin area

## PO 5 -Europe and its neighbourhood closer to their citizens



### Strengths

- Integrated, bottom-up and territorial approaches help local communities identify the challenges of a specific functional area and identify strategic approaches to tackle those multiple challenges;
- Experience of Member States with CLLD (community-led local development) under LEADER axis.

### Weakness

- Integrated territorial investments (ITI) and community-led local development (CLLD) only in Member States;
- Reduced models of implementing cross-border integrated strategies - even in other EU regions;
- Challenges in adapting the EU regulations to the transnational context and to the legislation of the participating countries;
- Limited institutional capacity of local and regional authorities, as well as of civil society, in participating in this type of bottom-up initiatives

SWOT

### Opportunities

- Increase the institutional capacity of public and private stakeholders to cooperate across borders for the purposes of improving multi-level governance (ISO1)

### Threats

- Tradition of centralized administrative systems in the participating countries characterized by the use of bottom-up approaches;
- Heterogeneity of the area (cultural, economic, political etc.)

The support of future involvement of Black Sea Basin local communities and civil society in such complex instruments could be provided under the Interreg Specific Objective (ISO) 1



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## ISO1-A better cooperation governance for Europe and its neighbourhood



### Strengths

- Existence of strategic framework with high political commitment (Black Sea Synergy Common Maritime Agenda);
- Black Sea NGO forum meets regularly - actions could build on the work of Black Sea NGO forum;
- Existence of platforms for dialogue and cooperation

### Weakness

- Reduced administrative capacity and lack of institutional resources;
- Reduced civil society participation in decision-making processes;
- Reduced level of digitalization in public sector.

SWOT

### Opportunities

- Sharing of best practices;
- Capitalization - actions can build on existing projects and initiatives
- ISO 1 allows the financing of a wide diversity of projects, covering a large range of needs of the area

### Threats

- The regional conflicts;
- COVID-19 pandemics;
- The complexity and extent of the programme area;
- The high level of centralization of the BSB countries.

ISO (1) could respond to governance challenges in the Black Sea Basin area through people-to-people actions, of limited financial value, aimed to enhance institutional capacity and to build up mutual trust



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## ISO 2 -A safer and more secure Europe and its neighbourhood



### Strengths

-The existence of previous form of cooperation in field of border security;

### Weakness

-Large number of refugees in some BSB countries, especially in Turkey and Greece;  
-Economically dependency of the GDP of the remittances sent by migrants to their BSB countries;  
-Labour emigration towards better economic opportunities outside BSB region;  
-Visa restrictions do not allow Black Sea citizens to easily visit and collaborate with each other.

SWOT

### Opportunities

-The existence of other available EU funds for migration and refugees;

### Threats

-Conflicts in the region;  
-COVID 19 pandemic.

Financing actions under this objective have greater spillover effects for the whole region in a bilateral context and when a consistent financial envelope is available, therefore ISO 2 is difficult to be addressed by the future BSB programme



# Proposal:



## Taking into consideration:

- In case transnational programme covers the same geographical area as a macro-regional or sea basin strategy, at least 80% of the EU financing shall be programmed on the objectives of that strategy;
- The draft legal provisions regarding thematic concentration (PO 2 is compulsory to be financed);
- Maximum 5% may be allocated on the ISO 2, according to the Interreg Draft Regulation
- Given the limited budget, PO3 and ISO 2 are difficult to be addressed;
- Regarding PO 5 -the support of the involvement of local communities and civil society in complex instruments and being more applicable to the specificities of the Black Sea Basin could be provided under ISO 1;



Need to prioritize the policy objectives/Interreg specific objectives to be submitted to public consultation



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Our goal:  
Timely programming as to  
ensure efficient usage of funds

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