ESPON

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TIA REPORT //

Interreg NEXT programmes involving Ukraine and the Republic of Moldova

Territorial Impact Assessment

Final report // December 2024

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This report, including the maps provided therein, covers all Ukrainian regions being eligible for funding under Interreg NEXT programmes. In terms of data availability, no data for any of the analysed indicators is available or has been considered in the case of Crimea.

Following Russia's illegal, unprovoked and unjustified military aggression against Ukraine and its illegal attempt at annexing the Autonomous Republic of Crimea and the city of Sevastopol, and at occupying parts of Ukrainian territory, only territories under the legitimate control of the sovereign Government of Ukraine are currently eligible under the Interreg NEXT programmes. Temporarily occupied territories will not be eligible as long as they remain under Russia's military control.

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Abbreviations

GDP	Gross Domestic Product
IPCC	Intergovernmental Panel on Climate Change
LPD	Legislation, Policies and Directives
NATURA 2000	European ecological network aimed at promoting the conservation of natural sites and wildlife habitats while taking into account the economic, social and cultural needs and the particular regional and local features of each Member State. The network is the result of several directives on the conservation of habitats and species, adopted by the European Commission in the wake of the 1992 Rio Conference to deal with the worrying decline in biodiversity.
NUTS	Nomenclature des unites territoriales Common classification of territorial units for statistical purposes
SO	Specific Objective
TESIM	Technical assistance project funded by the EU which provides support and guidance to the implementation and management of the seven Interreg NEXT programmes, as well as to the closure of the 15 ENI CBC programmes
TIA	Territorial Impact Assessment

1 Introduction

The Territorial Impact Assessment (TIA) of the Interreg NEXT programmes involving Ukraine and the Republic of Moldova aims to support the understanding of the role of these programmes in shaping regional development and the wider implications for cohesion, governance and cross-border cooperation in the areas concerned and from a regional perspective. Going beyond that, the study furthermore adopts a research question "What would be the territorial impact, if the concerned cooperation programmes were not continued in the future?".

The main objectives of the study are to identify territorial impacts within EU regions (at NUTS3 level) and regional impacts outside the EU, where data availability allows. This includes mapping the socio-economic, environmental and governance benefits of the Interreg NEXT programmes involving Ukraine and the Republic of Moldova and identifying the challenges that would arise from their discontinuation. In doing so, the study aims to inform strategies for improving programme design and highlights the resulting implications of a potential absence of such initiatives.

1.1 Interreg NEXT programmes

Interreg NEXT programmes involving Ukraine and the Republic of Moldova play a crucial role in promoting cross-border cooperation between EU Member States and neighbouring countries. These programmes are designed to address common challenges, promote sustainable development and strengthen territorial cohesion across borders. They aim to reduce disparities between regions, enhance cooperation on thematic priorities such as innovation, governance and environmental sustainability, and provide a platform for mutual learning and development.

Territorial aspects are particularly important for the programmes involving Moldova and Ukraine, which are in the scope of this analysis. The regions involved in these programmes, while oftentimes immediate neighbours, have significant socio-economic, environmental and institutional differences. Differences relate to available infrastructures, institutions and service levels, different institutional capacity, access to technologies and technology and innovation related funding, accessibility for foreign visitors (tourists or otherwise) etc. Considerable differences in socio-economic indicators as well as different governance structures (including the availability of statistical regional level information) furthermore emphasise the importance of territorial considerations in the region. Such differences present both challenges and opportunities for cross-border cooperation.

The programmes contribute to bridging these gaps by tailoring interventions to the specific needs and strengths of the territories involved, in fields which are relevant both for programme actors as well as for stakeholders involved in projects. For example, investments in infrastructure help to address challenges in several sectors (e.g. border management). The programmes also take into account unique territorial features such as environmental vulnerabilities, cultural ties and historical interdependencies, which are particularly relevant in regions linked to Moldova and Ukraine, which share extensive and historically significant borders with the EU. From a horizontal point of view, projects also promote institutional capacity building of all actors involved.

Territorial differences also influence the thematic focus of territorial development and thus have considerable impacts on the nature and structure of cooperation. The Interreg NEXT framework allows these different priorities to converge through collaborative projects that address common challenges while respecting regional specificities.

By recognising and addressing territorial differences, Interreg NEXT programmes aim not only to promote cohesion, but also lay the foundations for long-term stability and resilience. They contribute to all regions, regardless of their starting point, benefitting from cross-border cooperation and contribute

to common goals, thus working on strengthening the EU's external borders as areas of cooperation rather than division.

1.2 The approach of the ESPON TIA quick check

The concept of territorial impact assessment (TIA) aims to show the regional differentiation of the impact of EU policies. The ESPON TIA Tool[1] is an interactive web application that can be used to support policymakers and practitioners in identifying potential ex-ante territorial impacts of new EU Legislation, Policies and Directives (LPDs). The "ESPON TIA Quick Check" approach combines a expert meeting setting for identifying systemic relations between a policy and its territorial consequences with a set of indicators describing the sensitivity of European regions. It is one of the approved methodologies by the Commission Better Regulation Guidelines for assessing potential territorial impacts (Toolbox #34). As the web tool covers only EU27+5 and the candidate countries, an Excel tool was created which includes Moldova and Ukraine and offers both the basic functionalities and the indicators available in the web application.

This approach helps to steer an expert discussion about the potential territorial effects of an EU policy proposal by checking all relevant indicators in a expert meeting setting. The results of the guided expert discussion are judgements about the potential territorial impact of an EU policy, in different thematic fields (the economy, society, the environment, governance) for a range of indicators. Similar to the ESPON TIA Quick Check web tool, these results are fed into the Excel tool.

The Excel tool translates the combination of the expert judgements on exposure with the different sensitivity of regions based on statistical data into maps showing the potential territorial impact of EU policy at the NUTS3 level. These maps serve as a starting point for further discussion on different impacts of a specific EU policy on different regions. Consequently, the experts participating in the expert meeting provide important input to this quick check on the potential territorial effects of an EU policy proposal.

The expert meeting on Interreg NEXT programmes involving Ukraine and the Republic of Moldova was held on 24 October 2024 in Bucharest (Romania) and brought together a number of experts from different stakeholder organisations, academia and in particular Interreg NEXT programmes programme representatives. The expert meeting was moderated by two moderators from ÖIR, provided by ESPON for facilitation and handling the technical support tools. It tested the above mentioned scenario "What would be the territorial impact, if the concerned cooperation programmes were not continued in the future?" and not any EU draft proposal.

1.3 Additional data collection

As the ESPON TIA Quick Check tool covers only the EU27+5 and the candidate countries, it was necessary to complement the data for Moldova and Ukraine prior to the expert meeting. The data were obtained in the respective national sources. The main challenge was to find indicators that are consistent with those in the TIA tool. Consequently, only the following data could be added for Moldova and Ukraine on regional level:

- GDP per capita
- Unemployment rate
- Employment rate

[1] https://tiatool.espon.eu

- Proportion of the population aged 65 years or older
- Proportion of the population aged 15 years or younger
- Old age dependency ratio
- Young age dependency ratio
- Concentration coefficient (Gini index) by total income
- Share of households with Internet access at home
- Total overnight stays per thousand inhabitants (Tourism intensity)
- Medical doctors per hundred thousand inhabitants
- Hospital beds per hundred thousand inhabitants
- Total Interreg expenditure

While eligible under the Black Sea Basin Programme, the effects of a programme disruption in **Armenia and Georgia** could not be assessed out of data availability issues.

Figure 1.1: Expert meeting discussion

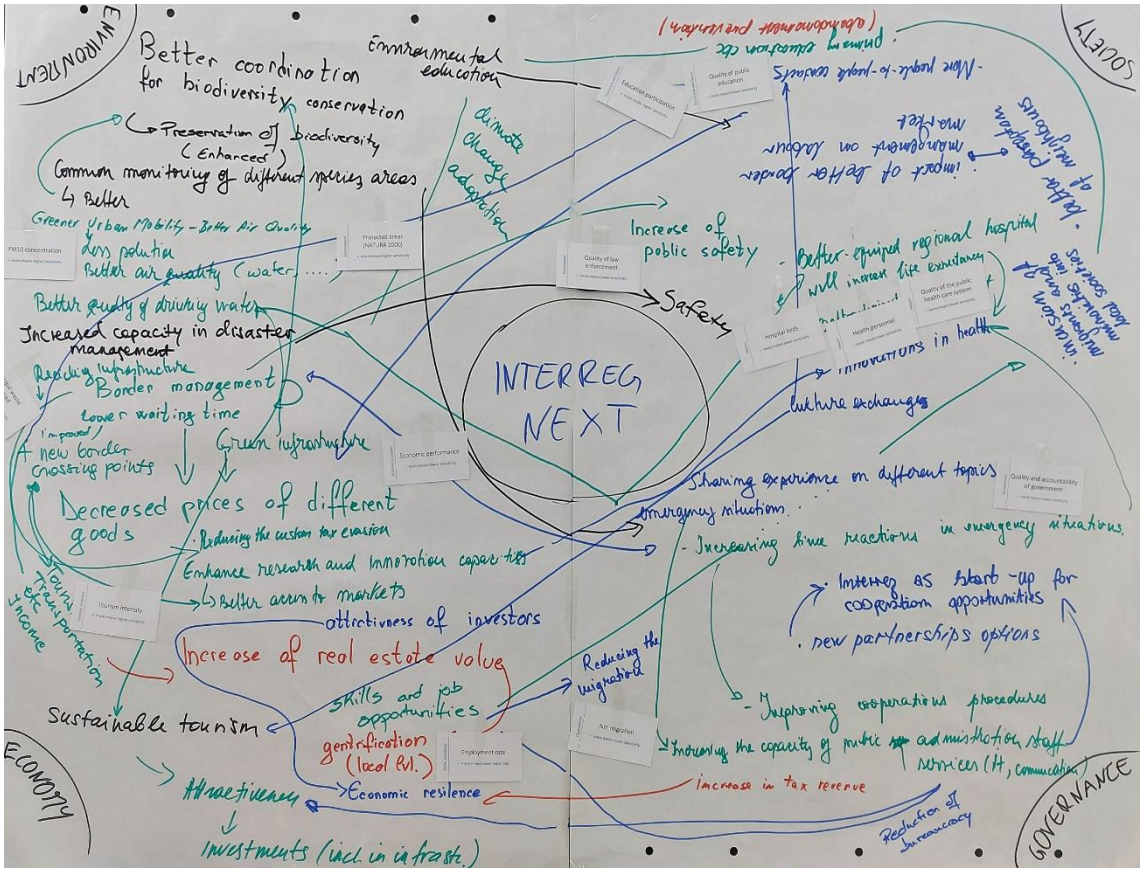
Source: Territorial impact assessment expert meeting, 24 October 2024, ÖIR

2 The ESPON TIA Quick Check expert meeting – identifying potential effects on the territory

2.1 Identifying the potential territorial effects considering economy, society, environment and governance related indicators – drafting a conceptual model

In the first step of the TIA expert meeting, the participating experts discussed the potential effects of Interreg NEXT programmes, using a territorial or place-based approach. This discussion revealed potential territorial impacts using economic, societal, environmental and governance-related indicators. The participants identified potential linkages between implementation of the strategy and the effect on territories, including interdependencies and feedback loops between different effects (see figure below).

Figure 2.1: Expert meeting findings: Systemic picture



Source: Territorial impact assessment expert meeting, 24 October 2024, ÖIR

2.2 Picturing the potential territorial effects through relevant indicators

In order to assess the potential effects identified by the experts and pictured in the conceptual model, suitable indicators need to be selected for the parameters that the experts discussed in the fields of the economy, the environment, society and governance. The availability of data for all NUTS 3 regions for all EU Member States poses certain limitations on the indicators that can be used. From the available indicators that the ESPON TIA Quick Check web tool and the Excel tool respectively offers[2], the experts chose the following indicators to describe the identified effects (A detailed description of the indicators is provided in the annex.):

Picturing potential territorial impacts in terms of economic indicators

- Economic performance (GDP/capita)
- Tourism intensity
- Net migration

Picturing potential territorial impacts in terms of environmental indicators

- Protected areas (NATURA 2000)
- Urban population exposed to PM10 concentrations

Picturing potential territorial impacts on the basis of societal indicators

- Health personnel
- Hospital beds
- Quality of the public health care system
- Quality of public education
- Participation rate in education and training

Picturing potential territorial impacts on the basis of governance indicators

- Quality and accountability of government services
- Quality of law enforcement

2.3 Judging the intensity of the potential effects

The experts that participated at the expert meeting were asked to estimate the potential effects of Interreg NEXT programmes involving Ukraine and the Republic of Moldova. They judged the potential territorial effects by assessing the weight for each indicator as follows:

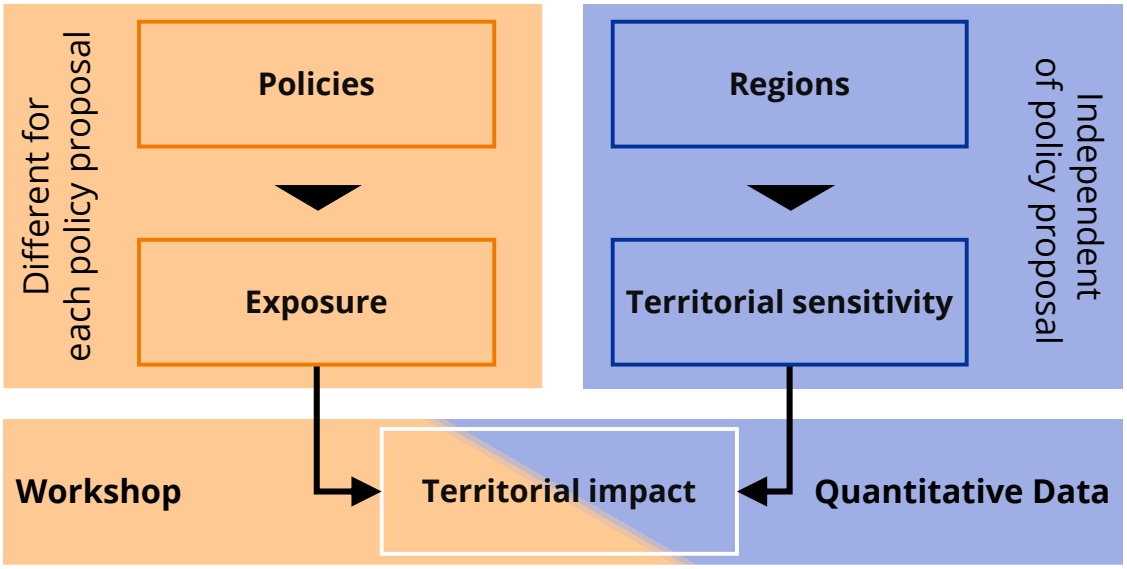
- ++ strong advantageous effect on territorial welfare (strong increase)
- \+ moderate advantageous effect on territorial welfare (increase)
- o no effect/unknown effect/effect cannot be specified
- \- moderate disadvantageous effect on territorial welfare (decrease)
- -- strong disadvantageous effect on territorial welfare (strong decrease)

2 See Annex 3 of the Moderators guide of the ESPON TIA Tool for a full list of available indicators at NUTS 3 level on a pan-European scale. Available under: https://archive.espon.eu/sites/default/files/attachments/TIA-Tool_moderators_guide_30.pdf

2.4 Calculating the potential "regional impact" – Combining the expert judgement with the regional sensitivity

The ESPON TIA Quick Check combines the expert judgement on the potential impact of Interreg NEXT programmes involving Ukraine and the Republic of Moldova **(exposure)** with indicators describing the sensitivity of regions, resulting in maps showing a territorially differentiated impact. This approach is based on the **vulnerability concept** developed by the Intergovernmental Panel on Climate Change (IPCC). In this case, the effects deriving from a particular policy measure (exposure) are combined with the characteristics of a region **(territorial sensitivity)** to produce potential territorial impacts (see illustration below).

Figure 2.2: Exposure x territorial sensitivity = territorial impact



Source: ÖIR, 2015

- **"Territorial Sensitivity"** describes the baseline situation of the region according to its ability to cope with external effects. It is a characteristic of a region that can be described by different indicators regardless of the topic analysed.
- **"Exposure"** describes the intensity of the potential effect of the programmes on a specific indicator. Exposure illustrates the experts' judgement, i.e. the main findings of the expert discussion at the TIA expert meeting.

The result of the potential territorial impact assessment is presented in maps. The maps displayed in the following sections show potential territorial impacts based on a combination of the expert judgement on exposure with the territorial sensitivity of a region, described by an indicator on the NUTS3 level. Whereas the expert judgement is a qualitative judgement (i.e. a strong advantageous effect on territorial welfare/moderate advantageous effect/no effect/moderate disadvantageous effect/strong disadvantageous effect), the sensitivity is a quantitative indicator. (A detailed description of the indicators is provided in the annex.)

3 Debate and qualitative analysis

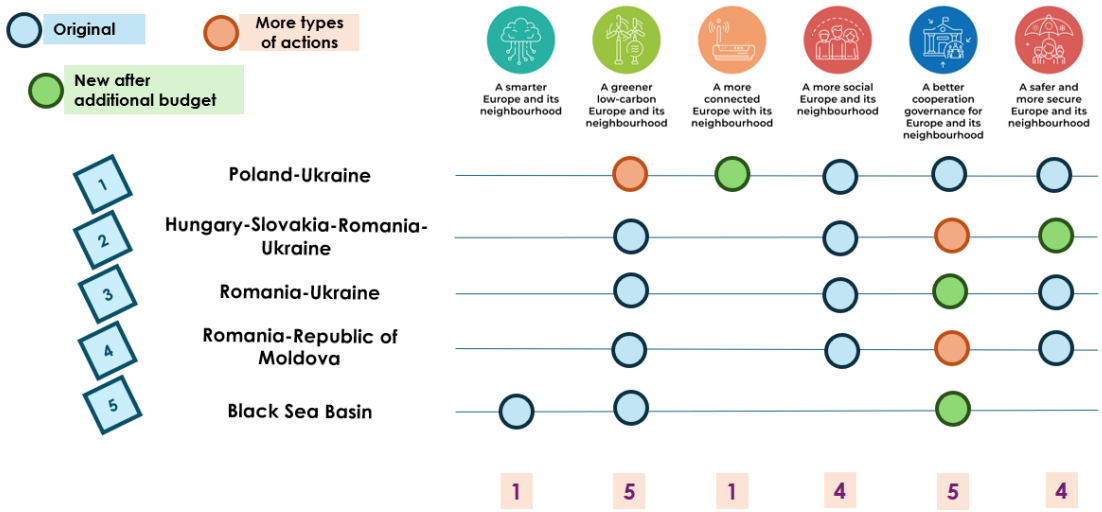
3.1 Introductory remarks: The special role of Interreg NEXT programmes involving Ukraine and the Republic of Moldova

The expert meeting opened with presentations by Carlos Bolaños and Iveta Puzo, who introduced the Interreg NEXT programmes in question, their priorities and specific objectives. They emphasised the unique nature of Interreg NEXT in general, compared to other Interreg programmes, in particular its engagement with non-EU countries. This feature underlines the strong differences in socio-economic realities, governance frameworks and administrative contexts between the participating regions.

Speakers also highlighted the specific challenges faced by these programmes, made more complex by the involvement of non-EU countries, an involvement which on the other hand also reflects the enriching and necessary nature of such cooperation.

Figure 3.1 presents the consolidated strategic choices of Interreg NEXT programmes involving Ukraine and the Republic of Moldova for the 6 Policy objectives that they have selected. As can be seen, no uniform strategy is apparent throughout the programmes. All programmes (in some way) implement actions linked to Policy Objective 2: A greener, low carbon Europe and its neighbourhood (in line with the compulsory requirement of the regulations for Interreg Funds to do so) as well as Interreg specific objective 1: A better cooperation governance for Europe and its neighbourhood.

Figure 3.1: Consolidated strategic choices of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



Source: TESIM

3.2 Discussion on Effects

In the expert meeting the participants discussed the territorial dimensions of Interreg NEXT programmes, looking in particular at programmes involving Moldova and Ukraine. In line with the TIA approach the participants discussed a wide range of potential effects including socio-economic impacts, governance improvements, environmental dimensions and the added value of cross-border cooperation. The effects outlined cover both direct and indirect elements, and as such contain both directly measurable as well as more conceptual aspects.

Strengthened Cooperation

Reflecting the intended setup of Interreg programmes, the experts generally agreed that the Interreg NEXT programmes involving Ukraine and the Republic of Moldova promote increased cross-border cooperation, fostering collaboration between different actors and sectors. This cooperation significantly improves the transfer and exchange of knowledge not only within the immediate border areas but also in the wider region. Participants emphasised that the programmes often lead to lasting networks and partnerships, although the extent of these benefits depends considerably on the actors actively involved in the initiatives. Interreg NEXT programmes assessed support the creation of such networks and also the continuation of cooperation.

One of the main impacts discussed was the improved institutional capacity of the public authorities involved in the programmes. This improvement is achieved primarily through direct cooperation, enabling mutual learning and the implementation of tangible project results. Such effects materialise both for programme actors (which learn from cooperation within the programme) as well as for project beneficiaries (for which the cooperation with partners across borders is providing learning opportunities). Beyond the direct scope of cooperation, institutional learning was noted in areas such as digital infrastructure, public administration processes and service delivery. These improvements have the potential to result in better service delivery to local populations, with benefits extending well beyond the life of the projects themselves. For example, the introduction of improved IT systems or streamlined administrative procedures as a result of such learning procedures has a lasting impact on the efficiency and accessibility of government.

Interreg NEXT programmes in general often act as incubators for wider cooperation efforts. For example, research and innovation projects initiated under these programmes often leverage other sources of funding to expand or sustain their activities after project closure. This is particularly evident in areas such as technology development and environmental sustainability, where continued collaboration can generate significant regional and cross-border benefits and subsequently attract additional funding sources beyond the programme.

Reduction of border barriers

The experts identified the reduction of border barriers as one of the key results of the Interreg NEXT programmes involving Ukraine and the Republic of Moldova. This includes improved connectivity through the renovation and equipment of border crossing points and better coordination between border management authorities. These measures significantly reduce waiting times for goods and people crossing borders, contributing to smoother cross-border exchanges. As such the expert meeting highlighted the wider implications of reduced border barriers. For example, commercial transport benefits greatly from reduced waiting times, which in turn leads to cost reductions in the supply chain. This creates spill-over effects, such as lower consumer prices, which benefit regions far beyond the immediate programme areas.

Experts also discussed the positive impact on sectors such as tourism and labour markets, where better border management facilitates increased mobility and economic activity. These improvements not only promote economic growth in the participating regions, but also strengthen ties between neighbouring countries, supporting a sense of shared development.

Experts also highlighted the role of Interreg NEXT projects in strengthening civil protection systems, increasing exchange across the border resulting in reduced emergency response times and increased resilience to natural and man-made disasters.

Socio-economic improvements

Cultural awareness and increased people-to-people exchanges were identified as key outcomes of many Interreg NEXT programmes. Experts noted that these projects often address a critical gap in the knowledge and awareness of people living in border regions about their immediate neighbours. By

facilitating exchanges and joint activities, the programmes improve mutual understanding and perceptions of neighbouring regions. While the spill-over effects of these changes are difficult to quantify, they have significant social and economic value. Experts argued that improved understanding could contribute to better integration of migrants and commuters into the labour market. Nevertheless, this can only be considered as a second-tier effect as it is currently not a focus of the programmes concerned.

Education is another key focus of some of the programmes, with support extending to different levels, from primary schools to higher education institutions. Experts highlighted how initiatives aimed at reducing school abandonment, particularly in vulnerable regions, directly address a pressing socio-economic challenge which has long-lasting effects if not counteracted. As such, programmes that provide resources to primary schools have a profound impact on long-term educational outcomes.

Improvements in health care were another important point of discussion. Increased funding for regional and decentralised hospitals has improved the accessibility and quality of health services. This has directly contributed to higher life expectancy and better overall health outcomes for the local people.

Ecological connectivity and climate change

The experts underlined the role of the programmes in addressing ecological connectivity, particularly given the challenges posed by the EU's external borders. These borders often act as barriers not only for people and goods, but also for natural ecosystems. In this regard, there is a considerable difference between internal and external borders of the EU, mainly related to physical infrastructure. Interreg NEXT programmes within the assessment were seen to carry considerable potential in improving connectivity and promoting joint action on environmental issues.

One notable outcome discussed was the development of joint environmental monitoring systems, which allow participating regions to identify environmental challenges early and take proactive measures. These efforts improve environmental quality and ensure that ecosystems are better connected across borders but also better managed regarding their common threats. In particular maritime resources and areas in this regard are in the focus of some of the programmes. Better management of shared natural resources also strengthens resilience to climate change, an issue of growing concern in all regions and not particular to the Interreg NEXT programmes assessed.

Regional resilience is furthermore addressed with a particular focus on the urban dimension and greening in cities. As such the improvement of local climatic conditions is not only a spin-off effect of other environmental measures but also a direct result of programme interventions.

Tourism development as a chance and a threat

Tourism proved to be a complex issue during the discussions. On the one hand, the sector is an important source of income for some remote rural areas, especially those on the periphery of the EU, as are part of the programme areas. Increased tourism flows create employment opportunities, stimulate local businesses and contribute to economic growth. Furthermore, it was noted that – for various reasons – tourism is only considerable for small parts of the regions concerned. Therefore, assessments in this direction have to take into account the very different starting points throughout the programme regions, including the lack of potential for tourism in some parts of the programme area due to the current state of the war in Ukraine.

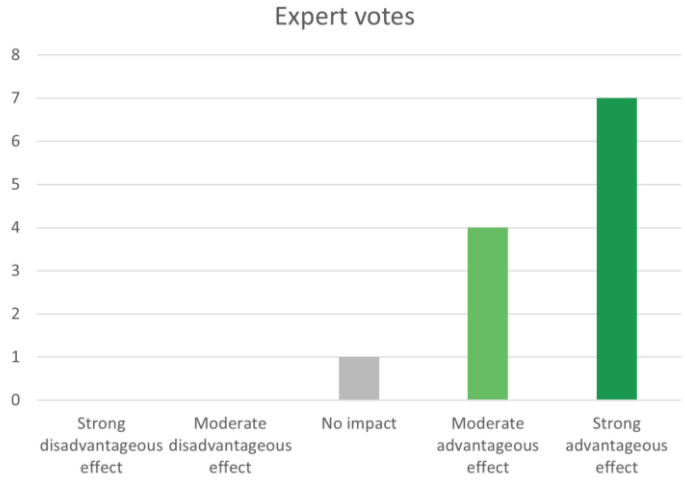
For those regions which are likely to see impacts regarding tourism, challenges such as overcrowding, strain on local infrastructure and others can arise, particularly in areas experiencing a rapid influx of visitors where infrastructure development cannot keep up. However, experts stressed the considerable territorial differences in programme regions which include mostly low-intensity peripheral regions but also some of the highest intensity tourism regions e.g. in the Aegean sea. As such, no clear direction for effects in relation to tourism could be identified and rather the spin-off effects in other thematic areas were deemed of prime importance.

4 Results of the TIA quick check: Potential territorial impact considering economical aspects

4.1 Economic performance (GDP/capita)

The experts found that Interreg NEXT programmes involving Ukraine and the Republic of Moldova contribute to economic performance mainly as a spin-off effect of actions by the programmes. This mainly materialises by fostering cross-border cooperation in various forms that increases regional trade, investment and contributes to market integration. Reduced border barriers, in particular through physical border crossing points and through improved border management, reduce the costs of commercial transport and supply chains, with positive effects on regional economies and consumer prices. Nevertheless, experts nuanced that there is a need for further actions in the programme regions themselves to being able to absorb such positive influences. Tourism and labour markets benefit from increased mobility and cooperation, generating jobs and economic activity in participating regions. However, experts note that these benefits are unevenly distributed, with more developed regions often better placed to take advantage of economic opportunities than less developed areas. Overall, the experts agree that there was a clear positive effect on economic performance however. Therefore, the majority of the experts expected a positive (seven strong, four moderate) effect. One expert did not see any relevant effect.

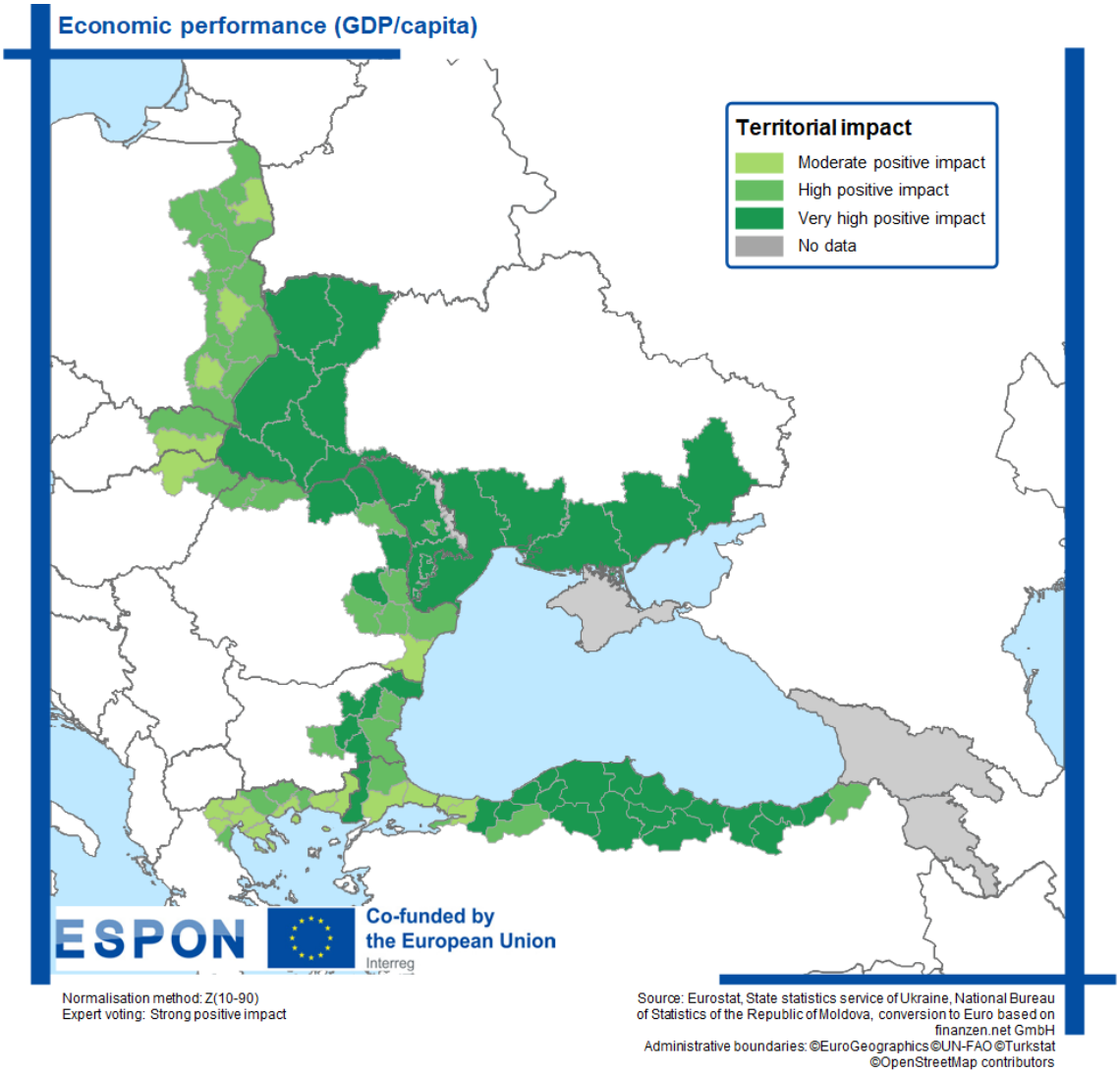
Figure 4.1: Result of the expert judgement: Economic performance (GDP/capita) and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



Source: Territorial impact assessment expert meeting, 24 October 2024

This indicator picturing the economic performance is illustrated by the gross domestic product (GDP) at current market prices in Euro per capita (reference year: 2021). Regions with a low GDP per capita are expected to benefit more by the Interreg programmes. Sensitivity is thus inversely proportional to the GDP per inhabitant.

Figure 4.2: Economic performance (GDP/capita) and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: strong advantageous effect



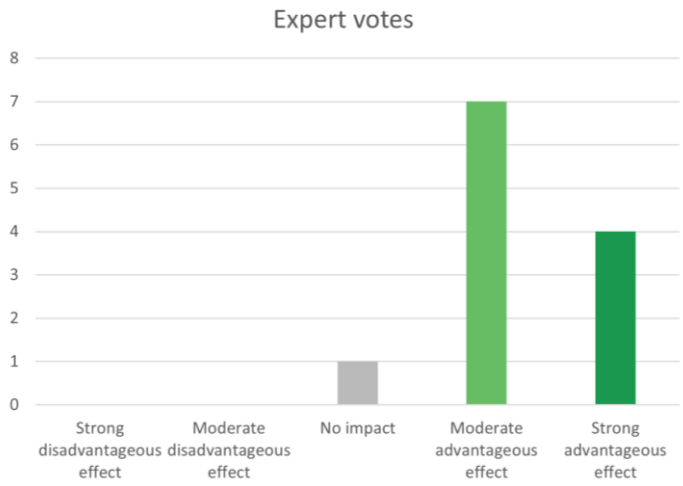
Source: Territorial impact assessment expert meeting, 24 October 2024

In this case, the majority of regions would experience a high or very high positive impact. However, the highest share of regions with positive impact potential is found in Moldova and Ukraine, closely followed by Türkiye. Therefore, the economic effects show a higher impact potential in the non-EU part of the programmes, which is linked to the lower starting point in terms of GDP (as the indicator considered). The Bulgarian and Romanian parts of the programme area also have strong positive impact potential. Since, according to the expert discussion, the impact potentials are largely linked to physical connectivity, the assessments could be improved and nuanced by taking into account the location of the regions in relation to the borders and border crossing points. Thus, the analysis could be deepened by taking into account the location of border crossings.

4.2 Tourism intensity

In the discussion, participants highlighted the dual nature of the impact of tourism in the concerned regions. The programmes themselves, both in line with their main objectives and through a spin-off effect of increased connectivity, were likely to promote tourism and thus increase tourism flows. Increased tourism flows are an important source of income for geographically disadvantaged regions and have the potential to boost local economies and create employment opportunities. To a lesser degree, experts identified some areas in which overtourism could contribute to challenges like strained infrastructure and increased property prices, potentially reducing local well-being. However, in most regions an increase in tourism is seen as a positive development. The positive spill-over effects of tourism, such as cultural exchange and increased regional visibility, were recognised as important benefits. Consequently, most of the experts judged the effect as positive (four strong, seven moderate). One expert did not expect a relevant effect.

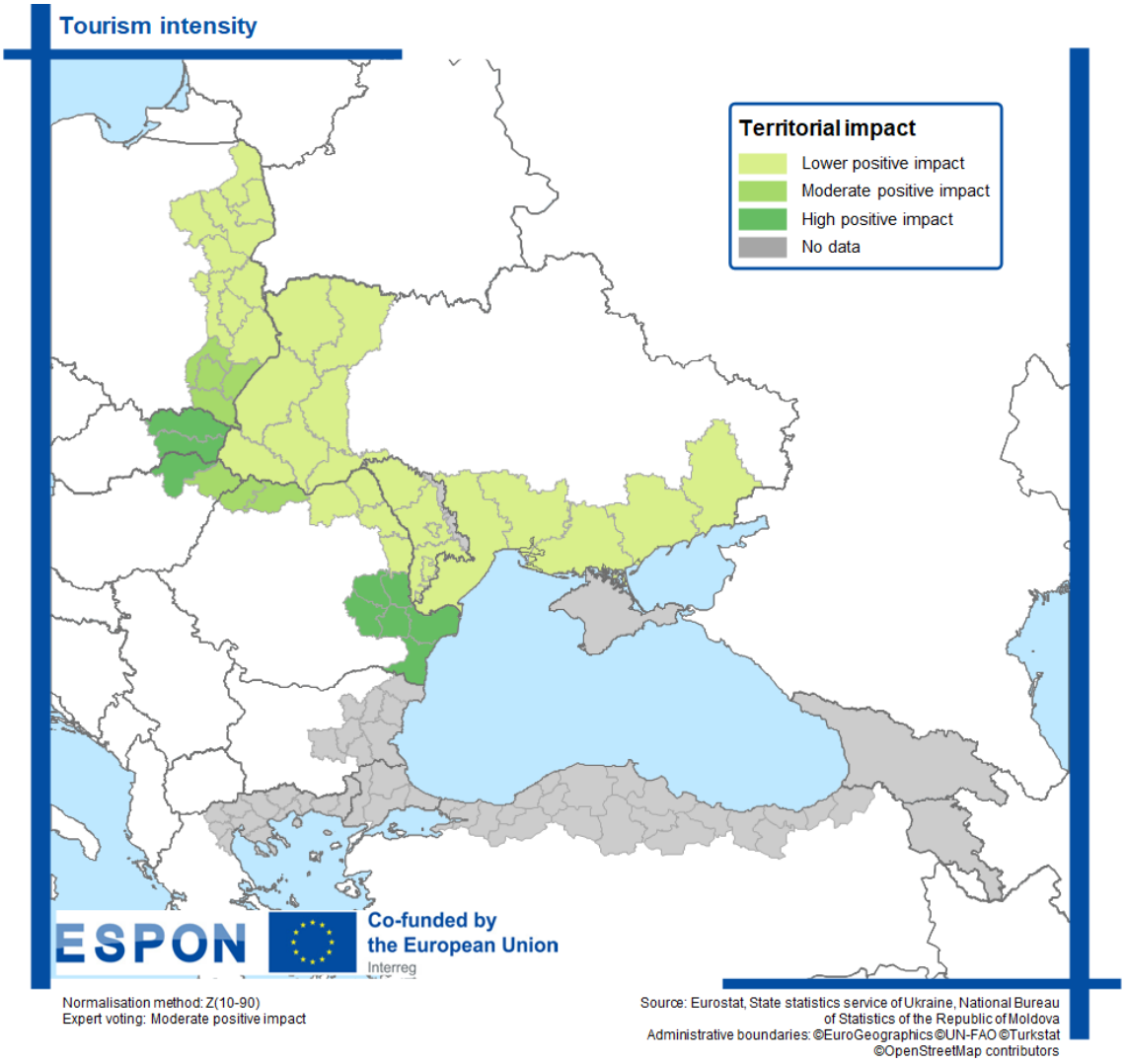
Figure 4.3: Result of the expert judgement: Tourism intensity and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



Source: Territorial impact assessment expert meeting, 24 October 2024

This indicator shows the total nights spent at tourist accommodation establishments per thousand inhabitants (reference year: 2019, data for Republic of Moldova only available at national level). Regions with a higher number of total nights spent in relation to the inhabitants are expected to be more sensitive. Sensitivity is thus directly proportional to the overnight stays per thousand inhabitants.

Figure 4.4: Tourism intensity and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect



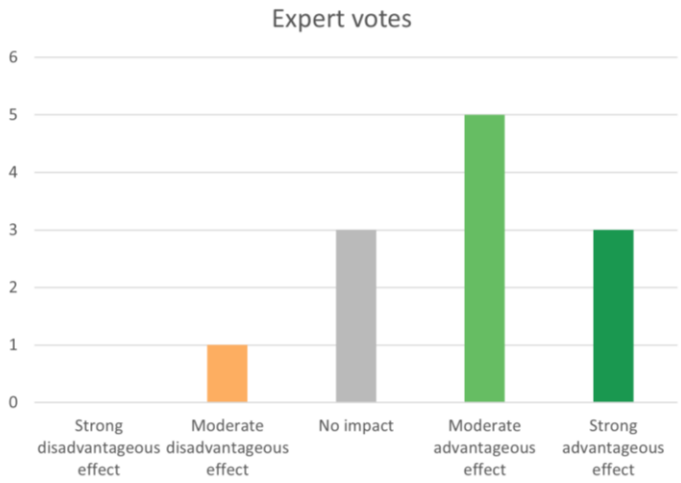
Source: Territorial impact assessment expert meeting, 24 October 2024

The majority of regions in all programmes see only a low potential for positive impacts from tourism. Nevertheless, in Romania, Hungary, Poland and Slovakia some regions with moderate or high positive impact potential can be identified. Due to the considerable differences between regions in terms of current status of tourism, Black-Sea related regions have not been included in the assessment as this is distorting the scale and differentiation in the focus area of Moldova and Ukraine. Furthermore, given the current state of the war in Ukraine, there is currently no potential for tourism in some parts of the programme area and the above map must be viewed in a rather long-term perspective.

4.3 Net migration

Regions involved in the concerned programmes tend to be more peripheral within their countries and partially face challenges in retaining population. The focus of most regions thus is aimed at avoiding loss of local population rather than managing in-migration. Even if it is not a key focus of the programmes, in general a positive effect on migration can be expected through improved cross-border cooperation and the reduction of border barriers, which facilitate the mobility of migrants between participating regions and thus have the potential to combat out-migration. Besides the physical and organisational connectivity, Interreg NEXT programmes involving Ukraine and the Republic of Moldova can also have a positive impact on migration by improving the integration of migrants into local economies, in particular through cultural awareness initiatives and increased people-to-people interaction. These programmes foster a better perception of neighbouring regions, which contributes to social cohesion and reduces barriers to integration. By supporting regional infrastructure, such as health care and education, the programmes also improve the quality of services available to residents, thus improving the living conditions in the regions. However, challenges remain in ensuring that all regions benefit equally from these impacts, particularly those with limited administrative and institutional capacity. The overall contribution of the programmes was seen in some aspects as less concrete than in other fields. Consequently, the majority of the experts voted for a positive effect (three strong, five moderate). One expert saw a moderate negative effect and three did not consider this indicator as relevant.

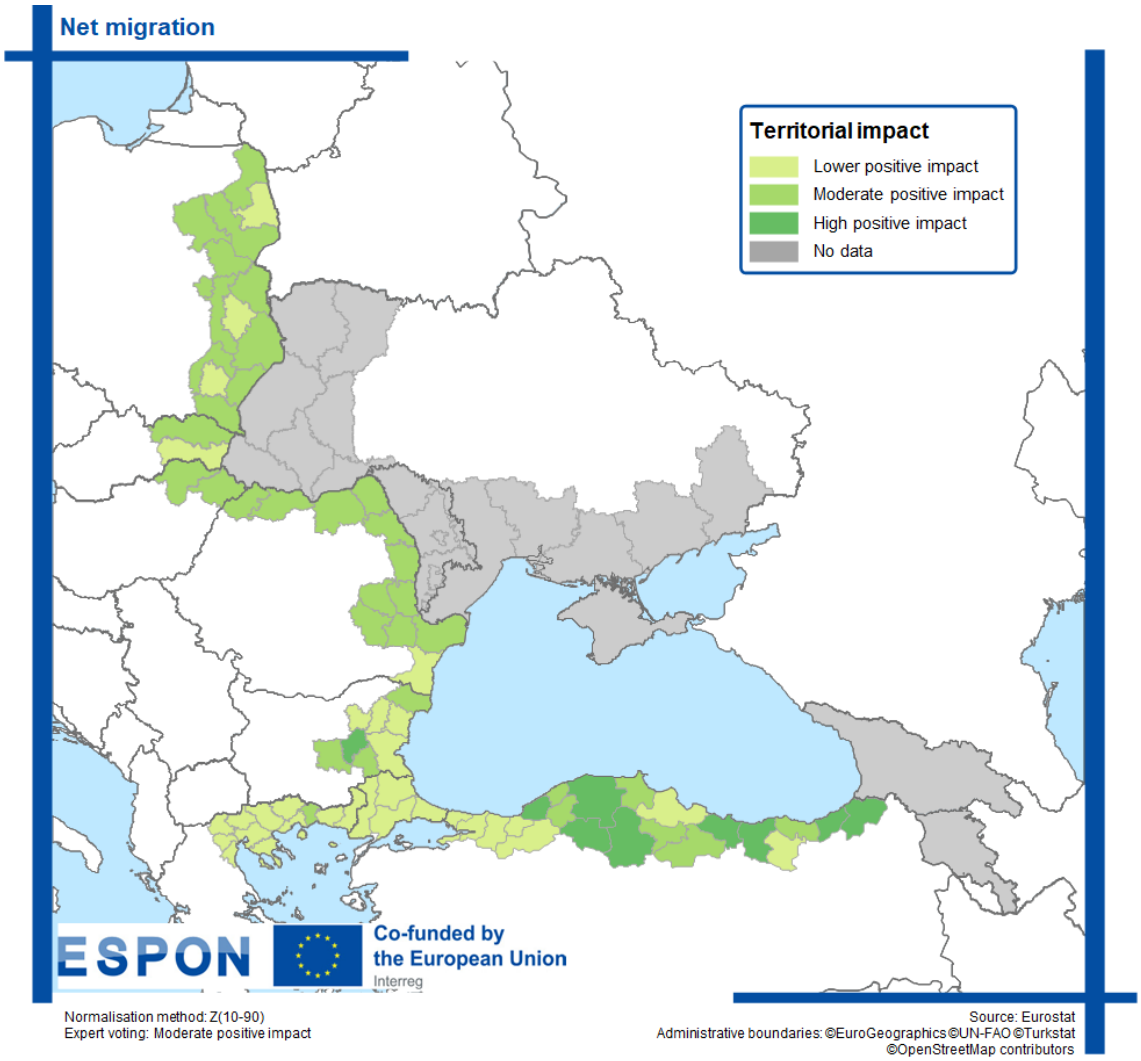
Figure 4.5: Result of the expert judgement: Net migration and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



Source: Territorial impact assessment expert meeting, 24 October 2024

The crude net migration rate is determined technically by subtracting the crude rate of natural change (i.e. the net change calculated as difference between number of births and number of deaths) from the crude rate of population change. Therefore, it depicts how much of the population change within a region is due to people moving towards the region or moving away from it. It is expressed per 1,000 inhabitants. Regions with a lower net migration rate are expected to be influenced more by Interreg programmes. Sensitivity is thus indirectly proportional to this indicator.

Figure 4.6: Net migration and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect



Source: Territorial impact assessment expert meeting, 24 October 2024

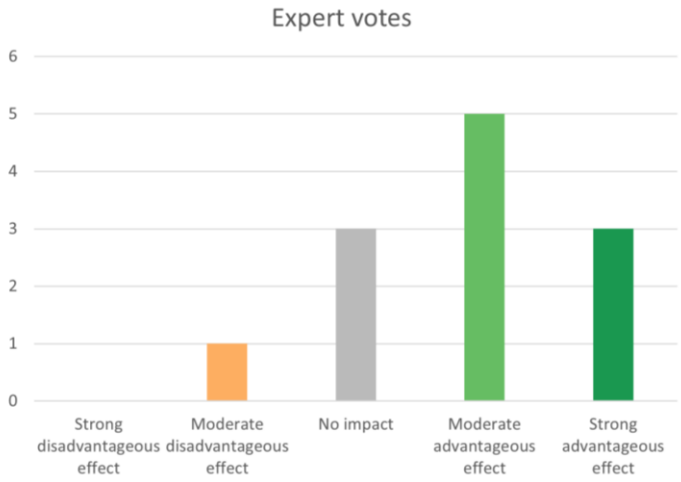
The majority of the regions in the programme areas would experience low or moderate positive impacts. Only in the Turkish and Bulgarian parts of the area is there a high potential for positive impacts. However, in several countries comparable data are not available at regional level. Furthermore, migration is much more determined by national patterns than by regional differentiation. As a result, the potential impacts are mainly considered from a qualitative perspective, without a clear interpretation of territorial aspects. In the current situation of an ongoing war in Ukraine and considerable influences on migration patterns, the indicator furthermore has to be considered with care. As for example refugees are considered differently (depending on their legal status), the actual migration rates within regions factoring in refugees can differ from the crude net migration rate. Thus, taking into consideration these limitations, no emphasis is placed on the further analysis of information in this regard.

5 Results of the TIA quick check: Potential territorial impact considering environment aspects

5.1 Protected areas (NATURA 2000)

Interreg NEXT programmes in the region, in particular by adopting the specific objective directly linked to protection and preservation of nature and biodiversity (SO 1.3), play a crucial role in improving the management and networking of protected areas across borders. These programmes facilitate the development of joint management approaches for protected areas and contribute to the development of monitoring systems, allowing for earlier identification and resolution of environmental problems. Such activities contribute to the overall quality and resilience of ecosystems. Improved cross-border cooperation reduces barriers that often impede the movement of species and the continuity of natural habitats, thus promoting ecological connectivity. The focus on environmental cooperation also supports biodiversity conservation efforts in regions where the EU's external borders and the connected physical infrastructure act as significant barriers to ecosystems. Such actions strengthen the shared management of natural resources and enhance the ecological integrity of protected areas in both EU and non-EU regions. Consequently, most of the experts saw a positive effect (three strong, five moderate). One expert on the other hand saw a negative effect, however no clarification in this regard was achieved in the expert meeting.

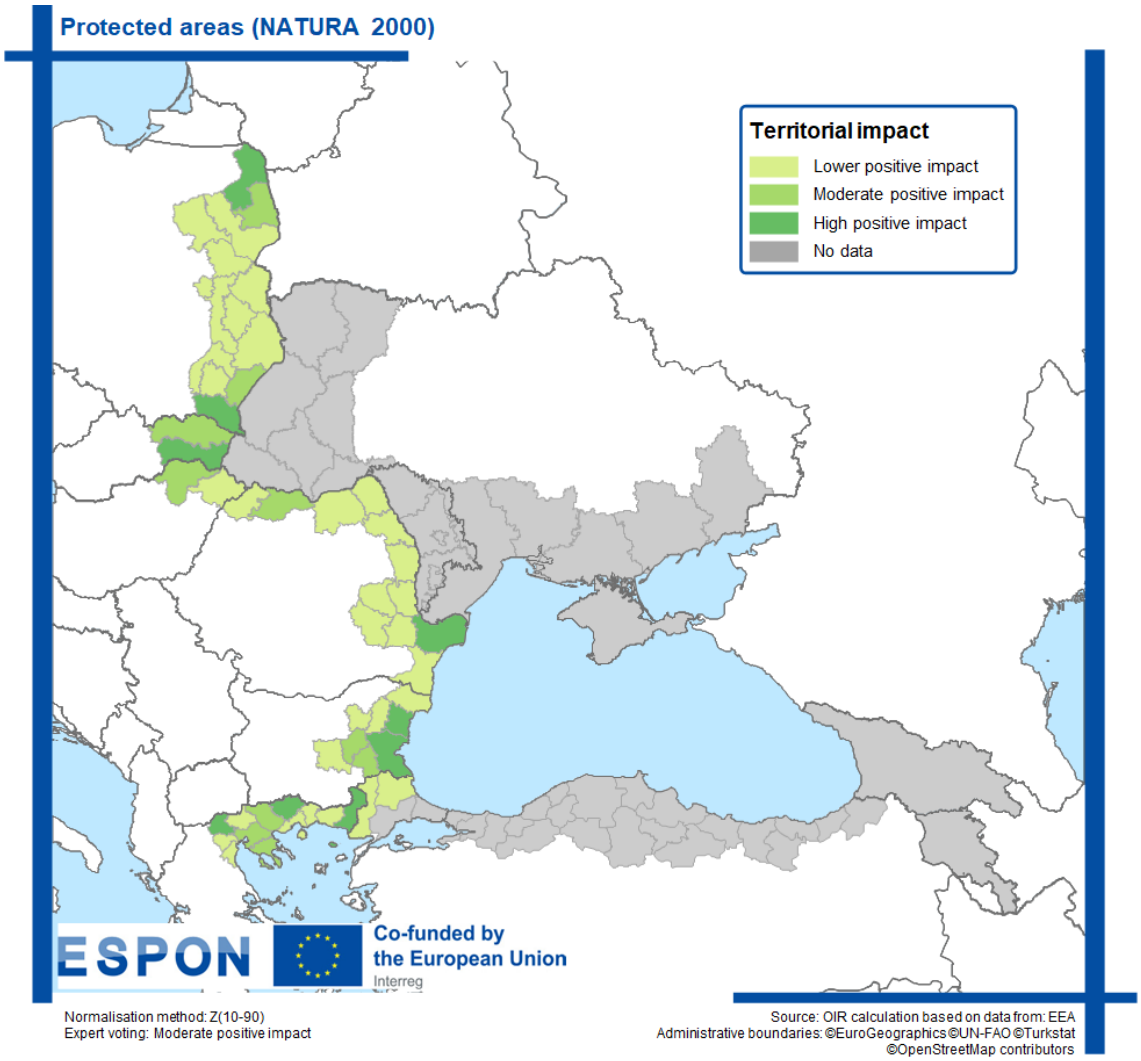
Figure 5.1: Result of the expert judgement: Protected areas (NATURA 2000) and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



Source: Territorial impact assessment expert meeting, 24 October 2024

This indicator is based on the share of areas which are designated under the Natura 2000 network per NUTS3 region. Regions with a higher share of protected areas are likely to be influenced more by the Interreg programmes, as the programme itself does not lead to the creation of protected areas. Sensitivity is thus directly proportional to the share of Natura 2000 areas.

Figure 5.2: Protected areas (NATURA 2000) and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect



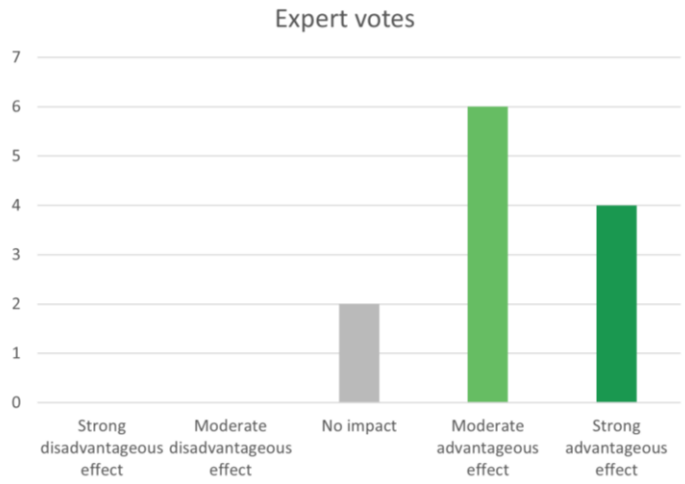
Source: Territorial impact assessment expert meeting, 24 October 2024

For the indicator, a rather diverse territorial pattern emerges. Regions with high positive impact potential are found in all countries with data available. Potentially the most benefitting regions are located in Slovakia, Greece and Bulgaria, however all other countries also have high positive impact potentials for individual regions. For non-EU countries, however, a lack of comparable data leads to a difficult comparison within the area.

5.2 Urban population exposed to PM10 concentrations

The experts judged that the indicator selected is not ideal, but as a proxy captures the effects in Urban areas. Interreg NEXT programmes covered by the assessment contribute to urban well-being among other things through the development of green infrastructure, also in the context of climate change adaptation. Improved air quality, reduced urban heat effects, and increased access to green spaces were noted as indirect benefits for urban populations. The programmes also allow for the promotion of ecosystem services, such as flood mitigation, which are particularly valuable in densely populated urban areas. The experts agreed that a positive effect on urban well-being thus was likely as an outcome of the programmes, however the effect on air quality is not the most relevant among those. The majority of the experts judged the effect as positive (four strong, six moderate). Two experts did not consider this indicator as relevant.

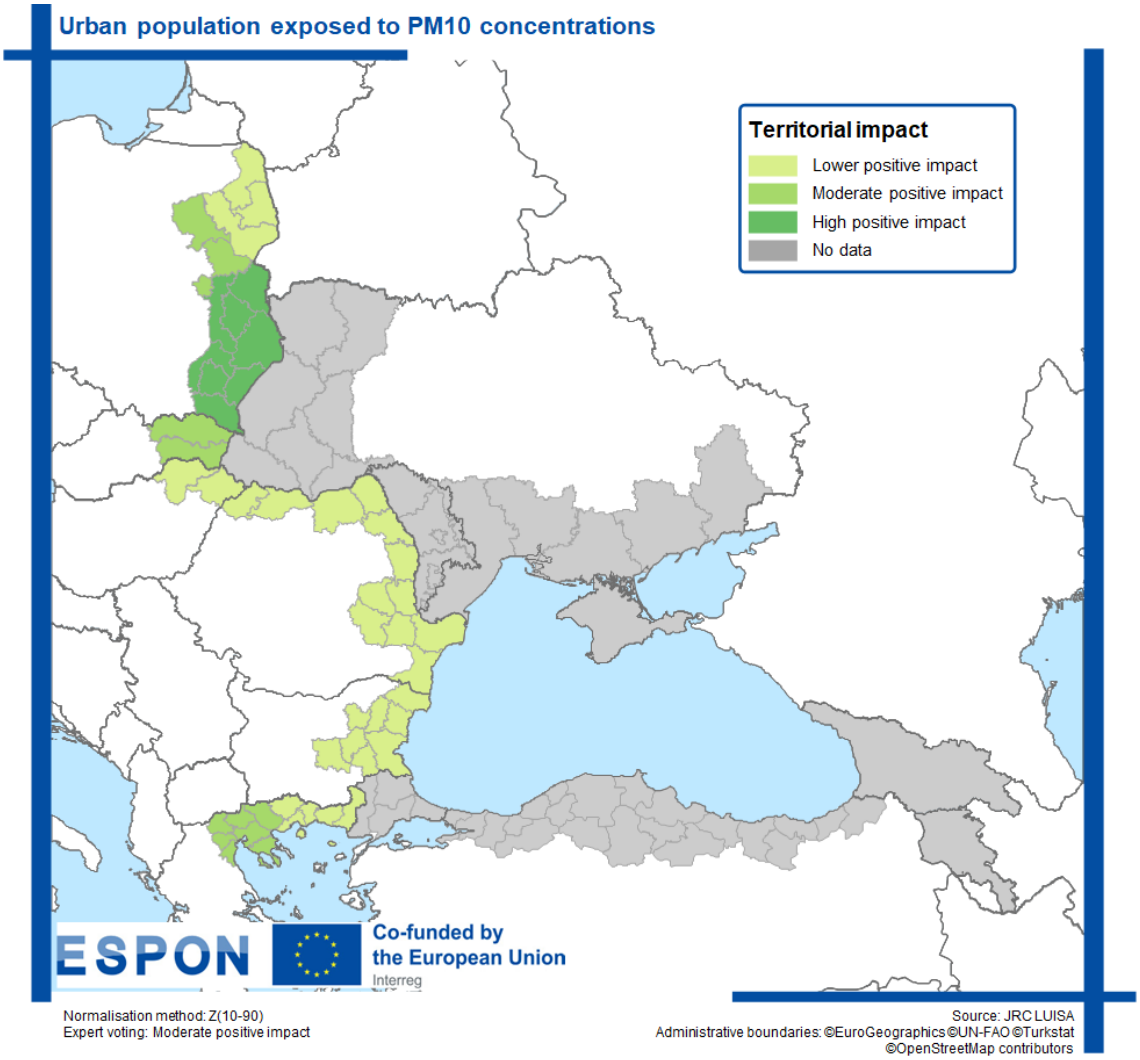
Figure 5.3: Result of the expert judgement: Urban population exposed to PM10 concentrations and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



Source: Territorial impact assessment expert meeting, 24 October 2024

This indicator depicts the percentage of urban population exposed to PM10 concentrations exceeding the daily limit value (50 µg/m3) on more than 35 days in a year (reference year: 2020). Regions with a higher percentage of this population group are expected to be influenced more by the Interreg programmes. Sensitivity is thus directly proportional to the share of urban population exposed to PM10 concentrations.

Figure 5.4: Urban population exposed to PM10 concentrations and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect



Source: Territorial impact assessment expert meeting, 24 October 2024

While regional differentiation is visible, the impact potential patterns show a clear focus on Polish regions in the programme areas. The only regions expecting high positive impact potential are located here, with a few more regions expecting a moderate positive impact being located in Greece, Slovakia and also Poland. The majority of regions, all regions in Bulgaria, Hungary and Romania, expect a lower positive impact.

6 Results of the TIA quick check: Potential territorial impact considering societal aspects

6.1 Health personnel, hospital beds and quality of the healthcare system

Considerable funds are devoted to access to health care (SO4.5) in the examined programmes aiming at a variety of measures. The measures improve access to health equipment, support physical health infrastructure as well as the development of health screening and promotion programmes. These in turn lead to improvements, such as better equipped regional health facilities (including eldercare), have a direct impact on the accessibility and quality of health services. A key point discussed was the critical link between improved infrastructure and the quality of health services, as upgraded facilities allow for more effective treatment and faster response times in emergencies. This infrastructure development is closely linked to broader systemic improvements by fostering cross-border cooperation in health service delivery. The integration of better infrastructure with improved health services also improves patient outcomes, such as higher survival rates and longer life expectancy. The experts also noted that such progress builds trust in the healthcare system, encouraging more citizens to seek timely medical care. Overall, the interlinked development of infrastructure and services creates a positive feedback loop that strengthens the quality and efficiency of the health system in all participating regions. The experts agreed that several indicators are all relevant to assess in this regard, namely health personnel (measuring the available manpower), hospital beds (as a proxy for the available infrastructure) and quality of the public health care system as a more systemic indicator. For the more tangible aspects, most experts assessed the programme impacts as moderately positive, with less potential to influence actual hospital beds (experts voted for a positive effect by three strong and 9 moderate for personnel and one strong, 10 moderate for hospital beds). The outcomes are presented below in conjunction.

Figure 6.1: Result of the expert judgement: Health personnel and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova

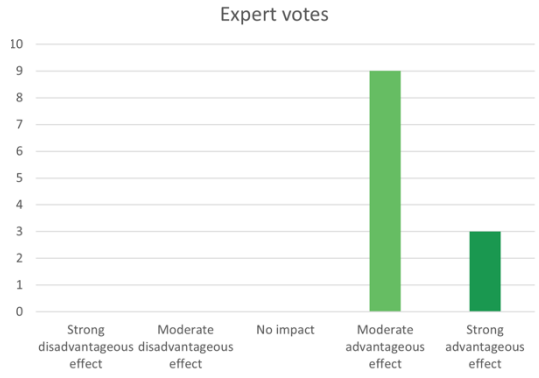
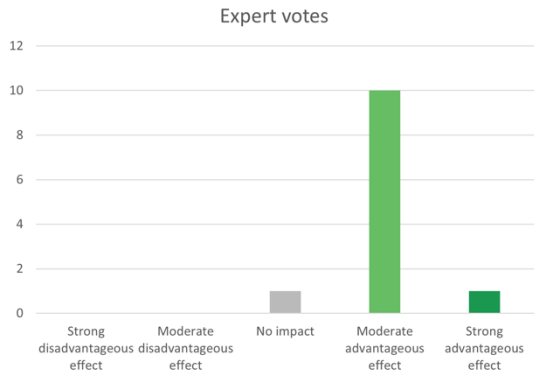


Figure 6.2 Result of the expert judgement: Hospital beds and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



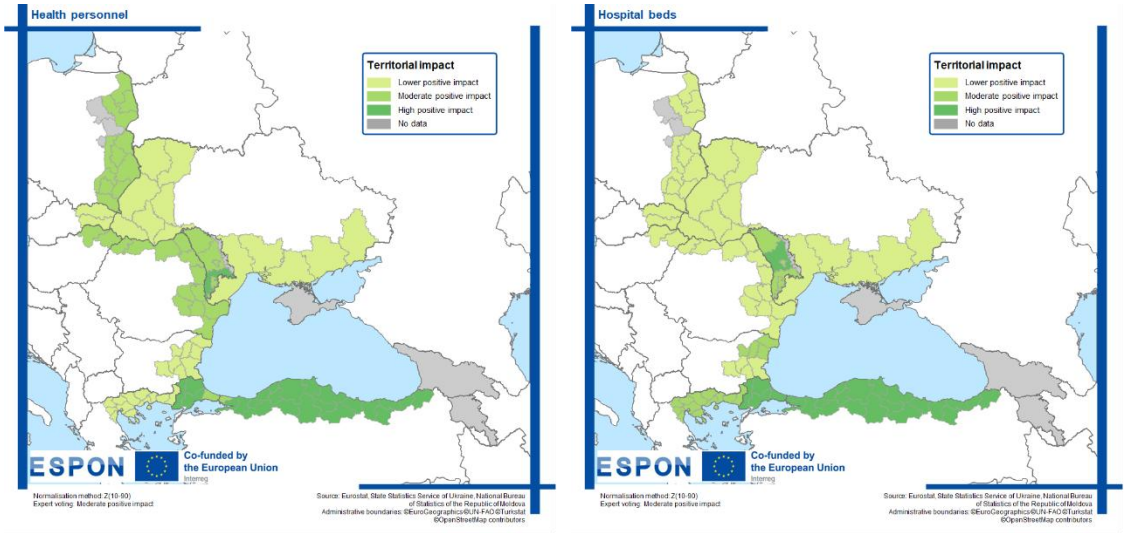
Source: Territorial impact assessment expert meeting, 24 October 2024

This indicator shows the number of medical doctors per 100,000 inhabitants (reference year: 2017/18, data for Ukraine only available at national level). Regions with a low number of health personnel are more likely to be affected negatively by health threats. Sensitivity is thus inversely proportional to the number of medical doctors per 100,000 inhabitants.

This indicator illustrates the number of hospital beds per 100,000 inhabitants (reference year: 2017, data for Ukraine only available at national level). Regions with a low number of hospital beds are more likely to be affected positively by the Interreg programmes. Sensitivity is thus indirectly proportional to the number hospital beds in relation to the population size.

Figure 6.3: Health personnel and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect

Figure 6.4: Hospital beds and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect

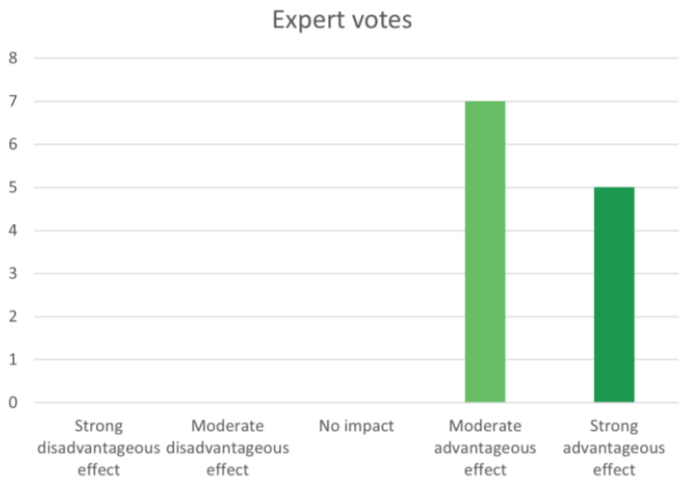


Source: Territorial impact assessment expert meeting, 24 October 2024

Stronger impact potentials, implying a lower starting point are concentrated in the Black Sea programme area for more physical infrastructure in particular (i.e. hospital beds), with only Türkiye and Greece showing moderate and high impact potentials. All other regions in this regard see a low positive impact potential. For health personnel this pattern is a bit more differentiated, highlighting moderate impact potential throughout the involved countries with the exception of Bulgaria. Results for Ukraine have to be considered with the caveat, that national level information presented is naturally not considering regional patterns.

Contrasting this with the quality of the public health care system as seen below shows an interesting pattern. The quality of the public health care system is assessed qualitatively based on the perception of the population. As such, it is not necessarily linked to the abovementioned indicators, however a slight correlation would be expected. However, the quality of the public health care system is perceived opposite to the above indicators. On the quality of the public healthcare system, experts judged a stronger influence by the programmes, voting for a positive effect (five strong, seven moderate).

Figure 6.5: Result of the expert judgement: Quality of the public health care system and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova

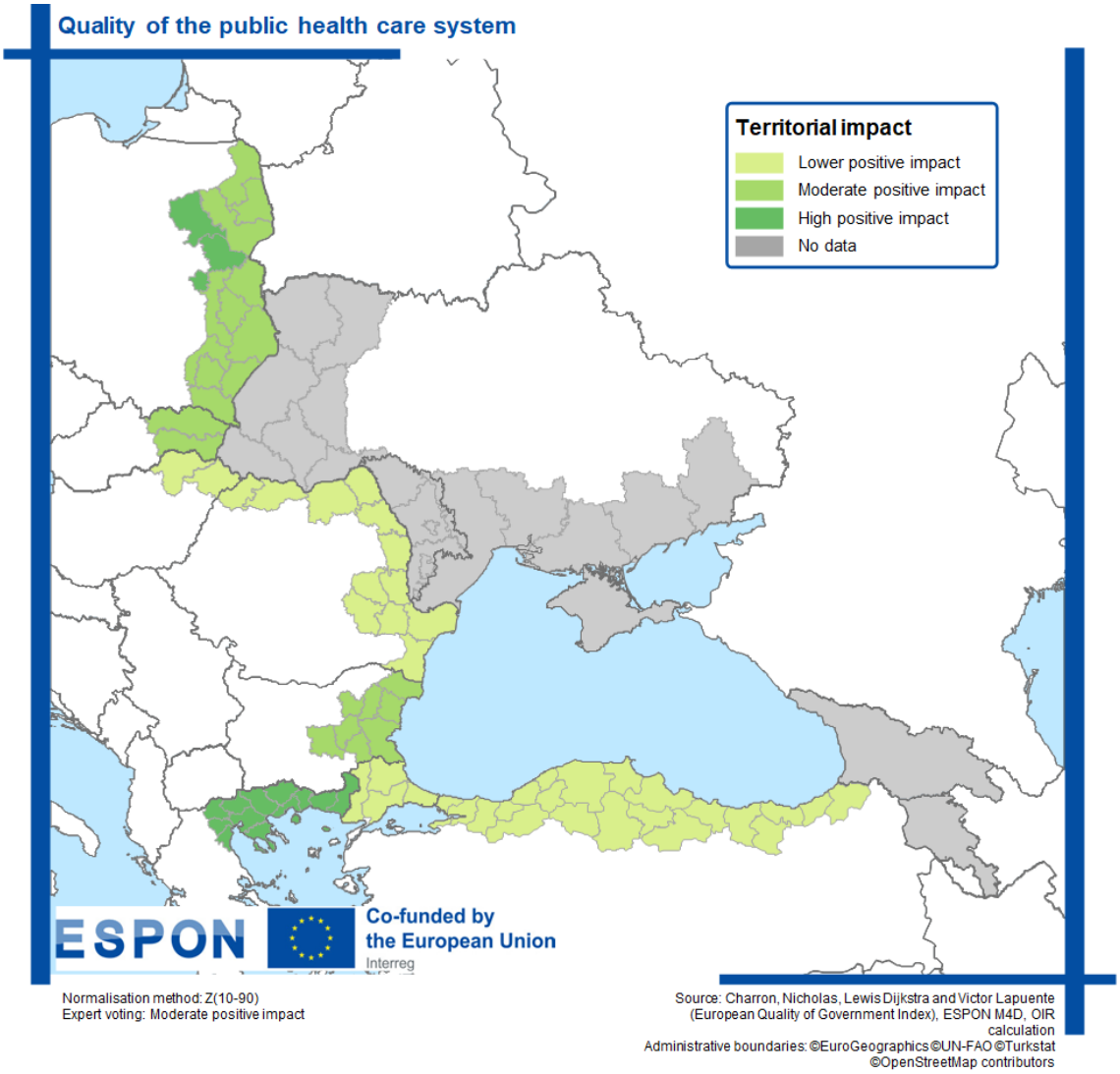


Source: Territorial impact assessment expert meeting, 24 October 2024

The indicator pictures the sensitivity of a region according to quality of the public health care system (reference year: 2013, data transformed from NUTS Version 2006 and 2010 to Version 2021 by ÖIR). It shows the average score on a scale of "1" (extremely poor quality) to "10" (extremely high quality) of the quality of the health care system rated by the inhabitants. Regions with a low quality of the health care system are expected to be more sensitive to the Interreg programmes. Sensitivity is thus inversely proportional to the quality of the public health care system.

As can be seen in the map, the highest impact potential can be found in Greek and Polish regions. The lowest impact potential, implying a comparably higher starting point on the other hand is found in Türkiye, Romania and Hungary. Other regions would mainly see a moderate impact, and for non-EU regions besides Türkiye there is no data available.

Figure 6.6: Quality of the public health care system and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect



Source: Territorial impact assessment expert meeting, 24 October 2024

6.2 (Public) education

Even though education support is only implemented by a subset of the programmes, experts emphasised that Interreg NEXT can contribute to significantly improving educational outcomes by improving public education infrastructure, particularly in under-served regions. Improved facilities, better equipment and increased resources for schools help to create an environment that supports effective learning and teaching beyond the immediate lessons and is a prerequisite for labour market and other effects discussed above.

In addition to physical improvements (mainly linked to primary and secondary schools), programmes support training and capacity-building opportunities for adults, contributing to lifelong learning objectives. Addressing challenges such as school abandonment has been highlighted as a critical impact, with improved infrastructure and support systems playing a key role in keeping challenged regions serviced by education infrastructure. As a knock-off effect, encouraging higher participation rates and

improving the quality of education, contribute to better long-term socio-economic outcomes for the regions concerned.

Two indicators were chosen in relation to education, namely the quality of public education and the participation rate in education and training. Principle effects were agreed upon all experts However, the support schemes are only relevant for parts of the programmes. Therefore, ten experts voted for positive (two strong, eight moderate) for both indicators. Two experts did not consider the effect as relevant.

Figure 6.7: Result of the expert judgement: Quality of public education and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova

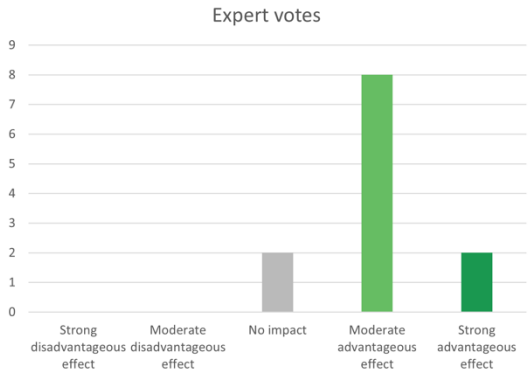
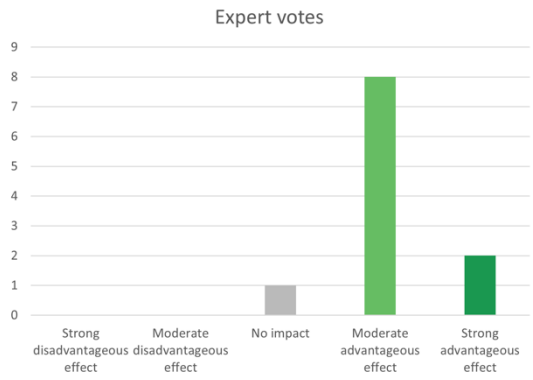


Figure 6.8: Result of the expert judgement: Participation rate in education and training and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



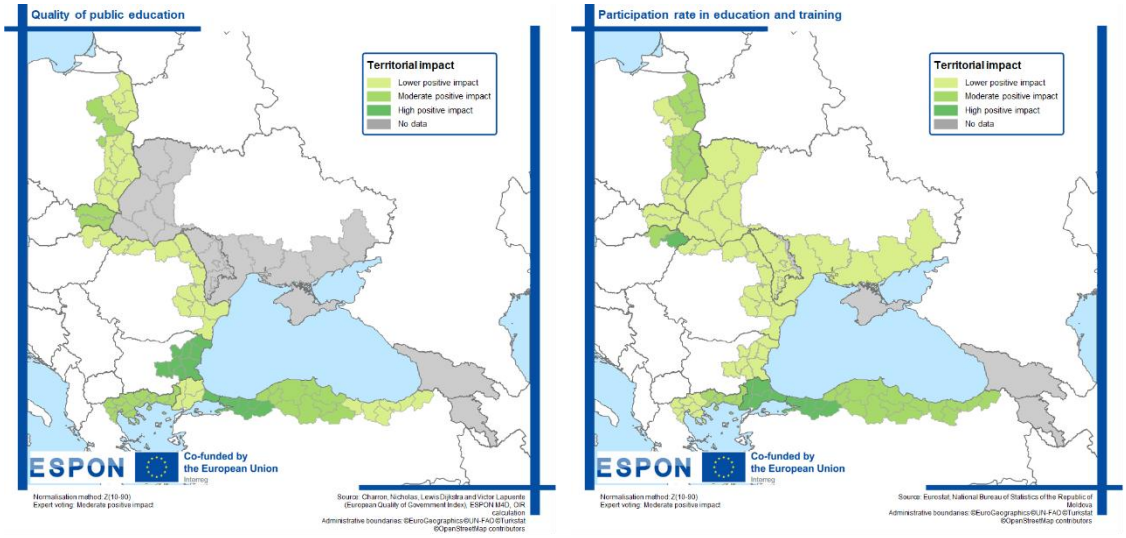
Source: Territorial impact assessment expert meeting, 24 October 2024

This indicator depicts the quality of public education. Similar to the previous indicator, people were asked to rate the quality of public education on a scale of "1" (extremely poor quality) to "10" (extremely high quality) in their area (reference year: 2013, data transformed from NUTS Version 2006 and 2010 to Version 2021 by ÖIR). Regions with a low quality of public education are more likely to profit from the Interreg programmes. Sensitivity is thus inversely proportional to the quality of public education.

This indicator illustrates the share of population aged 25-64 years who stated in a survey that they received education or training in the last four weeks (reference year: 2019, data for Ukraine and Republic of Moldova only available at national level). Regions with a higher participation rate are expected to be influenced more by Interreg programmes. Sensitivity is thus directly proportional to the participation rate.

Figure 6.9: Quality of public education and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect

Figure 6.10: Participation rate in education and training and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect



Source: Territorial impact assessment expert meeting, 24 October 2024

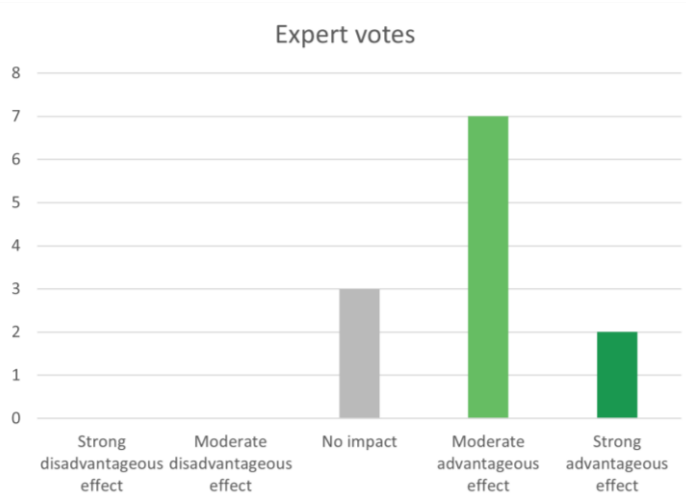
For both indicators, high positive impact potentials are noted in Turkish regions, with most other parts of the area seeing only lower and moderate impact potential. Interestingly, some parts which have high(er) positive impact potential for the quality of education on the other hand only see lower impact potential for participation rate in education and training. This might imply a difference between primary/secondary education (mainly covered by the quality of education indicator) and adult education and lifelong learning (mainly covered by the participation rate in education and training indicator).

7 Results of the TIA quick check: Potential territorial impact considering governance aspects

7.1 Quality and accountability of government services

One of the main objectives of Interreg is to increase cooperation between public authorities in order to improve joint actions within and outside the Interreg area. The experts found that the Interreg NEXT programmes involving Ukraine and the Republic of Moldova clearly contribute to this through enhanced cross-border cooperation and institutional learning. Public authorities benefit from the exchange of good practice and capacity building initiatives that strengthen their ability to deliver efficient and transparent services. Such cooperation and learning have been highlighted as an important driver of better governance. In addition to less tangible measures, concrete cooperation between institutions in the delivery of essential services (e.g. in the joint management of disasters) was also highlighted as an area for improvement. However, it is sometimes difficult to identify the levels of government involved, as implementation entails a complex system of responsibilities. At the local level, the involvement of cross-border authorities contributes to mutual learning as well as to mutual trust, which is essential for effective cooperation. However, the improvement of concrete public services was only seen as a second level effect, based on the implemented cooperation. Thus, two experts saw a strong positive effect and seven saw a moderate positive effect. Three experts saw no relevant effect.

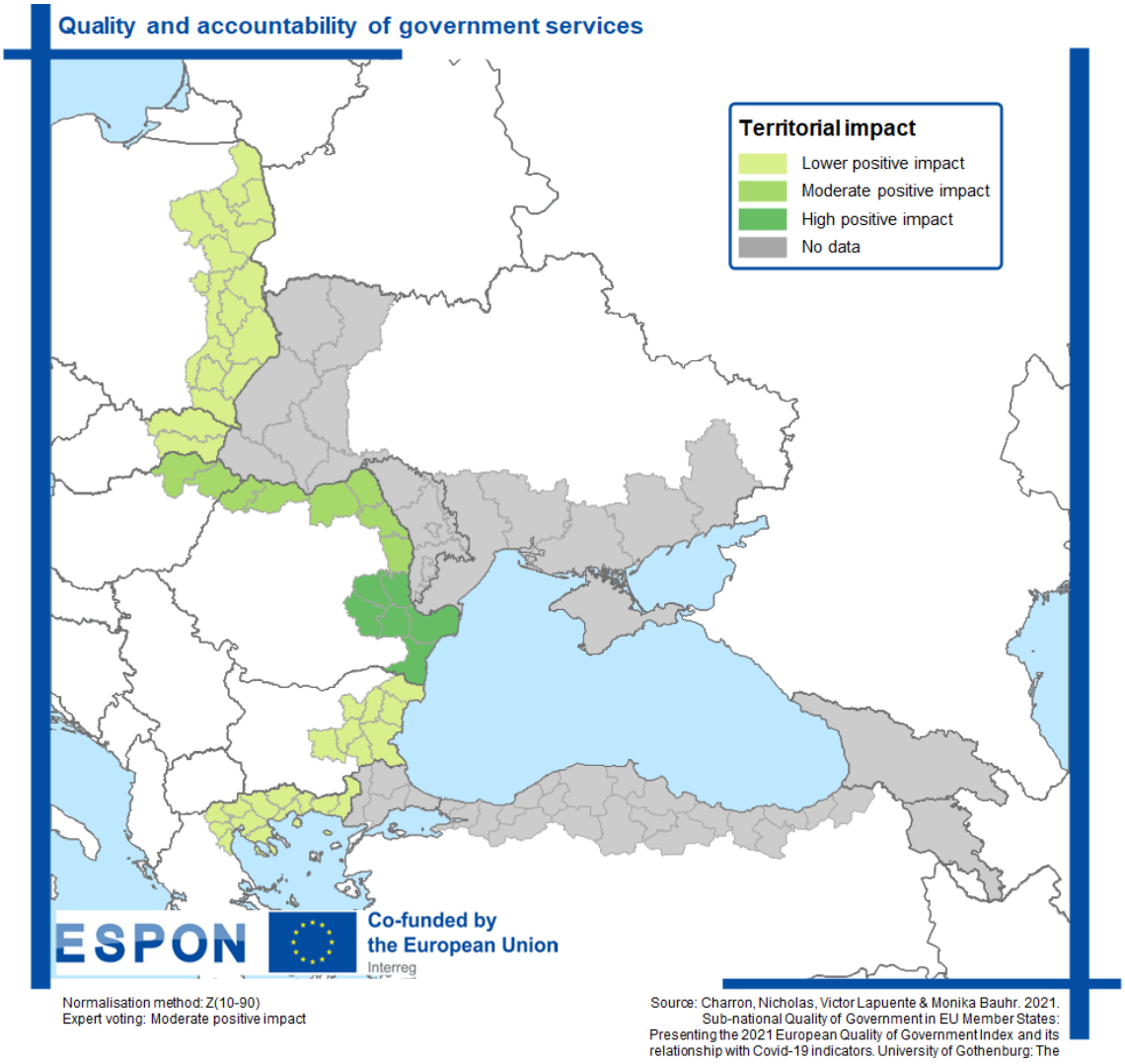
Figure 7.1: Result of the expert judgement: Quality and accountability of government services and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova



Source: Territorial impact assessment expert meeting, 24 October 2024

This indicator is computed on the basis of the results of a survey and the national estimates from the World Bank Governance Indicators (reference year: 2017). In the survey, people were asked to rate the quality of the government services health care, education and law enforcement in their area. Regions showing lower quality and accountability of government services may benefit more from Interreg programmes. Sensitivity is thus inversely proportional to this indicator.

Figure 7.2: Quality and accountability of government services and the impact potential of Interreg NEXT programmes involving Ukraine and the Republic of Moldova – expert judgement: moderate advantageous effect



Source: Territorial impact assessment expert meeting, 24 October 2024

The majority of regions involved would only see a lower positive impact, namely all regions in Poland, Slovakia, Bulgaria and Greece. Moderate positive impact potentials are located in Hungary and Romania, while parts of Romania see a high positive impact potential. As for other cases, national level patterns are more dominant than regional level differentiation in this regard and limited implications can be drawn for the regional level.

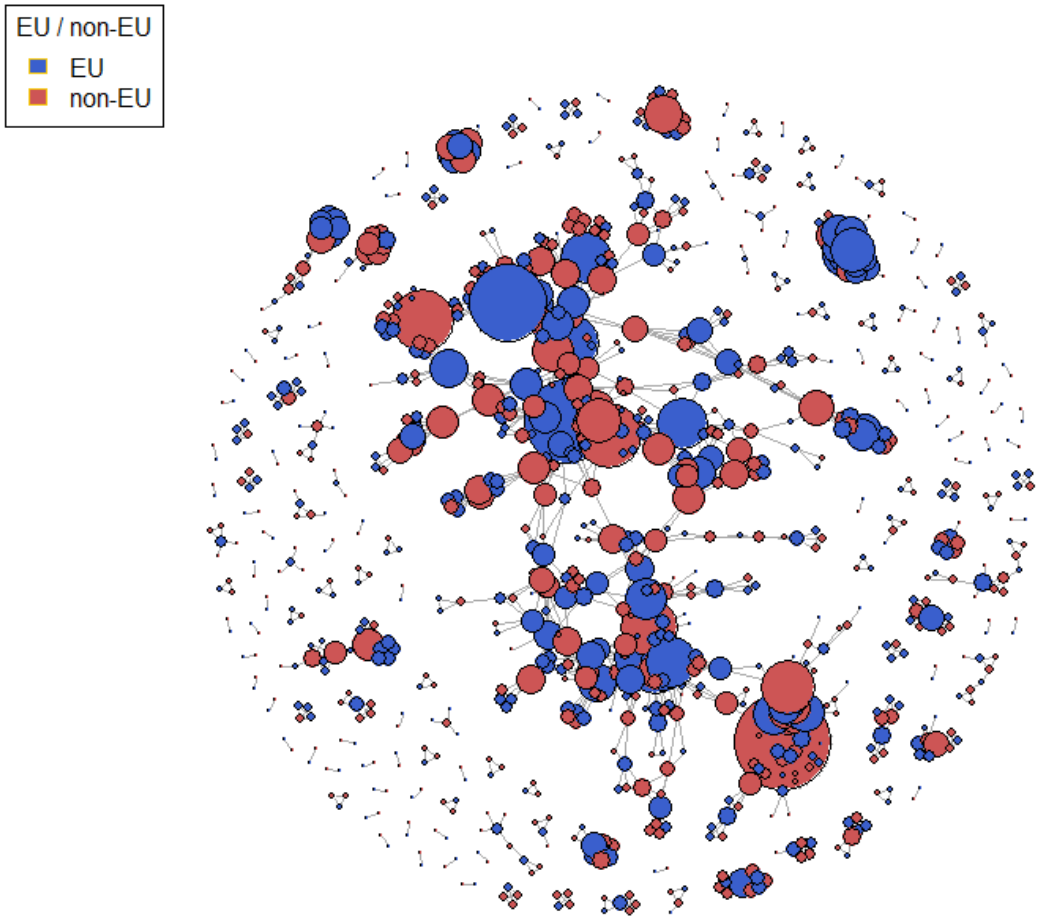
8 Results of the network analysis

In order to assess project partnerships within Interreg NEXT programmes involving Ukraine and the Republic of Moldova, a social network analysis was conducted. For practical constraints, data from the keep.eu database for the 2014-2020 programming period was used as a proxy for potential cooperation in the 2021-2027 period. This period was chosen due to insufficient data availability for the current programming cycle. Below an overview of cooperations across all programmes and across all themes is presented.

Each bubble represents a single project partner, while the lines between bubbles represent collaborations within a project. The size of the bubbles is proportional to the number of links a partner has, indicating its centrality within the network. For example, a partner that collaborates with 20 other entities is represented by a bubble twice as large as one with 10 connections. This visualisation provides insights into the structure and intensity of collaborations.

The analysis was carried out along several dimensions: first, distinguishing between EU and non-EU project partners, and second, categorising partnerships by Member State. Further levels of assessment focused on differences between the individual cooperation programmes and thematic areas, revealing patterns of cooperation and thematic focus within and across regions. This approach helps to identify key network nodes, programme disparities and the structure of partners in cross-border cooperation.

Figure 8.1: Social network analysis – all programmes – all themes



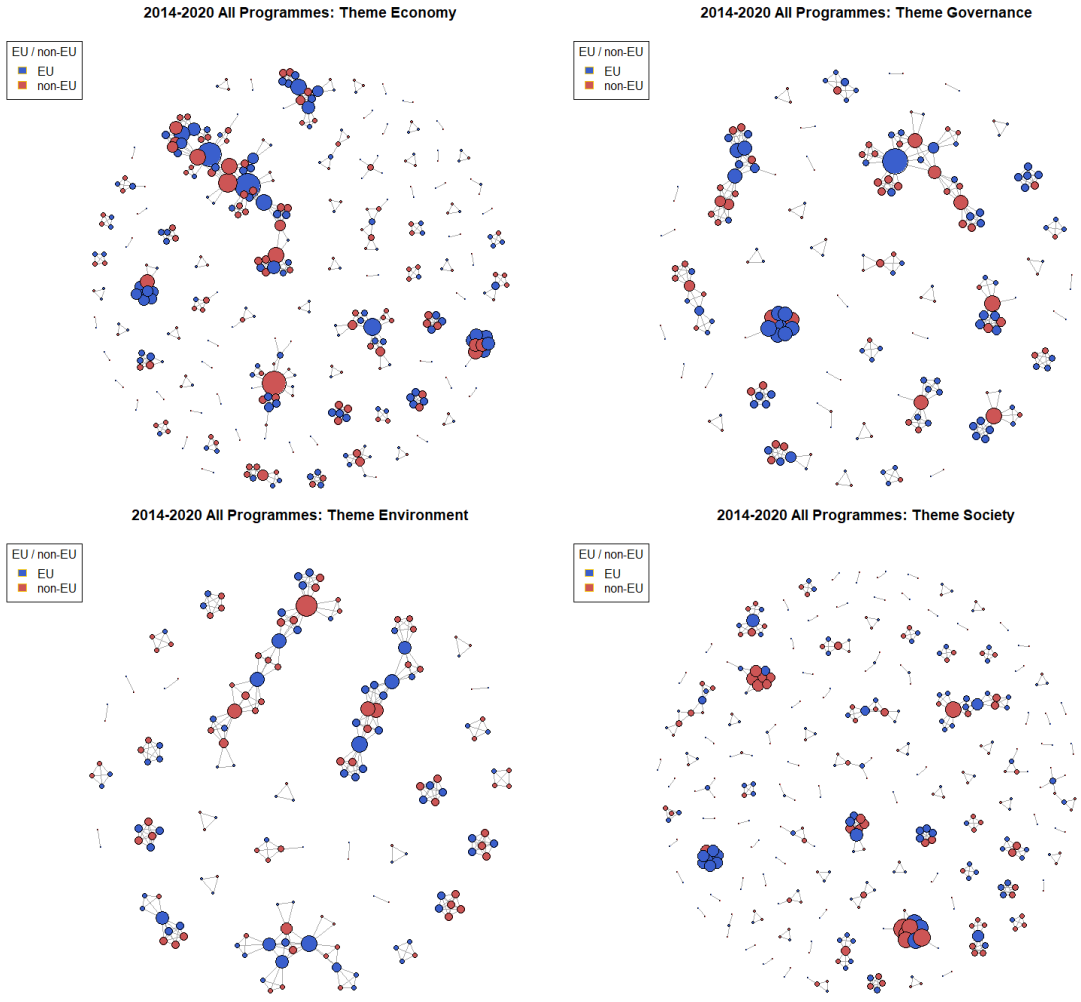
Source: ÖIR based on keep.eu

The network visualisation reveals several distinct patterns of cooperation between project partners within the Interreg NEXT programmes involving Ukraine and the Republic of Moldova. Large network nodes, representing key project partners with extensive cooperation links, dominate the centre of the network. These central nodes act as bridges, linking a wide range of smaller and medium-sized partners into a cohesive cooperation framework.

Across all themes, a strong and interconnected network of collaboration is evident, with many projects linked through one or more common partners. Surrounding the central network are clusters of medium-sized and smaller partners. These clusters are internally linked by a few projects, but remain largely isolated from the central nodes, indicating limited integration into the wider network.

At the periphery there are a number of isolated projects. These involve partners working exclusively within their own project, with no links to the wider network, highlighting areas where collaboration remains localised or independent.

Figure 8.2: Social network analysis – all programmes – by individual themes



Source: ÖIR based on keep.eu

When analysed by theme, certain patterns emerge:

- In economy, there is one large cooperation cluster involving several projects and three smaller clusters linking partners from up to seven projects. About half of the projects are completely isolated from the larger network. There is a particular strong presence of umbrella organisations in the strong partners of the network, in line with the overall cooperation structures.

- In governance, a similar structure can be seen, with one large cluster and four medium to small clusters linking different partners. Strongest network partners include both universities as well as actors in emergence management from various countries.
- In environment, three medium-sized clusters link several projects, but these clusters are isolated from each other. About a third of the projects in this theme are isolated. Universities and research institutions are key among the strongest cooperation partners in this field.
- In society, there are a few smaller clusters, but the majority of projects are isolated or linked to only one other project, indicating limited overall integration in this theme. Contrary to other fields, particularly regional development agencies and regional development actors are among the strongest partners.

These observations highlight the diversity of cooperation structures and can serve to identify both the strong central links and the cooperation patterns within and across themes. Notably, the comparison of patterns across themes and within themes underlines, that cooperation across themes is developed even stronger than within (most) individual themes. Several strong network nodes appear in several themes and thus link projects across them, with almost double the number of links (30) for the strongest partner across fields as compared to within each field (16).

In addition to the thematic analysis across programmes, the individual programmes cooperation structure has been assessed. As is evident from the visualisations below, some structural differences between the programmes can be identified:

- The Black Sea Basin programme shows the strongest interconnectedness of all programmes, with both strong network nodes and at the same time numerous interconnections between smaller partners in the network.
- Likewise, the Hungary – Slovakia – Romania – Ukraine programme shows a strongly interconnected network, however also includes a number of isolated projects which are not linked to the central cluster.
- The Romania – Republic of Moldova and the Poland – Belarus – Ukraine programme both show some smaller clusters, but at the same time a high number of projects which are not connected to any other project. Additionally, the Romania – Republic of Moldova programme shows the highest number of two-partner projects and partners with large numbers of projects.
- The Romania – Ukraine programme is made up of several clusters of projects, which ultimately are not linked to each other.

Figure 8.3: Social network analysis – individual programmes

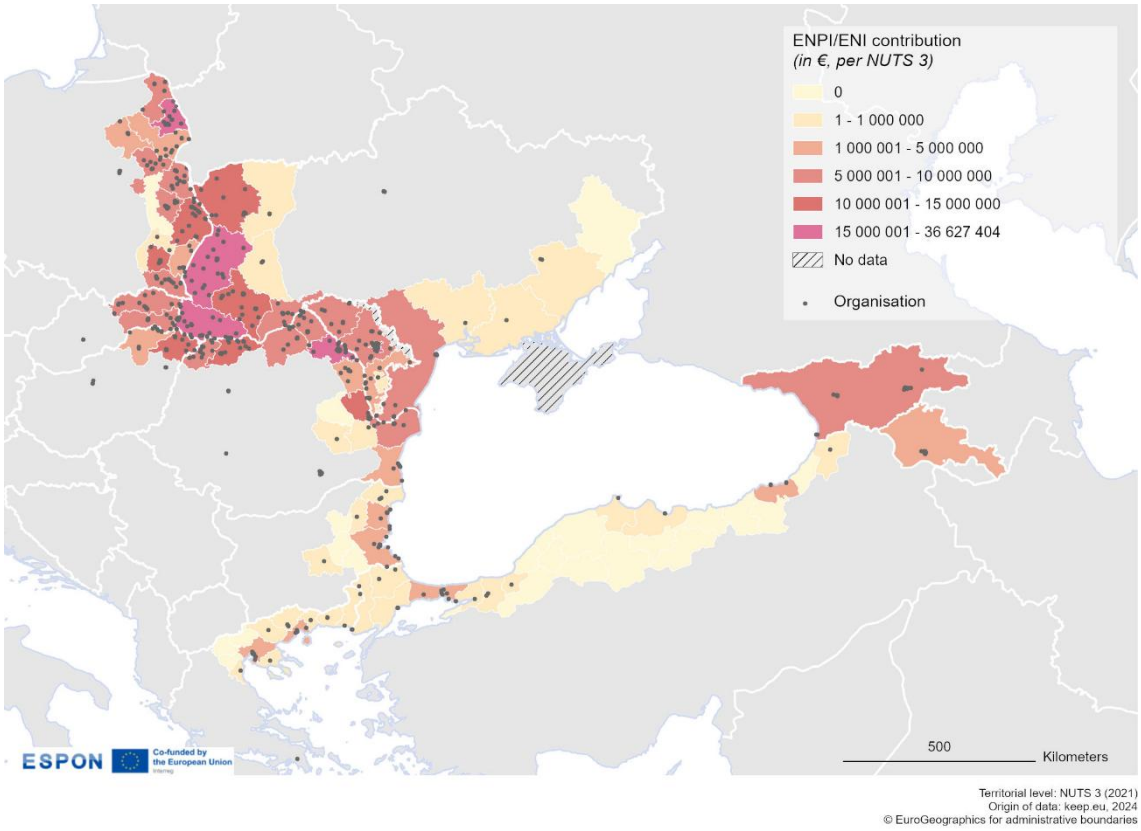
Source: ÖIR based on keep.eu

Alongside the social network analysis, a funding analysis was carried out using keep.eu data to examine the territorial distribution of funding and cooperation partners within the 2014-2020 programmes assessed. The analysis revealed a considerable concentration of funding in regions closer to borders (as compared to those eligible areas farer away from a national border) and in areas covered by several cooperation programmes. Cooperation partners were also concentrated in immediate border regions, with limited representation in the wider eligible programme area. This absence of beneficiaries in

significant parts of the programme areas suggests that large regions remain uninvolved in cooperation activities. In particular, urban regions showed higher concentrations of partners, further highlighting the uneven territorial distribution of resources.

However, there are several potential methodological limitations to be taken into account. The dataset only records one location per partner, typically their headquarters, rather than the actual location where funding is used. This limitation may underestimate the wider geographical impact of the programmes, as activities and benefits may extend beyond the recorded locations. Notably, a number of beneficiaries were located outside the designated programme areas as well.

Figure 8.4: Funding distribution of assessed Interreg programmes (including ENPI/ENI CBC)



Source: ÖIR based on keep.eu

9 Conclusions and policy implications

The following findings, conclusions and policy implications are the result of the TIA expert meeting conducted in Bucharest and are derived from the discussions, the territorial assessments, the social network and funding analysis made and the knowledge of the participants involved. The findings aim to address both the positive and negative impacts of Interreg NEXT programmes involving Ukraine and the Republic of Moldova.

Relevance of Interreg NEXT

Interreg NEXT stands out as a cooperation enabler, laying the foundations for exchange in regions where the starting point is oftentimes significantly lower than in mainstream Interreg programmes. The role of the programme goes beyond facilitating cooperation in an already cooperative environment, but rather to creating the conditions for meaningful cross-border cooperation in the first place, as underlined by the fact that cooperation partners in the programmes act very much across thematic fields. Interreg NEXT programmes in general are oftentimes one of the few official fora of regional and local authorities to regularly interact with their counterparts and as such are useful not only for creating tangible impacts but also for more informal exchanges. Nevertheless, the programmes also clearly lead to tangible impacts and "physical" outputs in various fields (e.g. border crossing infrastructure) which benefit both EU as well as non-EU parts of the programmes.

Cooperation at EU external borders call for greater flexibility in the regulatory framework

Against this background of the role of the programmes, a critical policy question is whether regional differentiation of priorities is necessary. In particular for physical outputs, the analysis suggests that in large programme areas, such as the Black Sea Basin, a more nuanced regional approach can be useful. Many non-EU regions face significant challenges, including a lack of project partners, which may hinder participation. Thematic differentiation is also important and is already reflected in the different programme priorities. However, the large socio-economic differences between regions limit the comparability between programmes in this regard and also pose a considerable limitation for any territorial analyses.

From a policy perspective, a clear understanding of the structurally different role and position of Interreg NEXT programmes on EU level is relevant to assess their success. As Interreg NEXT programmes are focusing on the cooperation with non-EU-regions there is a need for greater flexibility in the regulatory framework for Interreg NEXT to be able to reflect the different governance structure in Non-EU-countries. Applying the same rules as other Interreg programmes may hinder its ability to address the specific challenges of external border cooperation, such as limited institutional capacity and specific regional issues such as border security. (Better) tailored frameworks could increase the effectiveness of these programmes in achieving their objectives in this regard.

Tackling border barriers

Interreg NEXT by design and implementation enables better cross-border communication, which is a prerequisite for reducing border barriers. By supporting extensive cooperation networks, the programme links different institutions, such as public authorities or businesses and research institutes, and creates partnerships that would not otherwise exist. Even within the same type of institutions, e.g. for local departments for security and border management such cooperations would hardly be realistic without Interreg at least as an initiator.

Physical border barriers have a significant impact on economic prosperity, and their reduction, has far-reaching positive effects. These benefits extend beyond the immediate programme areas, affecting wider regions of the EU through increased trade, reduced costs and greater economic integration. As

such, positive economic effects in particular are created even in programme areas where programmes do not implement tangible business support.

So, Interreg NEXT's focus on reducing barriers through cooperation is a key strength. However, not all border barrier reductions and related spin-off effects are universally beneficial, as the following example shows:

- Improved cooperation builds trust, enabling cooperation at different levels of government even up to the national level. As such there is no a priori limit to positive effects on sectors
- Spill-over effects in labour markets, transport and tourism are predominantly positive, but need to be differentiated between localised impacts and impacts on the wider region. E.g. increased connectivity and border transport can create positive local effects if the absorption capacity for goods or workers exists, but can create negative effects if the regional absorption capacity is missing. In this case reduced border barriers create only transit.

Part of these strategies can be addressed through Interreg NEXT, but others are linked to matters outside of the scope of the programme (such as e.g. national transport policies).

Multidimensional impact of actions

The impact of Interreg NEXT is inherently multi-dimensional and goes beyond its immediate objectives and actions:

- Improved security for the border region is a result of better border management, enhanced law enforcement, better disaster risk management, access to social services and health care….
- Economic prosperity is linked to reduced border barriers and creating conditions through cooperation, increased regional tourism, improved transport networks…
- Environmental and health benefits result from green infrastructure and improved ecosystem connectivity as well as specific programme actions.

Besides positive impacts, negative impacts linked to rising property prices and overtourism (mostly limited to certain areas in Greece and Türkiye), including out-migration likewise are multi-dimensional and relate to but do not result directly from programme actions.

From a policy perspective, it is important to emphasise the multidimensional nature of programme impacts and the need for consideration of them when assessing impacts. Policy-makers and stakeholders need to recognise the wider implications of these actions in order to fully appreciate the programme's contributions to regional development beyond cooperation and beyond the immediately involved border regions.

Territorial targeting

The analysis revealed significant differences in regional needs and potentials for impacts. While funding priorities across the programmes reflect these differences, the pronounced socio-economic disparities between regions make direct comparisons between programme areas difficult. National contexts often predominate the reason for impact potentials over regional ones, reducing the relevance of subnational differentiation in many cases.

Nevertheless, the effects of Interreg NEXT often spill over to higher levels of governance, benefiting the EU and the participating countries beyond individual regions. However, the concentration of project partners in more urbanised or central areas has led to an under-representation of more rural regions, distorting the territorial distribution of impacts.

From a policy perspective, stricter territorial targeting may in turn exclude potential beneficiaries, particularly in regions with limited administrative capacity. A detailed analysis of under-represented areas (in terms of project partners) would be required as a basis for developing strategies to attract participants from these regions. This in turn could improve the inclusiveness of the programme and rebalance

its territorial impact. Such measures would ensure that all regions, regardless of their starting point, can fully benefit from the opportunities offered by Interreg NEXT.

Discontinuing support in the region

If the Interreg NEXT programmes covered by the assessment were to be discontinued in the future, the affected regions would face significant challenges in sustaining cross-border cooperation and addressing common development issues. Without these programmes, cross-border networks between public institutions, businesses and civil society organisations would likely weaken, reducing opportunities for cooperation and knowledge exchange. The lack of funding and support would hamper improvements in infrastructure, in particular in health and education, leading to widening disparities between EU and non-EU border regions.

Key projects, such as those to improve border management, would be disrupted, leading to increased border barriers that could slow trade, reduce mobility and negatively impact local economies. The lack of common environmental monitoring systems and joint ecological initiatives would weaken efforts to conserve biodiversity and tackle cross-border environmental challenges. Reduced connectivity in ecosystems and natural resource management could have long-term ecological consequences.

At the socio-economic level, reduced cultural exchanges and people-to-people interactions would likely increase divisions and reduce mutual understanding between neighbouring countries. Migrant integration and regional labour markets would suffer, with fewer opportunities for cross-border employment and cooperation. For the wider EU, the absence of these programmes would weaken its external border regions, reducing the cohesion and stability necessary for a resilient European Union. Similarly, the non-EU countries involved would lose an important platform for cooperation, further isolating them and slowing their socio-economic development. This withdrawal would ultimately undermine the shared progress and trust built up over decades of cooperation.

Even if not directly covered by the exercise, a discontinuation of support in the region would prevent Ukraine and the Republic of Moldova from a relevant tool in terms of preparation for enlargement, since Interreg Programmes are the candidate countries' first steps into cohesion policy management.

Annex

A.1 Territorial impact assessment expert meeting agenda

Expert meeting on the Territorial Impact Assessment of Interreg NEXT programmes involving Ukraine and the Republic of Moldova

Bucharest, 24 October 2024

09:45	Registrations, Coffee/tea
10:00	Welcome, introduction to the day and short introduction of the participants
10:20	Introduction to the topic
10:50	Explanation of the ESPON TIA Quick Check tool
11:10	Interactive discussion on the topic (Systemic picture of the effects of the scenario)
12:30	Lunch break
13:30	Interactive discussion (Discussion on the findings, results and hypothesis)
14:30	Preliminary findings of the network analysis,
15:15	Policy recommendations
16:00	End of the expert meeting

A.2 Description of the indicators used and regional sensitivity

Following the interactive discussion among experts, the following indicators were selected and introduced into the ESPON TIA Quick Check model:

Economic performance (GDP/capita)

Definition of sensitivity	Regions with a low GDP per capita are expected to benefit more by the Interreg programmes. Sensitivity is thus inversely proportional to the GDP per inhabitant.
Description	Gross domestic product (GDP) at current market prices in Euro per capita
Source	Eurostat, State statistics service of Ukraine, National Bureau of Statistics of the Republic of Moldova, conversion to Euro based on finanzen.net GmbH
Reference year	2021
Original Indicator Spatial Reference	NUTS3, 2021

Tourism intensity

Definition of sensitivity	Regions with a higher number of total nights spent in relation to the inhabitants are expected to be more sensitive. Sensitivity is thus directly proportional to the overnight stays per thousand inhabitants.
Description	Total nights spent at tourist accommodation establishments per thousand inhabitants
Source	Eurostat, State statistics service of Ukraine, National Bureau of Statistics of the Republic of Moldova
Reference year	2019
Original Indicator Spatial Reference	MD: NUTS0, UA: NUTS3, else: NUTS2 (2021)

Net migration

Definition of sensitivity	Regions with a lower net migration rate are expected to be influenced more by Interreg programmes. Sensitivity is thus indirectly proportional to this indicator.
Description	The crude net migration rate is determined by subtracting the crude rate of natural change from the crude rate of population change. It is expressed per 1,000 inhabitants.
Source	Eurostat
Reference year	2021
Original Indicator Spatial Reference	NUTS3, 2021

Protected areas (NATURA 2000)

Definition of sensitivity	Regions with a higher share of protected areas are likely to be influenced more by the Interreg programmes. Sensitivity is thus directly proportional to the share of Natura 2000 areas.
Description	Share of areas which are designated under the Natura 2000 network per NUTS3 region
Source	ÖIR calculation based on data from EEA
Reference year	2020
Original Indicator Spatial Reference	NUTS3, 2021

Urban population exposed to PM10 concentrations

Definition of sensitivity	Regions with a higher percentage of this population group are expected to be influenced more by the Interreg programmes. Sensitivity is thus directly proportional to the share of urban population exposed to PM10 concentrations.
Description	Percentage of urban population exposed to PM10 concentrations exceeding the daily limit value (50 µg/m3) on more than 35 days in a year
Source	JRC LUISA
Reference year	2020
Original Indicator Spatial Reference	NUTS3, 2013

Health personnel

Definition of sensitivity	Regions with a low number of health personnel are more likely to be affected negatively by health threats. Sensitivity is thus inversely proportional to the number of medical doctors per 100,000 inhabitants.
Description	Number of medical doctors per 100,000 inhabitants
Source	Eurostat
Reference year	2017/18
Original Indicator Spatial Reference	UA: NUTS0, MD: NUTS3, else: NUTS2, 2021

Hospital beds

Definition of sensitivity	Regions with a low number of hospital beds are more likely to be affected positively by the Interreg pro-grammes. Sensitivity is thus indirectly proportional to the number hospital beds in relation to the population size.
Description	Number of hospital beds per 100,000 inhabitants
Source	Eurostat
Reference year	2017
Original Indicator Spatial Reference	UA: NUTS0, MD: NUTS3, else: NUTS2, 2021

Quality of the public health care system

Definition of sensitivity	Regions with a low quality of the health care system are expected to be more sensitive to the Interreg pro-grammes. Sensitivity is thus inversely proportional to the quality of the public health care system.
Description	Average score on a scale of "1" (extremely poor quality) to "10" (extremely high quality) of the quality of the health care system rated by inhabitants
Source	Charron, Nicholas, Lewis Dijkstra and Victor Lapuente (European Quality of Government Index), NUTS conversion based on data from ESPON M4D
Reference year	2013
Original Indicator Spatial Reference	NUTS1/2 (2006, 2010, 2013)

Quality of public education

Definition of sensitivity	Regions with a low quality of public education are more likely to profit from the Interreg programmes. Sensitivity is thus inversely proportional to the quality of public education.
Description	Average score on a scale of "1" (extremely poor quality) to "10" (extremely high quality) of the quality of the public education rated by inhabitants
Source	Charron, Nicholas, Lewis Dijkstra and Victor Lapuente (European Quality of Government Index), NUTS conversion based on data from ESPON M4D
Reference year	2013
Original Indicator Spatial Reference	NUTS1/2 (2006, 2010, 2013)

Participation rate in education and training

Definition of sensitivity	Regions with a higher participation rate are expected to be influenced more by Interreg programmes. Sensitivity is thus directly proportional to the participation rate.
Description	Share of population aged 25-64 years who stated in a survey that they received education or training in the last four weeks
Source	Eurostat
Reference year	2019
Original Indicator Spatial Reference	UA and MD: NUTS0, else: NUTS2 (2021)

Quality and accountability of government services

Definition of sensitivity	Regions showing lower quality and accountability of government services may benefit more from Interreg programmes. Sensitivity is thus inversely proportional to this indicator.
Description	The indicator is computed based on the results of a survey and the national estimates from the World Bank Governance Indicators. In the survey, people were asked to rate the quality of the government services health care, education and law enforcement in their area.

Definition of sensitivity	Regions showing lower quality and accountability of government services may benefit more from Interreg programmes. Sensitivity is thus inversely proportional to this indicator.
Source	Charron, Nicholas, Victor Lapuente & Monika Bauhr. 2021. Sub-national Quality of Government in EU Member States: Presenting the 2021 European Quality of Government Index and its relationship with Covid-19 indicators. University of Gothenburg: The QoG Working Paper Series 2021:4
Reference year	2017
Original Indicator Spatial Reference	NUTS1/2 (2006, 2010, 2013)

Quality of law enforcement

Definition of sensitivity	Regions showing lower quality of law enforcement may benefit more from Interreg programmes. Sensitivity is thus inversely proportional to this indicator.
Description	Average score on a scale of "1" (extremely poor quality) to "10" (extremely high quality) of the quality of law enforcement rated by inhabitants
Source	Charron, Nicholas, Lewis Dijkstra and Victor Lapuente (European Quality of Government Index), NUTS conversion based on data from ESPON M4D
Reference year	2013
Original Indicator Spatial Reference	NUTS1/2 (2006, 2010, 2013)

Definition of additional indicators

During the TIA quick check it is possible to identify additional fields of exposure, which are affected by the policy proposal and which are not provided by the tool as standard. Whereas the exposure caused by the policy proposal could be judged by the experts during the expert meeting, a valid indicator for describing the sensitivity of regions needs to be defined in advance. The TIA quick check offers the possibility to upload new indicators. It provides a template, where for each NUTS 3 regions the values of the indicator can be to be filled in.

For the new indicator it has to be defined, whether the exposure field needs to be evaluated as being either harmful ("cost") or favourable ("benefit") for the regions' welfare. Then the tool will automatically transform the experts rating into numbers for further calculation (= normalisation).

Normalisation of indicators

The normalisation follows a linear procedure. Normalised values range from 0.75 up to 1.25. Basically, normalized sensitivity indicators represent coefficients that can increase (if greater than 1) or decrease (if lower than 1) each policy proposal's impact on a specific field.

Methodology for normalisation of regional sensitivity values

For this step the following definitions are needed:

$Xnorm_i$ the normalized value of the sensitivity indicator for impact field i

X_i the original value of the sensitivity indicator for impact field i

$Xmin_i$ the minimum original value of the sensitivity indicator for impact field i

$Xmax_i$ the maximum original value of the sensitivity indicator for impact field i

Then, normalization follows this formula:

$$Xnorm_i = 0{,}75+((1.25-0.75)*((X_i - Xmin_i)/(Xmax_i - Xmin_i)))$$

Source: ESPON TIA Quick Check Moderator's Guide and Methodological Background

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