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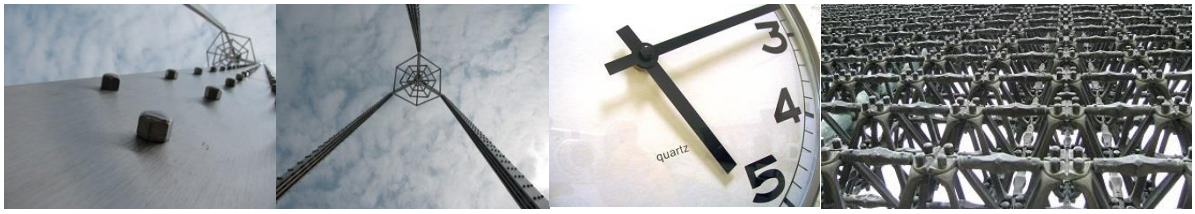

Ex-ante Evaluation and the Strategic Environmental Assessment
for the Hungary-Serbia IPA II Cross-border Co-operation CBC Programme 2014-2020

NON-TECHNICAL SUMMARY
of the
STRATEGIC ENVIRONMENTAL ASSESSMENT

Submitted on: March 2015
Approved on: 2 April, 2015 by the Task Force

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1 Process of the Strategic Environmental Assessment

1.1 Executive Summary

The SEA of the Hungary–Serbian IPA II CBC Cooperation Programme 2014-2020 is planned and carried out in line with the 2001/42/EC Directive and its respective national adaptations. After examining advantages and disadvantages, the Task Force and the relevant authorities decided to carry out SEA process jointly. This means that a joint Environmental Report is elaborated in the framework of two processes in both countries in accordance with the national regulations and the consultation processes are carried out separately. The scope of the SEA was approved by environmental authorities in Hungary (where MA is located) as legal start of the SEA process. It consists of all required information based on legislation.

SEA is a useful tool to highlight potential positive environmental impacts of a program and hinder measures that might be harmful for the environment. Based on current information the intented objectives and planned activities will not have significant adverse transboundary environmental impact.

The potential impacts are referring to partly environmental purposes and partly to sustainable development. Important to pay attention to avoid high pressure on environment and to take into account sustainable principles in order to moderate adverse effects. Operative Programmes are special in terms of alternatives, because there are no different potential variations to examine. Therefore without real alternatives state of the environment in the Programme area is to be analysed only *'with and without'* implementation of the Programme.

The entire programme strategy is built around the concept of a sustainable development, with special attention to resource efficient and environmental friendly developments. The proposed activities are contributing directly to the common environmental goals. There are climate change-responsive activities in the current Programme, including mitigation (such as actions aiming reducing of GHG emissions); adaptation or resource-management such as water-management, so these projects will defenately contribute directly to a more climate-resilient Europe.

Environmental issues related to the proposed activities:
However, the SEA is to evaluate **environmental problems** to be able to consider these problems within the assessment of the OP's environmental impact. Thus a short summary on the environmental problems of the programme area is identified in order to assess critical elements:

- Increasing land consumption and thereby negative impacts on biodiversity (potential loss of biologically active surfaces) as well on landscape
- Increasing volume of vehicular traffic and thereby local noise disturbance and increased pollutant emissions
- Environmental pressures resulting from construction eg.: disturbance, dust and noise pollution.
- Climate change and thereby an increase in flood risk and other environmental risks
- State of water
- Water quality remains a serious issue in the region

Some objectives are clearly associated with negative impacts. Due to the nature of the Programme, there are only limited opportunities available for the reduction of environmental damage occurring as a result of the developments. The infrastructural developments in relatively undisturbed natural areas as well as increased visitors, could have a negative effect on environmental factors. As the emissions of air pollutants could be reduced, therefore, from air protection point of view, the infrastructural investments is also preferred. It has to be taken into account that nature protected reserves (and natural parks) are situated in the programme region. Protection or at least compensation could be guaranteed through appropriate call for proposals and strict requirements for implementation. Positive effects to be mentioned regarding road constructions are the development of the road surface that decreases the noise load, shorter travelling time can reduce air pollution improving the population's quality of life; and the decrease of the isolation of border area settlements that could lead to improved mobility. Furthermore, there are synergistic effects in case of development of cycle paths and improvement of public transport services.

Requirements of sustainable development are reflected not just in planning specific objectives, but also they are integrated to the Programme as horizontal principles, which ensure to shift the programme area towards the quality prevention of environmental resources. Project proposals are only eligible if the project objectives and activities do not conflict with the principles of sustainable development.

All in all, due to the synergistic and also cumulative positive impacts a **more favourable state of the environment** could be developed by the Programme. In addition to environmental effects there will be other intended and also not intended positive economic, social and territorial effects providing better quality of life in the cross-border area.

1.2 Purpose and scope

Preliminaries and objectives:
This document provides the basis concerning the Strategic Environmental Assessment (SEA) of the Hungary–Serbia IPA II CBC Co-operation Programme 2014-2020.
SEA is an useful tool to highlight potential positive environmental impacts of a program and hinder measures that might be harmful for the environment, so SEA can improve a programme's environmental outcome. The aim of the SEA is to improve quality and consistency of the Programme, especially in a sustainability context, by transferring feedbacks from professionals and stakeholders to Programme planners.

The purposes of SEA elaboration are as follows:

- to identify the existing environmental problems relevant to the programme, assessing the environmental effects of the programme, by giving an overview of the possible favourable and unfavourable environmental impacts,
- to enhance the contribution of the programme to sustainable development,
- to set the relevant environmental protection objectives that should be considered within the programme and the SEA process, examining the coherence with the environmental and sustainable development policies at community, national and regional level.

Rules concerning the SEA process
The SEA of the Hungary–Coatian Cross-border Cooperation Programme is planned and carried out in line with the 2001/42/EC Directive (that defines strategic environmental assessment and introduces it into the planning process of programmes supported by EU Funds) and its national adaptations:

- the Hungarian Government Decree 2/2005 (I.11.)
- Serbia at present ("Sl. glasnik RS", br. 135/2004 i 88/2010) Law on strategic environmental assessment of plans and programmes

Annex 1 contains the required content of the Environmental Report according to the above legislation.

EC 42/2001 SEA Directive[1]

aims "to provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development" (Article 1).

Methodology and specificity of the SEA
The SEA is carried out simultaneously to the preparation of the programme by ex ante experts in cooperation with Mr. Viszoczky as Hungarian SEA expert.

The SEA aims to provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of the Programme Document with a view to promoting sustainable development.

[1] http://ec.europa.eu/environment/eia/sea-support.htm

The SEA process shall be composed of the following parts:

1) Environmental Report
2) Consultation
   The authorities and the public shall be given an opportunity to express their opinion on the draft Programme Document and the accompanying Environmental Report.
3) Integration of recommendations from the consultation process
4) Information about the Decision
5) Monitoring of the significant environmental impacts
6) Submission to Program Committee, follow-up

The joint Environmental Report

The SEA evaluates possible environmental impacts related to priorities of Operational Programme and gives recommendations on how to enhance the quality of the programme in respect to environmental aspects. The assessment of positive and negative effects of the different activities (project types built in programme priorities and objectives) is summarised in a rating matrix (using a scale). The assessment is qualitative, as a quantitative evaluation makes only sense on project level. Direct as well indirect effects are assessed. The aggregation of direct and indirect effects is not possible in most cases and would increase the uncertainty of the assessment.

The main issues are to be reviewed the following:

- To what extent could improve the state of environment and could the Programme provide a positive change in terms of sustainability?
- Could the targeted actions reduce the adverse effects of significant environmental pressure and lead to a significant improvement of the cross border area?
- Could the proposed measures result in positive shift towards sustainable development, and could the developments contribute to the reduction of regional imbalances?

Aspects of Sustainable Development:

The United Nations Environment and Development, the World Commission, its report „Our Common Future" by the concept of sustainable development defined in 1987 as follows: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to they can also meet their needs. "
According to other generally accepted definition **sustainable development** is the system of socio-economic conditions and activities, in which the natural values of present are preserved for future generations, saving and using ecologically of natural resources provides long-term quality of life and the preservation of diversity.

For each development should be expected to:

- Do not reduce biodiversity and ecosystem services
- Do not increase (reduce if possible) the adverse social and territorial disparities
- Promote climate change adaptation
- Contribute to the strengthening of social solidarity

Key elements of the methodology to be applied:

The elaboration of the environmental report is covering all documents prepared by the planning team, and is including the following methodologies:

Situation analysis	Identify problems and future consequences; Defining constraints and uncertainties. Incorporation of previous (evaluation) experiences.
Examining the consistency	External and internal consistency of the Programme's set of objectives
Analysis of alternatives	Possible development of affected areas with and without implementation of the Programme.
Impact assessment	Defining the likely significant effects and influencing factors, identifying direct and indirect impacts
Analysis of Sustainability criteria	Fit of specific objectives to basic criteria

Difficulties of the assessment

The following difficulties increase the inaccuracy of the assessment:

- The assessment can only identify predictable effects as the Thematic Objectives of the OP allow a broad range of possible activities and projects. The actual environmental impacts can only be assessed only on project level.
- The assessment of environmental impacts cannot be more detailed regarding proposed measures than the level of detail the OP provides.
- Indirect impacts constitute an additional benefit of the assessment, but cumulated impacts cannot be estimated.

The scope of the Environmental Report

The SEA for the Hungary-Serbia IPA Cross-border Co-operation Programme 2014-2020 has been launched in December in Hungary by Széchenyi Programme Office. The scope of the SEA was approved by environmental authorities in Hungary as legal start of the SEA process. It consists of all required information based on legislation (*Annex 1*).

1.3 Link to other parts of the planning process

The Hungary–Serbia IPA Cross-border Co-operation Programme is implemented within the 2007 – 2013 Europan Union financial framework under the Instrument for Pre-accession Assistance (IPA). Assisstance will be used to support both the adoption and implementation of the acquis communautaire and the preparation for the implementation and management of the Community's common policies.

The assistance is implemented through five components which are the following:

(a) Transition Assistance and Institution Building
(b) Cross-border Co-operation (CBC)
(c) Regional Development
(d) Human Resources Development
(e) Rural Development

The CBC component has the objective of promoting good neighbourly relations, fostering stability, security and prosperity in the mutual interest of all countries concerned, and of encouraging their harmonic, balanced and sustainable development.
In the current Programme, Hungary and Serbia co-operate in the frame of the CBC component of IPA in a joint structure through shared management and joint decision making, with common financial resources available.

SEA's relation with the planning process

The SEA Directive stipulates that the SEA has to be done during the elaboration of the programme document and it must be completed before its adaption. The programming process has been coordinated by the Task Force consisting of relevant ministries and regional/county level organizations from Hungary and Serbia. The Joint Technical Secretariat and the Managing Authority is also involved in the programming process. The planning work of the Task Force is assisted by an external expert consortium.
The cross-border region (CBR) covers 9 counties/districts (NUTS III level or equivalent[1]): Csongrád and Bács-Kiskun counties in Hungary, West Bačka, North Bačka, South Bačka, North Banat, Central Banat, South Banat and Srem districts in Serbia. The NUTS III (or equivalent) level Serbian districts together form the Region of Vojvodina on NUTS II level. With an area of 34,214 km^2, 13.66% of Hungary's and 24.33% of Serbia's territory are represented by the CBR.

The strategic environmental assessment is an **integral part of the programming process**, but the **outcomes of the SEA are to be published in a consolidated Environmental Report** which can be part of the draft Programme. In addition, ex ante evaluation report has to include the most important statements of the environmental report and of the consultation process.
The guidance on ex ante evaluation[2] shall also be strictly followed during the SEA process.
After examining advantages and disadvantages, the Task Force and the relevant authorities decided to carry out **SEA processes jointly**. This means that a joint environmental report is elaborated and the consultation process will involve actors of both countries and will be in accordance with the european regulation in both countries.

SEA is related to ex ante evaluation process as follows:

- Assessment of key environmental and sustainability impacts of the Programme.
- Assessment of action intended to promote sustainable development and to protect the environment.
- Examination of coherence and relevance to Community and national environmental and sustainability objectives.
- Evaluation of environmental indicators, drafting recommendations.

According to our interpretation, the **OP is regarded as a planning tool**, investigates the adequacy and the likely effectiveness of the OP in the frame of ex ante evaluation, while the **SEA is examining the OP as factors** such as environmental factors which may affect the state of the environment.
Furthermore, the SEA is searching for good solutions **focusing only on two aspects**:

- sustainable development

[1] In case of Serbia 'NUTS III (or equivalent)' will be used, as such a statistical unit officially does not yet exist in Serbia.

[2] Guidance document on ex-ante evaluation for the Programming Period 2014-2020, MONITORING AND EVALUATION OF EUROPEAN COHESION POLICY, January 2013

- environmental protection

2 Brief Description and Assessment of the Programme Document

2.1 Situation analysis: current state of the environment

As a first step of the preparation of the Hungary-Serbia IPA II Cross-border Co-operation Programme 2014-2020 a **Situation and SWOT Analysis** was prepared by the planners in order to explore the regional specificities, design the structure of priorities, and identify the areas of intervention and actions. This chapter presents only the most relevant data and the key findings of the analysis that was finalized and approved in September 2013 (*see Annex 6 of the CP*).

Since the planning process is including the Programme area's detailed situation analysis, SEA is only highlighting the relevant information and the most important needs (see *more details in SEA Report*).

The Programme area and its population

The cross-border region (CBR) covers 9 counties/districts (NUTS III level or equivalent[3]): Csongrád and Bács-Kiskun counties in Hungary, West Bačka, North Bačka, South Bačka, North Banat, Central Banat, South Banat and Srem districts in Serbia. The NUTS III (or equivalent) level Serbian districts together form the Region of Vojvodina on NUTS II level.

With an area of 34,214 km^2, 13.66% of Hungary's and 24.33% of Serbia's territory are covered by the CBR.[4]

According to data of the Hungarian Central Statistical Office (HCSO), in 2013 Hungary's population amounted to 9,908,798 people, whereas in Serbia there were 7,181,505 inhabitants[5]. The CBR has slightly less than 3 million inhabitants with a rough 2:1 ratio in favour of Serbia.

32.22% of the region's population lives in South Bačka (616,111) – which is the district with the biggest population, followed by Bács-Kiskun (519, 930) and Csongrád counties (409,571), in which also the three biggest cities (Novi Sad, Szeged and Kecskemét) are located. The smallest district is North Banat with 5% (144,672) of the CBR's population. The largest city is Novi Sad including its agglomeration with more than 330,000 inhabitants, forming an important

[3] In case of Serbia 'NUTS III (or equivalent)' will be used, as such a statistical unit officially does not yet exist in Serbia.

[4] Source: SORS &HCSO online databases

[5] Yearbook 2012, p. 31.

economic centre not only in AP Vojvodina but Serbia as well. It is followed by Szeged (170,000) and Subotica (143,000).

While the share of Hungarian people in the Serbian districts is quite significant in some cases (e.g. in North Banat with a share of over 45%), very few Serbs were registered in Hungary during the census of 2011 (the highest in Csongrád county with 0.3%). There are many ethnicities in the Serbian cross-border districts. About 67% of the inhabitants of AP Vojvodina declared themselves as Serbs. This multicultural composition shows a very diverse picture among the Serbian districts.
The percentage of Roma population within the CBC area ranges from 3.9% in Central Banat to 1.1% in Csongrád county. Other ethnic groups in the area include among others Germans, Croats, Slovaks, Romanians, Rusyns, Bunjevci and Yugoslavs.

Natural reserves and biological diversity:
The very intensive agricultural use of Bačka, Banat and Srem greatly affects, in a negative way, the extension of nature conservation areas. Consequently, the improvement of the national ecological network would be highly desirable in AP Vojvodina. Areas most adequate for preserving biodiversity are river valleys and saline flatlands of low economic value. In AP Vojvodina there is only one national park (Fruška Gora National Park), however the total area of protected land amounts to 82 000 ha, which is distributed between 112 natural reserves.
As a consequence of the variability in soils and water availability, land use is much more complex and heterogeneous in Bács-Kiskun and Western Csongrád counties compared to the Serbian territories. In Hungary practically all valuable and extensive natural habitats are part of the of NATURA 2000 network. On the Hungarian side three national parks can be found. The whole territory of the Kiskunság National Park and some parts of the Körös-Maros National Park and the Danube-Dráva National Parks are situated in the cross-border area. These national parks demonstrate the typical ecosystem of sandy steppe and riparian woodlands.
Biological diversity and the preservation of native species in today's changing environment are getting more and more difficult. Complex strategies are necessary in this respect, which are integrated into water management and climate change related interventions. A key aspect would be to increase wetland areas and ecological water reservoirs.

Surface and subsurface waters
The natural and environmental resources are primarily related to the main rivers of the region: the Danube in the west and the Tisa in the east. Other major rivers which have an impact on the programme area include the Sava, Mureș, Criș, Timiș and Bega rivers. The water regime of the main rivers is highly fluctuating: both floods and water shortage are serious problems[6]. Besides the natural water network the Danube-Tisa-Danube (DTD) canal system in Vojvodina, with its total length of 690 km is among the largest manmade canal systems of Europe. Surface waters support a significant ecological network, provide water for agriculture and tourism, a supply for subsurface water bodies and serve as important navigational routes especially in Vojvodina[7].
As a consequence of the geographical background water balance and water management are among the most important environmental issues

[6] ICPDR 2007

[7] http://www.european-waterways.eu/e/info/serbia/index.php

Climate change and water shortage

In the Carpathian Basin the mean annual temperature has increased by 0.8°C, while annual precipitation has decreased by 60-80 mm over the past 100 years. Warming is faster in the region than the global trend, and the south eastern part of the basin is especially affected.

The frequency of drought years is increasing both on the Hungarian and Serbian sides of the border. According to the models unfavourable trends will continue until 2100. In this respect the region faces great challenges in the future, as Southeast Europe is among the most badly affected areas concerning droughts. Climate change will endanger agricultural safety especially on the Hungarian Great Plain and in Vojvodina, which can result in a significant decrease of the GDP of the region. Besides overall warming, the role of extremities will also increase. Although the number of days with precipitation will decrease in general, the number of days with extreme precipitation (over 20 mm) will increase. This trend is highly unfavourable from the aspect of agriculture, soil erosion and flood protection, since high intensity precipitation cannot be absorbed by the soil and surface runoff can increase dramatically. Extreme precipitation events are also hazardous in terms of hails and storm damages, which endanger both agricultural productivity and human properties.

Due to climate change the annual water budget will decrease, however, **flood hazard** will stay the same or can even increase due to climate variability. Problems may increase especially in the winter period, which will be warmer and more humid. Other factors that can increase flood risk are mismanagement of floodplains, sedimentation and an inadequate status of protection structures. Another very important hydrological hazard is **inland excess water** affecting mostly Csongrád county and the Banat region of Vojvodina.

Transport

The absence of good and harmonized cross-border transport connections (especially regarding public transport) limits the intensification of societal and economic co-operation across the border.

The majority of cross-border traffic occurs on public roads. Transit traffic is constantly increasing on the border stations and the timeframe of border crossing is relatively long. The average distance between crossing points is quite big compared to European standards: 38.5 km on the Hungarian side, while on the Serbian side it is 40.74 km. In 2012 the average daily number of passengers using the 6 crossing points was 22,479 persons. From the six existing border crossing points only one can be used by vehicles without any limitations (regarding operating hours, type and nationality of vehicles), and three have 0-24 opening hours.

The region has a favourable geographical location in terms of logistics: Trans-European transport networks lead across the region. (Nr. X/b. Budapest – Kecskemét – Szeged – Novi Sad – Belgrade; Corridor VII along the Danube river).

However, potentials of the logistics sector remain unexploited because of relatively slow border crossing and missing East–West railway transport connections.

There is a distinct lack of local rail connections in the border area. There are two crossing points on the Serbian-Hungarian border line: Kelebia-Subotica and Röszke-Horgoš. The crossing point in Röszke is open to international passenger and freight traffic, too, and it can be crossed all day round. The international railway line between Budapest and Belgrade passes over at the Kelebia-Subotica border-crossing point, which explains the higher number of the average daily passenger traffic (489) compared with the Röszke-Horgoš railway line (57).

It is especially striking that the main city in the Hungarian region, Szeged, has no major railway link to AP Vojvodina. The railway connection between Szeged, Subotica and Novi Sad is very poor.

Considering public transport there are only a few bus and railway relations, and all of them have a slow travel time compared to the distance of the relations. For example, the distance between Szeged and Subotica is ca. 45 km, while the minimum travel time by bus is 1 h 35 min, and 2 h 06 min by train. The fastest bus connection between Szeged and Novi Sad (136 km) is 3 h 05 min. Direct railway line does not exist.

Waterway transport in general is an unexploited opportunity in the CBR. Neither freight traffic, nor passenger traffic is appropriate, although there are several ports along the Tisa in the region (Sombor, Apatin, Senta). The Tisa is not navigable in some sectors (mainly due to the extremely low levels of water at Csongrád-Kisköre), which is why transport for touristic reasons is more realistic. Water border crossing points operate on the River Tisa in Szeged and Kanjiža. The river Danube, defined as European Corridor VII, is expected to contribute to the increase of river transport in the area.

The two most important bicycle routes in the region are the EuroVelo 11 (along the Tisa) and the EuroVelo 6 (along the Danube), which are connected to several bicycle routes of regional interest on the Hungarian side. There are no continuous local or regional bicycle routes on the Serbian side; only sectional development has taken place in the programme area.

Tourism and cultural heritage

Tourism has greater importance in the Hungarian border region than in the Serbian, according to the main tourism indicators (tourist arrivals, overnight stays), both in absolute value and per capita. In Bács-Kiskun county almost 165,000 tourists spent 411,000 overnights in the commercial and private accommodations in 2012. The two most visited touristic places are the county seat Kecskemét and the thermal resort Kiskunmajsa with 50% of the total overnight stays in Bács-Kiskun.

In Csongrád county nearly 216,500 tourists spent 467,000 overnights in the commercial and private accommodations in 2012. Besides, other historical cities and settlements with thermal baths or natural beaches could also attract a significant number of tourists (Mórahalom, Hódmezővásárhely, Szentes). According to the HCSO statistics, the average turnover of the county's baths is 149,000 visitors. Prominent one-day tourist destinations are also located in the county, such as the National Heritage Park in Ópusztaszer.

In AP Vojvodina nearly 300,000 tourists spent 760,000 overnights in all accommodations in 2012, which accounts for 11% of the Serbian tourism.

The cross-border tourism turnover registered in the commercial accommodations differs within the region: the proportion of Serbian tourists is marginal in Bács-Kiskun county (below 1%), while it is significant in Csongrád county (16% of all foreign overnight stays with dynamic increase – in 2011 it was only 10%). The proportion of Hungarian tourists is moderate in AP Vojvodina: according to the ratio of North Serbia, it is estimated to be around 5% of all foreign overnight stays.

Territorial inequalities, in terms of the development level of tourism supply and differences between the two sides of the border, in terms of quality standards of tourism infrastructure, are problems to be solved.

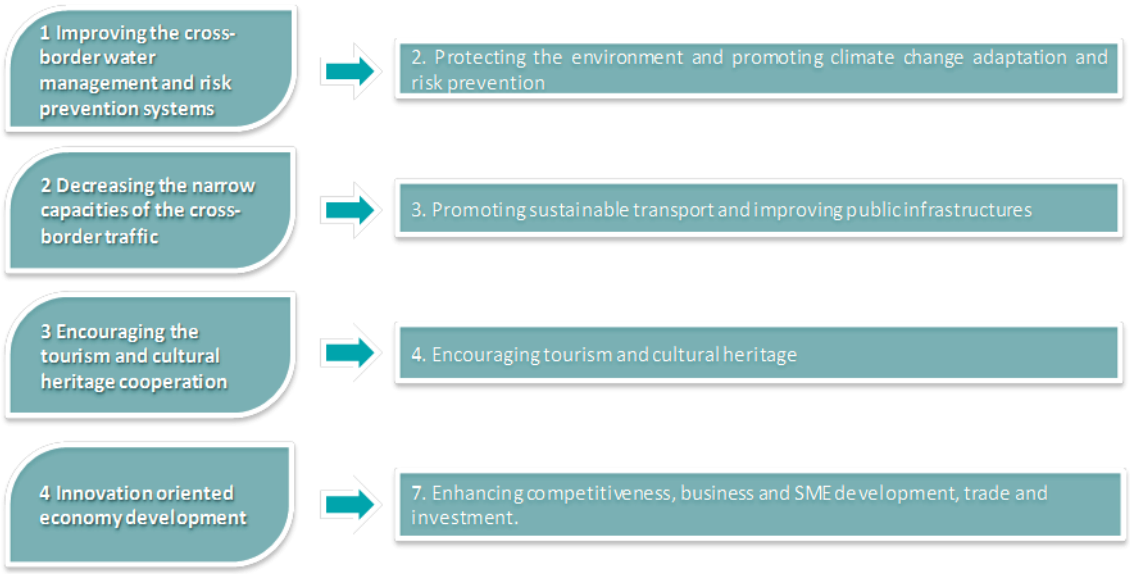
2.2 Short summary of the Programme analysed

The programming work has been implemented through a series of workshops and interviews with both local and sectoral stakeholders involved in the programme implementation and national/regional authorities responsible for preparing the 2014-2020 development plans from both Serbia and Hungary.

The overall long term vision for the programme area was formulated by the various participants of the programming process as follows:

"Harmonically developing region with an intensified economic cooperation through sustainable use of natural and cultural resources."

The achievement of the overall objective can be ensured by applying the following strategy and interventions. The contribution of the Hungary-Serbia IPA II Cross-border Co-operation CBC Programme 2014-2020 to Europe 2020 is ensured through its defined Thematic Priorities. The final draft version of the OP was submitted on 12 May 2014. The draft final Programme consist of four Priority Axes (PAs), five selected thematic priorities (TPs).



2.3 External Consistency

Coherence with external strategies

The programme strategy is based on the analysis and identified needs of the programme area. The programme is well prepared, the thematic objectives have been discussed and agreed on through an extensive programming process including public consultation among the programme stakeholders and a wider CBC community. Moreover, the programming took into account lessons learned from previous programming periods, the given financial framework and the existence of suitable implementation and administration structures.

There is a clear contribution of the OP to the EU 2020 goals. It can be stated that the OP strategy is compliant with Common Strategic Framework. Furthermore, the programme also addresses development priorities of the cross border area as formulated in the EC Position Papers for both targeted countries.

The Programme is aligned with the priorities of the Danube Strategy related mainly to the activities, which are directed towards connecting the regions, protecting the environment, building prosperity and strengthening the concerned regions.

To sum up consistency (based on statements of ex ante evaluation[8]):

- EU2020, and the European Territorial Cooperation Objective are respected also in priority and action level
- Objectives of European Territorial Cooperation are also met in priority and action level. Objectives of CSF will be met both in TP and intervention level, and during the management of the programme
- Relevant territorial strategies are taken into consideration
- Country specific recommendations are also tretaed
- Employment issues are not in focus

[8] *More details in SEA Report (based on ex ante evaluation)*

2.3 Internal consistency of the Programme's set of objectives

The internal coherence of the proposed programme is appropriate. The logic intervention of the programme has been well demonstrated: proposed investment priorities and thematic objectives are likely to support achievement of the selected priority axes. Direct linkage between the key statements of the Analysis/SWOT and the Programme's overall objective may also be observed. The phrasing of the objective is clear and reflects the needs unfold in the Analysis.

Generally it may be stated that the analysis is based on relevant set of data and the methodological tools applied are suitable, scope of database is relevant. It is clear that the programming process has been an interactive and an iterative process.. The overall structure is clear, it is comprehensive and reflects most major issues, the content covers all important aspects to be covered.
The strategic approach is in line with the key statements of the socio-economic analysis and also the SWOT. Aspects of management of natural resources, environment protection, SME development as well as cross-border aspects of public transport and transport infrastructure are highlighted in the analysis and addressed by the strategy. The justification of the selected thematic priorities is well founded, logical and takes into consideration the results of the on-going evaluation of the previous programming period.

The structure of objectives and priorities with the Programme objective provide a solid "policy mix" to achieve the programme's objectives. All key areas highlighted in the SWOT are reflected upon and dealt with.

Description of priorities and the related measures are introduced in details. Priorities and measures are well defined and are supported by the key statements of the situation analysis.
The programme integrates strategic priorities of the relevant national documents and reflects the priorities of the Europe 2020 strategy and relevant EU directives and programmes (e.g. EU Water Framework Directive, 7th Environment Action Programme).

2.4 Integration of environmental considerations

There are climate change-responsive activities in the current Programme, including mitigation (such as actions aiming reducing of GHG emissions); adaptation or resource-management such as water related issues, so these projects will defenately contribute directly to a more climate-resilient Europe.

It is to be taken into account the requirements set out in the **Energy Efficiency Directive** (2012/27/EU) is requested. Projects involving building construction and renovation, ***cost-optimal levels of energy performance*** (according to Directive 2010/31/EU) are to be required.

Contribution to the new **EU 2020 Biodiversity Strategy:**

2050 vision	By 2050, European Union biodiversity and the ecosystem services it provides — its natural capital — are protected, valued and appropriately restored for biodiversity's intrinsic value and for their essential contribution to human wellbeing and economic prosperity, and so that catastrophic changes caused by the loss of biodiversity are avoided.	**++**
2020 headline target	Halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restoring them in so far as feasible, while stepping up the EU contribution to averting global biodiversity loss.	**++**

Furthermore, the objectives of the Programme is in line with the

- **EU Water Framework Directive**
  (22) This Directive is to contribute to the progressive reduction of emissions of hazardous substances to water.
  (23) Common principles are needed in order to coordinate Member States' efforts to improve the protection of Community waters in terms of quantity and quality, to promote sustainable water use, to contribute to the control of transboundary water problems, to protect aquatic ecosystems, and terrestrial ecosystems and wetlands directly depending on them, and to safeguard and develop the potential uses of Community waters.
  (24) Good water quality will contribute to securing the drinking water supply for the population.

- and the **Floods Directive**: Directive 2007/60/EC on the assessment and management of flood risks requires Member States to assess if all water courses and coast lines are at risk from flooding; to map the flood extent and assets and humans at risk in these areas; and to take adequate and coordinated measures to reduce this flood risk. The Directive also reinforces the rights of the public to access this information and to have a say in the planning process.

- **7th EAP** (Proposal for a new EU Environment Action Programme to 2020), of which priorities are defined as follows:

The Commission proposes to focus action on nine priority objectives	
Three thematic priority objectives are intended to:	Protect nature and strengthen ecological resilience
	Boost sustainable resource-efficient low-carbon growth, and
	Effectively address environment-related threats to health.
The thematic priorities are supported by an enabling framework with four further priority objectives which will:	Promote better implementation of EU environment law,
	Ensure that policies benefit from state of the art science,
	Secure the necessary investments in support of environment and climate change policy,
	Improve the way environmental concerns and requirements are reflected in other policies.
Two more priority objectives focus on:	Enhancing the sustainability of EU cities, and
	Improving the EU's effectiveness in addressing regional and global challenges related to the environment and climate change.

The proposed activities in PA1 are contributing directly to the above mentioned environmental goals. Furthermore, several targets are integrated not just as separate component, rather as basic criteria to be fulfilled during implementation, which could indirect effects on environmental factors.

Summarizing the impact of the integrated aspects:

- Strong focus on environment and sustainabilty
- Typical cross border nature (water management, monitoring, flood, hail etc. control)
- Sustainable aspects and nature protection is present in several PAs (PA1, PA2, PA3)

Of course, **relevance** in both countries is examined and relevant directives and legislation are indicated in the Environmental Report.

3 Environmental impacts of the Programme's implementation

3.1 Impact assessment

Cross border programmes have to fulfil two general objectives: they have to strengthen territorial, economic and social cohesion as well as to contribute to smart, sustainable and inclusive growth of the region and the European Union (EU 2020 Strategy). Accordingly, also the Hungary-Serbia CBC Programme has these two general objectives.

	PRIOR 1	PRIOR 2	PRIOR 3	Prior 4
Is there significant				
1.) Environmental impact?	✓	✚ / ▬	×	×
2.) Quality of life impact?	✓	✓	✓	**Maybe**
Are the activities contributing to				
3.) Positive changes in current state of environment?	✓	✚ / ▬	**Maybe**	×
4.) Sustainable development?	✓	✓	✓	✓

Green= Direct Impact — Positive: ✓ — Positive and also negative: ✚ / ▬

Yellow=Indirect impact — Potential impact: **Maybe** — Not clear: **?** — Not significant: **×**

In terms of effects the following statements can be defined:

- The positive effects are dominant and there are measures within SOs with only positive effects, thus it is important to note that in total activities are contributing to positive changes in current state of environment.
- Predictable negative effects are occurring only in case of infrastructural developments (roads and bridges), but the proposed improvements could be compensated and in long term overall impacts might be converted into positive effects (reduction of GHG emissions, etc.)
- The negative effects are accompanied mostly by positive effects, so the adverse effects can be avoided with the use of appropriate conditions in actions.

The proposed actions may affect flora and fauna, climate, population (in quality of life, health status), richness of the soil, water and other natural resources, built cultural heritage and landscape of specific areas. The SEA reviews the likely effects, correlations, the potential cross-border effects.

Predictable affecting factors and processes of negative impacts related to the proposed measures:

Typical affecting factors and potential processes of adverse impacts related to the proposed measures are including the following:

- expansive land use, loss of biologically active surfaces,
- due to pollutant emissions deterioration of ecosystems and health status of green areas,
- due to changes in tourism, or traffic, etc. environmental pressure (number of visits, land use) is increased on receptors (green areas, ecosystems, urban environment, landscape, people),
- environmental pressures resulting from construction eg.: disturbance, dust and noise pollution.

Among the direct effects **expansive land use** should be mentioned first, which is not expected to be a factor that would cause conflict in case of the proposed actions. However, affected areas might be for example protected and green areas. Protection could be guaranteed through appropriate call for proposals and strict requirements for implementation. As this effect might appear in case of a limited number of projects, thus this effect is **not expected to be significant**.
Direct effect will be the **disturbance** due to construction works. Of course, there will be also infrastructural developments, but the volume of these is not expected to be notable and construction time is short, so the **impact will not be significant**. Nevertheless, there might be very disturbing construction works for local environment.
One of the most important indirect effects due to the actions is the presence of **pollutants** entering the environment. The proposed developments, the majority of actions have no or minor pollutant emissions. The overall effect is **expected to be not significant**.

As a result of intended developments and activities, **increased number of visitors** could be increased - temporarily or permanently – in case of some tourist destinations and between settlements and thus the environmental load as well. **Tourism developments could be implemented in a sustainable way, which can moderate adverse effects.**

3.1.1 Processes of impacts related to the proposed measures

PA1 – Improving the cross-border water management and risk prevention systemms	
TP 2	Protecting the environment and promoting climate change adaptation and risk prevention
Specific Objective	Damages caused by flooding incidents and hail or drought in the agriculture sector

Environmental impact

This priority intends to have only positive effects. Positive impacts can be expected mainly on the state of water, as main objective of the priority is to improve the level of the management and monitoring measures of the water bases. As any water management-related project could have also negative impact on environment, so the impact assessment in early stages of each project would be important, especially for cross-border areas including Natura 2000 sites.

Cooperation in nature protection also means at the same time positive impacts on biodiversity. Development of ecosystems and several activities related to nature conservation (monitoring, etc) will probably contribute to outweigh negative effects of other activities within the Programme (infrastructural developments), thus conservation status will be improved.

Climate change adaption is also positively affected by the planned activities.

The commonly developed counter-hail system will defenately have positive environmental effects.

PA 2 – Decreasing the bottlenecks of cross-border traffic	
TP 3	Promoting sustainable transport and improving public infrastructures
Specific Objective	Increasing the capacities of border crossing and the connected transport lines through promoting development of road transport and use of sustainable transport modes (public transport, bicycle, water transport)

Environmental impact

The **local vehicular traffic** at the border-crossing will probably increase, in the case of a new roads / bridges – the population will be mainly affected by the increase of the noise level and the airborne emissions. However, it must be considered that this increasement of traffic is likely to be shifted from elsewhere. Thus the energy consumption, GHG emissions and the noise level should increase slightly as well, but it will be occur only locally. The local impacts on biodiversity and nature protection areas can only be determined on project level, thus evaluators only can assume that road construction will have negative impact. It is likely that the positive effects of supporting public transport outweigh the negative effects of the construction activities. Development of public transport also improves the quality of infrastructure for environmental friendly mobility. Also the mobility behaviour can be positively influenced. In addition,

development of services in the field of logistics can contribute to the same environmental impacts. Construction activities in general can result in additional land consumption. Emissions of noise, dust as well as the volume of traffic increase only temporally and localized.
Moreover, infrastructural developments will probably have negative effects on biodiversity. As the emissions of air pollutants could be reduced, therefore, from air protection point of view, the infrastructural investments is also preferred.

PA 3 – Encouraging tourism and cultural heritage cooperation	
TP 2	Encouraging tourism and cultural heritage
Specific Objectives	Creation of commonly coordinated cross-border tourism destination based on the complementary local assets in order to ensure sustainable development of tourism potentials

Environmental impact

Aspects of sustainable tourism might have a positive impact on development of natural/cultural heritage and protected areas – which means at the same time positive impacts on biodiversity. However, a total increase in tourism can bring also increase of the volume of vehicular traffic, which would also affect pollutant emissions, GHG emissions, noise and energy consumption. These effects can be compensated by integrating principles of sustanainability in all phases of planning and implementation. However, tourism developments in the conservation areas aiming to increase the number of visitors, could have the opposite effect of objectives referring species and habitat protection. Thus, these aspects are particularly important to consider in the CfPs during planning and implementation.
Cooperation projects, especially related to protection of cultural and natural heritage as well as networking in tourism might contribute to sustainability.
Construction activities in general can result in additional land consumption. Emissions of noise, dust as well as the volume of traffic increase only temporally and localized. Concerning the renovation of buildings and other small scale investments, no land consumption is expected. In case of new buildings negative effects could be reduced using tools of „alignment into the landscape". It is recommended to integrate this aspect into the call for proposals regarding implementation. Moreover, infrastructural developments might have negative effects on biodiversity.

PA 4 – Enhancing SMEs' economic competitiveness through innovation driven development	
TP 7	Enhancing competitiveness, business and SME development, trade and investment
Specific Objectives	Enforcing the growth capabilities and employment potentials of the SMEs through the development and adaptation of new technologies, processes, products or services

Environmental impact

The PA focuses on R+D+I activities, only minor indirect impacts are expected: the proposed activities can the rate of innovative SMEs in the CBR.

Sum up of environmental impacts

All in all, due to the synergistic and also cumulative positive effects **a more favourable state of the environment** could be developed by the Programme, especially for the future (medium and long term).

3.1.2. Identifying critical elements of the Programme

The most important is to establish categories in order to identify which measures / type of activities will probably have significant effects on environment. As we do not know the content in details, we will write considerations based on predictable impacts related to these types of actions.
The following types of actions (in PA 1,2,3) will probably **significant effects** on environment or could contribute to sustainability directly (positive and negative).

Type of actions – with SIGNIFICANT EFFECTS		
1.	Infrastructural investments (Construction of small border crossing roads and/or new border crossing points - roads, bicycle network and water transport infrastructure)	Negative and positive
2.	Cooperation in nature protection	Positive
3.	Counter-hail system	Positive
4.	Development of public transport	Positive
5.	Water management measures (eg.: monitoring, reconstruction activities, flood protection measures)	Positive
6.	Small-scale infrastructural development (e.g. stopping and resting places, boat mooring for water routes, bicycle parking places, drinking water providing places for horse riding routes, equipment rental system, reconstruction of sites and venues)	Negative

Basically, these types of actions could affect environmental factors directly and significantly.
Furthermore, well-established **strategic projects** can bring synergistic and cumulative effects, but it is not decided yet.

3.1.3 Evaluation of impacts

The likely significant effects on each of the environmental factors are summarised in the following table and it is assessed.
However, as it has not been possible to quantify the likely significant impact on the environmental factors, thus it is not possible, at this stage, to assess to what extent each of the environmental objectives will be influenced. At this stage it is only possible to say if the identified types of actions are likely to have significant environmental impact (positive or negative) together with rating the predictable impacts and defining the type (direct / indirect).

Red colour: positive

Black colour: negative

Blue colour: positive and negative

direct significant impact +++	direct moderate impact ++	direct weak impact +	indirect impact #	no impact X

	Air quality and climate adaption	Noise pollution	Water quality	Earth: Soil pollution	Nature, fauna and flora, biodiversity	Use of natural resources	Built environment, cultural heritage	Landscape, land use and spatial structure	Human health and quality of life
Infrastructural investments (roads, bicycle network and water transport infrastructure)	+++	+++	++	+++	+++	+++	++	+++	+++
Cooperation in nature protection	+++	+++	+++	+++	+++	+++	X	+++	+
Counter-hail system	+++	X	X	+++	++	+++	X	+++	+
Development of public transport	+++	+++	X	++	+++	+++	++	+++	+++
Water management measures	++	X	+++	+	+++	+++	X	+	+
Small-scale infrastructural development	+++	+++	#	++	++	++	#	++	++

3.2 Analysis of alternatives

Operative Programmes are special in terms of alternatives, because there are no different potential variations to examine – it is resulted in a planning process. Therefore without real alternatives state of the environment in the Programme area is to be analysed only **'with and without**' implementation of the Programme. The two versions are compared against environmental factors:

	With implementation of the Programme	**Without implementation of the Programme**
Earth	Decreasing damages (primarily in agriculture)	Increasing soil erosion and-environmental risks could have negative effects.
Water	Modern water management system, strategic planning and monitoring	Results of cooperation related to water management and monitoring will be realized later, as a consequence there will be more risk and damage.
Air and climate change	GHG emissions could grow due to increased freight traffic, but promoting sustainable transport and improved public infrastructure reduces CO2 emissions. Improved utilization of renewable energy resources, contribution to a more resource efficient economy and a more climate-resilient, low-carbon economy	GHG emissions are likely to increase without improving public (sustainable) infrastructure and also freight traffic could grow due to the constantly increasing transit traffic. Project preparation in the field of renewable energy and energy efficiency will be delayed.
Biodiversity	Favourable conservation status.	Further loss of biodiversity.
Ecosystems	Ecosystems will have a greater chance of maintaining over a long period of time.	Restoring of ecosystems will require more efforts.
Flora and fauna	conservation status of species and habitats	Loss of species and habitats.
Cultural heritage	Improved state and access to cultural heritage, increasing mutual connections in the cross-border area.	Cross border connections remain the same level and integration cannot be maximalized. It will be not preserved in a suffcient way or not in a sustainable way.
Infrastructure	Improved accessibility which could stimulate tourism and economy.	Mobility cannot be improved or only at national level separately / time lag.

	Isolation of border areas could be reduced.	In this case cross border integration remains a great absence. Failures of infrastructure also could lead to noise and air pollution.
Land use	Decreasing damages	Increasing damages – primarily in agriculture. Expansive land use could be occured.
Landscape and green areas	Healthy environment and natural assets can be preserved, as a result there are several environmental benefits of green areas.	More effort will be required at national level for nature protection (in order to contribute to protect Natura 2000 sites)
Human health and Quality of life	The improving quality of life intensifying common identity, increasing local activity, spending locally serving the community and strengthen the economy.	Without environmental developments, without improving sustainable transport and public infrastructures the quality of life cannot be improved, as a consequence cohesion cannot be enhanced and migration will be higher, job mobility will be missing and territorial imbalances will grow.

3.3 Analysis of sustainability criteria

Under the regulations of the Structural Funds all supported activities must contribute to the horizontal expectations: equal opportunities between men and women, preventing of discrimination and sustainable development, regardless to the project's nature and theme. Horizontal aspects must be reflected during the planning and the implementation of the Programme and in the daily operation of its responsible bodies.

Explicit linkage to **sustainable development** can be found in all of Priority Axes, especially in PA1, PA3.

Sustainable development is provided by supporting the preservation and sustainable exploitation of the regions rich heritage and to increase resilience to natural disasters. Environmental sustainability and resource efficiency should be applied as horizontal preferences in all measures of the programme in addition to using them during designing the specific objectives. Therefore, requirements of sustainable development are reflected not just in planning specific objectives, but also they are to be integrated to the Programme as horizontal principles, which ensure to shift the programme area towards the quality prevention of environmental resources. The clear contribution to sustainable development should be expressed as eligibility criteria in the selection procedure for all actions: project proposals are only eligible if the project objectives and activities do not conflict with the principles of sustainable development. Promotion of sustainable development in the cross border region has been highlighted in all the proposed priorities, objectives and actions, especially in those that include development of joint entreprenurial activities (e.g. PA4) and sustainable use of natural resources (PA1).

Equal opportunities have mostly been highlighted as an important guiding principle in implementing interventions in PA3. We recommend that equal opportunities is tackled more in a comprehensive manner analysing the relevant target groups of the themes giving them a territorial focus as well where possible.

The aspects of ensuring equal opportunities for the underprivileged population, ethnic and social minorities should be further elaborated.
The Hungary – Serbia Draft Operational Programme 2014 does not have a significant connection to the Roma strategy, despite the fact that they are mostly in an underprivileged situation living at peripheral locations and suffering from the process of segregation.
Serious and real issues are tackled in the situation analysis such as rising figures of employment and poverty, which do raise the issue of social inclusion. At the same time these issues are not typically of cross border nature they can be more effectively treated by direct member state intervention and mainstream sectoral OPs. The CBC Programme does not have the means to initiate large sectoral programmes. The present draft of HU-SRB Operational program has selected thematic priorities that are of largely cross border nature focusing on environment-protection, promotion of sustainable transport, improvement of public infrastructure, tourism and economy development, while employment, education and health aspects are not in its direct focus.
The OP identifies several employment issues (migration, stagnating labour market, high unemployment rate, youth unemployment, adult education, etc)
Employment is present in the OP indirectly as much as SME growth and infrastructural developments will generate employment, other than these no specific employment actions are developed. This can be accepted since employment challenges are typically the ones to be better addressed in the framework of mainstream OPs, while CBC Programmes better focus on real cross border type problems.

The present draft of HU-SRB Operational program has selected thematic priorities that are of largely cross border nature focusing on environment-protection, promotion of sustainable transport, improvement of public infrastructure, tourism and economy development, while employment, education and health aspects are not in its direct focus.
The issue of migration from the Serbian side to the Hungarian is a relevant cross border nature one. This is partially treated especially with respect to the younger generation via the Priority Axes 3 and 4 where youth is a defined as target groups.
The older generation partially migrating/commuting from work and health care reasons is not in the scope of this programme.

3.4 Transboundary impacts

So far, there are **only one pre-defined activity** of which implementation could be fully relevant for the entire triplex-border region: a **joint industrial and logistic park at the Triplex border** is likely to have significant impacts for all the 3 countries. This activity is also included in the Hungary-Romania CBC Programme, it was prepared and managed by the HURO Programme, so it is not necessary to inform Romania about this activity officially in frame of current SEA process.

Since SEA can not assess impacts at EAI level (at project-level), but based on estimated impacts there will be no impact which could affect third country, because:

- there is no affected joint areas, thus developments of the CBC programme will not influence the state of landscape, ecosystems of a third country
- water pollution may be excluded in compliance with the regulations
- air pollution could be variable in time and space but predictable effects is not significant
- construction of new crossing points could influence traffic of nearby areas, but it is not expected to be significant

Based on current information the intented objectives and planned activities will not have significant adverse transboundary environmental impact.
In this case involvement of Romania / Croatia is not necessary.

4 Monitoring and effectiveness

4.1 The SEA monitoring and follow-up measures

Basic principles of monitoring system to follow-up environmental effects
The monitoring system needs to be operated not separately, but as part of the operational program management and monitoring system. Accordingly, institutional actors in the monitoring system are the same as involved organizations in the Programme implementation. Detailed tasks and responsibilities need to be defined in the Programme Document.

Monitoring indicators
Indicators concerning the environmental aspects have to be built in the programme document to be able to monitor the macroeconomic environment of the program and the fulfilment of the principles of sustainable development. During the interim and final evaluations, indicators should be monitored in the following areas:

- Promotion of sustainable development
- Improved environmental situation
- Environment and nature protection
- Development of cultural heritage sites
- Use of infrastructure
- Sustainable improvement of public transport

The environmental indicators are the following:

- Driving force indicators
- Pressure Indicators
- State indicator
- Impact indicators
- Response indicators

Due to the character of the programme monitoring indicators should be defined generally on the priority axes level (or based on type of supported activities) in a qualitative way instead of using non-technical and technical measures which are introduced generally to prevent, eliminate, minimize and compensate the environmental impacts.
However, it is not worth to establish and maintain monitoring database due to the characteristics of current crossborder Programme. Measurbale state indicators could be determined for which predictable changes could be defined.

Proposal:
It is recommended to

- **create a quality control system for monitoring activities in addition to strict environmental requirements**
- **rather predescribe the change of the intended effects**
- **preliminary examination of the sustainability criteria required at the level of activity.**

4.2 Effectiveness from environmental point of view

Direct linkage between the Analysis/SWOT and the objective structure of the Programme can be identified. All key areas highlighted in the SWOT are reflected upon and dealt with. Implementation of strategic projects – mainly large scale infrastructural projects – also contributes to a more effective and focused resource allocation of the operational programme.

Designing of financial allocation must strive to create a balance between priorities from environmental point of view. The environmental aspects are very strongly present in the OP. It focuses on several environmental issues that are typically of cross border nature such as water management including floods, hail and droughts, etc. The treatment of these challenges is proper it enhances sustainability in several respects. High focus is given to the development of databases and systems as well as to of institutional cooperation.

34,5% of the total financial frame is allocated to „PA 1: Improving the cross-border water management and risk prevention systems":

The expected results are aimed towards decrease of damages in agriculture sector caused by weather circumstances, modern and effective water management system in cross-border region, management and data basis regarding water pollution, setting up the counter-hail systems, improving capacities for prevention and management of environmental risks. Coherence is shown through Actions to be supported under the TP2, where all expected results are covered by foreseen Actions, such as: Collection of reliable information for improving the quality of groundwater and rivers/streams/canals and implementing relevant water management measures; Development of water management system in order to ensure stable agricultural production and to minimize the risks of drought, floods, inland inundation and improving the quality of waters; Reconstruction activities; interventions to minimize damages caused by hail in the entire border region.

PA1 also contributes to increase of renewable energy and improved ecological status of nature conservation areas, which is confirmed in the Actions to be supported under the TP2, where it is foreseen that developments of water management system involving renewable energy solutions will be prioritized. The results envisaged reflect to the overall programme objective and the specific objective of the PA as well. Improvement of cross-border environment protection systems will in long term provide framework of a sustainable joint prevention system. The protection of natural resources will contribute to the improved quality of life of the inhabitants of the CBR region. Development of counter-hail system contributes to the improvement of profitability of agricultural activities and indirectly the raise of employment in the area. With the increased use of renewable energy the priority will contribute to the EU2020 objectives of low-carbon society in long term.

"PA 2: Decreasing bottlenecks of the cross-border traffic" receives 22% of the EU funds.

Actions to be supported under the TP3 include completing the existing bicycle routes (networks) and development of new bicycle routes along the main rivers and canals (Eurovelo 6, 11), which in long term improve environmental situation as well.

As a long term result of the development of public road and bicycle-route networks infrastructure, accessibility of the settlements and territorial convergence may be improved in the CBC area. Development of border crossing points may in long term contribute to the raise of labour mobility and the employment rates in the cross-border area. Improved accessibility of the

region may in long term also contribute to the improvement of competitiveness of the SMEs operating in the area.

19,5% of the total EU fund is allocated to „PA 3: Encouraging tourism and cultural heritage cooperation"

On the level of 'Actions to be supported' under the TP4 there is contribution to environmental aspects foreseen through sustainable tourist ways, cycling paths, rural tourism, eco-tourism with visitor centres and related nature protection activities (e.g. ex situ breeding and release programmes) based on the sustainable utilization and development of the natural heritage, within the "Development of joint tourism products and jointly branded offers".

The results are in line with statements of situation analysis such as: "The two counties of the Hungarian border region belong to the less attractive touristic destinations of Hungary based on the main touristic indicators. In the touristic demand the proportion of domestic guests is dominant. Thermal baths have great importance in Csongrád county. In Vojvodina the proportion of domestic guests is higher than that of foreigners as regards touristic demand. The districts of Vojvodina were positioned differently as tourist destinations: the most visited district was South Bačka, due to Novi Sad; followed by North Bačka, North Banat and Srem districts."

Tourism can strongly contribute to the catch-up of less developed settlements and territorial convergence of less developed areas by job creation and self-employment, and by catalysing local investments. The CBR has a high potential for tourism based on its natural (e.g. thermal baths, national parks, water tourism, cycling, horse riding) and cultural (urban and rural built heritage, traditions, ethnical variety etc.) assets.

„PA 4: Enhancing SMEs' economic competitiveness through innovation driven development" receives 13,7% of the total financing

Increased cross-border research cooperation activities contribute to the strengthening of internal cohesion of the CBR area. Direct and indirect development of agriculture raises employment rates and also contributes to the improvement of quality of life of the inhabitants, but this PA has not really significant impact on the environment.

Other aspects:

To ensure a strategic approach, **restricted calls** will be applied in areas with key importance and significant impact on the Programme Area. The indicative allocation of the envisaged restricted call is 60% of the budget of PA1, 55% of the budget of PA2 and 27% of the budget of PA3. Implementation of strategic projects – mainly large scale infrastructural projects – also contributes to a more effective and focused resource allocation of the operational programme.

Environment protection is a focus area of the **horizontal principles** as well. The horizontal principle "Sustainable development" aims to contribute to the protection of the environment in several aspects, and three out of the four selected Thematic Priorities directly contribute to the sustainable development of cross-border region.

Of course, effectiveness of the Programme has to be examined comprehensively. In addition to environmental impacts social, economic and territorial effects are examined and have to be taken into account during planning.

5 Recommendations

5.1 Recommendations during planning

The following recommendations were defined during impact assessment:

- Reduction of adverse impacts and alternative compensatory measures (or at least damage mitigation) should be taken into consideration during planning, especially in case of investments negatively affecting nature, fauna and flora, and biodiversity.

Regarding planning (feedbacks of environmental authorities):

- Land consumption can only be increased within the limits of their load capacity and with the preservation of landscape values.
- Conservation of crossborder nature assets and valorisation
- To support as eligible activity: raising awareness related to resource efficiency
- Protected areas and national parks should be given special attention and awareness
- For all the investment projects within the Programme is necessary to ensure the elaboration of so-called Declarations of Natura 2000. Potential impacts on Natura 2000 sites must have special attention and for certain investments Natura 2000 impact assessment is to carry out the in accordance with the legal requirements.

Horizontal issues of the OP should include broader aspects:

- **Climate protection** (including reduction of GHG emission) and climate adaption should be more highlighted.
  eg.: using renewable energy, resource efficiency, especially energy (water, waste)
  Compliance with the requirements set out in the Energy Efficiency Directive (2012/27/EU) is requested in case of projects including purchasing products.
- **Nature protection** (conservation of biodiversity –as strict criteria)
- It should be ensured that appropriate **selection procedures and criteria referring equal opportunities**, furthermore transparent, non-discriminatory, as well as gender equality and non-discrimination principles are to be applied.

Regarding implementation:

- **Requirements or quality standards for monitoring should be provided**:
  Monitoring indicators should be defined generally on the priority axes level.
  - Instead of **state / impact indicators** it is recommended to use quality control in order to avoid collecting problems.
- **Compensatory measures and the intent to moderate damages** is to be included.
  - especially related to catchment areas (in terms of water quality protection)

- **Climate-friendly architectural solutions** to prefer
  e.g.: elgible activities: the use of silent road surface; passive noise reduction; impermeable rainwater drains; use of recycled building materials (it can reduce the use of recources)
  „silent mode" as selection criteria in case of vehicle purchase,

  These criteria should be added as eligible activities or guiding principle for selection of operations for each actions to be supported.
  It is recommended for projects involving building construction and renovation, cost-optimal levels of energy performance (according to Directive 2010/31/EU) should be required, and projects going beyond cost-optimal levels should be favoured.

Programme implementers should commit themselves to analyse, consult and monitor crossborder and local environmental effects at the implementation level, during the whole implementation process (2014-2020).

The following aspects are to take into account in other plans or programmes influenced by the CBC Programme:

Probably only a few plans/programmes might be influenced by this CP and it is likely to focus on short term (annual) objectives or activities, which will be eligible activity in the OP. Of course, fulfilment of criteria and targets set out in the Programme will have high priority for the beneficiaries.

However, in addition to obvious aspects, SEA evaluators recommend some measures to consider from environmental point of view:

- *In case of education / training*: Teaching activities should promote the integration of environmental education into current curricula, this can trigger a significant environmental change.

- *In case of joint programming and project preparation in the field of renewable energy and resource efficiency:*

  use of resources could be more efficient and actions could support plans

- *Related to public transport:* Regional and local mobility plans should include measures to promote public cross-border transport (further improvement of the public transport system, awareness raising, attractive routes for pedestrians and cyclists).

<u>Additional considerations for implementation</u>:

- The Programme can have a negative impact on the forest only in case of establishment /development roads, bike paths. Based on forest protection law (XXXVII 2009) of Hungary forests can only be used in exceptional cases, and this can only be in

accordance with public interest, therefore in the case of investment will have to consider whether this is feasible without the use of forest land and if so, it alternative solutions have to be prefered.

- Utilization of land can only be made within the limits of their load capacity and with the preservation of landscape values
- Infrastructure developments envisaged by some of the programme's activities might have significant and direct impact on the state of water bodies in the programme area, therefore, greater attention should be paid to links with Water Framework Directive.
- The programme should further highlight the necessity to develop crossborder transport infrastructure through increase in the number of road and ferry crossings and extention of rail traffic network.
- Special attention is required for changes in noise load and dispersion of noise and increasement of noise pollution caused by cross-border mobility.
- In case of improvements related to water management issues, plans are to be in accordance with the existing river basin management plans - and to be taken into account the environmental objectives drafted for surface and subsurface waters.
- Examination of water retention and water savings is needed in case of all water-related projects. To this end, large-scale modeling might be justified to carry out throughout the border region (possibly support as well).
- As any water management-related project could have a negative impact on environment, so the impact assessment in early stages of each project would be important, especially for cross-border areas including Natura 2000 sites.
- A wider range of activities regarding nature protection interventions should be eligible (eg. raising awareness, actions for the protection of species)
- Developing new and existing infrastructure of public transport is requiring EAI. Regarding transport developments it is required not only to analyze the predictable impacts on the programme area, but the use of the expected changes in the surrounding transportation network. (eg. Kelebia-Belgrade-Budapest rail trail development could disturbe sensitive bird species living in Natura 2000 areas).
- Tourism developments in the conservation areas aiming to increase the intensity of visits, could have the opposite effect of objectives referring species and habitat protection. Thus, these aspects are particularly important to consider in the project proposals during planning and implementation.

5.2 Consultation process

In order to ensure a transparent decision-making, for the public and for relevant environmental authorities possibility of consultations was provided according to regulations.

1st round – scoping phase was conducted for approval the scope of the SEA report

Hungary: 18 December 2013 – 18 January 2014

Serbia: sent to contact point on 2nd of June 2014

2nd round – consultation with the public and relevant authorities

Hungary: 28 July – 29 August 2014

Publishing link: http://www.hu-srb-ipa.com

Serbia: 20 August – 20 September

Publishing links: www.seio.gov.rs www.evropa.gov.rs

After publishing SEA documents there was 30 days to send comments from environmental and sustainable point of view related to the Programme Document and SEA Report in frame of consultation process. In addition for the authorities we organized a **common workshop** on 13 August 2014, during which the necessary information was expected to explain for participants.

This workshop provided opportunity to discuss open questions in less formal way and it was supposed to contribute quality of the OP and ex-ante evaluation, both. List of participants is attached to the SEA Report (Annex II of SEA Report). Presentation of the OP and ex-ante evaluation was provided. Most of the participants wanted to be informed about future elements of the OP and written comments were suggested to send within the framework of the consultation process. Some recommendations were mentioned directly to the planners by a national park:

- species protection (eg.: southern rural mole-rat) should be integrated as eligible activity
- habitat protection is not included in the OP – only regarding wetlands
- area purchase should be eligible activity (from habitat conservation point of view)
- there is no priority axis targeting comprehensive nature protection

From the public no comment arrived. In general, it can be stated that **the relevant authorities approved the report.**

From the Hungarian authorities several comments are received, which are mostly including basic criteria to integrate during implementation (or during elaboration of CfPs) and aspects to consider during planning from environmental point of view.

Within the SEA national consultation process of the serbian side, we have received positive opinions on the SEA Report and the draft HU-SRB CBC Operational Programme 2014-2020 from the relevant institutions (eg: from the Ministry of Agriculture and Environmental Protection on 3 November 2014), with several comments concerning the OP content from the Institute for Nature Conservation of AP Vojvodina, as presented between comments.

The table in next chapter 5.3 provide details of the received comments.

5.3 The impact of recommendations on planning the Programme

Suggested by SEA Report Opinion from Hungarian authorities Comment from Serbia

Comments from authorities and public:		
No	**Brief description of the comment**	**Status in SEA**
1.	Horizontal issues of the OP or at least Call for Proposals should include more aspects of climate protection – including reduction of green-house gas (GHG) emission and nature protection, resource efficiency (water, energy, waste)	The criteria have been built in.
2.	Climate-friendly architectural solutions to prefer (eg. to apply „silent mode" as selection criteria in case of vehicle purchase for transport improvements, to promote only the use of silent road surface for road construction in populated areas with larger noise-vibration, to include eligible activities opportunities for passive noise reduction (noise barrier, protecting trees)	The criteria will be built in at a later stage. It can be prescribed in the call.
3. ***HU-National Environment, Nature Conservation and Water Inspectorate***	1. SEA report does not include the consistency with relevant strategic documents.	Consistency chapter in SEA Report has been updated and complemented according to the ex ante assessment.
	2. Incomplete description of the state of nature in the situation analysis.	Situation analysis in SEA Report has been updated and complemented according to the accepted Situation Analysis (Annex of the CBC OP).
	3. The predictable significant effects on environment have been correctly identified.	Comment noticed
	4. Vulnerable areas should be designated and to be handled according to specific rules. Demarcation of the vulnerable areas is possible from environmental and protection of nature and landscape point of view; constraints and conditions can be determined for developing these areas. Conservation of highly sensitive areas is public interest, thus resources for compensation is necessary to provide for income losses resulting from restrictions. Tourism utilization of these areas is possible only within the limits of their load capacity - the development of visitor centers is acceptable just outside the borders of sensitive areas.	This apect is integrated in Section 2, among the selection criteria of the different Priority Axis, and in Section 6.1, specifically in relation to PA3.
	5. Any exploitation of natural assets requires continuous protection and countervailing measures for which is necessary to ensure adequate funds.	This apect is integrated in Section 6.1. Sustainability of the interventions is a horizontal selection criteria,

		applicants will have to present how they will ensure it both environmentally and financially. The call for proposals may define additional criteria and indicator requirements in order to ensure compliance with this principle.
	6. Potential impacts on Natura 2000 sites must have special attention and for certain investments Natura 2000 impact assessment is to carry out the in accordance with the legal requirements.	Comment noticed and it is mentioned in the text of the SEA Report.
	7. Use of term "green areas" is suggested instead of the use of term "green spaces" (which means only urban public parks).	Comment noticed and text is amended
	8. The table of impacts have been correctly identified in the SEA Report.	Comment noticed
	9. In case of new buildings negative effects could be reduced using tools of „alignment into the landscape". It is recommended to integrate this aspect into the call for proposals regarding implementation.	This apect is integrated in Section 6.1. and shall be further considered during project evaluation and implementation.
	10. Protection of water quality has a particular priority, therefore important aim is the eco-friendly, innovative use of technology in the development of the planned infrastructure watercourses.	This aspect is taken into account in Section 2, under PA2 (e.g. under eligible activities it is stated that the investment shall contain restoration of the natural environment and developments involving renewable energy solutions will be prioritized).
	11. In order to mitigate hazards and damages related to agriculture it is necessary to modernize water management facilities.	This aspect is taken into account in Section 2. PA2 focuses explicitly on activities aiming at decreasing environmental risks (e.g. drought, flood, hail) and preventing negative effects on agriculture. Development of the water management system, including reconstruction of existing infrastructures is specifically targeted.
	12. In order to spread environmentally friendly transport modes, it is necessary to modernize logistic parks connecting railways and it is important to improve conditions for cycling infrastructure, and for water tourism - solely in accordance with the environmental objectives, taking	This aspect is taken into account in Section 2. PA1 and even more specifically PA2 include measures that

	into account sustainability.	improve conditions for environemntally friendly transport modes (bicycle paths, waterways, public transport). The supported projects shall take into consideration the nature protection aspects of the developments.
	13. Redusing noise pollution must be examined in case of road constructions, transport developments and if necessary, compensatory measures should be integrated. Selecting of developments related to border crossings and associated road improvements, the required feasibility study must examine the effects in terms of noise protection.	This apect is integrated in Section 6.1. and shall be further considered during project evaluation and implementation.
	14. Resource efficiency in the horizontal aspects should be integrated the aspects of waste efficiency as well. It is appropriate to take account the increase in the amount of waste in the construction phase. The indirect incorporation of waste management aspects could guarantee also the consistency to national strategies.	This apect is integrated in Section 6.1. and shall be further considered during project evaluation and implementation.
4. **HU - The Lower Tisza Region Environment, Nature Protection and Water Inspectorate**	1. Description of the state of nature in the situation analysis needs further improvements (It is suggested to mention: saline wetlands, sandy grasslands and wooded communities, typical land use is also grassland management)	Situation analysis in SEA Report has been updated and complemented according to the accepted Situation Analysis (Annex of the CBC OP).
	2. It is recommended to use recycled building materials, which can reduce the use of recources	Comment noticed and it is mentioned in the text of the SEA Report.
	3. As the emissions of air pollutants could be reduced, therefore, from air protection point of view, the infrastructural investments is also preferred.	Comment noticed and it is mentioned in the text of the SEA Report.
	4. Special attention is required for changes in noise load and dispersion of noise and increasement of noise pollution caused by cross-border mobility.	Comment noticed and it is mentioned in the text of the SEA Report. It is to be handle at later stage of implementation.
	5. In case of improvements related to water management issues, plans are to be in accordance with the existing river basin management plans - and to be taken into account the environmental objectives drafted for surface and subsurface waters.	Comment noticed and it is integrated into the text of the SEA Report.
	6. Examination of water retention and water savings is needed in case of all water-related projects. To this end, large-scale modeling might be justified to carry out throughout the border region (possibly support as well).	This aspect is taken into account in Section 1 and Section 2. As described in Section 1, the situation analysis recognized the need for intergated catchment-area based management in the cross-border region for preserving the good

		quality and adequate quantity of surface and subsurface waters. Projects will have to contribute to this aim, as also reflected among the selection criteria.
	7. As any water management-related project could have a negative impact on environment, so the impact assessment in early stages of each project would be important, especially for cross-border areas including Natura 2000 sites.	This aspect is taken into account in Section 2. As stated among the eligible activities under PA2, investments shall contain restoration of the natural environment. This apect is also integrated in Section 6.1. and shall be further considered during project evaluation and implementation.
	8. A wider range of activities regarding nature protection interventions should be eligible (eg. raising awareness, actions for the protection of species)	This aspect is taken into account in Section 2. Under PA2, cooperation in nature protection, e.g. in species protection programmes is defined as an eligible activity.
	9. Developing new and existing infrastructure of public transport is requiring EAI. Regarding transport developments it is required not only to analyze the predictable impacts on the programme area, but the use of the expected changes in the surrounding transportation network. (eg. Kelebia-Belgrade-Budapest rail trail development could disturbe sensitive bird species living in Natura 2000 areas).	This apect is integrated in Section 6.1. and shall be further considered during project evaluation and implementation.
	10. Tourism developments in the conservation areas aiming to increase the intensity of visits, could have the opposite effect of objectives referring species and habitat protection. Thus, these aspects are particularly important to consider in the project proposals during planning and implementation.	Comment noticed and it has already indicated in the text of the SEA Report (impact assessment). Forwarded to the actors of implementation to consider during elaboration of CfPs.
5. Government Office of Bács-Kiskun County	1. Continuous improvement and strengthen the protection of green areas is justified.	The aspects proposed are largely considered in the Coooperation Programme, specifically under PA1. In relation to the planned measures focusing primarily on water management and reduction of enviormental risks, it is required that investments contain the restoration of the natural environment
	2. They support actions for afforestation.	
	3. They recommend the use of renewable and alternative options because of the current limited energy recources (eg. Wind-power plants)	
	4. It is to be taken into account in case of measures relating to water resources, that use of areas with better soil quality may have legal barriers.	

	5. Utilization of land for other purposes is also defined in law (for example the concept of the average quality of soil have been changed).	and developments involving renewable energy solutions will be prioritized. The envisaged interventions shall have a positive effect on agricultural production. Sustainability of the interventions is a horizontal selection criteria, applicants will have to present how they will ensure it both environmentally and financially. The call for proposals may define additional criteria and indicator requirements in order to ensure compliance with this principle.
	6. Regarding protection of air quality, in order to reduce pollen contamination, uncultivated areas and the foci of infection is required to eliminate.	
	7. Fragmentation of the agricultural and forestry areas is an undesirable process .	
1. National Environmental Council	1. Of course, environmental impact assessment (EIA) in accordance with the law must be conducted.	Comment noticed
	2. In the analysis of sustainability criteria the use of the term "sustainable growth" inappropriate.	Comment noticed and it is amended in the text of the SEA Report.
	3. Preliminary examination of the sustainability criteria required at the level of activity.	Forwarded to the actors of implementation to consider during elaboration of CfPs.
	4. There should be such monitoring indicators chosen, for which measurable specific parameters could be determined, preferably those which can predict changes and monitoring of them can be solved.	Comment noticed and forwarded to the actors of implementation.
2. SRB - Nature Conservation of AP Vojvodina	1. In the OP 2.1.5. (actions to be supported TP2): the text “improvement of hydrological status of the water bodies, reduction of the level of pollution” should be replaced with “improvement of the ecological, chemical and quantitative status of water bodies, decreasing the level of eutrophication and chemical pollution”.	Approved and integrated.
	2. In the OP 1.1.1 (justification for selection - TP2): the text the improvement of the national ecological network would be highly desirable in Vojvodina” should be replaced with “negative impacts on the elements of the ecological network should be reduced”.	Approved and integrated.
	3. In the OP 1.1.1 (justification for selection - TP4): the following sentence should be added at the end: “while protecting and maintaining the functionality of the ecological network”.	The text in this section was largely reformulated as it had to be shortened, therefore the proposed addition does not fit any more. However the requirement for sustainable use of cultural and natural heritage is emphasized in Section 1.1.2 (justification for selection - TP4) and in Section 2.3.

ANNEX 1 REQUIRED CONTENT OF THE ENVIRONMENTAL REPORT

ACCORDING TO ANNEX I OF DIRECTIVE 2001/42/EC AND REFERENCE CHAPTERS:

a) an outline of the contents, main objectives of the plan or programme and relationship with other relevant plans and programmes;	Chapter 1
b) the relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme;	Chapter 3
c) the environmental characteristics of areas likely to be significantly affected;	Chapter 3
d) any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC;	Chapter 3
e) the environmental protection objectives, established at international Community or Member State level, which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during its preparation;	Chapter 2
f) the likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors;	Chapter 3
g) the measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme;	Chapter 3,4
h) an outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information;	Chapter 3
i) a description of the measures envisaged concerning monitoring in accordance with Article 10;	Chapter 5
j) a non-technical summary of the information provided under the above headings.	*Chapter 6* *(and it will be a publishable document separately)*

ACCORDING TO THE HUNGARIAN GOVERNMENT DECREE 2/2005 (I.11.) AND REFERENCE CHAPTERS:

1.	**SEA Process**	**1.1**
1.1	preliminaries and scope of the Report	1.1
1.2	link to other parts of the planning process	1.2
1.3	recommendations during elaboration of the Report	1.4 and 4.3
1.4	Consultation process	1.3
1.5	Sources of data and difficulties	1.5
2.	**Alternatives**	**3.3**
2.1	Brief summary of the Programme	2.1
2.2	Coherence with relevant Plans and Programmes	2.2
2.3	Reasons for the choice between alternatives	3.3
3.	**Impact Assessment**	**3.2**
3.1	Coherence with relevant environmental objectives	2.4 and 2.5
3.2	Integration of environmental goals	2.4
3.3	internal and external consistency	2.3 and 2.2
3.4	state of environment	3.1
3.4.1	geographical area of elevance	3.1 and Annex I
3.4.2	other charachteristics of the state of environment	3.1
3.4.3	environmental conflicts, problems	3.1
3.5	Factors affecting the environment directly and indirectly	3.2
3.5.1	direct impacts	3.2
3.5.2	indirect impacts	3.2
3.6	Predictable effects on environment	3.2
3.6.1	identifying environmental load on:	3.2
3.6.1.1	environmental components	3.2.4
3.6.1.2	system and structure of the environment	3.2.4
3.6.1.3	Natura 2000 sites	3.2.4
3.6.1.4	human health, qualit of life, cultural heritage, land use	3.2.4
3.6.2	indirect impacts, especially:	3.2
3.6.2.1	new environmental conflicts, problems	3.2.2
3.6.2.2	environment-friendly behaviour	3.2.2
3.6.2.3	deviation from the optimal spatial structure	3.2.2
3.6.2.4	social-cultural traditions (adapted to the carrying capacity of the landscape)	3.2.2
3.6.2.5	renewal of natural resources	3.2.2
3.6.2.6	use of non-local natural resouces	3.2.2
3.7	defining acceptable version	3.3
4.	**Recommendations** on how to avoid adverse effects	**4.3**
5.	**Recommendations to consider in other PPs affecting by the OP**	**4.3**
6.	**Monitoring**	**5**
7.	**Non-technical summary**	**6**