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MONITORING PROGRAMMES OF CROSS-BORDER COOPERATION WITH NEIGHBOURING PARTNER COUNTRIES

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DIRECTORATE-GENERAL FOR THE INTERNAL POLICIES OF THE UNION

POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES

REGIONAL DEVELOPMENT

Monitoring Programmes of Cross-Border Cooperation with Neighbouring Partner Countries

STUDY

This document was drafted at the request of the European Parliament's Committee on Regional Development.

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Content

This study, which covers the cross-border programming period 2007-2013 of the European Neighbourhood and Partnership Instrument (ENPI CBC), describes the basic concepts, historical background, operational procedures, ongoing processes, problems that have arisen and recommendations for future improvements relating to the cross-border cooperation dimension of the European Neighbourhood Policy.

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LIST OF ABBREVIATIONS

CBC	Cross Border Cooperation
CCEE	Countries of Central and Eastern Europe
DG REGIO	Directorate-General for Regional Policy
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Policy
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
GNP	Gross National Product
IPA	Instrument for Pre-Accession Assistance
JMA	Joint Managing Authority
JMC	Joint Monitoring Committee
JOP	Joint Operational Programme
JTF	Joint Task Force
JTS	Joint Technical Secretariat
NGO	Non-Governmental Organisation
NIS	New Independent States
NUTS	Nomenclature of Territorial Units for Statistics
PRAG	Practical Guide to Contract Procedures for EC External Actions
RCBI	Regional Capacity Building Instrument
R&D	Research and Development
SME	Small and Medium-sized Enterprise

GLOSSARY

Adjoining / adjacent regions	Territorial units adjoining units eligible for the establishment of projects financed by a joint operational programme.
Application package	All the documents produced by the management of a joint operational programme with a view to launching calls for proposals. Applicants use these documents to draw up and present their project proposals.
Association agreements	Bilateral agreements concluded between the European Community and the Member States on the one hand and Mediterranean partner countries on the other, in the framework of the Euro-Mediterranean Partnership process, also known as the 'Barcelona Process'.
Beneficiary	A body that signs a grant contract with the Joint Managing Authority and that assumes full legal and financial responsibility for project implementation vis-à-vis that authority.
Bilateral action plan	Operational tool for implementing the Neighbourhood Policy, based on the needs of the neighbouring country concerned and on the mutual interests of that country and the Union. The action plan establishes a work programme for a three to five-year period.
Bilateral cooperation	Cooperation between the EU and the partner countries, which includes measures specific to each country. This type of cooperation was established on the basis of bilateral action plans.
Cross-border cooperation in the ENP	Cooperation between the Member States of the European Union and the partner countries, in regions adjoining the European Union's external border.
ECOS-Ouverture	Programme created by the European Commission's DG REGIO and launched in 1990-1991 with the general objective of taking a broader approach to interregional cooperation between the cities and regions of the European Union and those of the Countries of Central and Eastern Europe (CCEE) and, at a later date, the NIS and Mediterranean countries.

ENPI Committee — Body made up of representatives of the European Union Member States, which assisted the European Commission in drafting Regulations (EC) No 1638/2006 and No 951/2007.

European territorial cooperation — European territorial cooperation is the third objective of the European Union's cohesion policy, as set out in Regulation (EC) No 1080/2006 of the European Parliament and the Council of 5 July 2006 on the European Regional Development Policy.

Financing agreement — Agreement signed between European Commission and each of the countries that have regions eligible for ENPI CBC programmes. The agreements determine the participation of those countries in the programmes concerning them and eligibility for ENPI funding.

Grant contract — Grant contract signed by the Joint Managing Authority and the beneficiary of a project approved in the framework of a programme. The contract sets out all the responsibilities and rules relating to project implementation.

Instrument for Pre-Accession Assistance (IPA) — This is the new financial instrument for all pre-accession activities financed by the European Commission as from 1 January 2007. It replaces a range of existing instruments (PHARE, ISPA, SAPARD, CARDS, etc.) by combining them within a single framework.

Integrated projects — Projects where each partner carries out a part of the activities of the joint project on its own territory.

INTERACT — A network set up under the INTERREG Community initiative, with the task of using all the experience acquired in order to make this Community initiative more efficient. For the current 2007-2013 period, INTERACT also operates in the framework of the European Neighbourhood and Partnership Instrument (ENPI).

INTERACT ENPI — This is mainly a technical assistance programme set up by the European Union and managed by EuropeAid, the European Commission's Cooperation Office, with the general objective of supporting the management and implementation of ENPI CBC programmes.

INTERREG — European Union programme designed to strengthen economic and social cohesion in Europe by financing operations that promote the integration and balanced and harmonious development of the entire European territory. It supports operations to promote the sharing between regions of acquired knowledge and experience. The programme is now in its fourth generation (INTERREG IV) and, as before, is divided into three strands, i.e.:

Strand A: cross-border cooperation;

Strand B: transnational cooperation;

Strand C: interregional cooperation.

Interregional cooperation	Interregional cooperation supports activities to be carried out at interregional level with a view gradually to strengthening dialogue and cooperation between the European Union and the ENPI region, and among its eastern and southern neighbours.
Joint ownership	Result of the involvement, alongside officials, of eligible parties and members of civil society with a view to ensuring the acceptance of measures set up to enhance as much as possible the endogenous capacity and potential of a territory.
Joint Task Force	Body responsible for drafting joint operational programmes.
Large-scale projects	Projects comprising a set of works, activities or services intended to fulfil an indivisible function and pursuing clearly identified objectives of common interest.
Participating countries	All Member States and partner countries taking part in joint operational programmes.
Partner countries	Non-EU Member States taking part in ENPI CBC joint operational programmes.
Partnership and cooperation agreements	Agreements concluded between the European Union and countries of Eastern Europe, the southern Caucasus and Central Asia. They form the basis of cooperation between the European Union and its eastern partner countries in the framework of the Neighbourhood and Partnership Policy.
PHARE	Programme of Community aid to the Countries of Central and Eastern Europe (CCEE) and the European Community's main instrument of financial and technical cooperation with those countries. PHARE was the main financial pre-accession strategy instrument for CCEE candidates for accession to the European Union. It has now been replaced by the IPA.
Practical Guide to Contract Procedures for EC External Actions (PRAG)	Key single working tool, which sets out the contract procedures applicable to all EC external aid contracts that are financed from the general budget of the European Communities and the European Development Fund (EDF).
Projects (ordinary or simple)	Projects implemented mainly or entirely in a Member State or a partner country, but also for the benefit of all or some of the other partners.
Regional capacity building	Initiative financed directly by the Commission to support partner countries during the start-up phase of cross-border cooperation programmes and strengthen their capacity to prepare and

initiative (RCBI)	implement ENPI projects for the period 2007-2013.
Regional cooperation	Cooperation with the eastern and southern regions, supplementing the bilateral ENP policies; regional cooperation measures involve at least two partner countries.
Rule N+1	Rule under which each financing contract is concluded no later than the end of the year following the year of the Commission's decision adopting the joint operational programme.
Rule N+3	Rule under which, where funds are not contracted three years after commitment, the authorising officer may decommit them.
Strategic partnership	This covers what are known as the four 'common spaces' of cooperation between the EU and Russia, i.e., common economic space; common space of freedom, security and justice; common space of external security; common space of research, education and culture.
Suspension clause	Clause that may be inserted in calls for project proposals under an ENPI CBC programme to allow for applications by bodies from partner countries that have not yet signed the financing agreement at the time of those calls.
Symmetrical projects	Projects where similar activities are carried out in parallel in Member States and in partner countries.
Thematic cooperation	Cooperation on priority themes in the framework of ENPI cooperation.

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SUMMARY

Basic concepts

We are living in economies in which the concept of 'relationship' is central not only to wealth production but also to the exchange of experience and good practice in territorial development, the acquisition or sharing of knowledge on a basis of solidarity, the search for and consolidation of mutual trust and security between 'home' and 'elsewhere'.

The world that has opened up over the past few decades is a world of multi-ownership and conflict between unity and diversity. The question that very soon arose at Community level was how to 'create community' together and reach beyond the existing borders, at a time when the far is also the near, when globalisation is being experienced at local level. For it will always be necessary to 'create community' across borders, with neighbouring communities.

A particular issue is how to 'create community' in a project for the future, i.e. be united by diversity and not only similarity, around a common purpose and a shared memory. The idea of a 'community of neighbouring local and regional partners' is certainly central here, for even if there will always be conflicts of interest between social groups, they must certainly cease to play the central role they did in the past, given the need to react jointly to the twofold change of scale in the world – internal and external.

A society that is fragmented by borders must seek and find ways to unite if it is to be capable of developing shared projects and creating real solidarity, while still focusing on the main objective, which is to protect the respective values within a new context. That is certainly what justifies the founding principles of cross-border cooperation and, hence, of the European Neighbourhood Policy as a whole. They are as follows:

- active participation by all the actors concerned;
- search for dialogue and complementarity between various actors;
- decentralised management;
- adoption of a 'process approach';
- giving priority to capacity building and institutional development;
- a pragmatic vision of cooperation.

The context

The European Neighbourhood and Partnership Instrument (ENPI) implements the European Neighbourhood Policy (ENP). The ENPI, in force since 1 January 2007, replaces the TACIS (Eastern Europe) and MEDA (European countries) programmes of earlier programming periods. This instrument, with a budget of nearly EUR 12 billion for the period 2007-2013, supports 17 partner countries: 10 Mediterranean countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria, Tunisia); 6 Eastern European countries (Armenia, Azerbaijan, Republic of Belarus, Georgia, Republic of Moldova, Ukraine), and Russia.

There are various forms of ENPI cooperation: bilateral; regional (ENPI-South and ENPI-East); and, in particular, cross border cooperation (CBC) (i.e. between countries sharing a land or sea border).

Cross-border cooperation is a new feature of the programmes for the period 2007-2013. It is cofinanced by the ERDF and the ENPI to support partner countries that share borders with the EU and, more specifically, to improve the economies of border regions and the social links between them.

Joint Operational Programmes

Regions of EU Member States and regions of partner states that share a land or sea border or a sea basin (in this case, the Baltic Sea, Black Sea and Mediterranean Sea Basins) are establishing joint operational programmes (JOPs) on the basis of the ENPI CBC Strategy Paper.

JOPs are defined jointly by the participant countries, which set up 'Joint Task Forces' of their representatives, mainly on the basis of Regulation (EC) No 1638/2006 of the European Parliament and the Council of 24 October 2006 on the general principles of the ENPI, and Regulation (EC) No 951/2007 of the Commission of 9 August 2007, which lays down the rules governing cross-border cooperation programmes. The programmes are implemented in the framework of joint management carried out by a Joint Monitoring Committee (JMC), a Joint Managing Authority (JMA) and, possibly, a Joint Technical Secretariat (JTS).

The partner countries concerned were fully involved in JOP drafting by the Joint Task Forces, whereas their role in the process of drafting the relevant regulations and the Strategy Paper was largely advisory. In that sense, it could be said that the first moment the partnership principle was truly applied was during the activities to determine the content of the JOPs.

As regards financing, up to 5% of the ENPI's overall budget is allocated to cross-border cooperation programmes. The partner states must provide cofinancing that represents at least 10% of the Community contribution. That EU contribution, i.e. funds from the ENPI plus the proportion from ERDF funds, comes to a total of EUR 11 184 million for the period 2007-2013 (EUR 583 million for the period 2007-2010 and EUR 535 million for 2011-2013 following the European Commission's evaluation of all the JOPs).

For the first 2007-2010 period, nine JOPs were to be established for regions sharing a land border, three JOPs for regions sharing a sea border and, finally, three JOPs for regions situated around a sea basin.

All 15 of these initially projected programmes have been adopted, except for the Spain-Morocco Programme and the Atlantic CBC Programme, largely because of territorial disputes between the two countries.

The European Commission adopted the other JOPs in 2008, i.e. more than a year later than anticipated. An exception is the Baltic Sea Region Programme, which was adopted in December 2007.

Land border programmes	Sea crossing programmes
Kolarctic – Finland/Russia Programme	Spain/Morocco
Karelia – Finland/Russia Programme	Atlantic CBC Programme
SE Finland/Russia	Italy/Tunisia
Estonia/Latvia/Russia	
Latvia/Lithuania/Republic of Belarus	**Sea basin programmes**
Lithuania/Poland/Russia	Baltic Sea Region
Poland/Republic of Belarus/Ukraine	Black Sea Basin
Hungary/Slovak Republic/Romania/Ukraine	Mediterranean Sea Basin
Romania/Republic of Moldova/Ukraine	

That old-up also delayed the launch of calls for project proposals. As a result, the only projects that have been approved relate to the Baltic Sea Region Programme. Other factors, such as the inflexibility of the ENPI implementing rules (e.g. the Practical Guide to Contract Procedures for EC External Actions) have increased the delays.

The priorities set out in the adopted programmes generally appear consistent with the priorities defined in the European Commission's Strategy Paper, although each programme assigns a different 'weight' to each priority, depending on the specific features of the region concerned and the specific national rules of the countries concerned. For example, some countries regard the priority of 'efficient and secure border management' as a matter to be regulated purely at national level.

It is worth noting two atypical situations, which depart to some extent from the ENPI principle:

- the first concerns the Baltic Sea Region Programme, in which eight EU Member States, Norway, and only two partner countries – Russia and the Republic of Belarus - participate. It is designed as an integrated programme that combines the ENPI's cross-border approach to the sea basin with the ERDF's Baltic Sea Region transnational cooperation programme;

- the second concerns the Black Sea JOP, which will be funded not only from the ENPI and ERDF but also from the Instrument for Pre-Accession Assistance (IPA), to provide for Turkey's participation.

The projects

To date, only the Baltic Sea Region and the Mediterranean Sea Basin Programmes have launched calls for proposals.

In the first case, two calls have now been launched: the first in February 2008, following which 24 projects have been approved; the second in January 2009, for which the proposals received (total of 86) are currently being evaluated. Those programmes had the advantage of being able to draw on the experience the participating countries had accumulated over a period of about 10 years of cooperation under two transnational programmes of cooperation among EU Member States: INTERREG IIA (1997-1999) and INTERREG IIIA (2000-2006).

The Baltic Sea Region Programme is basically a European transnational cooperation programme (under the 'European Territorial Cooperation' objective of the Structural Funds for 2007-2013) but includes an ENPI cross-border cooperation component relating to two partner countries: Russia and the Republic of Belarus. Because of the special nature of that programme, the ENPI finances activities carried out in the eligible territories of the partner countries, as provided in the Strategy Paper, while the ERDF finances only activities carried out within the EU border. The management and implementing rules are laid down in the Structural Funds regulations and, in specific cases, indicated explicitly in the JOP under the ENPI regulations.

Although, within the general framework of ENPI CBC programme implementation, the fact that this particular programme has reached a more advanced stage is an exception and, therefore, a positive factor, on the other hand it should be noted that the programme is faced with very complex management problems that may prejudice the achievement of some of its key objectives. Indeed, for reasons its authorities have not officially communicated, Russia has not signed the financing agreement with the European Commission. That means that the partners of the Russian regions eligible for the programme will not be able to obtain ENPI funding. They remain entirely free to participate in cooperation projects, but only on the basis of own funding (in particular, Russian national funds). They could obtain ERDF cofinancing under certain conditions (expenditure must benefit the EU partners). Moreover, ERDF cofinancing would in any case be limited to 10% of the ERDF resources allocated to the project. The project leaders are currently redefining the activities and expenditure in order to adjust to this new situation.

For its part, the European Commission is currently considering reviewing the ENPI funds originally allocated to the programme, given that the Republic of Belarus may not be capable on its own of absorbing all the funds released by the absence of the Russian partners. Moreover, very few Belarusian entities are involved in the recently approved projects and that situation is not likely to change significantly in future.

In regard to the outcome of the first call for proposals, the 24 approved projects involve 442 partners. Those projects are more or less equally distributed between the programme priorities (relating to the following areas: 1 innovation; 2 accessibility; 3 Baltic Sea management; 4 attractive cities and regions), except in the case of the second priority, where only one project has been approved.

Regarding participation by the partner countries in the projects as a whole, while there are signs of a strong (albeit hypothetical for the time being) presence of Russian bodies (36 in all), very few Belarusian bodies are involved (4 in all, participating in 3 cooperation projects).

In the case of the Mediterranean Sea Basin Programme, the call for project proposals was launched on 19 May 2009. The reason why more progress has been made with this call than in the case of all the other approved ENPI CBC programmes is because the final programme was adopted in August 2008, i.e. four months before the others. Another relatively more advanced programme, in terms of implementation, is the Black Sea Basin Programme, where the first call for proposals is likely to be launched before summer 2009.

Problems

The European Neighbourhood Policy, including of course its cross-border strand, is still a fairly recent policy. It is, therefore, difficult to make a complete and reliable assessment of it. In terms of the cross-border strand, however, the start-up phase of its implementation has already brought certain problems to light:

- in 2006 the European Union adopted a new single instrument designed to remedy the weaknesses of the earlier instruments (TACIS and MEDA), which were also used for cross-border cooperation over the previous programming period. Nonetheless, as things stand today, the Strategy Paper and the two regulations respectively establishing and implementing the ENPI still need the support of other practical tools to ensure that the desired policy is implemented adequately. Indeed, the Joint Managing Authorities believe that the tools used to date for EU external assistance cannot be used as such for the part of the programmes that the Member States have to implement. Moreover, mechanisms are needed to coordinate the programmes, to prevent any duplication of financing and ensure complementarity and synergy in the shared areas;

- there has been a considerable delay in the operational implementation of the single instrument. One reason is certainly the complexity of that instrument, but others also seem to play a part: the shortage of human resources in the European Commission services and the fact that it is now impossible to finance the programmes' management structures until the European Commission has adopted those programmes;[1]

- the difficulties encountered in relation to Russia's signature of the financing agreements may prevent the start-up of five cooperation programmes in which Russia is the only partner country.[2] Russia has already been excluded from the Baltic Sea Region Programme and may not be able to take part in the Black Sea Programme;

- difficulties between Spain and Morocco are hindering the preparation of the bilateral programmes. Some of the funds initially budgeted are already lost and there is a risk that all the funds allocated for the Atlantic and Spain-Morocco programmes will be forfeited. Moreover, that problem has forced Morocco to suspend its participation in the Mediterranean Sea Basin Programme. That, together with non-participation by Algeria, has greatly reduced the chances of cooperation in the Maghreb area.

The problems described above have already led to a number of automatic decommitments; others are almost certain to come. Notwithstanding the initial hopes, these situations may well awaken doubts about the very effectiveness of the neighbourhood policy and its cross-border component. That would justify introducing measures to make the ENPI operational management rules more flexible.

Conclusions and Recommendations

Although the programmes are still at the initial stage and despite the risks that half of them may come to nothing and the scepticism of a good number of partner countries, the bodies consulted generally feel positive about the creation of the single instrument. That is why, apart from hoping that a way may be found to overcome the current difficulties encountered with Russia and Morocco, the European Parliament could propose and argue that the European Commission should adopt a number of both short and medium-term measures to improve the effectiveness of the joint operational programmes:

[1] ERDF European Territorial Cooperation Programmes, which are similarly complex, also regard as eligible the management expenditure incurred by the programme management structures as from the month of January 2007.

[2] Those programmes are as follows: South-East Finland-Russia, Karelia-Russia, Kolarctic-Russia, Latvia-Estonia-Russia, and Poland-Lithuania-Russia.

(a) Short-term measures:

- **this first generation of ENPI CBC programmes could be regarded as a pilot stage in preparation for the next programming period.** That would mean guaranteeing a system of managing the know-how acquired by the current Joint Managing Authorities with a view to improving the preparation, launching and implementation of the programmes during the period 2014-2020. Unless such a system is activated immediately, there is a risk that all the lessons learned from the current stage will go to waste;
- **a version of the PRAG could be drafted that was targeted especially at cross-border cooperation projects.** INTERACT ENPI and all the management authorities should be involved in its preparation. Meanwhile, the European Commission and its EuropeAid office should **show flexibility** in regard to the adjustments proposed by the programmes, without treating them all as derogations;
- **EuropeAid, INTERACT ENPI and the Joint Managing Authorities could jointly develop tools to be used at programme level**, such as: terms of reference for the Joint Managing Authorities' external auditors; definition of internal audit procedures and reports; terms of reference for the control of projects by sampling; detailed procedure for recoveries; model annual report on programme implementation, etc;
- **continuous technical assistance could be provided under the Regional Capacity Building Initiative (RCBI), at least until the finalisation of a first cycle of projects** (calls for proposals, approval, implementation). There is also a need to reconsider the prevailing view that capacity building is necessary only in the partner countries. Such assistance also seems vital to the success of programmes in Member States that have no experience of using the Practical Guide;
- **specific coordination procedures could be defined and implemented to avoid any duplication of financing between ENPI CBC programmes and other ENPI programmes.** Joint tools are needed, because there is a real chance that some European territorial cooperation programmes may overlap with several existing ENPI CBC programmes covering the same areas;
- **mechanisms could be created to coordinate all the Joint Managing Authorities of those two instruments, among themselves and with the European Commission**: e.g. sharing of data bases on partners with a view to checking their eligibility. This kind of tool could be managed by INTERACT ENPI;
- **networking between the various Joint Managing Authorities could be reinforced and formalised, in cooperation with INTERACT ENPI**;
- **the EuropeAid team responsible for implementing the single instrument could be strengthened**, to ensure that it has the necessary skills and experience to address the specific cultural features of the geographical areas covered by ENPI CBC. That team should have a minimum degree of stability over time.

(b) Medium-term measures:

The following improvements are proposed for the medium term. They should be considered as of now so that they can be applied towards the end of the current period or no later than the next programming period (2014-2020):

- **the rules could be changed so that eligibility for expenditure incurred during the preparation of the programmes can be made retroactive**. Indeed, if the expenditure incurred by the programme management structures remained eligible only as from the adoption of the programme by the European Commission, that would seriously slow down the development process. The only reason there could be a negotiation phase for this first generation of programmes was that the EU Member States supported this expenditure by drawing on their national budgets. The European Commission has directly supported expenditure incurred by the partner countries;
- **the PRAG, and any adjustments that may be made at this point, should be revised towards 2011 or 2012**, to check whether they are effective and whether any further improvements are needed to adjust the guide more closely to future cross-border cooperation. The analysis should be based on an evaluation of the way they function in the various programmes;
- **a new 'codecision' mechanism should be defined during the ENPI CBC preparation stage for the period 2014-2020**. Even if they are only observers in some ENPI committees, the partner countries should be more closely involved in preparing the regulative and organisational framework, in the same way as the Member States. Real cooperation and joint programme development cannot be based on rules imposed by the European Union;
- **there is a need for closer dialogue with the European Commission's Directorate-General for Regional Policy (DG REGIO) and a more detailed look at the European territorial cooperation mechanisms, as a means of improving ENPI CBC programme management**. Naturally the ENPI experience may also, in its turn, prove very useful to the European territorial cooperation programmes, especially in terms of procedures and ensuring the transparency of project selection procedures. A clear separation between the functions of the Joint Technical Secretariats and the ENPI CBC project Selection Committees is an asset that must not be lost;
- **the national authorities involved in programme management could be given more responsibility**. That greater responsibility should be accompanied by the appropriate provision of human and financial resources;
- **'macro managing authorities' could be created to somewhat simplify the programme management structures while also making them less fragmented.** That could be done by grouping the management of several joint operational programmes to cover larger geographical areas, accompanied by sub-programmes defined by borders and basins. That would create more consistent and experienced teams, concentrate resources, simplify the European Commission's task of monitoring and supporting the programmes, and make it easier to redeploy funds in the event of a JOP being blocked. An alternative solution might be to give a power of general management and coordination to three or four **'regional macro monitoring committees**' that would cover a number of JOPs, each managed by sub-management authorities made up of the partners of each of the JOP's states, assisted by a suitably structured JTS;
- **genuine, sustained assistance could be provided for potential project stakeholders** in partner countries that do not have the same experience or support structures as the EU partner countries;

- **the criteria for defining the programmes' eligible territories could be revised in the next Strategy Paper** prior to programme adoption, involving the countries concerned, including the national authorities of the EU partner countries, more closely;
- with a view to achieving all the above under the best possible conditions, it would be highly desirable for the European Parliament to propose to the European Commission that it carry out three separate '**opinion polls**' in the cooperation regions, to sound out, on either side of the borders, the most representative pubic and private partners, with a view to revising to some degree the regulations, the strategy and the implementing procedures and adapting them more closely to the heterogeneous nature of the geographical, political and socio-economic situations of the various partner countries, while adhering to the founding principles of cross-border cooperation and its ultimate objectives.

Lastly, perhaps it would be advisable for the European Parliament to propose, for the future, a **different organisation of the European Commission's competent services with a view to removing the rather artificial distinction between those responsible for the general approach and policy guidelines and those who are responsible for implementing the ENP.** Moreover, those services should be equipped with an adequate number of suitably qualified personnel, to take account of the heterogeneous nature of the respective geographical situations and cultures. If the services in question had been organised in a more integrated manner and had more consolidated knowledge of the diversity of national and local attitudes and mindsets, that might have avoided the difficulties encountered with Russia, Morocco and other southern and eastern Mediterranean countries.

1. INTRODUCTION

KEY ASPECTS

Principles underlying the basic concepts of all territorial cooperation:

- **active participation**, i.e. giving responsibility to all the families of actors, taking account of differences of culture, standard of living and organisation;

- **ensuring cooperation and complementarity between the various actors**;

- **decentralised management:** the delegation of management (including financial management) responsibilities to a level that is as close as possible to the actors concerned;

- **adoption of a 'process approach'.** Duration is a vital aspect: it takes time to achieve genuine participation on the part of the local actors involved and their 'ownership' of the objectives, actions and results;

- **giving priority to capacity building and institutional development.** The purpose of decentralised cooperation is not simply to respond to material needs but at the same time to strengthen the potential for action and the management of local initiatives;

- **a practical and pragmatic vision of cooperation.** Cooperation must be reflected in practical projects leading to tangible results for the recipients and inhabitants; only then can it be collectively accepted by local people.

1.1. Basic General Concepts of Decentralised and Cross-border Cooperation

1.1.1. Territorial Borders and Identities

While borders demarcate human and political territories, at the same time they deny geographical proximity and break up territorial continuity.

On the one hand, there is the physical proximity of neighbourhood, which has given rise to the organisation of exchanges based on territorial proximity and complementarity for centuries, since before the very existence of the states. On the other hand, borders reflect the immaterial, yet very real distance created by belonging to different types of state, with all the practical implications that has in terms of general administration, management of public services, benefits and obligations for inhabitants, local authority hierarchies, and so forth.

Borders thus demarcate and separate different institutional structures and systems of membership and of solidarity. They reflect the territorial power of institutions and refer simultaneously to two parameters: the territory and the institutions. Moreover, borders are both a geographical and also a political and institutional concept.

Borders are, therefore, of particular significance to political institutions whose task is specifically to govern or administer a specific territory: states or local authorities.

Sea basins are a particular aspect of borders and of territories where, over the centuries, voyages and exchanges have been organised between territories where prevailing cultures, rules and organisations differ.

Some may want a border because it allows for the positive demarcation of an area of identity, creates a sense of community, an area of solidarity that they do not wish to share with outsiders. In a sense, they want to live inside a protective shell, to assert the development of a specific, distinct identity, which becomes more intense the more it is threatened.

Equally, some people may not want to set up new territorial borders but simply to maintain the existing ones peacefully, because their sense of sharing a common destiny dates back a long time and is not fundamentally in question.

In terms of economic competition, although the differences between territories continue to reflect different levels of qualification, labour costs or purchasing power, they also tend to crystallise over time. For example, a territory that is nearby offers an opportunity to produce and distribute more rapidly, to adjust more quickly to changes in demand – essential qualities in an economy based on rapid response and flexibility.

Proximity as such can no longer be reduced to a purely geographical and territorial context but increasingly includes a temporal dimension, measured by distance-time. That clearly shows the fluidity of economic borders: **they depend largely on cross-border cooperation, centred around the exchange and transfer of knowledge and know-how, speed and the cost of communication infrastructures, a whole complex of relational systems, often separated only by political borders**. This is where the full significance of dematerialising the concept of territory emerges.

As a result of decisions by local representatives and civil society and of following other examples, new territorial configurations, no longer linked to the physical territory but to systems of relations, may therefore become superimposed on a territory that was marked by a certain geographical continuity and riven by cultural and national borders.

1.1.2. Assets and Drawbacks of Decentralised Cooperation

Decentralised cooperation has gradually emerged as a Community priority, thanks to the part it plays in consolidating relations with partner countries. For example:

- it institutionalises and instrumentalises historical relations of proximity and neighbourhood;
- it represents an effective means of speeding up territorial development, through transfers of know-how and good practice;
- it contributes to the integration of the European continent;
- it promotes economic and social cohesion by associating actors from less-favoured territories;
- it helps open up the Community's outlying areas and partner countries' adjacent areas;
- it gives impetus to local development;

- it promotes the transition from a culture based on the concept of competition to a culture based on the values of cooperation, which makes the territorial authorities better equipped to meet the challenges of globalisation;
- ultimately, it makes Community action more visible to the citizens.

In the context of decentralised cooperation, the importance of cross-border, internal and neighbourhood cooperation, as well as sea basin cooperation, is self-evident, in that it is an expression of cooperation between elected representatives, enterprises, public administrations, cities, etc.

Difficulties remain at institutional and legal level, because of uncertainty about the legal nature of agreements concluded by territorial authorities, or about the legal remedies and rules applicable in regard to financial responsibility.

Even today, local authorities, whether in the European Union or neighbouring countries, find themselves faced with a formidable array of legal instruments, ties of dependency and interdependency, produced or prompted by European policies.

In that context, the European Commission's confirmed tendency to decentralise operations such as calls for project proposals, project selection or financial responsibility, may prove a problem, because it risks creating implementation difficulties, misunderstandings, a widespread sense of unease and anxiety and, in the final analysis, may call into question the very objectives of cooperation policy.

2. HISTORICAL BACKGROUND TO THE EUROPEAN NEIGHBOURHOOD POLICY

KEY ASPECTS

- The evaluation of past experience has highlighted the importance of genuine cooperation based not simply on assistance between the European Union (EU) and its immediate neighbours: active participation by the territory enhances local actors' sense of belonging, knowledge and responsibility with regard to their own territory.

- Developing small and medium-sized projects at civil society level, which encourages all the stakeholders in the territory to participate and tends to focus on social and cultural questions, has proved just as important as economic issues.

- It is vital to continue along the road of greater decentralisation at the level both of programming and of programme implementation and management: it is very important to establish a system of simplified and flexible procedures that is consistent with the structural and administrative characteristics of the countries concerned.

- Greater decentralisation should always be preceded by a transitional learning phase, for which the Commission should retain responsibility.

2.1. Origins and Special Features of Cross-border Cooperation in Europe

Like all complex phenomena, cross-border cooperation in Europe was born of a combination of specific factors and circumstances. Generally, the objective of the actors involved in that cooperation is to compensate for the structural disadvantages imposed on a territory by its peripheral situation within the state concerned and by the systemic limits (whether legal, political, economic, social, linguistic, cultural, religious or other) resulting from the contiguity of an international border, whether land or sea. Moreover, local actors situated on either side of certain borders who come under different systems but share common problems and/or interests (migration, pollution, regional development or security issues, governance, etc.) will try to join forces in seeking pragmatic solutions to their needs, without necessarily or always going through the traditional channels of inter-state relations. That is to say, they will try to resolve a problem that is both cross-border and local without letting it turn into an international issue; otherwise all the local actors, public and/or private, would be forced to turn to their capital, with the exception, however, of the local actors of certain countries in the southern Mediterranean in particular.

Two factors, connected with the relative importance of European borders, justify the development of cross-border cooperation in Europe. First of all, Europe's borders, more than any others, bear the 'scars of history'.

Secondly, the relevance and permeability of Europe's borders is changing rapidly. To a large extent, in fact, the aim of significantly reducing the relevance of national borders to European economic actors lies at the heart of the process of European integration.

That phenomenon is further reinforced by the achievement of economic and monetary union and the abolition of border controls, which has led to a twofold dynamic in relation to European borders. As internal borders have become less significant, external borders have tended to close more firmly, because access to the EU, as a non-compartmentalised area, requires stricter controls than access to a purely national territory.

These two dynamics have made it necessary for the main actors in cross-border cooperation to cooperate more closely. Indeed, the 'densification' of external borders makes cooperation aimed at overcoming the 'border effects' this generates all the more necessary. In other words, as a result of the European integration process the needs that lay at the origin of the development of cross-border cooperation not only remain but are becoming more accentuated, in the case of both internal and external borders.

Moreover, now more than ever, Europe cannot expect to develop if it shuts itself off from its immediate environment, turned in on itself, with no regard for its eastern or southern borders. Its future and its prosperity depend on it.

2.2. Gradual Mainstreaming of Cross-border Cooperation into the Community's Regional Policy

The first regulation establishing the European Regional Development Fund (ERDF) in 1975 contained extremely timid references to cross-border cooperation, although the issue was noted. Subsequently, Article 10 of Regulation (EEC) No 2083/1993 laying down provisions for implementing ERDF Regulation No 2052/1988 provided for the financing of two types of action: (a) studies aiming to identify the spatial consequences of measures planned by the national authorities, particularly major infrastructures, when their effects go beyond national boundaries, and measures aiming to correct specific problems of the border regions within and **outside** the Community; (b) pilot schemes which constitute incentives to the creation of infrastructure, investment in enterprises and other specific measures having a marked Community interest, in particular in the border regions with and outside the Community.

As a result, initiatives taken on the basis of interregional cooperation led to the development of a number of new programmes. Among them, it is worth noting the ECOS-Ouverture programme. Its objective was cooperation between the regions of the European Union (EU) and the regions of the Eastern European States (subsequently broadened to include the New Independent States (NIS)) and the territorial authorities of the Southern Mediterranean States.

Apart from that initiative, the TACIS programme of assistance to partner states in Eastern Europe and Central Asia, and the MEDA programme, the main partnership instrument born of the Barcelona Process for the Mediterranean until 2007, are particularly important as the most direct forerunners of the new European Neighbourhood Policy (ENP).

2.3. Early European Union External Cooperation Programmes: TACIS and MEDA

2.3.1. The TACIS Regional Programme

The TACIS programme, which the European Union launched in 1991, was designed to be a programme of technical assistance for the newly independent countries that had emerged after the break-up of the Soviet Union.

The programme measures were aimed mainly at democratic reform and the transition to a market economy oriented towards the West, primarily towards the European Community; since otherwise these measures would have been carried out in a context without adequate institutional, administrative or regulatory instruments at local level. The European Commission in Brussels remained directly responsible for programme management.

It is worth noting that during this first stage of the programme, which ran until 1999, an important innovation was the creation in 1996 of the cross-border TACIS programme (TACIS CBC). That programme heralded the start of cooperation between the regional authorities on either side of the border between the European Union and the Republic of Belarus, the Republic of Moldova, Russia and Ukraine, and the execution of cross-border projects.

The cross-border aspect of the programme came up against the same difficulties as the programming as a whole: a lengthy preparatory phase and the managerial weakness of the local authorities led to serious delays and meant the programme did not have the desired impact. The biggest problems arose with large-scale projects, although few were planned, while small projects produced more favourable results.

The evaluations of that first programming phase highlighted the weaknesses in regard to investment and infrastructure support, local participation, and the fact that the European Commission had not made adequate efforts to improve communications between border enterprises.

When the necessary adjustments were made, they should have taken into account the advisability of coordinating the TACIS-CBC programme with other cooperation measures in the regions concerned, in particular with the PHARE programme (the main programme of aid to the Central and Eastern European candidate countries) and INTERREG (the Community programme to promote interregional cooperation within the EU).

Regulation (EC, EURATOM) 99/2000 of the European Council, of 29 December 1999, which entered into force in 2000 (for the 2000-2006 programming period) launched a new stage in the programme, finally featuring a genuinely cooperative approach rather than merely assistance, together with sustained encouragement for cross-border cooperation.

In particular, that regulation paved the way for joint programming and decentralised project management; it encouraged the cofinancing of projects; it introduced a system of multiannual, integrated programming; it concentrated funding on a certain number of large-scale sectoral measures in each of the partner states; it foresaw the need for a system of coordination with the PHARE programme but also with programmes financed by the Structural Funds, the Community's external assistance programmes, and bilateral assistance initiatives.

Part of the funding could be used to support investment in sectors of cross-border cooperation and to promote small and medium-sized enterprises (SMEs) and environmental protection infrastructure. These adjustments did, therefore, take account of the experience gained from the preceding programming period and improved the system and the project implementation: the principles of programming, decentralisation and devolution of project management to local actors helped build up local operators' administrative experience and also fostered a sense of belonging and therefore of responsibility among project partners in the context of the programme.

Some of the positive aspects of TACIS programme management from the outset included the monitoring system and, as from 1997, the creation of an electronic data base, the Monitoring Information System (MONIS), for carrying out comparative analyses that helped improve the effectiveness of the measures concerned. Yet the system was hampered by the fact that it covered only major projects requiring large amounts of funding, whereas TACIS basically funded small projects.

The programme formed part of the Results-Oriented Monitoring System (ROM) set up by the European Commission for monitoring regional cooperation programmes under the European Neighbourhood Policy.

2.3.2. The MEDA Regional Programme

From the end of 1996 to the end of 2006, the European Union allocated real and specific Euromed partnership resources to the Mediterranean Sea Basin, mainly via the MEDA instruments: MEDA I (1995/1999: Council Regulation No 1488/96) and MEDA II (2000/2006: Regulation (EC) No 2698/2000). They were launched at the 1995 Barcelona Conference between EU Member States and the 13 partner countries: Algeria, Cyprus, Egypt, Jordan, Israel, Lebanon, Malta, Morocco, Syria, Palestinian Territories, Tunisia, Turkey and Libya (with observer status).

Technically, the MEDA programme was designed to support reform of the social and economic structures of the countries concerned and to promote the achievement of the partnership priorities. It replaced various existing bilateral financial protocols with the Mediterranean Sea Basin countries concerned.

The main objectives of the partnership and, therefore, of the programme, were as follows:

- to establish a common Euro-Mediterranean area of peace and stability;
- to create an area of shared prosperity through the gradual establishment of a free-trade area between the EU and its partners and among the Mediterranean partners themselves;
- to develop human resources, promote understanding between cultures and rapprochement of the peoples in the Euro-Mediterranean region.

Cooperation under the MEDA programme was based on bilateral programmes and multilateral regional programmes.

At bilateral level, the programme was governed by the association agreements, based on the objectives of partnership, between the European Commission and various states (Algeria, Egypt, Jordan, Lebanon, Morocco, Palestinian Territories, Tunisia and Syria), while multilateral cooperation activities focused on transnational matters of common interest and also covered the states of Israel and Turkey.

That first stage of MEDA activity was important, particularly in relation to the process of negotiations with partner countries that concluded with the signature and ratification of association agreements on the part of all the countries concerned; the only negotiations that are not concluded are with Algeria, Lebanon and Syria, while Egypt ratified the agreement in 2000.

In terms of achieving the partnership objectives, however, the programme has not had much impact, because of a series of structural problems, including the fact that some countries found it difficult to introduce the reforms necessary to the actual implementation of bilateral agreements.

The process needed new impetus and to that end the European Commission produced a communication entitled 'Reinvigorating the Barcelona process', which triggered the meeting between the foreign ministers of all the partnership countries held in Marseille in November 2000.

The policy approach established following that meeting led to the modifications gradually made to the regulation. Among them, it is worth noting the introduction of the principle of multiannual strategic programming, the concentration of financial resources on a limited number of strategic programmes, and support for cross-border cooperation (alongside regional and sub-regional cooperation), on the basis of activities involving exchanges at the level also of civil society.

Moreover, the new MEDA programming phase coincided with the restructuring of the European Commission's external aid management system. In particular, that led to the creation of the EuropeAid Cooperation Office and the delegation of certain tasks and responsibilities relating to programme management to delegations in third countries.[3]

The mid-term evaluation of the MEDA II Programme highlighted the improvements compared with the preceding programme, especially in regard to the system of managing the project cycle.

Less satisfactory results emerged, however, in relation to the execution of large-scale projects and project control and monitoring systems, because the staff employed on project management were not sufficiently qualified. Moreover, in the case of small projects – aimed at promoting political and human partnership objectives building on the Barcelona acquis – the evaluation highlighted the fact that the European Commission had not make optimum use of their potential because of the fairly intensive management efforts required. At programme level, the evaluation found, in particular, poor coherence between strategic plans and indicative programmes.

[3] Since 2002, the process of decentralising powers from Brussels to the Commission delegations in Mediterranean third countries has speeded up the rate of implementation and noticeably improved the quality of the bilateral projects, now managed directly at local level. Under the new provisions, the delegations are closely involved in the programming and are fully responsible for the bilateral programme, as well as for a number of sub-regional activities. On the other hand, because of their geographical scope, some regional activities (e.g. regional programme, budget assistance, identification and preparation of projects) are still managed and controlled by the EuropeAid head office in Brussels.

3. THE EUROPEAN NEIGHBOURHOOD POLICY AND ITS SINGLE INSTRUMENT

KEY ASPECTS

- The new European Neighbourhood Policy (ENP) improves cross-border cooperation, not only by allocating extra funds but also by radically improving the implementing and financing mechanisms it applies.
- Within each of the different geographical contexts, the aim is to integrate the various cooperation activities while at the same time taking an individual approach to each country and specific area of cooperation. That means the structure of cooperation is differentiated and adjusted to each territory's institutional, regulatory, socio-economic and cultural characteristics.
- In operational terms, the creation of the European Neighbourhood and Partnership Instrument as a financing instrument and the establishment of rules and procedures is certainly the most notable factor of innovation compared with the past.
- Yet the mechanisms of this policy and its operational structures and procedures remain fairly complex.

3.1. The European Neighbourhood Policy (ENP)

The European Neighbourhood Policy took shape in the context of and alongside the process of enlargement of the EU from 15 to 27 Member States (in 2004 and 2007), which has shifted the EU's external borders.

The ENP aims, in particular, to strengthen prosperity, stability and security along the borders. The process that led to the birth of the ENP began in March 2003. During that first stage it related to the following countries, which shared either land or sea borders: Algeria, Republic of Belarus, Egypt, Israel, Jordan, Lebanon, Libya, Republic of Moldova, Morocco, Palestinian Authority, Syria, Tunisia and Ukraine, joined in 2004 by the Southern Caucasus – Armenia, Azerbaijan and Georgia - and Bulgaria, Romania and Turkey, which at the time were still candidates for accession.

The priorities of the Neighbourhood Policy were to promote political dialogue, democracy and modernisation in the partner countries and to enhance economic and financial cooperation on energy.

Other aspects relating to EU external policy were the fight against terrorism and the proliferation of weapons of mass destruction, compliance with international law, in regard also to conflict resolution, and 'people-to-people' cooperation, i.e. a new form of cooperation aimed at the sustainable development of the region concerned.

A key aspect of the new policy is the promotion of cross-border cooperation along all of the Union's external borders by a combination of external policy objectives and economic and social cohesion, on an environmentally sustainable basis.

Key stages in the development of the ENP

March 2003: in its Communication No 104 from the Commission to the Council and the European Parliament: Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours, of 11 March 2003, the Commission launched the project of a European Neighbourhood Policy that included all the Euro-Mediterranean Partnership countries (except Cyprus, Malta and Turkey, which were candidates for accession) and the Eastern European countries of Ukraine, Republic of Belarus, Republic of Moldova and Russia.

July 2003: in its Communication No 393: Paving the Way for a new Neighbourhood Instrument, of 1 July 2003, the Commission set out a strategy for financing the ENP in two stages: the first, covering the period 2004-2006, provided for the coordination of existing financial instruments in the light of the ENP objectives; the second stage was the creation of a new ad hoc instrument for the post-2006 period.

November 2003: on 5 November 2003 the European Parliament submitted its report (A5-0378/2003) on Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours, in which it endorsed the basic position taken in the Commission's Communications No 104 and No 393 and suggested extending the ENP to the three republics of Southern Caucasus: Armenia, Georgia and Azerbaijan.

May 2004: in its Communication No 373: European Neighbourhood Policy – Strategy Paper, of 12 May 2004, the Commission set out the strategic objectives of the ENP and the criteria on which cooperation would be based: shared responsibility, differentiation, conditionality. It also defined the areas of cooperation - political reforms and human rights sector, security, structural economic reforms – and published Country Reports on the situation in just seven of the neighbouring countries (Morocco, Tunisia, Israel, Palestinian Territories, Jordan, Ukraine, Republic of Moldova).

June 2004: at the meeting of 17 and 18 June 2004, the European Council endorsed the general guidelines set out in the Commission's Communication No 373 and established the strategic partnership between the European Union and Russia (Conclusions of the Presidency of the Brussels European Council, 17 and 18 June 2004).

As stipulated by the European Commission, the period from 2004 to 2006 was devoted to coordinating the existing financial instruments of assistance for countries outside the EU, in line with the ENP objectives.

The 2004-2006 Neighbourhood Programmes were implemented under the earlier financial instruments for assistance to countries outside the EU. Some EUR 255 million (of which EUR 75 million for TACIS, EUR 90 million for PHARE and EUR 45 million for MEDA) were allocated to activities to be carried out during the stage of transition towards a new single neighbourhood instrument. Until 2007, TACIS and MEDA remained the main financial instruments of cooperation with the partner countries, but their activities tended towards supporting the ENP and, in particular, the creation of new programming instruments.[4]

Cooperation between the European Union and the partner countries has led to **Partnership and Cooperation Agreements** with the Eastern European countries and **Association Agreements** with the Mediterranean countries.[5]

These agreements have given rise to bilateral action plans agreed between the European Union and the partner countries. The plans cover the short and medium term and reflect the political agreement reached between the country concerned and the European Union on the objectives and priorities of future relations.[6]

In the context of cooperation with countries on the European Union's borders, the ENP is, therefore, a political structure, the framework for establishing the general objectives as well as the responsibilities of the governments on the one hand and the Commission on the other, while the new European Neighbourhood and Partnership Instrument serves as the financial means of implementing it.

The aim of the ENPI is precisely to provide support for and accompany the process of achieving the political, social and economic reforms set out in the agreements and action plans, and to implement the cooperation policies, including cross-border cooperation. It replaces the previous instruments and serves as the **new single instrument of cooperation** with Europe's eastern and southern neighbours, plus Russia (in fact, relations between the European Union and Russia have evolved not in the framework of the ENP but in the form of a specific strategic partnership that is, however, financed by the ENPI – hence the term 'partnership' in the definition). To that extent, the aim of this instrument is to simplify programme management and to ensure greater coherence between strategy and practical activities.

3.2. The European Neighbourhood and Partnership Instrument (ENPI) and its Cross-border Cooperation (CBC) Component

A brief look at the measures that preceded the entry into force of the ENPI shows the challenges that were to face the new ENPI programming: to strengthen the partner countries' capacity and tackle the process of reform and policy implementation; to decentralise responsibilities for project programming, preparation and implementation; to ensure closer cooperation and the effective participation of local authorities together with closer dialogue and coordination between the parties concerned.

4 Communication No 373 of the Commission of 12.5.2004: European Neighbourhood Policy - Strategy Paper, COM(2004) 373 final {SEC(2004) 564, 565, 566, 567, 568, 569, 570}; pp 26, 27.

5 There are still no agreements with the Republic of Belarus, Libya and Syria.

6 To date, 12 action plans have been approved; the action plans for the Republic of Belarus, Libya and Syria are not yet available.

Other possible improvements relate to making the monitoring and evaluation systems more systematic and using appropriate indicators. Past experience has also shown that concentrating resources on a limited number of intervention sectors is more likely to ensure programme coherence and more efficient management. It would, therefore, seem advisable for the new instrument to follow the same principle.

It seems equally important to draw up **efficient information plans with a view to encouraging the participation of all stakeholders and, at the same time, to establish procedures for avoiding any duplication of financing within a same area of cooperation.**

The ENPI works on the basis of principles such as programming, partnership and multiannual cofinancing and comprises four aspects: **bilateral and regional; interregional; thematic; cross-border.**

In the context of ENPI **bilateral cooperation**, the European Commission has approved a **strategy paper** for each of the partner countries concerned[7] and a **regional strategy paper** for the two areas of regional cooperation: the Eastern European countries and the Mediterranean countries. Those documents include an analysis of the situation for each sector of cooperation concerned and set out the strategic framework for cooperation between the European Union and the partner countries in the framework of the ENPI.

The national and regional indicative programmes set out the European Commission's operational indicators over a period of three years. The current strategy papers cover the period 2007-2013, while the indicative programmes cover the period 2007-2010, to allow for a mid-term evaluation and the introduction of the necessary adjustments. Finally, an annual action programme sets out a list of projects to be financed and the budget for the 12 months covered by the actual programme.

As regards the **interregional dimension**, an interregional programme[8] is to be set up to assist in the promotion of reforms, higher education and student mobility, cooperation among local actors in the partner countries and in the EU, and implementation of the ENP and the partnership with Russia.

Although the interregional programme is primarily designed to finance activities to be implemented at interregional level in order to promote visibility, coherence and administrative efficiency, the programme also aims gradually to strengthen dialogue and cooperation between the European Union and the ENPI, as well as between the EU's eastern and southern neighbours, i.e. to promote investment projects in the ENP partner countries and the southern and eastern ENPI regions.

In regard to **thematic cooperation**, there are five strategic programmes focusing on five priority themes: environment and sustainable management of natural resources (including energy); the role of non-governmental actors and local authorities in development; immigration and the right of asylum; food security; and social and human development.

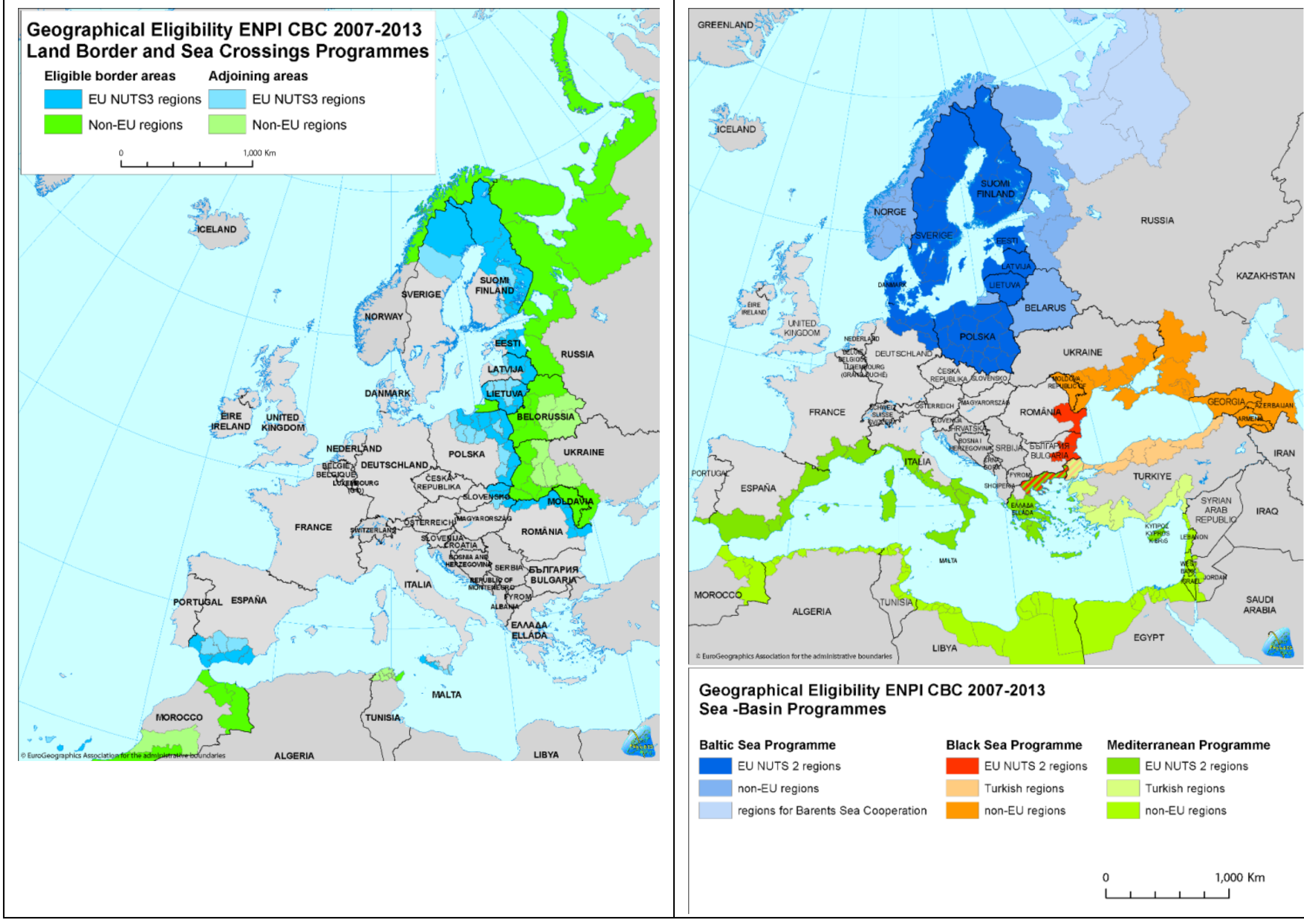
[7] No documents are available on Libya and the Palestinian Occupied Territories.

[8] In regard to the Interregional Programme, a Strategy Paper for 2007-2013 and an Indicative Programme for the period 2007-2010 are also expected.

Finally, the Strategy Paper for 2007-2013 on cross-border ENPI cooperation and the Indicative Programme for 2007-2010 adopted by the European Commission (see also Section 3.4) set out the **cross-border component of ENPI. Joint operational programmes (JOPs)** have also been established between Member State regions and the regions of partner states sharing a common border, on the basis of that strategy paper.[9]

Map 1: Geographical eligibility of ENPI CBC programmes:

Land and sea borders	**Sea basins**



Source: RCBI

The Cross-Border Strategy Paper states that 'the core policy objectives of CBC [...] are to support sustainable development along both sides of the EU's external borders, to help ameliorate differences in living standards across these borders, and to address the challenges and opportunities following on EU enlargement or otherwise arising from the proximity between regions across [...] land and sea borders.

[9] The JOPs relate in particular to the following territorial units:
- NUTS 3 territorial units, situated along the European Union's external borders;
- NUTS 3 territorial units, situated on either side of a sea and separated by a distance of at least 150 km;
- NUTS 2 maritime regions forming part of a common sea basin (in this case, the sea basins of the Baltic Sea, the Black Sea and the Mediterranean).

In particular, CBC is intended to help:[10]

- promote economic and social development in regions on both sides of the common borders;
- address common challenges, in fields such as environment, public health and the prevention of and fight against organised crime;
- ensure efficient and secure borders;
- promote local cross-border "people-to-people" actions.'

3.3. Financing

Up to 5%, i.e. EUR 527 158 933, of the total ENPI budget for 2007-2010 and EUR 11 184 340 000 for the period 2007-2013 are allocated to cross-border cooperation programmes. The amounts allocated to each programme take account of the specific characteristics and needs of the regions concerned, but also of their capacity to manage and absorb the Community resources assigned to them. In any case, the budgetary and the legal provisions governing JOP implementation are set out in each JOP and in the **financing agreement concluded between the Commission and each partner country.**[11]

Under the principle of cofinancing, it has also been established that the partner countries must contribute to JOP implementation **at least 10% of the amount of the Community contribution**, aside from the technical assistance financed from the Community contribution.

It is important to note that funding for the ENPI CBC programmes comes from two sources: first, from actual ENPI allocations and, second, from allocations from the European Regional Development Fund (ERDF).

In accordance with the ENPI CBC Strategy Paper, the two sources of funding are nevertheless presented under the same single budget line in Heading 4 of the EC annual budgets (with two sub-headings corresponding respectively to the ENPI and the ERDF contribution). Both sources of funding will contribute to each of the CBC programmes described here and may be used on either side of the EU external border, for actions of common interest.

The allocation of funds to the individual CBC programmes must take account of 'objective criteria, such as the population of the eligible areas and other factors affecting the intensity of cooperation, including the specific characteristics of the border areas and the capacity for managing and absorbing assistance.'

On that basis, the total funding available for ENPI CBC programmes for the period 2007-2010 at the start of the operations amounted to EUR 583.28 million, of which EUR 274.92 million was from the ENPI and EUR 308.36 million from the ERDF. For the period 2011-2013, the funding available at the start was a further EUR 535.15 million (EUR 252.23 million from the ENPI and EUR 282.93 million from the ERDF), which should have been made available following the results of the mid-term review of the strategy and the adoption of the Indicative Programme for the period 2011-2013. Since there have been

[10] These objectives were originally set out in the European Commission's Communication on CBC of 2003: Paving the way for a New Neighbourhood Instrument (COM(2003) 393 final, 1 July 2003) with a view to addressing the challenges facing external border regions.

[11] The agreement was concluded pursuant to the provisions of Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (see Article 9(8) of Regulation 1638/2006 laying down provisions establishing a European Neighbourhood and Partnership Instrument).

delays in implementing the programmes, as things stand the funding is as shown in the table below:

A total of EUR 1 118 433 420 is foreseen for the period 2007-2013

Table 1: Indicative financial profile per programme, year – total EUR (ENPI + ERDF in thousands of euros)

PROGRAMME	2007	2008	2009	2010	2011	2012	2013	TOTAL 2007-2013	ERDF	ENPI
Land borders										
Kolarctic-Russia	0	3 882	4 243	4 328	5 551	5 640	4 593	28 241	18 111	10 129
Karelia-Russia	0	3 189	3 486	3 556	4 561	4 634	3 774	23 202	12 451	10 750
SE Finland-Russia	0	4 974	5 437	5 546	7 113	7 226	5 886	36 185	18 111	18 073
Estonia-Latvia-Russia	0	6 567	7 179	7 322	9 392	9 541	7 771	47 774	23 887	23 887
Latvia-Lithuania-Republic of Belarus	0	5 737	6 271	6 397	8 205	8 335	6 789	41 736	20 867	20 869
Lithuania-Poland-Russia	0	18 163	19 855	20 252	25 975	26 388	21 492	132 129	76 498	55 631
Poland-Republic of Belarus	0	25 596	27 981	28 541	36 605	37 187	30 288	186 201	114 452	71 748
Hungary-Slovak Republic-Ukraine-Romania	0	9 435	10 314	10 520	13 493	13 708	11 164	68 638	40 971	27 666
Romania-Republic of Moldova-Ukraine	0	17 419	19 042	19 423	24 912	25 308	20 612	126 718	63 359	63 358
Sea crossings										
Spain-Morocco	0	21 545	23 552	24 023	30 812	31 302	25 494	156 731	78 365	78 365
Atlantic CBC	0	4 421	4 833	4 929	6 322	6 423	5 231	32 162	16 081	16 081
Italy-Tunisia	0	3 462	3 785	3 861	4 952	5 031	4 097	25 191	12 595	12 595
Sea basins										
Black Sea	0	2 378	2 600	2 652	3 402	3 456	2 815	17 305	8 652	8 652
Mediterranean	0	23 865	26 088	26 610	34 130	34 673	28 239	173 607	86 867	86 740
Baltic Sea	1 600	3 600	3 600	2 990	2 900	4 000	3 917	22 608	-	22 608
TOTAL	**1 600**	**154 233**	**168 266**	**170 950**	**218 325**	**222 852**	**182 162**	**1 118 428**	**591 267**	**527 152**

Source: Based on the Strategy Paper and information provided by the Joint Managing Authorities

The programmes will be subject to a mid-term evaluation, which will probably take place in 2010. The findings of that evaluation will no doubt give rise to adjustments to the ENPI CBC indicative programme for 2011-2013, given, in particular, the funds that will be decommitted in the meantime.

3.4. Legislative Bases and Operational Procedures

3.4.1. Legislation

The joint operational programmes of ENPI cross-border cooperation were defined jointly by the participating countries, on the basis of the following legislative documents:

- Regulation (EC) No 1638/2006 of the European Parliament and the Council of 24 October 2006, laying down the general principles establishing a European Neighbourhood and Partnership Instrument, with a view to providing Community assistance for the development of an area of prosperity and good neighbourliness involving the European Union and the countries and territories listed in the Annex;
- Regulation (EC) No 951/2007 of the Commission of 9 August 2007, laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006. In particular, that Regulation contains general provisions on the preparation, adoption and implementation of joint operational programmes (management structures and their functions, cofinancing rates, types of projects, monitoring and evaluation of programmes, technical assistance, information and visibility, etc);
- Strategy Paper for ENPI CBC programmes, provided for in Article 7 of Regulation (EC) No 1638/2006, and adopted in 2007, which establishes, among others, the list of joint operational programmes, their multiannual indicative envelope and the territorial units eligible for each programme, together with the key objectives of cross-border cooperation;
- Guidelines for Preparing CBC Programmes under the ENPI, which sets out the guidelines for drafting joint operational programmes;
- Practical Guide to Contract Procedures for EC External Actions (PRAG). This document contains provisions that supplement those of Regulation No 951/2007, regarding contract procedures, grants and standard documents and the corresponding model contracts;
- Communication and Visibility Manual for EU External Actions, which proposes tools to enable the development of a dynamic communication strategy and give adequate publicity to actions implemented thanks to EU support.

It should be noted that the above regulations and the ENPI CBC Strategy Paper were drawn up by the European Commission with the assistance of an ENPI committee made up of representatives of the EU Member States, pursuant to Articles 4 and 7 of Decision 1999/468/EC laying down the procedures for the exercise of implementing powers conferred on the Commission.

Under the partnership principle, the joint operational programmes were defined (and then submitted to the European Commission for adoption) by the countries participating in a process of dialogue in a 'Joint Task Force' (JTF). The Joint Task Forces were made up of an equivalent number of representatives of the countries involved in each programme, generally coming from the national level. At times they were assisted by ad hoc working groups, e.g. in the case of the Mediterranean Sea Basin Programme.

In accordance with the decentralised nature of the ENPI CBC programming process, the programmes were, therefore, drawn up on the basis of a bottom-up approach, with the programme partners sharing responsibility not just for defining but also for implementing the JOPs.

The following paragraphs set out a number of provisions that clarify key aspects of JOP implementation. They relate mainly to programme management structures, types of project and programme evaluation.

3.4.2. Management Structures of Joint Operational Programmes

Unlike in the past and, in particular, the programmes dating from the transitional ENP period, ENPI cross-border cooperation will be managed according to procedures defined by the JOP management structures, on the basis of common rules applicable to all the countries concerned, on both sides of the EU borders.

In particular, JOPs are implemented on the basis of shared management, carried out by a Joint Managing Authority (JMA), a Joint Monitoring Committee (JMC) and, possibly, a Joint Technical Secretariat (JTS).

The JMA is responsible for JOP management and implementation and for ensuring that operations are in accordance with the rules and procedures provided for by the relevant regulations. Selected jointly by the country participating in the programme, the JMA is situated in an EU Member State.[12]. Generally, it is a national, regional or local public law body, but may also be a private law entity assigned with a public service mission.[13]

Article 15 of Regulation (EC) No 951/2007: Functions of the Joint Managing Authority

2. The various tasks of the Joint Managing Authority shall include:

(a) organising and acting as a secretariat for meetings of the Joint Monitoring Committee, including drawing up the minutes of the meetings;

(b) preparing detailed annual budgets for the programme and payment requests for the Commission;

(c) drawing up annual operational and financial reports and sending them to the Joint Monitoring Committee and to the Commission;

(d) implementing, through its internal audit service, an audit programme to check internal circuits and to ensure that procedures are properly applied within the Joint Managing Authority; annual internal audit reports shall be sent to the Joint Monitoring Committee and the Commission;

(e) launching, after approval by the Joint Monitoring Committee, calls for tenders and calls for proposals for the selection of projects;

(f) receiving project applications, organising, chairing and acting as secretariat for selection committees, and sending reports including selection committee recommendations to the Joint Monitoring Committee and the Commission;

[12] At the same time, Article 10, Management of Programmes, of Regulation 1638/2006 provides that the JMA may be located in a partner country, on a proposal to the European Commission from the country participating in the programme and provided the designated body is in a position fully to apply the criteria laid down in Regulation (EC, Euratom) No 1605/2002, on the Financial Regulation applicable to the general budget of the European Communities. At present, no JOP has a JMA situated in a partner country.

[13] That is the case, for example, of the Baltic Sea Joint Operational Programme, where the JMA is the main national bank of Germany.

(g) following up the selection of projects by the Joint Monitoring Committee, signing contracts for the various projects with beneficiaries and contractors;
(h) carrying out the operational follow-up and financial management of the projects;
(i) immediately notifying the Joint Monitoring Committee of all contentious cases of recovery;
(j) carrying out any environmental impact assessment studies at programme level;
(k) implementing the information and visibility plan.

Within the JMA, operational and financial management functions are organised separately. Moreover, the JMA has an independent internal audit service that performs the functions of authorising officer, accountant and manager.

The JMC is the programme's decision-making body and ensures its sound execution. It is made up of one representative appointed by each country participating in the programme and, possibly, of associated members (including representatives of territorial authorities) who may have the right to vote.

Article 13 of Regulation (EC) No 951/2007: Functions of the Joint Monitoring Committee
As part of its functions with regard to the joint operational programme, the committee shall:
(a) approve the Joint Managing Authority's work programme;
(b) decide on the volume and allocation of the programme's resources for technical assistance and human resources;
(c) at each of its meetings, review the management decisions taken by the Joint Managing Authority;
(d) appoint the project-selection committees;
(e) decide on the selection criteria for the projects and take the final decision on projects and the amounts granted to them;
(f) at each of its meetings and on the basis of documents submitted by the Joint Managing Authority, evaluate and monitor progress towards the objectives of the joint operational programme;
(g) review all reports submitted by the Joint Managing Authority and, if necessary, take appropriate measures;
(h) examine any contentious cases of recovery brought to its attention by the Joint Managing Authority. […]

Each JMA may, with the prior agreement of the JMC, be assisted in the everyday management of the programme by a Joint Technical Secretariat.

Article 16 of Regulation (EC) No 951/2007: Joint Technical Secretariat
1. […] The operation of the Joint Technical Secretariat shall be financed from the technical assistance budget. 2. The Joint Technical Secretariat may, if necessary, establish small branch offices in participating countries for the purposes of informing potential beneficiaries in those countries of activities planned under the programme.

3.4.3. Types of Project and Selection Procedures

Regulation (EC) No 951/2007 defines the kinds of projects eligible for cofinancing under ENPI cross-border cooperation. It describes three types of project: 'integrated projects', where each partner carries out a part of the activities of the joint project on its own territory; 'symmetrical projects', where similar activities are carried out in parallel in Member States and in partner countries; and projects which are implemented mainly or entirely in a Member State or a partner country, but for the benefit of all or some of the other partners (also termed simple, ordinary or standard projects).

That regulation also describes another type of project eligible for ENPI financing: the 'large-scale project':

Article 2: Definitions
For the purposes of this Regulation, the following definitions shall apply:[…] 7) 'large-scale projects' means projects comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing cross-border investments […].

As regards project selection, Regulation (EC) No 951/2007 reserves the task of defining procedures to the JMA of the JOP, following the instructions set out in the PRAG. It also lays down the general rule that projects are selected following a call for proposals procedure. In the case of large-scale projects, there may be derogations from that general rule, subject to certain conditions specifically set out in the regulation:

Article 4: Content of Joint Operational Programmes:
[…] Nevertheless, the participating countries may also, in agreement with the European Commission, jointly identify large-scale cross-border investment projects which will not be selected through calls for proposals: these projects shall be specifically mentioned in the programme or be selected at a later stage by the Joint Monitoring Committee […] provided that they are consistent with the programme's priorities and measures and that there is a budget specifically for this purpose.

3.4.4. Evaluation of JOPs

Regulation (EC) No 951/2007 provides for a mid-term review of JOPs to be carried out during the revision of the programme in accordance with the ENPI Strategy Paper. In particular, the Strategy Paper requires that the mid-term review 'take into account any changes in the cooperation priorities, socio-economic developments, the results observed from implementation of the measures concerned and from the monitoring and evaluation process, and any need to adjust the amounts of financing available and thus reallocate the available resources across the different programmes.'

That evaluation is carried out be the European Commission and its findings are passed on the JMC and the JMA and may lead to adjustments in the indicative programme. The European Commission may also evaluate the joint operational programme or a part of it at any time. Moreover, the programme may be evaluated *ex post*, the year following the end of the implementing stage of projects funded by the JOPs.

3.5. Measures to Assist in the Preparation and Implementation of Joint Operational Programmes

The instruments the European Commission has provided for assisting in the execution of programmes include the Regional Capacity Building Initiative (RCBI) and the INTERACT ENPI Programme.

3.5.1. The Regional Capacity Building Initiative (RCBI)

The Commission created the RCBI to address the specific challenges presented by regional and cross-border cooperation, in particular those facing partners with little if any experience of the programming procedure.

RCBI is financed by the European Union and implemented by a private consortium. Initially, it was created to provide technical assistance to Russia, the Republic of Belarus, the Republic of Moldova and Ukraine, but in June 2006 RCBI broadened its scope to include assistance in preparing CBC programmes, under the new ENPI for 2007-2013. It also extended its support to three countries in South Caucasus: Armenia, Azerbaijan and Georgia, which were included in the EU Neighbourhood Policy.

RCBI helps participating countries to define JOPs and build up their capacity to prepare and implement projects. The main activities are to support states in preparing JOPs; assistance in JOP implementation and management; services relating to the preparation and running of events, media campaigns, and general services to provide information on ENPI CBC; and assistance to beneficiaries for project preparation.

RCBI experts have worked closely with the partner countries, EU Member States and the team of the Commission's EuropeAid Cooperation Office, to assist in developing the strategic content and the aspects of JOP management, auditing and control.

The RCBI website provides information on the support and events RCBI organises and links to detailed resources and information on other sites, such as the websites of ENPI CBC programmes and other Commission sites of interest. That site may also be useful to nationals of EU Member States and Turkey in the search for partners or any other information on ENPI CBC. The initiative will come to an end in December 2009.

3.5.2. The INTERACT ENPI Project

INTERACT is a project that was first launched in 2002, with ERDF funding, to improve the efficiency of the INTERREG III Community initiative, by networking the bodies responsible for the management of cross-border, transnational and interregional cooperation programmes.

Drawing on the positive experience gained during the first implementing phase of the ENPI Project, for 2007-2013, the European Commission launched, firstly, an INTERACT II Project, financed by the ERDF, covering European territorial cooperation programmes and, secondly, an INTERACT ENPI Project, financed by the ENPI, which covers external cross-border cooperation programmes.

The INTERACT ENPI Project was officially launched during the event entitled 'Main management challenges for ENPI CBC', held in Marseille, France, on 17 and 18 November 2008. It is mainly a technical assistance programme, set up by the European Union and managed by EuropeAid, with the general objective of providing guidance on management and implementation issues related to ENPI CBC programmes, with a view to improving cooperation between Member States and partner countries for the period 2007-2013.

More specifically, INTERACT ENPI helps to facilitate cooperation and communication between various stakeholders and provides information and advisory services on programmes, including on good practice in cross-border cooperation.

Its activities include the exchange of knowledge and information, setting up cooperation networks, information and communication services on programmes, evaluation and quality control. The ENPI Strategy Paper for 2007-2013 has earmarked an indicative amount of EUR 4.9 million to finance the INTERACT ENPI Project.

INTERACT ENPI supplements the activities of the RCBI: in fact the RCBI has basically supported the JOP launching phase, whereas INTERACT ENPI was set up to improve JOP management.

Apart from its general secretariat, INTERACT ENPI has two offices responsible for information activities and other specific services to the ENPI: Point INTERACT North, in Turku, Finland (within the Point INTERACT Turku office) and Point INTERACT South, in Florence, Italy (within the Regional Government of Tuscany). The project will run until the end of 2010.

4. JOINT OPERATIONAL PROGRAMMES (JOPs)

KEY ASPECTS

- The JOPs were drawn up and approved by the European Commission later than anticipated in the original timetable.

- The content of the programmes and their established priorities reflect a genuine balance between two different but complementary requirements: to respect the framework defined by the ENPI CBC strategy, and to determine areas of action that may genuinely benefit regional and local people and actors.

- Despite certain difficulties that arose as a result of particular political situations and the partner countries' lack of cross-border cooperation experience, the involvement of the public authorities concerned, and of civil society representatives, in the process of drawing up the JOPs was regarded as satisfactory.

- The main changes made to the JOPs following negotiations with the European Commission related to implementing procedures and, very rarely, to questions of strategy.

- The geographical coverage of the three sea basin JOPs does not entirely correspond to the initial plans, because some states have withdrawn or suspended their participation. In the case of the Mediterranean Sea Basin JOP, Turkey withdrew from participation because of its position as a pre-accession state, while Algeria, Libya and the United Kingdom (Gibraltar) withdrew for reasons that have not been officially explained and Morocco withdrew because of problems connected with the Spain-Morocco JOP. Azerbaijan has not yet officially joined the Black Sea Basin JOP, although it took part in drafting the programme. Lastly, Russia has not signed the financing agreement for the Baltic Sea Region JOP.

- The European Commission is responsible for the mid-term and *ex post* evaluation of JOPs. However, the JMAs may carry out ad hoc reviews during implementation, with a view to improving the programme's efficiency in terms of strategy. Moreover, any EU Member State involved may set up a system of national control of actions carried out on its territory.

4.1. Introduction and Methodological Approach

Two main ENPI CBC programme categories have been identified: first, programmes covering a common land border or short sea crossing and, secondly, programmes covering a sea basin.

All these programmes were established on the basis of territorial eligibility, as defined in the ENPI Regulation, and in accordance with the ENPI CBC Strategy Paper guidelines.

This section includes: a table showing the state of progress of all ENPI CBC joint operational programmes; an analysis of certain significant aspects of the establishment and implementation of six programmes on the basis of their special features and the state of progress:

- the Hungary-Slovak Republic-Romania-Ukraine and Romania-Ukraine-Republic of Moldova Programmes, as examples of land-border programmes. The second programme has made particularly good progress compared with the other land-border programmes. It also provides for the funding of large-scale projects;
- the Italy-Tunisia Programme, as the only sea-crossing programme to have been approved;
- the Poland-Lithuania-Russia Programme, because its implementation may be jeopardised by problems with Russia's signature of the financing agreement (see Section 6.4);
- the Mediterranean Sea Basin and Black Sea Basin Programmes, as examples of sea-basin programmes covering a large number of countries.

This selection reflects the geographical balance between land-border, sea-crossing and sea-basin programmes. The six programmes are presented in more detail in Annex 2 of this study. Annex 1 summarises all the other programmes approved to date.

The Black Sea Region Programme will be considered separately (Section 5), focusing on an analysis of the results of the first call for proposals. That is basically because it is an ERDF programme under the European territorial cooperation (ETC) objective, including an ENPI component, and is, therefore, managed mainly according to Structural Fund rules.

We have examined the six programmes in response to requests by the European Parliament, taking account of the findings of a survey carried out among the respective Joint Managing Authorities.

4.2. Presentation of Joint Operational Programmes

4.2.1. State of Progress

Table 2: State of progress of joint operational programmes

Joint Operational Programme	Adoption of JOP	Financing agreements	First Joint Monitoring Committee meeting	Launch of first call for proposals	Total indicative programme budget
Kolarctic-Russia	19/12/08	Negotiation with Russia ongoing	12/03/09	Depending on signature of the financing agreement by Russia	**Total funding**: EUR 56 361 527; EU contribution: EUR 28 241 000; National cofinancing: EUR14 120 509; Norwegian Funds (national and regional): EUR 14 000 000.
Karelia-Russia	22/12/08	Negotiation with Russia ongoing	12/03/09	-	**Total funding**: EUR 46 406 000; EU contribution: EUR 23 203 000; Finnish national co-financing: EUR 11 601 50 0; Russian national co-financing: EUR 11 601 500.
South-East Finland-Russia	19/12/08	Negotiation with Russia ongoing	12/03/09	Depending on signature of the financing agreement by Russia	**Total funding**: EUR 54 278 042 EU contribution: EUR 36 185 361; Finnish national cofinancing: EUR 18 092 681; Russian national co-financing: to be decided.
Estonia-Latvia-Russia	17/12/08	Negotiation with Russia ongoing	19-20/03/08	Depending on the signature of the financing agreement by Russia	**Total funding**: EUR 55 874 707.50; EU contribution: EUR 47 775 000; national co-financing: EUR 8 099 978 .50
Latvia-Lithuania-Republic of Belarus	18/12/08	Negotiation with the Republic of Belarus ongoing	-	-	**Total funding**: EUR 46 670 154; EU contribution: EUR 41 736 666; national co-financing: EUR 4 933 488 .

Joint Operational Programme	Adoption of JOP	Financing agreements	First Joint Monitoring Committee meeting	Launch of first call for proposals	Total indicative programme budget
Lithuania-Poland-Russia	17/12/08	Negotiation with Russia ongoing	02/09	Depending on signature of the financing agreement by Russia	**Total funding**: EUR 144 021 408.97; EU contribution: EUR 132 129 733; national cofinancing: EUR 11 891 675.97.
Poland-Republic of Belarus-Ukraine	06/11/08	Negotiation with the Republic of Belarus and Ukraine ongoing	17-18/03/09	Depending on signature of the financing agreement by the Republic of Belarus and Ukraine	**Total funding**: EUR 202 959 490.03; EU contribution: EUR 186 201 367.00; national cofinancing: EUR 16 758 123.03.
Hungary-Slovak Republic-Romania-Ukraine	24/09/08	Negotiation with Ukraine ongoing	19/12/08	Scheduled before summer 2009, with suspension clause if Ukraine has not signed the financing agreement	**Total funding**: EUR 74 815 728.48 EU contribution: EUR 68 638 283; national co-financing: EUR 6 177 445 .48.
Romania-Ukraine-Republic of Moldova	29/07/08	Agreement signed by the Republic of Moldova in December 2008 Negotiation with Ukraine ongoing	17/12/08	Scheduled before summer 2009, with suspension clause if Ukraine has not signed the financing agreement	**Total funding**: EUR 138 122 693 EU contribution: EUR 126 718 067; national co-financing: EUR 11 404 62 6.
Italy-Tunisia	16/12/08	Negotiation with Tunisia ongoing	24-25/03/09	Scheduled for July 2009, with suspension clause	**Total funding**: EUR 27 458 651; EU contribution: EUR 25 191 423; national co-financing: EUR 2 267 228 .
Spain-Morocco	Not yet approved	-	-	-	-
Atlantic CBC	Not yet approved	-	-	-	-

Joint Operational Programme	Adoption of JOP	Financing agreements	First Joint Monitoring Committee meeting	Launch of first call for proposals	Total indicative programme budget
Mediterranean Sea Basin	18/08/08	Agreement signed by Syria on 1/1/2009 Negotiation ongoing with the other partner countries	11/11/08	19/05/2009, with suspension clause	**Total funding**: EUR 189 231 983; EU contribution: EUR 173 607 324; national co-financing: EUR 15 624 659.
Baltic Sea Region	21/12/07	Agreement signed by the Republic of Belarus on 31/12/2008 Not signed by Russia	Early 2008	1st call (with suspension clause): 25/02/2008 – 30/05/2008 2nd call: 19/01/2009 – 31/03/2009	**Total funding**: EUR 293 229 132: ERDF contribution: EUR 208 034 499; national cofinancing (EU Member States): EUR 48 285 602; ENPI cofinancing: EUR 22 608 210; national cofinancing (partner countries): EUR 2 260 821; Norwegian cofinancing (national + regional): EUR 12 040 000.
Black Sea Basin	27/11/08	Agreement signed with Armenia on 13/05/09 Negotiation ongoing with the other partner countries	17/12/08	Scheduled before summer 2009	**Total funding**: EUR 27 098 773; EU contribution: EUR 17 305 944; IPA contribution: EUR 7 000 000; ENPI national cofinancing: EUR 1 557 535; IPA national co-financing: EUR 1 235 294 .

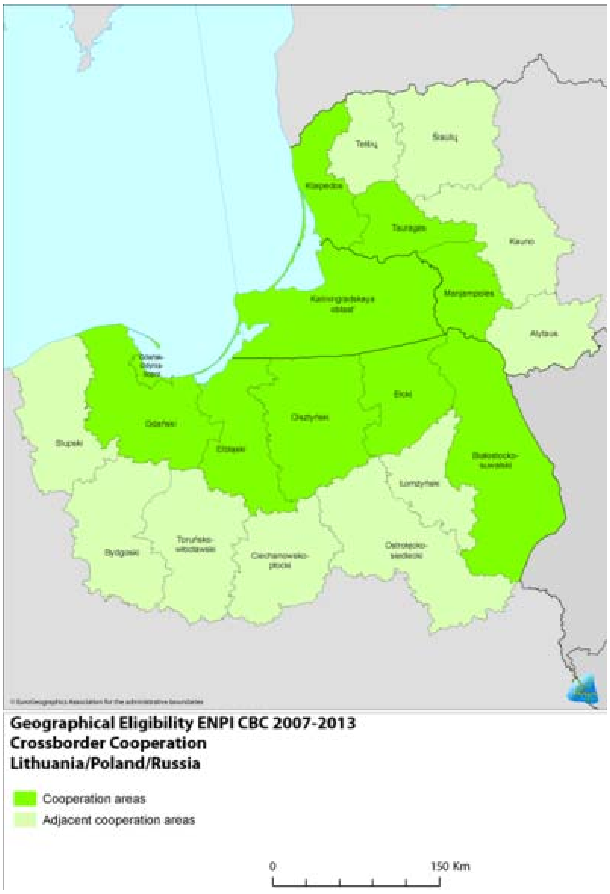
Source: Based on information provided by the Joint Managing Authorities

Approval of the application packs is ongoing for all programmes except the Baltic Sea Region and Black Sea Basin Programmes, where they were approved respectively on 15.02.08 and 5.03.09. The only projects approved are for the Baltic Sea Region Programme (23-24.10.08). In the case of the Black Sea Basin Programme, project approval is expected in November 2009.

4.2.2. Summary Presentation of the Six Analysed ENPI CBC Programmes:

(a) Lithuania-Poland-Russia Programme 2007-2013

Map 2: Geographic eligibility of the Lithuania-Poland-Russia Programme



Source: RCBI

Eligible regions:
Lithuania: Marjampolis Apskritis, Taurages Apskritis, Klaipedos Apskritis. Adjoining regions: Alytus Apskritis, Kaunas Apskritis, Telsiai Apskritis, Siauliai Apskritis.
Poland: Gdansk-Gdynia-Sopot, Gdanski, Elblaski, Olsztynski, Elcki, Bialostocko-Suwalski. Adjoining regions: Slupski, Bydgoski, Toruńsko-Wloclawski, Lomżyński, Ciechanowsko-Plocki, Ostrolęcko-Siedlecki.
Russia: Kaliningrad Oblast.
Joint Managing Authority:
Ministry of Regional Development, Poland.
Indicative budget:
Total funding: €144 021 408.97;
EU contribution: €132 129 733;
National cofinancing:
€11 891 675.97
General objective:
Promote economic and social development on both sides of the common border, by solving common challenges, and people-to-people cooperation.

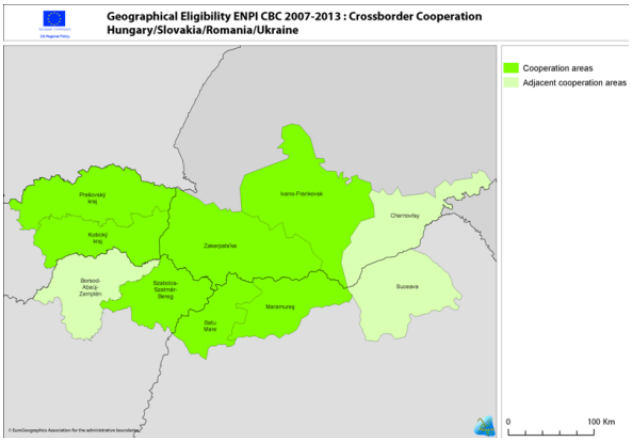
Types of project envisaged:
Ordinary projects, symmetrical projects, integrated projects, infrastructure investment projects, large-scale projects and microprojects.

Programme priorities and measures

Priority 1: Contributing to solving common problems and challenges	Measure 1.1: Sustainable use of environment Measure 1.2: Accessibility improvement
Priority 2: Pursuing social, economic and spatial development	Measure 2.1: Tourism development Measure 2.2: Development of human potential by improving social conditions, governance and educational opportunities Measure 2.3: Increasing the competitiveness of SMEs and development of the labour market Measure 2.4: Joint spatial and socio-economic planning
Priority 3 (horizontal priority): To promote people-to-people cooperation	

(b) Hungary-Slovak Republic-Romania-Ukraine Programme 2007-2013

Map 3: Geographical eligibility of the Hungary-Slovak Republic-Romania-Ukraine Programme



Source: RCBI

Eligible regions:
Hungary: Szabolcs-Szatmár-Bereg.
Adjoining region: Borsod-Abaúj-Zemplén.
Slovakia: Prešovský Kraj, Košický Kraj.
Romania: Maramures, Satu-Mare.
Adjoining region: Suceava.
Ukraine: Zakarpatska Oblast, Ivano-Frankivska Oblast. Adjoining region: Chernivetska Oblast.

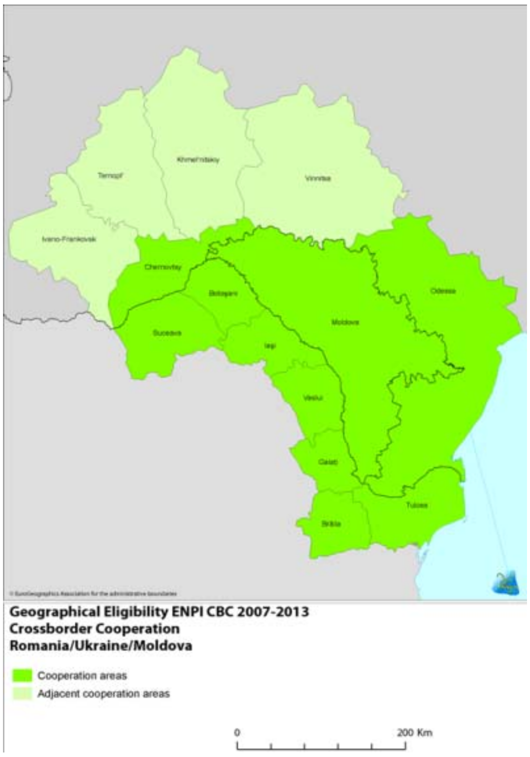
Joint Managing Authority:
National Development Agency of Hungary.
Indicative budget:
Total funding: €74 815 728.48
EU contribution: €68 638 283;
National cofinancing: €6 177 445.48.
General objective:
To intensify sustainable economic, environmental and social cooperation.
Types of projects envisaged:
Simple projects and integrated projects. The programme may also finance large-scale projects, following a decision to be taken at the first Joint Monitoring Committee meetings.

Programme priorities and measures

Priority 1: Promote economic and social development	Measure 1.1: The harmonised development of tourism Measure 1.2: The creation of better conditions for SMEs and business development
Priority 2: Enhance environmental quality	Measure 2.1: Environmental protection, sustainable use and management of natural resources Measure 2.2: Emergency preparedness
Priority 3: Increase border efficiency	Measure 3.1: The improvement of border-crossing transport infrastructure and equipment at border controls
Priority 4: Support people-to-people cooperation	Measure 4.1: Institutional cooperation Measure 4.2: People-to-people cooperation

(c) Romania-Ukraine-Republic of Moldova Programme 2007-2013

Map 4: Geographical eligibility of the Romania-Ukraine-Republic of Moldova Programme



Eligible regions:
Romania: Botosani, Suceava, Iasi, Vaslui, Galati, Tulcea. Adjoining region: Braila.
Ukraine: Chernivetska Oblast, Odeska Oblast. Adjoining regions: Ivano-Frankivska Oblast, Ternopilska Oblast, Khmelnitska Oblast, Vinnitska Oblast.
Republic of Moldova: The whole country.
Joint Managing Authority:
Ministry of Development, Public Works and Housing, General Directorate for European Territorial Cooperation, Romania.
Indicative budget:
Total funding: €138 122 693
EU contribution: €126 718 067;
National cofinancing: €11 404 626.
General objective:
To improve the economic, social and environmental situation in the Programme area, in the context of secure borders, through increased contact of partners on both sides of the borders.

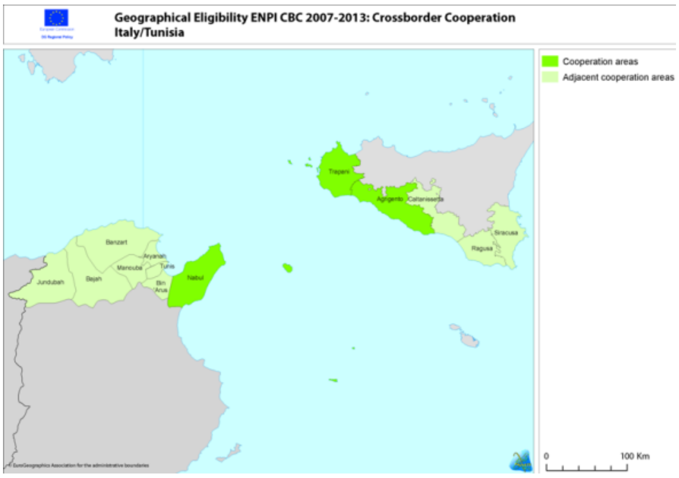
Source: RCBI

Types of project envisaged:
Ordinary projects, symmetrical projects, integrated projects, large-scale projects.

Programme priorities and measures

Priority 1: Towards a more competitive border economy	Measure 1.1: Improving the productivity and competitiveness of the region's urban and rural areas by working across borders Measure 1.2: Cross-border initiatives in transport, border infrastructure and energy
Priority 2: Environmental challenges and emergency preparedness	Measure 2.1: Addressing strategic cross-border environmental challenges including emergency preparedness Measure 2.2: Water supply, sewerage and waste management
Priority 3: People-to-people cooperation	Measure 3.1: Local and regional governance, support to civil society and local communities Measure 3.2: Educational, social and cultural exchanges

(d) Italy-Tunisia Programme 2007-2013



Source: RCBI

Map 5 : Geographical eligibility of the Italy-Tunisia Programme

Eligible regions:
Italy: Agrigento, Trapani. Adjoining regions: Raguse, Caltanissetta, Syracuse.
Tunisia: Nabeul. Adjoining regions: Ben Arous, Tunis, Ariana, Manouba, Bizerte, Béja, Jendouba.
Joint Managing Authority:
Sicily Autonomous Region, Italy.
Indicative budget:
Total funding: €27 458 651;
EU contribution: €25 191 423;
National cofinancing: €2 267 228.

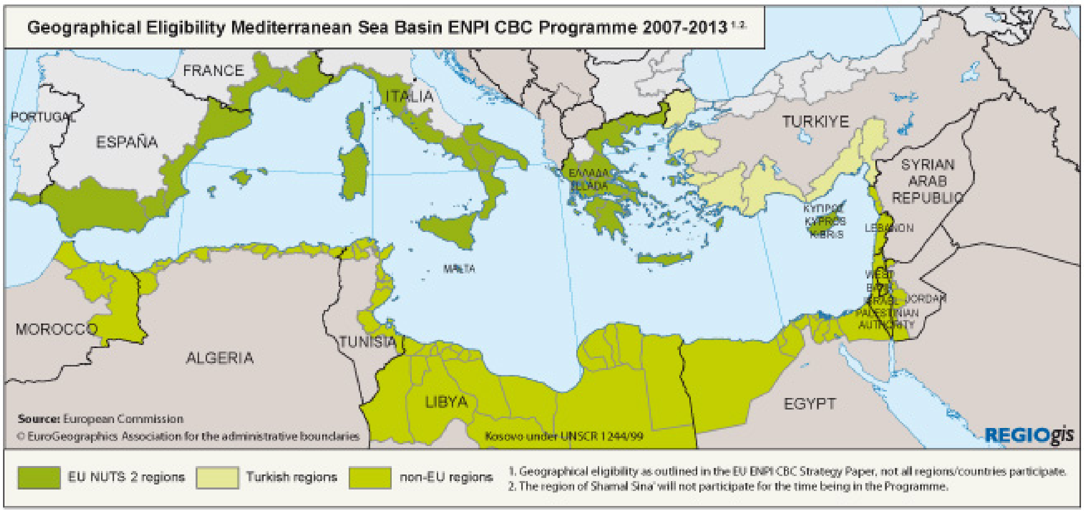
General objective:
To promote economic, institutional and cultural integration between the Tunisian and Sicilian regions through a joint sustainable development process in the context of cross-border cooperation.
Types of project envisaged:
Ordinary projects, symmetrical projects, integrated projects, strategic projects.

Programme priorities and measures

Priority 1: Regional development and integration	Measure 1.1: Supporting the development and integration of key sectors Measure 1.2: Promoting the flow of goods, supporting the immigration and financial flows Measure 1.3: Promoting research and innovation Measure 1.4: Supporting institutional cooperation for local development purposes
Priority 2: Promoting sustainable development	Measure 2.1: Supporting the efficient management of natural resources Measure 2.2: Protecting and enhancing the natural and cultural heritage Measure 2.3: Promoting the development of renewable energy sources
Priority 3: Cultural and scientific cooperation and support to networking	Measure 3.1: Supporting cooperation at the level of associations Measure 3.2: Promoting cultural and scientific cooperation Measure 3.3: Training and exchange of youths and students

(e) Mediterranean Sea Basin Programme

Map 6: Geographical eligibility of the Mediterranean Sea Basin Programme



Source: RCBI

Eligible regions:
The programme covers a very large number of NUTS II (and equivalent) regions situated on the northern and southern shores of the Basin.
These regions belong to the following states: Algeria, Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Libya, Malta, Morocco, Palestinian Authority, Portugal, Spain, Syria, Tunisia, Turkey, United Kingdom.
Joint Managing Authority:
Autonomous Region of Sardinia, Italy.
Indicative budget:
Total funding: €189 231 983;
EU contribution: €173 607 324;
National cofinancing: €15 624 659.
General objective:
To contribute to promoting the sustainable and harmonious cooperation process at the Mediterranean Basin level by dealing with the common challenges and enhancing its endogenous potentials.
Types of project envisaged:
Projects, symmetrical projects, integrated projects and strategic projects.

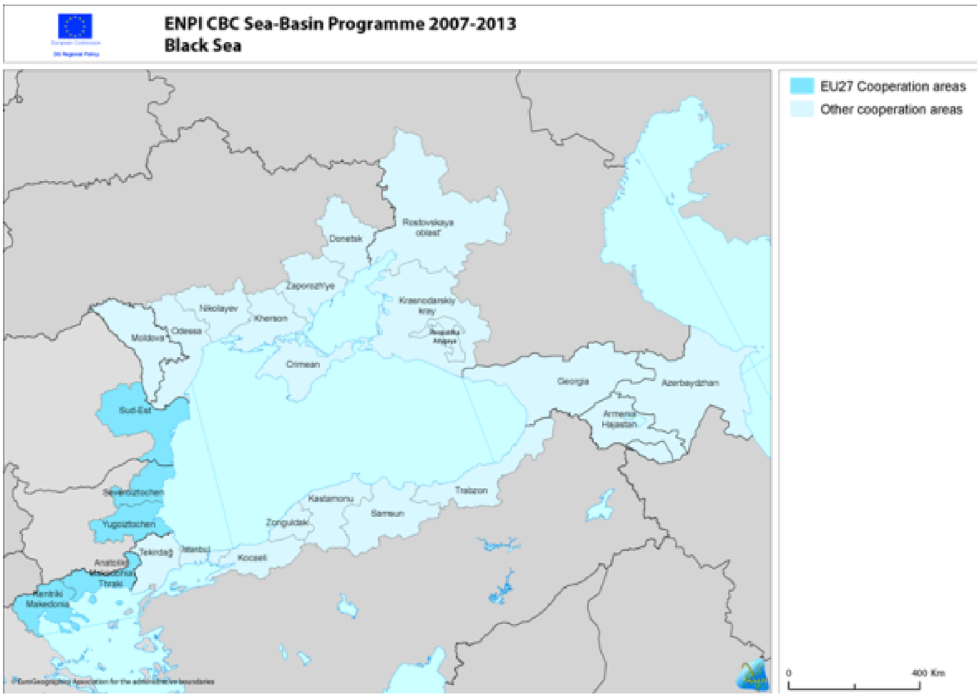
Programme priorities and measures

Priority 1: Promotion of socio-economic development and enhancement of territories	Measure 1.1: Support to innovation and research in the process of local development of the Mediterranean Sea Basin countries Measure 1.2: Strengthening economic clusters creating synergies among potentials of the Mediterranean Sea Basin countries Measure 1.3: Strengthening the strategies of territorial planning by integrating the different levels, and promotion of socio-economic development

Priority 2: Promotion of environmental sustainability at the basin level	Measure 2.1: Prevention and reduction of risk factors for the environment and enhancement of natural common heritage Measure 2.2: Diffusion of renewable energies and improvement in energy effectiveness to contribute to addressing climate change
Priority 3: Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals	Measure 3.1: Support to people flows among territories as a means of cultural, social and economic enrichment Measure 3.2: Improvement of conditions and modalities of circulation of goods and capitals among the territories
Priority 4: Promotion of cultural dialogue and local governance	Measure 4.1: Support to mobility, exchanges, training and professionalism of young people Measure 4.2: Support to artistic creativity in all its expressions to encourage dialogue among communities Measure 4.3: Improvement of the governance processes at local level

(f) Black Sea Basin Programme

Map 7: Geographical eligibility of the Black Sea Basin Programme



Eligible regions: The Programme covers regions of Bulgaria, Greece, Romania, Russia, Turkey, Ukraine, and the whole of Armenia, Azerbaijan, Georgia, Republic of Moldova.
Joint Managing Authority: Ministry of Development, Public Works and Housing, Romania.

Source: RCBI

Indicative budget:
Total funding: €27 098 773;
EU contribution: €17 305 944;
IPA contribution: €7 000 000;
ENPI national cofinancing: €1 557 535;
IPA national cofinancing: € 1 235 294.
General objective:
Stronger regional partnerships and cooperation.
Types of project envisaged: Ordinary projects, integrated projects, symmetrical projects and large-scale projects.

Programme priorities and measures

Priority 1: Supporting cross-border partnerships for economic and social development based on combined resources	Measure 1.1: Strengthening accessibility and connectivity for new intra-regional information, communication, transport and trade links Measure 1.2: Creation of tourism networks in order to promote joint tourism development initiatives and traditional products Measure 1.3: Creation of administrative capacity for the design and implementation of local development policies
Priority 2: Sharing resources and competencies for environmental protection and conservation	Measure 2.1: Strengthening the joint knowledge and information base needed to address common challenges in the environmental protection of river and maritime systems Measure 2.2: Promoting research, innovation and

	awareness in the field of conservation and environmental protection for protected natural areas Measure 2.3: Promotion of cooperation initiatives aimed at innovation in technologies and management of solid waste and wastewater management systems
Priority 3: Supporting cultural and educational initiatives for the establishment of a common cultural environment in the Basin	Measure 3.1: Promoting cultural networking and educational exchange in the Black Sea Basin communities

4.3. Aspects Relating to the Implementation of the Six JOPs Analysed

4.3.1. Priorities

The JOP priorities were defined on the basis of four key objectives, which the European Commission set out in the Strategy Paper for ENPI cross-border cooperation 2007-2013 (see Section 3.2).

The Strategy Paper allows a certain margin for the adjustment of those key objectives to the areas of cooperation. The JOP partners forming part of the Joint Task Forces therefore defined the priorities and specific measures of their programmes in such a way as to reflect also the different circumstances and needs of each cooperation area.

As a result, the JOP priorities do not always 'faithfully' reflect the order and/or content of the four key objectives. That means the data on the funding that each programme allocates to each of its priorities are not always comparable among themselves, since the measures included do not necessarily all come under the same priorities.

Table 3: Amounts allocated to the priorities by analysed programmes

Programmes	Amounts	%
Lithuania-Poland-Russia		
Total budget	**144 021 408.97**	
Priority 1: Contributing to solving common problems and challenges	**79 938 488.41**	**55%**
Priority 2: Pursuing social economic and spatial development	**50 869 947.26**	**35%**
Technical assistance	**13 212 973.30**	**10%**
Hungary-Slovak Republic-Romania-Ukraine		
Total budget	**74 815 728.48**	
Priority 1: Promote economic and social development	**11 325 316.70**	**15%**
Priority 2: Enhance environmental quality	**18 875 527.83**	**25%**
Priority 3: Increase border efficiency	**22 650 633.39**	**30%**
Priority 4: Support people-to-people cooperation	**15 100 422.26**	**20%**
Technical assistance	**6 863 828.30**	**10%**
Romania-Ukraine-Republic of Moldova		
Total budget	**138 122 692.00**	

Programmes	Amounts	%
Priority 1: Towards a more competitive border economy	**62 725 443.00**	**45%**
Priority 2: Environmental challenges and emergency preparedness	**48 786 455.00**	**35%**
Priority 3: People-to-people cooperation	**13 938 988.00**	**10%**
Technical assistance	**12 671 807.00**	**10%**
Italy-Tunisia		
Total budget	**27 458 651.00**	**100%**
Amount allocated to the 3 priorities	**24 939 509.00**	**91%**
Technical assistance	**2 519 142.00**	**9%**
Mediterranean Sea Basin		
Total budget	**189 231 983.00**	
Priority 1: Promotion of socio-economic development and enhancement of territories	**68 748 501.00**	**36%**
Priority 2: Promotion of environmental sustainability at the basin level	**51 561 376.00**	**27%**
Priority 3: Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals	**17 187 125.00**	**10%**
Priority 4: Promotion of cultural dialogue and local governance	**34 374 250.00**	**18%**
Technical assistance	**17 360 732.00**	**10%**
Black Sea Basin		
Total budget	**27 098 773.00**	
Priority 1: Supporting cross-border partnerships for economic and social development based on combined resources	**8 667 294.00**	**32%**
Priority 2: Sharing resources and competencies for environmental protection and conservation	**9 849 118.00**	**36%**
Priority 3: Supporting cultural and educational initiatives for the establishment of a common cultural environment in the Basin	**6 028 238.00**	**22%**
Technical assistance	**2 554 123.00**	**10%**

Source: Based on the Joint Operational Programmes

Basically, however, we can identify certain features common to the six JOPs examined.

In the case of most programmes, the bulk of financial resources goes to the first key objective set out in the ENPI CBC Strategy Paper, economic and social development. An extreme example is the Italy-Tunisia Programme, which allocates 60% of funding allocated to the projects, i.e. 91% of the total budget, to that priority. Each programme focuses on a number of activities that reflect the main interests of the border region concerned. At the same time, certain sectors of activity feature in all the programmes: tourism, SMEs, human capital, research and development. Moreover, the Italy-Tunisia and Mediterranean Sea Basin Programmes have focused more than the other JOPs on integrating key regional production systems.

Generally, the second key objective, to address common challenges, has also been allocated quite substantial funding in the programmes concerned. In regard to these 'common challenges' all the programmes have included the promotion of sustainable development and environmental protection: water management (river and sea basins), waste management, protection of natural resources, risk prevention and promoting renewable energy sources. Contrary to what is stated in the ENPI Strategy Paper, issues such as public health and the prevention of and fight against organised crime were not included, or only very marginally, probably because in most cases they are issues that can be addressed more effectively at national level.

As regards the key objective of efficient and secure borders, it must be pointed out first of all that only the Hungary-Slovak Republic-Romania-Ukraine assigns it specific priority. All the other programmes address it under other priorities, such as economic development (e.g. the Black Sea Basin and Tunisia-Italy Programmes) or common challenges (e.g. the Lithuania-Poland-Russia Programme). The objective of efficient borders is generally addressed as an aspect of increasing the accessibility of the region by improving the competitiveness of logistic and transport structures. In any case, this underlines the fact that it is impossible to support infrastructure projects of national importance because of the limited funds available. Potential activities could take the form of small projects and/or feasibility studies of larger-scale initiatives, to be financed subsequently through other Community or national programmes (Black Sea Basin Programme).

Moreover, the Italy-Tunisia and Mediterranean Sea Basin Programmes focus on improving the management of migration flows by communication, information and awareness measures relating to legal and illegal immigration and initiatives to promote exchanges between countries of good practice in regard to support for the social and economic integration of migrants.

Secure borders, however, another Strategy Paper objective, is an issue generally addressed rather marginally. Possible measures take the form of enhanced cooperation among regional authorities with a view to improving the efficiency of operational border management procedures (Romania-Ukraine-Republic of Moldova Programme).

Lastly, the key objective of people-to-people cooperation generally includes two aspects: firstly, improving local governance processes, by support for planning local development strategies; secondly, strengthening dialogue between local people, by cultural and educational exchanges, addressed at various groups of civil society and targeted at the integration of border populations. Those two aspects coexist in most of the analysed JOPs, even if they are not always addressed under the relevant objective.

4.3.2. Political Involvement of the Competent Institutional Authorities and lLevel of Involvement of Regional and Local Authorities in Drafting JOPs

Each operational programme was jointly defined by the participating countries in a process of constant dialogue within the Joint Task Force (JTF) made up of representatives of the various countries concerned, generally national representatives.

Over and above their task of drafting the JOPs, the **JTFs represent the first stage in applying the principle of joint action**. It is at the JTF meetings that the competent institutional authorities, especially of the partner countries, can, during the programming stage, exercise their political influence on decisions relating to the strategy and priorities of each programme.

At the same time, under the partnership principle laid down in the ENPI CBC regulation, the regional and local authorities concerned, as well as other interested parties (economic and social partners, representatives of civil society, etc.), can put forward their ideas and opinions regarding programme decisions at the JTF meetings. It has sometimes proved difficult to secure the participation of those various bodies.

As regards the involvement of national institutional authorities (such as the ministries responsible for the issues addressed in the programmes) difficulties have arisen in the case of partner countries, probably because they have little experience in managing cooperation programmes, and especially cross-border cooperation programmes.

In some cases (e.g. programmes where Russia or Morocco are partner countries) political problems strongly influenced or even prevented their involvement.

Despite these problems, the outcome has proved positive in the case of the Hungary-Slovak Republic-Romania-Ukraine and the Black Sea Basin Programmes. In relation to the first, representatives of the ministries of foreign affairs and regional development played a very active part in the JTF's activities. Furthermore, the representatives of the ministries of regional development are also responsible for coordinating and implementing the programmes in each participating state. In the case of the Black Sea Basin Programme, national representatives played a full and consistent part in all JTF meetings.

Other types of body (regional and local authorities, non-governmental organisations) were generally involved as a result of the JTF launching public consultations. In other cases, such as the Black Sea Basin Programme, internal meetings were organised in each country participating in the programme and a public consultation was launched on the strategic environmental evaluation of the programme. In the case of the Mediterranean Sea Basin Programme, the intervention of those responsible for the RCBI made it much easier for those bodies to become involved.

One very good example of regional and local authority involvement is the Hungary-Slovak Republic-Romania-Ukraine Programme. A large number of workshops were organised, especially in Ukraine and Romania, partly to discuss the strategic environmental evaluation. Moreover, the draft programme was published on the programme's website with a view to public consultation on its content.

4.3.3. Types of Project Envisaged in the JOPs and Their Selection Procedures

The types of project eligible for cofinancing under the heading of ENPI CBC cross-border cooperation can be defined as follows: integrated projects, symmetrical projects, (ordinary/simple/standard) projects, large-scale projects and strategic projects.

It must be noted however, that while Regulation No 951/2007 describes the characteristics (and possible selection procedures) of the first four types of project (see Section 3.4), it gives no details about the fifth. Each JOP therefore gives its own definition of that type of project. That means the criteria for identifying it, and the relevant selection procedure, may vary from programme to programme.

All the six JOPs examined (except the Hungary-Slovak Republic-Romania-Ukraine Programme, which does not cover symmetrical projects) include integrated, symmetrical and 'ordinary' projects. Some programmes (Lithuania-Poland-Russia and Black Sea Basin) give preference to integrated projects because of the synergies they create and the programme objectives.

Large-scale projects are included specifically in the Lithuania-Poland-Russia Programme. The Romania-Ukraine-Republic of Moldova, Hungary-Slovak Republic-Romania-Ukraine and Black Sea Basin Programmes are potentially prepared to finance large-scale projects subject to a decision to be taken at the first meetings of their respective Joint Monitoring Committees. The first of those four programmes indicates the sectors such projects might cover (e.g. transport, environment, energy). Lastly, it should be noted that the Lithuania-Poland-Russia Programme only allocates limited resources to large-scale projects, up to a maximum of 30% of the programme budget.

The Mediterranean Sea Basin and Italy-Tunisia Programmes, however, do not envisage any large-scale projects. Given the geographical nature of the areas concerned, those programmes are geared to actions on a smaller scale (e.g. development or improvement of cooperation platforms and economic clusters, support for sea basin planning, support for local development processes and establishment of multilateral contacts between NGOs and other civil society groups), whereas large-scale projects are, by their nature, infrastructure investment projects.

Those two programmes do, however, provide for the financing of strategic projects. Briefly, the projects are marked by the fact that their implementation is expected to produce an impact that goes beyond the limits of the territories concerned and to generate major effects in terms of regional and national development and the development of the area of cooperation as whole. The Joint Monitoring Committee defines this type of project on the basis of an analysis of the major challenges facing the area of cooperation.

In regard to areas of action, while 'ordinary' projects generally cover all the activities identified in the programmes, large-scale projects and strategic projects may be financed in relation to specific areas defined in advance in the JOP or decided by the Joint Monitoring Committee.

In regard to project selection procedures, all the analysed JOPs describe their main features, referring applicants to the programmes' manuals of procedures for further details.

'Ordinary' projects are always subject to open calls for proposals. Large-scale and strategic projects are generally selected according to a different procedure. For example, thanks to the strong discretionary power that Regulation No 951/2007 confers on the programme partners in regard to choosing the type of selection procedure for large-scale projects, the Lithuania-Poland-Russia Programme requires that those projects must be approved by the Joint Monitoring Committee without calls for proposals but are subject to verification of eligibility by the European Commission. In the case of the Mediterranean Sea Basin Programme, strategic projects are selected on the basis of restricted calls for proposals and in two stages: first, the pre-selection of project ideas, then the final selection of applications.

Moreover, the selection procedures for these two types of project are designed to ensure greater involvement by the institutional programme partners. For example, the Lithuania-Poland-Russia Programme specifies that large-scale projects are selected by decision of the Joint Monitoring Committee, following consultation of the programme's key national and regional actors; the Mediterranean Sea Basin Programme provides for the consultation of bodies responsible at the highest level in the country in which the project is to take place, with a view to checking not only the eligibility and technical capacity of strategic project partners but also that the proposals are consistent with national and regional policies and programmes.

Generally, the JOPs provide for several mechanisms to ensure that the procedures in question are efficient, impartial and transparent. These may include: the joint definition and validation of simple and efficient project evaluation tools (e.g. evaluation grids, lists of criteria); an evaluation committee, assisted by expert evaluators with technical and administrative skills, determines the specific roles of the bodies involved in the procedure, while the Joint Monitoring Committee takes the final decision. Some programmes, such as the Mediterranean Sea Basin and Black Sea Basin Programmes, provide for a system of rotation of voting members of the evaluation committee, to ensure that decisions are impartial.

4.3.4. Changes to Programmes, Following Negotiations with the European Commission

The amendments made following negotiations with the Commission during the drafting of the JOPs related mainly to the implementation aspect and were aimed in particular at harmonising the provisions set out in the JOPs with the general rules contained in the PRAG.

A further aspect that was examined was environmental protection: for example, the Hungary-Slovak Republic-Romania-Ukraine JOP had to make improvements to its strategic environmental assessment, while the Romania-Ukraine-Republic of Moldova JOP had to set out detailed provisions on monitoring the environmental impact. That JOP also had to specify the measures taken to ensure complementarity among the various ongoing programmes in the cooperation area and measures to avoid duplication of financing.

In only a few, minor cases were amendments made to JOP strategy: the Mediterranean Sea Basin JOP made some adjustments to its priorities and measures, while the Black Sea Region JOP added a range of actions relating to migration.

It is worth citing the specific case of the Lithuania-Poland-Russia JOP: during the negotiation process, the European Commission made it very plain that costs linked to the implementation of large-scale projects launched prior to the signature of the grant contract were ineligible. Secondly, it maintained that the selection of this type of project by the Joint Monitoring Committee must always be subject to approval by the European Commission (as is, in fact, laid down in the relevant regulation). It also proved necessary to limit the scope of large-scale projects solely to transport and the environment.

4.3.5. Improvements made to the Programme Partners' Administrative Capacity on the Basis of Previous Experience

The partners, and in particular the JMAs responsible for supporting the implementation of the programmes, largely built up their administrative capacity on the basis of previous cooperation experience in the development of networks of relations and the exchange of good practice, which benefited the ongoing projects.

This seems particularly true in regard both to the drafting phase of JOPs in general and to their implementing provisions (for example, the Lithuania-Poland-Russia JOP underlines the benefits of the decision to draw on the previous experience of the Joint Task Force as the body responsible for preparing the future JOP). It is also worth noting, however, that ENPI CBC includes specific features and innovations that distinguish it markedly from earlier cooperation programmes, and that this has led to a number of difficulties of various kinds, although they are not specified.

Of particular note is the case of the Black Sea Basin JOP. On the basis of its functions in the ENPI CBC framework, the JMA participated in a twinning project with a German public authority and now operates as an ENPI CBC management structure; that continuous exchange of experience related basically to the phase of JOP preparation and establishing the management and control systems. The project is still ongoing. The Black Sea Basin JOP set up other cooperation projects, some of them outside its own programme, with the JMAs of the Mediterranean Sea Basin and the Hungary-Slovak Republic-Romania-Ukraine JOPs.

4.3.6. Changes to the Geographical Coverage of Programmes

As a rule, no changes have been made to the geographical coverage of JOPs. The JOPs of the three sea basins – Mediterranean, Black Sea and Baltic Sea Region – are, however, special cases:

- in the case of the Mediterranean Sea Basin JOP, Turkey specifically requested to be excluded from the list of eligible countries, on the grounds of its position as a pre-accession country. Algeria, Libya and the United Kingdom (Gibraltar) also excluded themselves, probably on political grounds, although the JMAs have passed on no information. Morocco withdrew at the JOP drafting phase;
- the Black Sea Basin JOP, on the other hand, has to address the issue of Azerbaijan, which, although it took part in drafting the JOP, does not yet officially participate;
- lastly, Russia has not signed the financing agreement of the Baltic Sea Region JOP (for which the final date was 31 December 2008).

4.3.7. Management Structures Assigned to the Programmes, Programme Monitoring and Evaluation Procedures

The bodies responsible for monitoring JOPs are the Joint Monitoring Committee and the Joint Managing Authority, assisted by the Joint Technical Secretariat. They generally function according to a system of specific indicators at the level of the programme and its priorities and projects.

The European Commission carries out the mid-term and *ex post* evaluation of JOPs. The results of the mid-term evaluation must be passed on to the JMC and the JMA with a view to making any adjustments.

Aside from the European Commission's evaluations, a JMA may carry out ad hoc evaluations during the programme implementation phase to improve the JOP's quality, efficiency and consistency with the priority objectives.

The Italy-Tunisia JOP also provides for evaluations by independent experts of the implementation and results of the programme. The JMC will decide the frequency of those interim programme evaluations carried out in addition to the Commission's mid-term and final evaluations.

Other interesting cases worth noting are, firstly, the Hungary-Slovak Republic-Romania-Ukraine JOP, and secondly, the monitoring system used by the JMAs responsible for the Romania-Ukraine-Republic of Moldova and Black Sea Basin JOPs.

The first provides for specific monitoring of the programme's information and publicity strategy, as set out in the JOP's communication plan: the JMC of the programme must be informed by the JMA/JTS of progress in implementing the plan with a view to measuring the level of efficiency of the information and communication measures in terms of the JOP's visibility.

In the second case, the JMAs of those JOPs have set up a specific monitoring system, in the form of a data base on their implementation, to facilitate the financial management, monitoring, verification, auditing and evaluation of the programmes. That system, still not fully defined, will also be used to support implementation of the programme and project cycle, on the basis of two different sets of indicators. In each case, monitoring is carried out by the JMC, the JMA and the JTS.

The Mediterranean Sea Basin JOP also provides for a special system under which the JMA sets up dedicated programme management software. That software will allow users authorised by the managing structures to input and/or access any information useful to programme follow-up: accounts, calls for proposals, calls for tender, contracts, payments, expenditure by the various management structures, requests for payments to the EC, data base of audits conducted by the JMA on a sample of projects, etc.

The software will be accessible through the programme's Intranet and feature a registry system for all transactions made by each user, including authorisations, to facilitate the work of the internal audit unit, which will have privileged access. It will also include a 'scoreboard' – featuring key information and synthesis data on the projects and the programme – for the JMA director and members of the JMC.

5. THE PROJECTS

KEY ASPECTS

- At present, only the Baltic Sea Region and the Mediterranean Sea Basin Programmes have launched calls for proposals
- The Baltic Sea Region Programme is highly complex, given its vast geographical coverage and the type of procedures adopted (which differ between EU Member States and partner countries). Moreover, that programme has encountered serious difficulties with Russia that may, in fact, prejudice the achievement of some of its key objectives. On top of that, the limited availability of Community resources allocated to technical assistance has already put at risk the campaign of communication addressed at potential beneficiaries.
- The results of Baltic Sea Region JOP project selection show that those projects are broadly consistent with the programme priorities and with the partnership principle. In practical terms, however, given the situation with Russia and the poor participation of Belarusian partners, the projects will certainly have a more modest impact than the programme anticipated, in terms of creating closer relations between regional authorities and civil organisations in all the countries concerned.
- As for the future of the Baltic Sea Region JOP, the main problem is the fact that the funds allocated under the ENPI will benefit only projects with Belarusian partners. The fact that few Belarusian partners are involved in the projects approved following the first call (a total of four bodies participating in three approved projects) is not an encouraging sign for the next calls for projects. Russian organisations might well be involved in the projects but given that no ENPI funds are available, they could only play a very marginal role in the various activities. That is why the European Commission is currently considering a review of the ENPI resources allocated to the programme.
- In regard to the Mediterranean Sea Basin Programme, the call for proposals was launched on 19 May 2009. That call has the advantage over all the other approved ENPI CBC programmes that the final programme was approved in August 2008, i.e. four months before the others.

5.1. Introduction

At present, the only ENPI CBC programmes to have launched calls for project proposals are the Baltic Sea Region and the Mediterranean Sea Basin Programmes. Of the other programmes, the most advanced in terms of implementation is the Black Sea Basin Programme, for which a first call for proposals will be launched before summer 2009.

5.2. Baltic Sea Region JOP Projects

It should be noted first of all that the Baltic Sea Region Programme is atypical, compared with the other ENPI CBC programmes. It comes under the 'European territorial cooperation' objective of the Structural Funds for 2007-2013 and includes the ENPI objectives and geographical coverage. In fact, it combines funding from three different sources: the European Regional Development Fund (ERDF), the ENPI CBC and Norwegian national and regional funds.

As indicated in the ENPI CBC Strategy Paper, unlike other ENPI CBC programmes, here ENPI cofinancing is restricted to the partner countries (Russia and the Republic of Belarus) and the ERDF may only cofinance activities carried out in the eligible territories of EU countries. The application and selection procedures, however, like the procedure for deciding the financing of projects, are unique. For example, a project selected under that programme will require the signature of only one grant contract (between the project leader and the Joint Managing Authority) even if the ERDF and ENPI act separately in cofinancing the project activities. As regards management and control procedures, this programme is based on the ERDF implementation system and takes account of the ENPI CBC legislative framework[14] only where necessary and then on a complementary basis.

Of all the ENPI CBC programmes, the Baltic Sea Region Programme was the first to be approved and the only one for which two calls for proposals have been completed, the first in October 2008 and the second in March 2009. That is probably due to two factors. Firstly, the programme is based on the earlier experience of two INTERREG Community initiatives: the 'INTERREG IIC Baltic Sea Region Programme' (1997-1999), which set up a Joint Baltic Secretariat in 1997, and the 'INTERREG IIIB Baltic Sea Region Neighbourhood Programme' (2000-2006). Secondly, the Joint Managing Authority and Joint Technical Secretariat were eligible for a part of the technical assistance funds under that second INTERREG IIIB cooperation programme before the JOP had even been approved. That meant this ENPI CBC programme could be established far more quickly than the 14 others. It should be pointed out that Regulation No 951/2007 regards as eligible for Community financing only JOP expenditure incurred after the date of its adoption by the European Commission.

The first call for proposals was launched with a suspension clause, because the Financing Agreement between the Republic of Belarus and the Russian Federation, on the one side, and the Commission, on the other, which should have been signed before 31 December 2008 according to the rules in force, was not in fact signed. That failure to sign has had two serious consequences. At project level, the Russian partners may sign the grant contract, but they will not be eligible for any ENPI financing. That means that the expenditure and activities relating to those projects are now under review.[15] At programme level, the European Commission is currently considering a review of the amounts made available by the ENPI, given that the Republic of Belarus could not, by itself, absorb all the resources released by the absence of partners.

Another problem with implementing the projects is the slowness of the national procedure in the Republic of Belarus required for validating the Joint Monitoring Committee's decision. That delay may give rise to considerable difficulties in terms of Belarusian partners' immediate involvement in the project, as project activities may start even before the Belarusian Government has validated the decision, provided the partners and the JMA have signed the grant contract. Indeed, it is from that moment on that the related expenditure becomes eligible. All the grant contracts for the first call for proposals have now been signed.

[14] For example, in the cases indicated in the programme's manual (e.g. public contract assignation procedures, in the presence of project partners established in Russia or the Republic of Belarus).

[15] In particular, in relation to activities within the competence of the Russian bodies, it is recommended that alternative sources of finance are sought (e.g. from Russian national funds) and consideration given to organising the activities differently (e.g. by setting a geographical or thematic limit). In any case, a maximum of 10% of ERDF co-financing allocated to the project may be used to cover activities developed in Russia, but subject to specific conditions (e.g. the activities must relate to services of direct benefit to the EU partners).

In the case of future calls for proposals, even if the involvement of Russian organisations in the partnership is strongly advised, they may take part in implementing the projects only as 'associated organisations', i.e. will not be eligible for ENPI financing. That is an obstacle to the effective involvement of Russian organisations and, therefore, the achievement of certain key programme objectives.

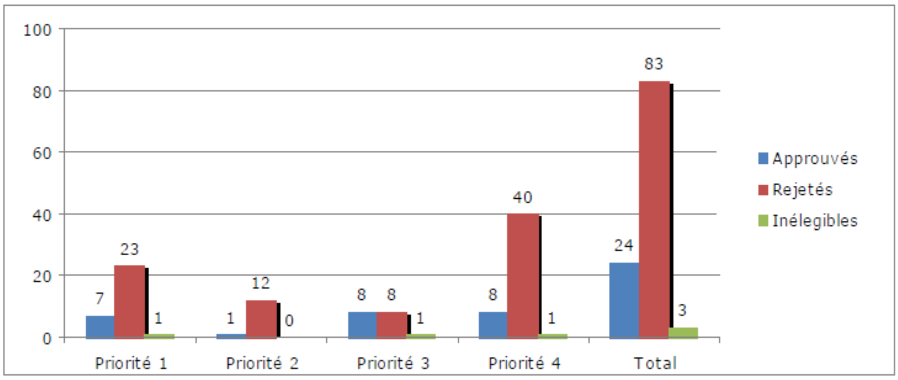
5.3. Overview of the Outcome of the First Call for Proposals

In the course of the first call for proposals, of a total of 110 proposals, 24 projects were approved, involving some 442 partners, at a budget of around EUR 66.1 million of total EU and Norwegian cofinancing.

(a) Consistency of projects with programme priorities

- 7 projects out of a total 31 proposals (22.6%) were approved under Priority 1, 'Fostering innovations in the Baltic Sea Region';
- 1 project out of 13 proposals (7.7%) was approved under Priority 2, 'Internal and external accessibility of the Baltic Sea Region';
- 8 projects out of a total of 17 proposals (47%) were approved under Priority 3, 'Management of the Baltic Sea as a common resource';
- 8 projects out of a total of 49 proposals (20%) were approved under Priority 4, 'Promoting attractive and competitive cities and regions'.

Graph 1: Distribution of projects by priority



Source: Based on information provided by the Joint Technical Secretariat of the Programme

(Key: Approuvés = Approved; Rejetés = Rejected; Inéligibles = Ineligible; Priorité = Priority)

An analysis of the number of approved projects by priority shows that while the distribution between Priorities 1, 3 and 4 is fairly balanced, only one project, aimed at creating a cutting-edge weather radar network for weather forecasting in the Baltic Sea Region, was approved under Priority 2. That is probably due to a combination of two factors: firstly, few proposals were received; secondly, they were of poor quality. Accordingly, the amount of funding for that priority is the lowest (c. EUR 54 million, including national cofinancing). At any rate, the fact that only one project under that priority was approved does seem rather surprising given that accessibility is a major issue for regions on both sides of the EU border, especially at that latitude.

In the case of Priority 3, however, 8 out of 17 proposals were approved. The total budget (€79 393 296) is consistent with the priority. That, together with the fact that few proposals were received for this priority despite the growing importance of the environmental issue, may have influenced the decision to approve nearly half of them.

(b) Compliance with the partnership principle

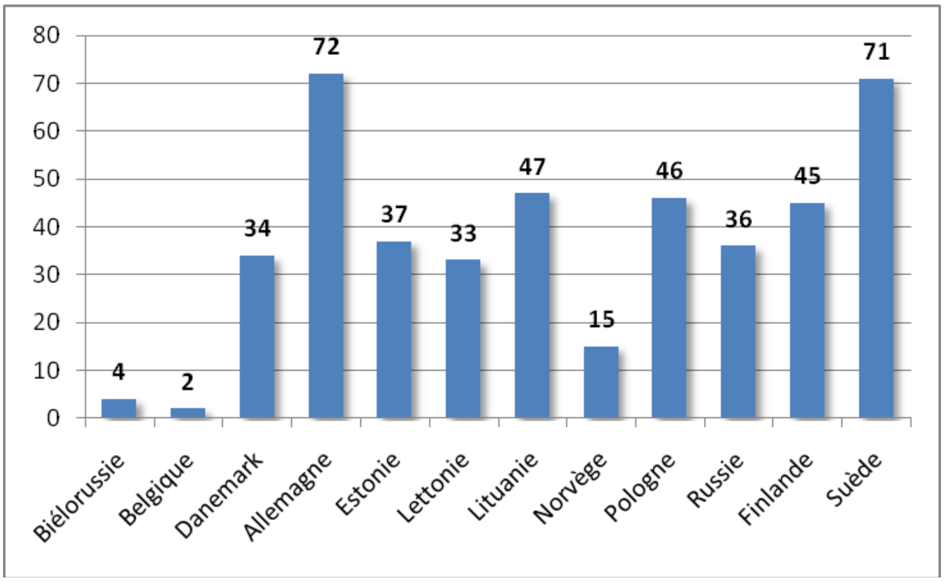
The number of partners involved per project approved during the first call for proposals varies between 3 and 36, with an average of 18 partners per project. That considerable variation, together with the rather large number of partners involved, could be explained by the decision taken under the programme not to set an upper limit to the number of partners per project. In fact, the programme provides that the evaluation of the partnership should be based solely on an analysis of the type, role and competences of the partners involved in relation to the project objectives (verification of sectoral expertise, the expertise of the responsible administrative authorities, human, financial and technical resources) and the programme objectives (verification of transnational representation).

Further on, however, the programme suggests, almost in contradiction to this wide range of partners, that not too many partners should be involved in projects, so as to facilitate its day-to day practical management, given that the partner countries have little experience of cross-border cooperation. Looking at the results of the first cycle of approved projects, it is clear that neither the applicants nor the Joint Monitoring Committee responsible for project selection took account of that recommendation. By way of example, a fairly high number of Belarusian partners is associated in the three approved projects (9, 18 and 36 partners).

As regards the geographical coverage of the projects, the most represented countries are Germany (also acting as lead partner) and Sweden;[16] least represented is the Republic of Belarus. In contrast, 36 Russian partners are involved in the projects approved following that first call for proposals. That fact, although positive in principle, actually makes it more difficult to implement the projects concerned because Russia has not signed the financing agreement with the European Commission.

[16] As shown by the graph 'Number of partners of approved projects by country', Belgium features among the represented countries even though it does not participate in the Black Sea Region Programme. This was possible pursuant to Article 21(2) of Regulation No 1080/2006 on the ERDF: '… in duly substantiated cases the ERDF may finance expenditure incurred by partners located outside the area participating in operations up to a limit of 20% of the amount of its contribution to the operational programme concerned, where such expenditure is for the benefit of the regions in the cooperation objective area.'

Graph 2: Number of partners of approved projects by country

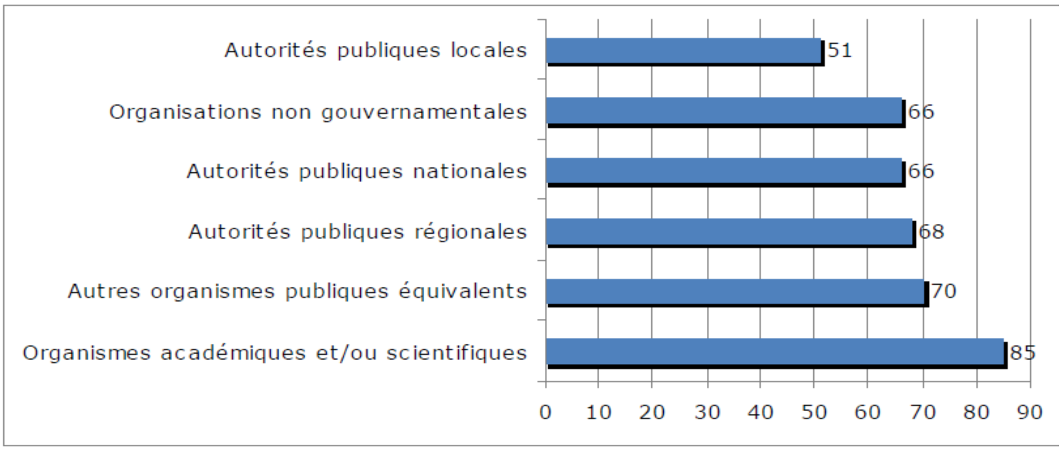


Source: Based on information provided by the Joint Technical Secretariat of the Programme

(Key: Biélorussie = Belarus; Belgique = Belgium; Danemark = Denmark; Allemagne = Germany; Estonie = Estonia; Lettonie = Latvia; Lituanie = Lithuania; Norvège = Norway; Polognie = Poland; Russie = Russia; Finlande = Finland; Suède = Sweden).

As regards the types of actor involved in the partnerships,[17] the main participants are academic and/or scientific bodies, followed by regional and national public authorities and non-governmental and/or non-profit-making organisations. In the case of strategic projects, the lead partner is generally the national public authorities.

Graph 3: Bodies involved in partnerships for approved projects



Source: Based on information provided by the Joint Technical Secretariat of the Programme

(Key: Autorités publiques locales = Local public authorities; Organisations non gouvernementales = Non-governmental organisations; Autorités publiques nationales = National public authorities; Autorités publiques régionales = Regional public authorities;

[17] No information available on the 36 Russian partners.

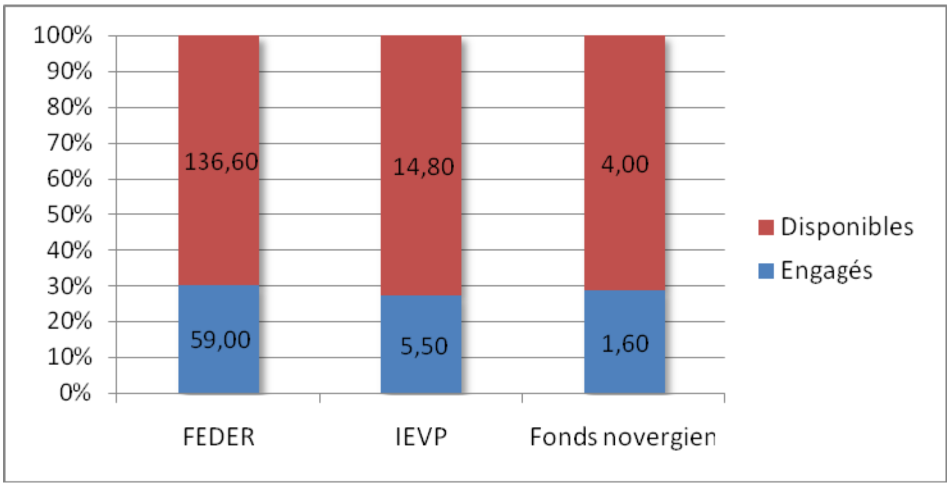
Autres organismes publiques équivalents = Other equivalent public bodies; Organismes académiques et/ou scientifiques = Academic and/or scientific bodies).

It is clear, therefore, that the approved projects broadly follow an integrated approach to development: the various partnerships are made up of bodies from quite a variety of competent sectors and administrative levels.

(c) Budget[18]

The ERDF has made EUR 195 552 429 available to the programme, the ENPI EUR 20 347 389 and the Norwegian National Fund EUR 5 658 800. Following approval of the first set of projects, the ERDF committed about 30% of these amounts, the ENPI 27% and the Norwegian National Fund 28%.

Graph 4: Amounts committed following the first call for proposals under the Baltic Sea Region Programme



Source: Based on information provided by the Joint Technical Secretariat of the Programme

(Key: Disponibles = Available; Engagés = Committed; FEDER = ERDF; IEVP = ENPI; Fonds novergien = Norwegian Fund)

(d) Types of project

The programme provides for two types of project: 'ordinary' projects and strategic projects. Following the first call for proposals, 3 out of 24 strategic proposals were approved, two under the programme's Priority 3, and one under Priority 4.

The programme, which is very much geared to achieving tangible results, recognises as strategic any project that: refers to key problems of common interest and develops solutions essential for the stable development of the region; has a geographical area or area of influence that encompasses the whole of the Black Sea Region; has a strong focus on implementation, that is it contains infrastructure investments, pilot investments, a preparation stage for a major investment funded through other sources (national, Community or private) or local demonstration actions; has a strong political backup at the national level, which takes responsibility for implementation of transnationally prepared investments and for endorsement of the policy recommendations.

[18] These amounts do not include resources allocated to technical assistance. Including technical assistance, the programme allocation is c. EUR 208m from ERDF, EUR 22.6m from ENPI and EUR 6m from the Norwegian National Fund.

It is clear that the programme has very high expectations of the strategic projects. Yet it is worth underlining that these are not regarded *a priori* as more significant or more likely to meet the programme objectives than ordinary projects.

Compared with other ENPI CBC programmes such as the Mediterranean Sea Basin Programme, the Baltic Sea Region Programme does not set out a separate selection procedure for strategic projects and ordinary projects. In order to assess the quality of proposals, it sets out a list of criteria some of which (termed 'additional') are designed purely to assess the strategic potential of the projects. All proposals are, therefore, evaluated according to the same procedure and same criteria, but only those that comply with the additional criteria are regarded as 'strategic projects'. That status means the projects play a major role in the programme activities and receive special treatment when they are implemented (e.g. by the participation of programme representatives in project partner meetings). Nonetheless, the programme does not provide for any extra resources for implementing these projects.

(d) Examples of projects

Below we give an example of a strategic project and an example of an ordinary project. Both involve Belarusian partners and, in principle, Russian partners. More specific information on the number and type of Russian partners is not available because the future of projects with Russian partners (approved at the first call for proposals) is still uncertain.

Furthermore, because they are consistent with the programme priorities and apply the partnership principle, these two projects are benchmarks for other approved projects.

Example of an approved 'strategic project'

'*Bioenergy Promotion* – Project to promote bioenergy in the Baltic Sea Region', approved under Priority 4 of the programme

Objective: The project aims at strengthening the development towards a sustainable, competitive and territorially integrated Baltic Sea Region in the field of sustainable use of bioenergy. It will serve as a platform for cross-sectoral and transnational networking to facilitate information and knowledge exchange. The duration of the project is 42 months.

Partnership: The lead partner is the Swedish Energy Agency. The project involves 36 partners from all the countries concerned in the programme, coming from various sectors important to the project: universities, research centres, associations, national and regional public bodies in the sectors of energy, agriculture, environment, etc. Two of the project partners are Belarusian.

Expected results: Policy guidelines for sustainable biomass strategy development in the region; national and regional action plans; sub-regional strategic management plans; website on bioenergy in the region, including database and virtual project/business brokerage platform; feasibility studies for plant investments.

Budget: €5 062 925.50 (ERDF: €4 180 060.50, Norwegian: €760 665.00; ENPI: €122 200.00).

Example of an approved 'ordinary project'

'BALTRAD – An advanced weather radar network for the Baltic Sea Region', project approved under Priority 2 of the programme

Objective: The project aims to create a cutting-edge real-time weather radar network for the Baltic Sea Region. The duration of the project is 42 months.

Partnership: The lead partner is the Swedish Meteorological and Hydrological Institute (SMHI). The project involves 9 partners, including national institutes that own and operate the radars in each country: institutes that provide meteorological and hydrological services in the Republic of Belarus, Denmark, Estonia, Latvia, Poland and Sweden, and institutes providing meteorological services in Finland and Denmark. They also include a Finnish end user and active associated organisations in Denmark, Latvia and Poland.

Expected results: Definition, on the basis of existing structures, of standard methods for exchanging and processing data in the Baltic Sea Region. Such functionality will meet national and regional needs. The technology developed will also be transferable outside the region.

Budget: €2 215 055, of which €2 085 705 from ERDF and €129 350 from ENPI.

In terms of compliance with the partnership principle and relevance to the programme priorities, the following points should be noted:

- 'Bioenergy promotion' is a very coherent project from both a strategic and a geographical point of view. It aims firstly, by defining joint policies and action plans, to optimise the use of bioenergy (a major asset in the region) in various economic areas; secondly, by involving all the countries participating in the programme, it aims to make the Baltic Sea Region an area in the forefront of using such resources. In line with these ambitious objectives, the project involves a large range of bodies that operate in various sectoral areas and have various fields of competence, all of which are complementary. They include bodies that can, for various reasons, influence the national and/or regional governments' policy decisions;

- 'BALTRAD' aims to create software for networking the meteorological radars of the Baltic Sea Region, i.e. has a more specific field of application than 'Bioenergy promotion'. As a result, the partnership involves bodies that are similar in terms both of legal status and of skills: national meteorological institutes responsible for managing the radar systems in the countries participating in the initiative. At the same time, the project has far wider implications. Indeed, it aims to improve the efficiency of weather forecasts in a specific region, the Baltic, that is marked by particularly hazardous weather conditions that can prejudice transport efficiency, human safety and business productivity. In line with the relevant programme priority, it therefore helps improve the region's internal and external accessibility.

5.4. Overview of the Outcome of the Second Call for Proposals

The second call for proposals under the Baltic Sea Region Programme closed on 31 March 2009. The Joint Technical Committee received 86 proposals: 37 relating to Priority 1, 17 to Priority 2, 13 to Priority 3, 19 to Priority 4. A total of more than 1 100 partners were involved. The total budget of the proposals received came to about EUR 250 million. Most of the project leaders are of Swedish (23), Finnish (21) and German (19) origin. The secretariat has begun the administrative checks of proposals. The evaluation will conclude in September 2009.

6. PROBLEMS ENCOUNTERED

KEY ASPECTS

- The partner countries were involved in drafting the JOPs but did not take part in the ENPI committee meetings, nor did they contribute directly to drafting the ENPI regulations or Strategy Paper.
- Difficulties arose in regard to setting up the JOP management structures, basically because the partner countries had little experience of this type of programme.
- Negotiations on the financing agreements with partner countries began very late. That led to other difficulties and operational delays.
- Even when it was revised to take account of changes to the Community regulations, the Practical Guide to Contract Procedures for EC External Actions (PRAG) took inadequate account of the legislation in the partner countries and of the terminology and definitions used in the ENPI CBC regulations.
- Little use was made of the lessons to be drawn from the past.
- The first calls for proposals will be launched by the Managing Authorities, and it will be essential to revise the implementing rules and for the Commission to show greater flexibility.
- All the financing agreements need to be signed and countries that have not signed them will be excluded from ENPI cross-border cooperation until 2014.
- Aside from the fact that Russia has not signed the financing agreement relating to the Baltic Sea Region Programme, negotiations with Russia on other programmes must produce more positive results as soon as possible so that a first call for proposals can be launched.
- The negotiations with Morocco must aim at getting the bilateral programmes with Spain (Atlantic and Spain-Morocco) running again and ensuring Morocco's participation in the Mediterranean Sea Basin Programme, as it is a key player in the Maghreb.
- Coordination mechanisms must be set up to prevent duplication of financing and promote synergies before project selection begins.
- The problems identified here have already led to some automatic decommitments and others look likely.

6.1. Introduction

This chapter is divided into six sections. The first analyses the problems encountered by most Joint Managing Authorities. The second describes problems in implementing the provisions of the Practical Guide for EC External Actions (PRAG). The third identifies problems that are equally important but have not affected all the programmes in the same way. The fourth sets out the problems that may arise from decommitment risks. The fifth describes what the JMAs regard as positive lessons learned from experience. Lastly, the sixth analyses the mechanisms for coordination with other European Commission initiatives.

6.2. Common Problems Encountered by Joint Managing Authorities

The list of what all the JMAs regard as difficulties is a long one, despite the very diverse situations: areas with experience of earlier neighbourhood territorial cooperation programmes; areas with no previous experience; programmes with new Member States that have experience in managing the European Commission's external aid funds (e.g. under the PHARE programme); areas with much experience of INTERREG; bilateral or trilateral programmes, or programmes with 10 or 14 participating countries. The main problems identified are as follows:

(a) JMAs that were responsible for programmes but had no previous experience had to begin to work together in the Joint Task Forces (JTFs) to prepare the JOPs without knowing one another. **It took a long time to build up mutual trust and establish the working procedures in the JTFs.** As a result, the process of preparing the JOPs was slower than the European Commission first anticipated. Hence the need in future to consolidate, much further upstream, a real sense of '**common ownership**' on the part of all the actors involved in the various stages of the **process of drafting the JOPs**.

(b) The JMAs regard the fact that the new ENPI CBC instrument is a single instrument as a highly positive factor, more rational than the diversity of earlier instruments. Chiefly, that is because it provides a single legal framework for all beneficiaries, given that a single regulation and the same implementing provisions apply both to Member State and to partner state beneficiaries.[19] Unfortunately, **the Joint Task Forces began their own preparatory work on the JOPs before or at the same time as the European Commission and the Member States (meeting in the ENPI Committee) were drafting Regulation No 951/2007, which laid down the implementing rules**. That led to a further delay in finalising the programmes and their adoption, except in the case of the Baltic Sea Region Programme, which is a European Territorial Cooperation programme with an ENPI component and was adopted in 2007. All other programmes were in fact adopted from summer 2008 on, i.e. with a delay of 18 to 24 months. Yet there was one positive aspect to that timing, for it made it possible to draw on the results of the first year of the JTFs' work when drafting the final version of that regulation. For example, the first draft of Regulation No 951/2007 provided that JMAs could submit programmes to the Commission only with the explicit agreement of all eligible countries (as defined in the ENPI CBC Strategy Paper). The JMA of the Mediterranean Sea Basin JOP pointed out to the European Commission that some countries with eligible regions had not taken part in preparing the JOP and had no intention of doing so.[20] Thereupon the European Commission changed the wording of that provision by referring to countries participating in the preparation of the programme and not to all the countries eligible for that programme. Without that change, the Mediterranean Sea Basin and Black Sea Basin JOPs[21] could not have been submitted for adoption to the European Commission.

(c) The partner countries were involved jointly in drafting the JOPs but, unlike the Member States, did not participate in ENPI Committee meetings and could not play a direct part in drafting the ENPI regulations and Strategy Paper. The full implications of this lack of real participation (except at two conferences and a few

[19] This single instrument provision is not applicable to the Baltic Sea Region Programme, where Member States' partners must apply the rules of ERDF European Territorial Cooperation. Nor is it applicable to the Black Sea Basin Programme, where the Turkish partners must apply the Pre-Accession Instrument (IPA). Other European territorial cooperation programmes, such as the one for 'South-East Europe', allow partners of partner countries (in this case Ukraine) to participate, provided of course that they apply the ERDF rules.

[20] United Kingdom, Algeria, Libya and Turkey.

meetings) became clear during the activities of the Joint Task Forces and the first Joint Monitoring Committees. For example, the power reserved to the European Commission under Article 13 of Regulation No 951/2007 to revise decisions on the allocation of resources taken by those committees was disputed and triggered lengthy discussions.

(d) One of the problems relating to the implementation of ENPI CBC provisions was the **difficulty of setting up JOP management structures**. That was largely because the partner countries had little experience of managing programmes of this type, given that in the past the operational management of Community programmes of which they were beneficiaries was in the hands of the European Commission delegations in the countries concerned. Today, by contrast, the key decisions are taken jointly by the national authorities on the two sides of the border. Moreover, the partner countries are not used to the types of management structure stipulated in the regulations, such as the Monitoring Committee or the Project Selection Committee.

(e) Article 10 of Regulation No 951/2007 requires the Commission and each partner country to sign a financing agreement for each programme. It must be concluded and signed at the latest before the end of the year that follows the year of the Commission decision adopting the programme (Rule N+1). It is clear, therefore, that if a project partner comes from a country that has not signed the agreement in question, it will be excluded from ENPI CBC financing. **The negotiation of financing agreements with partner countries began at a very late stage.** The Commission submitted draft agreements prior to the submission of the programmes, but negotiations did not begin prior to their adoption. That had the direct result of delaying the launching of calls for project proposals, or the calls included suspension clauses.[22]. It is questionable whether local actors will want to continue tendering for the next calls for proposals if they fear that partners will withdraw after projects have been approved, or that those projects will be blocked by the loss of crucial partners.

(f) The launch and implementation of the ENPI CBC demanded and continues to demand an enormous effort on the part of all actors concerned (Commission, Joint Managing Authorities, national authorities, RCBI, etc.). **The forecasts of dates and human resources to be allocated were probably underestimates.** Moreover, the lengthy phase of drafting the rules of procedure and drawing up the programmes happened in parallel with some changes of personnel within the Commission services and the Joint Managing Authorities. It is well known that this kind of personnel movement nearly always produces a 'memory loss' effect in regard to what has already been done and, as a result, time is wasted in retrieving this memory or introducing variants.

(g) **The technical assistance budget is limited to 10% of the overall Community contribution to the JOPs, which makes that assistance too weak, especially for programmes with relatively few resources.** Limiting that budget leads, among others, to weaknesses in regard to the communication plans requested by the Joint Managing Authorities. In particular, it makes it impossible to set up information points in all the countries or regions of the partner countries concerned. Even if the RCBI could take replacement measures for the first call for proposals, many programmes will launch that call very late this year. That also makes it doubtful whether training seminars for

[21] Azerbaijan does not participate in the programme.

[22] The effect of the suspension clause inserted in calls for proposals is that the grant contracts to be concluded, following the approval of projects with partners from countries that have not signed the financing agreement, may not be signed if the Joint Monitoring Committee considers that the withdrawal of partners renders those projects non-viable.

beneficiaries and partners of the selected projects can be held before the end of the RCBI contract, the deadline for which is in fact 31 December 2009. In practice, the RCBI initiative provides for technical assistance for holding information and training events for potential beneficiaries in the partner countries. That assistance, which is crucial given the lack of experience of the partner countries' actors concerned, should have been ensured upstream, drawing on the technical assistance resources allocated to the programmes. Unfortunately, some programmes, such as the Black Sea Basin Programme, will have no resources left as from 2010 unless the Commission envisages allocating it additional financing.

(h) **Regulation No 951/2007 does not regard as eligible any expenditure incurred after the Commission has adopted a JOP.** Some programmes have overcome that hurdle by using INTERREG (e.g. Baltic Sea Region Programme) or PHARE (e.g. Black Sea Basin Programme) funds initially intended for other purposes. The programmes have been slow starting up because of that circumstance, which has heavily penalised the JMAs, which have had to use their own resources to pay for the expertise and technical assistance for preparing the JOPs and organising the preparatory meetings. It has also contributed to the current delay in launching calls for proposals. Furthermore, no programme has been able to start the recruitment procedures for setting up the Joint Technical Secretariats or, as a result, been able to prepare its call for proposals prior to the adoption of the programme. In the case of European territorial cooperation financed by the ERDF, the Joint Technical Secretariats can be recruited even before the Commission has adopted the programmes and they have more time to begin the work of preparing the calls for proposals because they can claim the relevant expenditure. That difference allows them to start launching calls for proposals 6 to 12 months earlier than is the case for ENPI CBC programmes.

6.3. The Practical Guide for EC External Actions (PRAG): a Very Serious Problem

The Practical Guide for EC External Actions was designed to provide a common framework of procedural rules applicable to all external cooperation programmes. It is revised at regular intervals to improve it and adjust it to changes in Community regulations. It was last revised in January 2009, i.e. two years after the theoretical start-up of the JOPs.

Since the main innovation of the ENPI CBC lies in the fact that the programmes must be prepared and implemented according to uniform procedures, the Commission decided it would advisable to apply the provisions of the PRAG in addition to those of the regulations.

That decision certainly gives rise to three serious problems:

- **The latest version of the PRAG does not seem to have taken account of the national legislative frameworks of the various participating countries and, in particular, the partner countries.** That is a drawback that has led to delays and difficulties in regard to implementing ENPI CBC joint operational programmes.

An example of delay is the Baltic Sea Region Programme, where the complex internal procedures in force in Belarus have delayed the signature of grant contracts for projects with Belarusian partners.

An example of a difficulty encountered is that sometimes the national rules governing public contracts on both sides of the border are incompatible with the PRAG rules. Indeed, the PRAG was regarded as compulsory for all actors from the partner countries (programme beneficiaries and partners) of certain JOPs. Under those circumstances it seems difficult, if not unthinkable, to expect national parliaments to approve derogations to their national laws or to modify them within a fairly short space of time in order to bring them in line with the PRAG requirements. Furthermore, the alternative solution of making changes to the PRAG because of the special requirements of some programmes comes up against the problem of justifying such changes.

That strongly suggests that the Commission and the JMAs are not adequately informed about the legal and regulatory situation in each partner country.

- **The PRAG does not seem consistent with the provisions governing European territorial cooperation (Objective 3 of the Structural Funds 2007-2013), which leads to implementing problems in the Member States**. For example, the lead partners' responsibilities differ in terms of number and range: lead partners of ENPI CBC cooperation projects have fewer responsibilities than lead partners of European territorial cooperation projects. In any case, under Article 27 of Regulation No 951/2007, if the lead partner of a Member State is responsible for irregularities on the part of its partners, that Member State is held to bear subsidiary responsibility. To avoid situations of that kind, which lead to a general blockage of all JOPs, the Commission was forced to accept the principle that each partner is responsible for its own expenditure, in regard to ENPI CBC implementation.

- **The terminology and definitions used in the PRAG often differ from those used in the ENPI CBC regulations**. For example, the PRAG uses the term 'contracting authority' when referring to functions that, in the case of ENPI CBC, belong to the Joint Managing Authority; or again, the PRAG uses the term 'grant beneficiary' to refer to what would be a project's lead partner in ENPI CBC.

In regard to this problem, the Joint Managing Authorities are calling for a PRAG version that is more in tune with cross-border cooperation programmes and basically takes account of two particular aspects: firstly, of the fact that the PRAG provides for specific ENPI CBC management structures (Joint Monitoring Committee, Joint Managing Authority and Joint Technical Secretariat), even if they do not exist in other programmes that use the guide and preceded the ENPI CBC; secondly, of cooperation projects where the beneficiary, even under the lead partner principle, remains a '*primus inter pares*' with the other partners. For example, the PRAG suggests that the intellectual property of the results of projects belongs to the beneficiary, without mentioning the partners. That could lead, paradoxically, to a situation where a product developed and financed by a partner, within the framework of the project, was the property of the lead partner.

A further problem is that the terminology used is not always consistent. There is a risk of confusing grant beneficiaries because they may, for example, have a grant contract that uses PRAG terminology that does not correspond to the terminology used by the JOP or the Guidelines for Applicants.

In conclusion, **the advantage of having a single instrument should go hand in hand with adequate flexibility so that the rules can be adapted to the needs of all users.** It is worth pointing out that the problems we have just described are common to all JOPs. From that point of view it would be advisable for possible adjustments to be made once and for all, and rapidly, either by the Commission itself or by one of its agencies that assist in programme implementation (e.g. INTERACT ENPI). That would avoid the many blockages that occur at the time of project implementation, which only add further complications and delays and as a result increase the risk of automatic decommitments.

6.4. Problems Specific to Certain Programmes

In the preceding sections, we did not address those problems that are not general to all the programmes. Yet they are serious enough to deserve a special section in this study.

(a) Financing agreements with Russia

Russia did not sign the financing agreement relating to the Baltic Sea Region Programme by the deadline set out in the regulation (in this case, 31 December 2008). That means the Russian partners cannot take part in its implementation until the next programming period, at least as far as ENPI funding is concerned.[23] The impact of this non-signature on the programme itself may be summarised as follows:

- the activities and costs of projects approved following the first call for proposals with Russian partners will have to be reorganised. The first call was launched with a suspension clause. The Russian partners may become 'associates' (see Section 5);
- the second call for proposals, which closed at the end of March 2009, no longer offers financing for the Russian partners. It will no longer be possible to achieve some programme objectives, such as 'closer cooperation with Russia' and 'environmental protection of the Baltic Sea';
- the Republic of Belarus should have access to all the ENPI resources under this programme. Since, however, there are only four Belarusian partners in the projects approved following the first call for proposals, it is not certain that Belarus would have the capacity to absorb the available funding, given also the need for national cofinancing.

The situation with regard to the Baltic Sea Region Programme has had a serious impact on other programmes. In fact there are another five programmes in which Russia is the only partner country.[24] The competent Joint Managing Authorities and Monitoring Committees do not dare to launch calls for proposals with a suspension clause. It is clear that even if this problem is eventually resolved, the launch of these five programmes will be delayed by another 6 to 12 months.

Nor has Russia signed the financing agreement for the Black Sea Basin Programme.[25] That programme could be implemented without Russia, although the loss of a major actor in the region would seriously affect the achievement of the programme objectives.

That situation could weaken the EU's cross-border cooperation strategy and mean it had to be completely revised. Nonetheless, it should be noted that the other seven ongoing programmes are also of great strategic importance, especially the two sea-basin programmes, relating to the Mediterranean Sea and Black Sea Basins.

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[23] It would be possible to use 10% of the ERDF funds for each programme on expenditure incurred outside the European Union, pursuant to Article 21 of Regulation (EC) No 1080/2006.

[24] Karelia-Russia, Kolarctic-Russia, South-East Finland-Russia, Estonia-Latvia-Russia, and Poland-Lithuania-Russia.

[25] Adding the two bilateral programmes between Spain and Morocco that are also at risk, in 2010 half of the 14 ENPI CBC programmes for the period 2007-2013 would have to be suspended completely.

(b) Spain-Morocco

All the programmes were adopted in 2008, except for the Baltic Sea Region Programme, which was adopted in 2007. An exception is the two planned programmes between Spain and Morocco: the Atlantic CBC Programme between the Canary Islands and Southern Morocco and the Spain-Morocco Programme between the regions of Andalusia, Ceuta and Melilla (in Spain), and the three regions of Northern Morocco.

No JTF has even been set up to draft these programmes and obviously no start has been made on jointly developing the programmes. At this stage, the almost EUR 26m allocated for 2008 have already been lost.[26] Since half the funds for these programmes came from the ERDF, that amount has been repaid to DG REGIO. At the end of March 2009, that DG approved a European territorial cooperation programme entitled Spain-External Borders. Unfortunately, under that programme the ERDF cannot finance the part of the activities to be carried out by Morocco,[27] which cancels out the advantage of having a single instrument.

Here a political problem is preventing the preparation and adoption of programmes between Spain and Morocco, and it is a problem that has been known since 2007. It is connected, among others, with the eligibility of two Spanish towns situated in North Africa: Ceuta and Melilla.[28] The national authorities of the two countries do not seem to want to resolve the situation and the programmes risk being lost forever. A collateral consequence of this situation is that Morocco has now withdrawn from the Mediterranean Sea Basin Programme.

The Commission should have anticipated these problems and not waited until programmes were blocked before proposing the redeployment of appropriations, which would have avoided the loss of the ENBI-CBC contribution.

(c) Other problems

- Five countries are not taking part in the Mediterranean Sea Basin Programme for various reasons: United Kingdom (Gibraltar), Turkey, Libya, Algeria and Morocco. The absence of Turkey, Morocco and Algeria will have an impact on the achievement of the programme objectives. Yet the programme remains viable with the participation of the other 14 countries (seven EU Member States and seven partners), although geographically it is very incomplete, especially in the Maghreb, where Tunisia is the only participant. We have not discovered the real reasons why the United Kingdom, Turkey, Libya and Algeria are not participating. In the case of Morocco, however, it is related to the fact that the bilateral programmes with Spain are blocked, as we discussed earlier.

- The widespread delay in the adoption and launching of the programmes as a whole has meant that the RCBI initiative, financed by the Commission's EuropeAid cooperation office and designed to build up capacity in the partner countries, did not start up until half the period covered by the relevant contract had elapsed. Even

[26] No 2007 allocation for any programme. For 2008, the Spain-Morocco Programme was allocated €21 545 210 and the Atlantic Programme €4 421 206.

[27] Apart from the exceptional 10% accepted by the ERDF Regulation.

[28] Ceuta and Melilla are Spanish enclaves situated, respectively, on the north-west coast and the Mediterranean coast of Morocco. They have been occupied by Spain since, respectively, 1415 and 1497. Since gaining independence in 1956, Morocco has claimed these enclaves. Spain, for its part, continues to regard Ceuta and Melilla as integral parts of its territory. If these two cities belonged to Spain, it would become possible to receive not only aid under the relevant ENPI CBC programmes but possibly also ERDF aid.

though RCBI experts gave strong support, from the outset, to the Joint Task Forces and Joint Managing Authorities, the RCBI will not be able to carry out the majority of its tasks until the final 18 months of the validity of that contract. The most serious consequence of that is that the programmes will not be able to deliver consistent services (training of beneficiaries and partners of selected projects) before the end of the contract, scheduled for December 2009.[29]

- Turkey's participation in the Black Sea Basin Programme with funds from the Instrument for Pre-Accession Aid (IPA) is an exception to the single instrument rule, as in the case of the Baltic Sea Region Programme. Although it is legal, this special feature will make it more difficult to manage a programme that has very little funding. Moreover, it is not yet possible to determine clearly who will be responsible for the financial follow-up of the projects, possible recoveries and the second-level audit.

6.5. Risks of Automatic Decommitment

The problems described so far and, in particular the relative rigidity of the management rules, the fairly high number of programmes and management structures, the heterogeneous geographical and cultural situations, the distrust of some partner states, a fairly widespread lack of experience of cross-border cooperation, and the fact that little has been learned from past experience have already led to some automatic decommitments; others are almost certain to follow.

Table 4: Actual and potential amounts automatically decommitted

Decommitment due to non-submission of JOPs to the Commission or to non-signature of financing agreement:		
Already decommitted	25 966 416	Spain/Morocco and Atlantic CBC
To be decommitted on 30 June 2009	28 386 059	Spain/Morocco and Atlantic CBC
Total	**54 352 475**	(JOP not submitted)
% of total ENPI CBC allocation	**4.86%**	
High risk of decommitment on 1.1.2010	267 533 348	5 programmes with Russia as only partner country (non-signature of financing agreement)
Total decommitted + high risk of decommitment	**321 885 823**	
% of total ENPI allocation	**28.78%**	
Decommitment due to application of Rule N+3:		
To be decommitted on 1.1.2011	1 600 000	Baltic Sea Region Programme
To be decommitted on 1.1.2012	**128 273 456**	**Sum total for 2008, less amounts already decommitted**

Source: Based on information provided by the Joint Managing Authorities.

[29] Except in the case of some more advanced programmes, such as the Mediterranean Sea Basin and Black Sea Basin Programmes.

Such situations may well give rise to doubts about the very effectiveness of the neighbourhood policy and its cross-border component, despite the initial hopes. That would justify the introduction of measures to make the management rules of the cross-border component of the ENP more flexible and its operational structure simpler.

Perhaps the Commission should consider organising its responsible services differently, so as to eliminate the rather artificial separation between those that deal with the political guidelines and those with operational competences.

6.6. Positive Aspects of Ongoing Programmes

Those aspects are as follows:

- in programmes that have Joint Managing Authorities that already existed under earlier neighbourhood programmes or INTERREG, **the experience gained by the JMA members has been a factor in facilitating the process**, as, for example, in the case of the Baltic Sea Region Programme and the programmes between Russia and Finland. That is true despite the loss of Russian partners in the first case and the delay in launching calls for proposals for the three bilateral Russia-Finland programmes;

- **the participative and cooperative approach of all national representatives in the Joint Task Forces**, together with a strong resolve to cooperate in order to secure programme adoption and launching. Even if the process has been lengthy, the countries have taken regular part in the meetings. Working together in this way has created a team spirit that will be vital during the implementation stage;

- **informal exchange of documents, ideas and experience between the joint managing authorities of the programmes:** two seminars arranged by INTERACT-ENPI[30] brought the actors involved in cross-border cooperation closer together;

- **the exchange of experience among national authorities in the Joint Task Forces and Monitoring Committees,** which strengthened mutual understanding. Those direct contacts have produced significant results and are likely to make it easier in future to cooperate at project level;

- lastly, it should be noted that some provisions have a very positive impact and their usefulness in terms of financial management is self-evident. They include the **financing rate of 90% of the cost of projects**, while the project partners remain responsible for the remaining 10%. That means that the wealthiest partners pay for the poorest. Another highly positive aspect is the **advance payment of 80% of the first annual instalment**. Without those two provisions, the decommitment rate would probably have approached 100%.

6.7. ERDF-ENPI CBC Coordination to Prevent Any Duplication of Financing

One of the risks connected with the implementation of the ENPI CBC is that the same initiative might be financed by an ENPI CBC programme and by other Community financial instruments, in the framework of national and regional programmes, the European Investment Bank, etc.

[30] November 2007 in Brussels and November 2008 in Marseille.

The Commission has not created any EFDR-ENPI coordination tool to avoid that risk. In fact, neither Regulation No 951/2007 or the PRAG even envisage duplication of financing. That means, de facto, that the creation of any coordination tools is entirely and implicitly at the discretion of the programmes' management structures: Joint Managing Authorities, Monitoring Committees, etc.

By their nature, the earlier external aid Community programmes managed by EuropeAid did not involve that risk nor, therefore, was there a need to find means of dealing with it. During the cooperation between EuropeAid and DG REGIO at the launching stage of ENPI CBC programmes, nobody was aware of the risk or the need to seek the appropriate solution. It goes without saying that the local and regional actors' lack of experience of decentralised management did not predispose them to take the necessary coordination measures.

One system that JOP management structures often use to avoid duplicate financing is the rule that applicants for calls for proposals must sign a statement declaring that they have made no other requests for financing and/or that no other financing exists for other programmes relating to the proposed activities. That applies, for example, to the Baltic Sea Region and the Black Sea Basin Programmes. In the case of other programmes (e.g. the Romania-Republic of Moldova-Ukraine and the Kolarctic-Russia Programmes) those responsible for the management of other operations financed from Community funds are involved in the project selection phase, as observers.

6.8. Overlaps with European Territorial Cooperation Programmes (ETC) and Coordination Mechanisms

The overlapping of ENPI CBC programmes and programmes financed by the Structural Funds could also produce a risk of duplication of financing: indeed, all the ENPI CBC programmes cover areas that coincide with the areas eligible for some European Territorial Cooperation Objective programmes, as can be seen from the table below:

Table 5: List of ENPI CBC and ERDF CBC programmes that may overlap geographically

ENPI CBC Programmes	ERDF ETC Programmes
Mediterranean Basin	Mediterranean region Atlantic region Alpine region South-west Europe South-east Europe
Italy-Tunisia	Mediterranean region
Atlantic	Macronesia
Spain-Morocco	Mediterranean region Atlantic region South-west Europe
Black Sea	South-east Europe
Romania-Ukraine-Republic of Moldova	South-east Europe
Hungary-Slovak Republic-Romania-Ukraine	South-east Europe Central and Eastern Europe
Poland-Ukraine-Republic of Belarus	Central and Eastern Europe
Poland-Lithuania-Russia	Central and Eastern Europe

Latvia-Lithuania-Republic of Belarus	Baltic Sea
Estonia-Latvia-Russia	Baltic Sea
Kolarctic-Russia	Northern periphery Baltic Sea
Karelia-Russia	Baltic Sea
SE Finland-Russia	Baltic Sea

Source: The authors, based on DG REGIO and EuropeAid data

The problem of overlapping may also arise with some ENPI CBC cooperation programmes, for instance the Hungary-Slovak Republic-Romania-Ukraine Programme and the Romania-Ukraine-Republic of Moldova Programme. In the case of some programmes the problem of coinciding regions is also accompanied by the fact that they have similar objectives.

That obviously means that the management structures of the various programmes concerned must set up mechanisms to coordinate instruments that exist in the same regions, not only to prevent over-financing but also to ensure appropriate complementarity and synergy between programmes. Indeed, Article 9 of ENPI CBC Regulation No 1638/2006 covers the possibility that an ENPI CBC programme may have a 'partially overlapping geographical coverage' with cooperation programmes financed by the Structural Funds. That provision underlines the importance of having mechanisms to ensure close cooperation between the management structures of the programmes involved. Unfortunately, that article refers only to ENPI CBC sea basin programmes.

As regards existing coordination mechanisms, the Mediterranean Sea Basin Programme has set up a 'Liaison Office' with the ETC 'MED' programme. The office is located in Valencia (Spain) and is responsible for coordinating the two programmes, with a view to creating synergies and maximising their respective contribution. The costs associated with running the Liaison Office will be shared equally between the two programmes. There is some doubt about this system, because it seems based on a political compromise that cuts a substantial amount of the two programmes' technical assistance appropriations without providing any real guarantee of efficiency.

Other examples of coordination are more informal and are found where the ENPI CBC Joint Managing Authority of a programme is a body, for example a ministry, that is also responsible for ETC programmes. For example, the Romanian Ministry of Regional development is the Joint Managing Authority of the Black Sea Region and the Romania-Ukraine-Republic of Moldova Programmes, and also of some cross-border ETC and IPA-CBC programmes.[31] Mechanisms for coordinating them have not yet been defined officially but they are anticipated.

Another form of coordination could be to adopt a system for verifying the eligibility of partners, during the selection of projects under calls for proposals launched by the various programmes. Generally, even if supported by the Joint Technical Secretariats, the Selection Committees find it very difficult to verify the legal status of partners and, therefore, their eligibility. Moreover, often the national authorities cannot carry out this kind of verification because they have very limited resources. **A data base, shared between the ETC and ENPI CBC Joint Managing Authorities, could make that verification more efficient and reduce the likelihood of errors.**

[31] This last example suggests that ENPI CBC programmes should also be coordinated with IPA CBC in the Balkan region, even if in this case there seems less of a geographical overlap.

Where there is not only geographical but also thematic overlap, it is even more important to create the appropriate coordinating mechanism. A brief comparison of programme priorities shows similarities between many types of eligible action and actor under various programmes.

That is why the Joint Management Authorities would like the Commission to entrust INTERACT ENPI with the task of helping to implement specific coordination mechanisms.

7. CONCLUSIONS AND RECOMMENDATIONS

KEY ASPECTS

- The European Neighbourhood and Partnership Instrument (ENPI) has replaced the TACIS and MEDA programmes and is designed to complement the Barcelona Process. It covers the area of cross-border cooperation.
- In general, according to the partner countries, the ENP is too 'euro-centred'. It is complex and addressed at very heterogeneous countries.
- The EU is finding it difficult to structure its neighbourhood and partnership policy with Russia. For its part, Morocco wants an 'advanced status' with the EU, because it believes it has special relations with the EU.
- The partnership principle has been applied only partially in cross-border cooperation and has covered only the preparation of joint operational programmes (JOPs).
- The EU external aid tools used to date must be adjusted more closely to the specific features of cross-border cooperation and to the heterogeneous nature of the various countries and their respective cultures.
- It is vital for the financing agreements to be signed, especially in the case of Russia.
- Support and capacity building for beneficiaries and partners of projects in non-Community countries must continue, even after 2009.
- Specific coordination procedures must be introduced to avoid any duplication of financing between ENPI CBC and other ENPI programmes.
- It would seem advisable to create specific 'co-decision' mechanisms at the initial phase of defining ENPI CBC programmes for 2014-2020.
- The management of ENPI CBC programmes could be improved if a continuous dialogue were organised between all the European Commission services involved.
- It would seem useful to combine the management of several JOPs in larger geographical regions, or to give 'macro regional monitoring committees' the power of coordination.
- It might prove useful to conduct opinion polls to identify the expectations of people on either side of the borders and revise the regulations and strategies accordingly.

7.1. General Context

Since its inception in 2003, the European Neighbourhood Policy has become a prime component of the EU's external relations. One sign of its importance is that it is mentioned in the Lisbon Treaty (Title I, Article 8). Initially, this policy was designed to address the situation that arose following the most recent enlargement, when people became aware that the EU's borders had shifted towards areas of potential instability. The ENP in general, and its cross-frontier component in particular, are a response to that concern. The aim is to improve security along the EU's external border by creating a 'circle of friends' who share its objectives of ensuring peace, stability and prosperity.

Yet, these special relations can be established only if there is a mutual interest in respecting common values, such as democracy, the rule of law, human rights, good governance, market economy principles and sustainable development.

The ENP has three regional dimensions (basically, the Baltic, Black and Mediterranean Seas) and is based on a set of bilateral agreements the European Community and its Members States have concluded with each of the partner countries pursuant to Council decisions adopted unanimously on a proposal from the Commission and with the assent of the European Parliament. Those agreements establish the contractual relations between the partner countries and the Union (association agreements with the Mediterranean countries, partnership and cooperation agreements with the Eastern European countries and countries of the Caucasus). They thus make up the necessary institutional (cooperation or association councils or committees) and legal framework for enhancing and implementing that cooperation. It may be asked what added value the ENP produces compared to existing programmes, relations and partnerships, e.g. under the Barcelona Process. In fact, this policy is designed to complement the Barcelona Process, which establishes multilateral relations between the Union and all its partners. The new policy creates individual relations between the European Union and each of the Barcelona Process member countries.

In any case, since 1 January 2007 most of the earlier geographical programmes, in particular TACIS and MEDA, have been replaced by a single financial instrument: the European Neighbourhood and Partnership Instrument. This is a more flexible political instrument, designed to promote sustainable development and closer compliance with European legislation and policies. The new instrument covers specific areas of cooperation that go beyond those already covered by earlier instruments or are designed to take over from them. That is precisely the case of cross-border cooperation, the subject of this study.

7.2. Special Positions in Regard to the European Neighbourhood Policy

(a) Mistrust on the part of partner countries

Generally, these partner countries believe the term 'neighbour' has negative connotations, that it implies inferiority and reflects an unequal relationship between a Union that decides and partners that submit, without any real consultation.

They believe, therefore, that the policy born of that approach is too one-sided and asymmetrical.

Another criticism is that it treats the Eastern European and Mediterranean neighbours as equals, whereas their relations with the European Union are very different. For example, Morocco believes that its neighbours from Eastern Europe and the Caucasus are situated very far away from the Union's centre of gravity and do not have the same historical relations with the EU as the Mediterranean countries.

To them, the Neighbourhood Policy still appears too 'euro-centred', created by and for the European Union, without consultation or consideration of the partner countries' concerns. It is obvious that the partner countries' margin for manoeuvre will be all the narrower the more asymmetrical relations are between the Union and its neighbours. It is in fact the Commission that establishes the action plans and the cross-border cooperation strategy, and evaluates the progress made by the various partner countries. The EU is a magnet and a major trading partner for those countries. It is, therefore, in a position of strength in any negotiations.

(b) The ENP and relations between Russia and the European Union

The EU is certainly finding it difficult to incorporate its neighbourhood and partnership policy in the framework of its relations with Russia. Indeed, Russia does not hide the fact that it has some hesitations vis-à-vis the ENP, in which it seems to be refusing to participate.

There are several reasons for these tensions. First of all, the neighbourhood and partnership policy could not take account of the special position of Russia. Russia regards itself as a special partner of the European Union, both because of its geographical situation and because of its role as a global player on the international stage. Secondly and more importantly, Russia perceives the neighbourhood and partnership policy as a self-centred method of organising the continent. Moscow regards the European approach as interfering, in the light of the process of Europeanisation that has begun in the partner countries, based on legislative harmonisation with part of the Community acquis and alignment with European standards and values.

To Russian eyes, the neighbourhood and partnership policy is no doubt a strategy the EU may employ to undermine Russian hegemony in the post-Soviet region and counter its attempts to rebuild a neighbourhood favourable to it. Its surrounding countries thus become a focus of strategic and political rather than economic rivalry.

(c) The case of Morocco

Leaving aside the Ceuta and Melilla issue discussed earlier, Morocco aspires to an 'advanced status' with the EU. That status would be expected to take account of Morocco's special relations with the EU. Rabat is, therefore, negotiating increased participation in EU policies and programmes and hoping to obtain more European Commission funding.

7.3. Expectations for the Future of Cross-border Cooperation

Although the ENPI CBC programmes are still at an early, start-up stage, the Joint Managing Authorities are already putting forward a number of ideas about the future of ENPI CBC and improvements that could be made in both the short and the long term. Some proposals are strategic while others relate to management. They are all important and viable. At present, however, going by its own statements, it is not clear whether the Commission agrees with them.

Broadly speaking, the Joint Managing Authorities of the ENPI CBC joint operational programmes identified the following requirements:

- **a clearer definition of the responsibilities of the Joint Managing Authorities and the beneficiaries (lead partners) in fund management**. The implementing provisions and the PRAG do not define those responsibilities clearly enough. As a result, the management authorities are too cautious when defining implementing procedures and also the amount of pre-financing needed for launching projects.[32]. That cautiousness could become an obstacle to the flows of funding among the

[32] Sometimes the pre-financing is less than the amounts provided for in the PRAG.

beneficiaries and their partners, particularly in EU partner countries. If the flows of funding slowed down, the projects would become less feasible financially;

- **adjustment and adaptation of the PRAG and its annexes to the needs of cross-border cooperation**. For example, in 'conventional' projects financed by EuropeAid the beneficiary is not the leader, '*primus inter pares*', of a cross-border cooperation project. The PRAG was drafted in a different context, when there was no need to take account of the principles specific to European territorial and cross-border cooperation (partnership, cofinancing and multiannual programming). That is why almost all the Joint Managing Authorities believe the PRAG must be revised. Yet the adjustments must not give rise to highly complex procedures;

- **development of tools at JOP level**. The PRAG gives a long list of detailed project models, but none at programme level. For example, there is a model for reports on projects but not for the Annual Report on programmes. Those tools should be developed jointly by the Joint Management Authorities and the Commission, to avoid drawing up and proposing different management rules for each of the 15 JOPs. To that end, INTERACT ENPI could act as coordinator for this task;

- **the signature of short-term financing agreements, to prevent delays in programme implementation or even the non-participation of some eligible territories.** That situation has already arisen with the Baltic Sea Region Programme; in the case of Russia, because it did not decide to sign the agreement in time, its eligible regions lost all chance of participating. The same situation may arise in the cases of Azerbaijan and the Black Sea Programme, and of Turkey, Morocco, Algeria, Libya and the United Kingdom under the Mediterranean Sea Basin Programme. Even if the use of Rule N+1[33] as provided in the ENPI regulation may have seemed reasonable at the time the regulation was drafted, for some programmes it will certainly lead to the loss of very important territories. The need for rapid signature may, therefore, risk closing the door to countries that are unable, for short-term reasons, to sign by the deadline set in the regulation. The cases of Morocco and Algeria give rise to particular concern with regard to the Mediterranean Sea Basin Programme because there will be no chance of projects in the Maghreb, with the exception of Tunisia. The regulation could be amended to provide for an exceptional procedure for the signature of the financing agreements, allowing for the participation of those countries at a later date. The programmes provide for four or five calls for proposals, but only the first will be launched in the first year;

- in view of the innovative nature of the ENPI, the Joint Managing Authorities believe that **good training at all levels and during each phase of the programme cycle** is a key factor of success. Training should be provided for the Joint Managing Authorities, Joint Technical Secretariat, information offices, members of the project Selection Committees and their evaluation experts, auditors, beneficiaries and their partners, and so forth;

- **adequate support and capacity building for beneficiaries and partners in non-Community countries**, particularly at the stage of project identification and development, but also at the implementing stage. Unfortunately, the RCBI initiative financed by the Commission will come to an end at the end of 2009, i.e. at a time

[33] The financing agreements must be signed not later than 31 December of the year following approval of the programme by the Commission (Article 10 of Regulation No 951/2007).

when many of the programmes will still only be at the start-up stage. The JMAs of some programmes also consider it most important to build up the institutional capacity of countries that are partners of EU Member States and of the final beneficiaries of the programmes;

- **identification of mechanisms for coordination between ENPI CBC programmes, other ENPI programmes and programmes under the ERDF European Territorial Cooperation Objective.**

- In conclusion, it should be noted that among the major issues raised by the Joint Managing Authorities, the question of Russia's signature of the financing agreements appears the most important and urgent. Russia participates in seven programmes, but in the case of five of them it is the only partner country. It has already proved impossible for it to participate in the Baltic Sea Region Programme. At this point it is, therefore, an absolute priority for the negotiations between the Commission and the Russian Government to succeed, so as to avoid the loss of nearly half the ENPI CBC programmes at the end of 2009.

7.4. Recommendations for Improving the ENPI CBC

In line with the expectations for the future described above, it seems reasonable at this point to recommend that the European Parliament's Committee on Regional Development should propose to the Commission, in particular its most directly responsible services, that it consider making the following improvements to the ENPI CBC:

(a) Short term

- **use this first generation of ENPI CBC programmes as a pilot phase of preparation for the next programming period**. That would mean ensuring that a system exists for managing the know-how acquired by the current Joint Managing Authorities that can lead to improvements in the drafting, launch and implementation of the programmes for the period 2014-2020. Unless such a system is activated immediately, the know-how acquired during the current phase will end up being lost;

- **draft a version of the PRAG designed for cross-border cooperation programmes**. INTERACT ENPI and all the Joint Managing Authorities should be involved in its preparation. Meanwhile, the Commission and its EuropeAid office should **show flexibility regarding the adjustments proposed by the programmes, without treating them as derogations**;

- **jointly (between EuropeAid, INTERACT ENPI and Joint Managing Authorities) develop tools for use at programme level**, such as: terms of reference for the JMA's external auditors; definition of procedures and reports for the internal audit; terms of reference for controls by project samples; detailed procedure for recoveries; model annual report on programme implementation;

- **continue the RCBI initiative, at least until a first round of projects has been finalised** (calls for proposals, approval, implementation). The prevailing view that it is only necessary to build capacity in the partner countries also needs to be reconsidered. Such training is also fundamental in Member States that have never worked with the PRAG;

- **define and implement specific coordination procedures to avoid any duplication of financing of ENPI CBC programmes with other ENPI programmes.** There is a need for joint tools here too, because of the real possibility that some European Territorial Cooperation Programmes may overlap with a number of ENPI CBC programmes in the same regions (see Table 5);

- **create mechanisms for coordinating all the Joint Managing Authorities of these two instruments among themselves and for coordination between them and the Commission**: e.g. by sharing data bases on partners to verify their eligibility. INTERACT ENPI could be entrusted with managing this kind of tool;

- **strengthen and formalise networking between the various Joint Managing Authorities, in cooperation with INTERACT ENPI;**

- **build up the EuropeAid team responsible for implementing the single Instrument and ensure that it has the necessary powers and experience, given the specific features of the geographical areas covered by ENPI CBC. That team should have a minimum stability over time.**

(b) Medium term

The following proposed improvements could be made over the medium term, but they need to be considered now if they are to be applied towards the end of the current period or, in any case, during the next, 2014-2020 period:

- **change the legislative framework so that expenditure supported during the preparation of programmes can be eligible retroactively.** If the expenditure incurred by programme management structures remained eligible for support only from the date of adoption of the programme by the Commission, that would make the development process very slow. The negotiation phase of this first generation of programmes stage was possible only because the EU Member States supported the programmes' expenditure by drawing on their national budgets. The Commission has supported partner countries' expenditure directly;

- **the PRAG, including any adjustments made for the time being, should be revised in about 2011 or 2012**, to check whether it is effective and whether it could be improved and adapted more closely to future cross-border cooperation;

- **define new 'codecision' mechanisms during the preparatory stage of the ENPI CBC for 2014-2020.** Even if they act only as observers in some ENPI committees, the partner countries should be more closely involved in preparing the legislative and organisational framework, in the same way as the Member States. Real cooperation and joint programme development cannot be based on rules imposed by the European Union;

- **engage in closer dialogue with the Commission's DG REGIO and carry out a survey of European Territorial Cooperation mechanisms, as they may help improve ENPI CBC programme management.** Of course, the experience gained from ENPI CBC may also, in its turn, prove very useful to European Territorial Cooperation programmes, especially in regard to procedures and the need for transparent project selection procedures. The clear separation between the functions of the Joint Technical Secretariats and the Selection Committees for ENPI CBC projects is an asset worth preserving;

- **give more responsibility to the national authorities involved in programme management.** That extra responsibility should go hand in hand with the appropriate human and financial resources;

- **with a view to simplifying the programme management structures and making them less fragmented, create 'macro Managing Authorities'.** That could be done by combining the management of several JOPs situated in fairly large geographical regions, together with setting up sub-programmes for borders and basins. This would create more solid and experienced JTS teams, concentrate resources and, in particular, redeploy appropriations between JOPs within a single group in order to prevent any serious cases of automatic decommitment. It would also make it easier for the Commission to monitor and support programmes and to redeploy funds in the event of a JOP being blocked;

- an alternative solution might be to assign a power of general coordination to three or four '**macro Regional Monitoring Committees**' that would cover a number of programmes, each managed by its own Managing Authority;

- **provide real, sustained assistance to potential stakeholders** of projects in partner countries that do not have the same experience and support structures as EU countries;

- **revise the criteria for defining eligible programme territories in the next Strategy Paper** prior to the adoption of the programmes, with more active participation by the countries concerned, including the national authorities of EU partner countries;

- with a view to achieving all the above under the best possible conditions, it would be highly advisable for the European Parliament to propose to the Commission that it begin by conducting three separate **opinion polls** in the cooperation regions to sound out the most significant public and private partners on both sides of the borders and listen to their justified aspirations and demands. On that basis, steps could be taken to revise the regulations, the strategy and the implementing procedures with a view to adapting them more closely to the heterogeneous geographical, cultural, political and socio-economic situations of the various partner countries, while adhering to the founding principles of cross-border cooperation and its ultimate goals;

- lastly, it would perhaps also be advisable for the European Parliament to suggest, for the future, **a different organisation of the competent Commission services, doing away with the rather artificial distinction between services responsible for ENP policy-making and policy lines and those responsible for its implementation**. These services should also be provided with sufficient staff, equipped with more specific responsibilities, to take account of the heterogeneous geographical situations and cultures. If the services in question had been organised in a more integrated manner and had more consolidated knowledge of the diverse national and local attitudes and mindsets, some of the difficulties encountered with Russia, Morocco and other countries on the southern and eastern Mediterranean might have been avoided.

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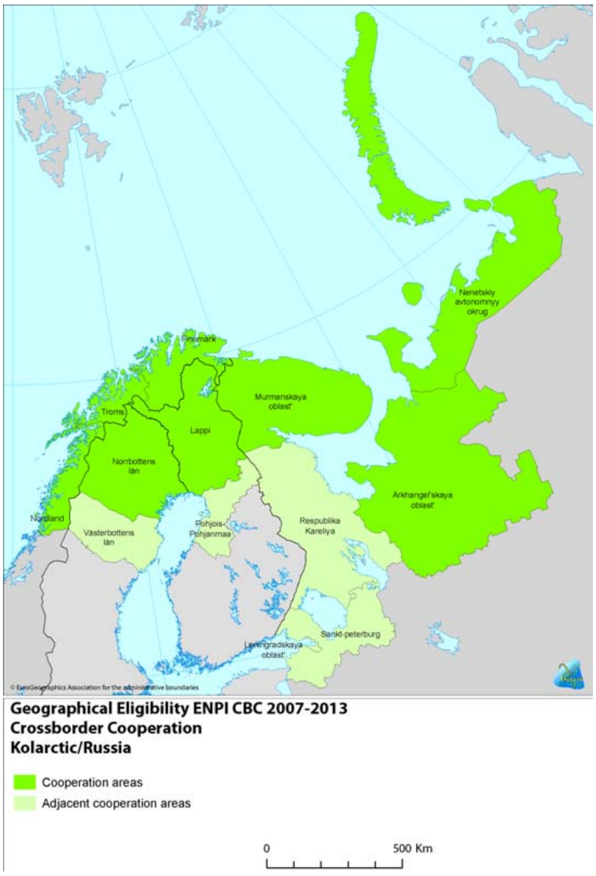
ANNEXES

Annex 1: Summary presentation of the Kolarctic-Russia, Karelia-Russia, South-East Finland-Russia, Estonia-Latvia-Russia, Latvia-Lithuania-Republic of Belarus, Poland-Republic of Belarus-Ukraine, and Baltic Sea Region Programmes

Kolarctic-Russia Programme



Source: RCBI

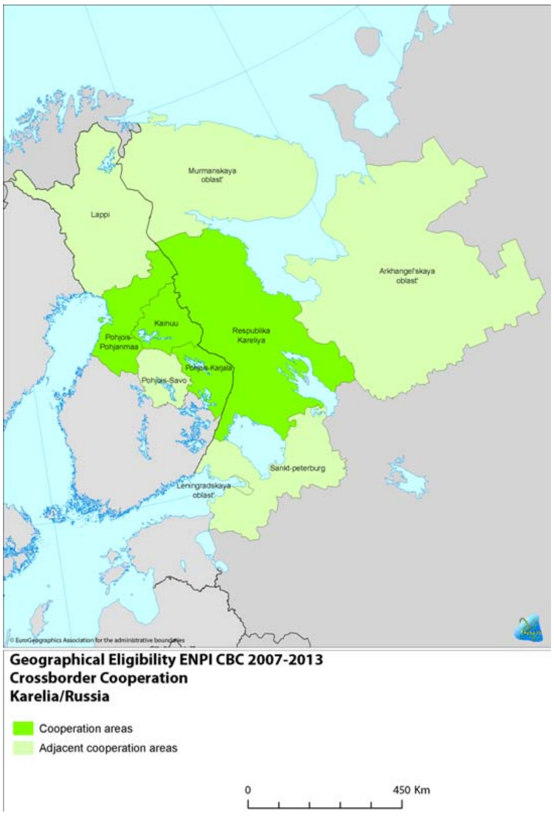
Eligible regions:
Finland: Lappi (Lapland). Adjoining regions: Pohjois-Pohjanmaa-northern Ostrobothnia.
Sweden: Norrbotten. Adjoining region: Västerbotten.
Norway: Finnmark, Troms, Nordland.
Russia: Murmansk Oblast, Archangelsk Oblast, Nenets Okrug. Adjoining regions: Republic of Karelia, Leningrad Oblast and St Petersburg.
Joint Managing Authority: Regional Council of Lapland, Finland.
Indicative budget:
Total funding: €56 361 527;
EU contribution: €28 241 000;
National cofinancing: €14 120 509;
Norwegian funds (national and regional): €14 000 000.
General objective: to reduce the periphery of the countries' border regions and its related problems as well as to promote multilateral cross-border cooperation.

Types of project envisaged: integrated, symmetrical, ordinary projects.

Programme priorities

Priority 1: Economic and social development	It is important to promote economic and social development for several reasons, the main one being growing economic cooperation between the countries in the programme area
Priority 2: Common challenges	The common challenges in the programme area include issues that may affect a large number of people at the same time, such as health, security, accidents, environmental risks and border crossing efficiency
Priority 3: Cooperation and identity building	The programme offers an opportunity to strengthen people-to-people and civil society contacts at local level.

The Karelia-Russia Programme



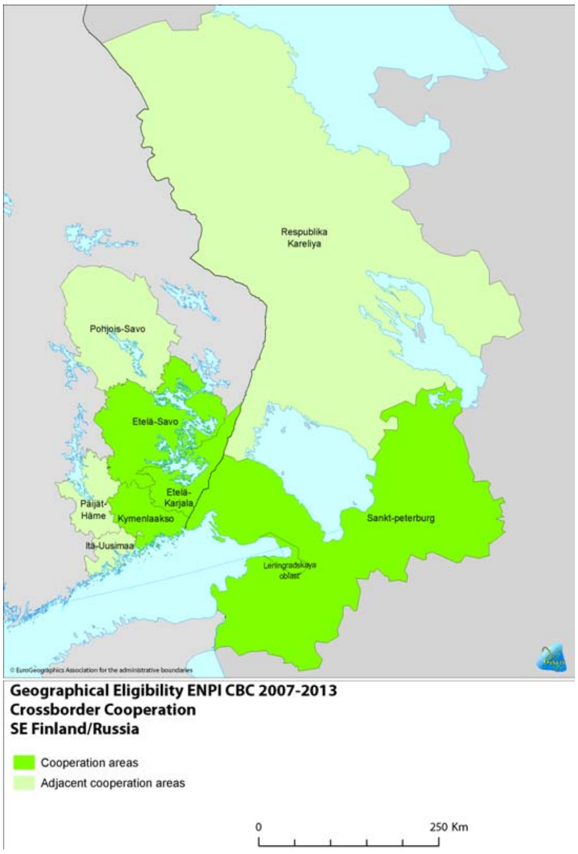
Source : RCBI

Eligible regions:
Finland: Kainuu, Pohjois-Pohjanmaa (Northern Ostrobothnia), Pohjois-Karjala (Northern Karelia). Adjoining regions: Lappi (Lapland), Pohjois-Savo (Northern Savo).
Russia: Republic of Karelia. Adjoining regions: Murmansk Oblast, Archangelsk Oblast, Leningrad Oblast and St Petersburg.
Joint Managing Authority:
Council of Oulu Region, Finland.
Indicative budget:
Total funding : €46 406 000
EU contribution : €23 203 000;
Finnish national cofinancing:
€11 601 500;
Russian national cofinancing: €11 601 500.
General objective: to increase well-being in the programme area through cross-border cooperation.
Types of project envisaged:
Integrated, symmetrical, ordinary projects, micro-projects.

Programme priorities

Priority 1: Economic development	Economic development consists in strengthening cross-border economic cooperation and increasing cross-border business
Priority 2: Quality of life	The object is to improve the quality of life in the programme area by means of cross-border activities

South-East Finland-Russia Programme



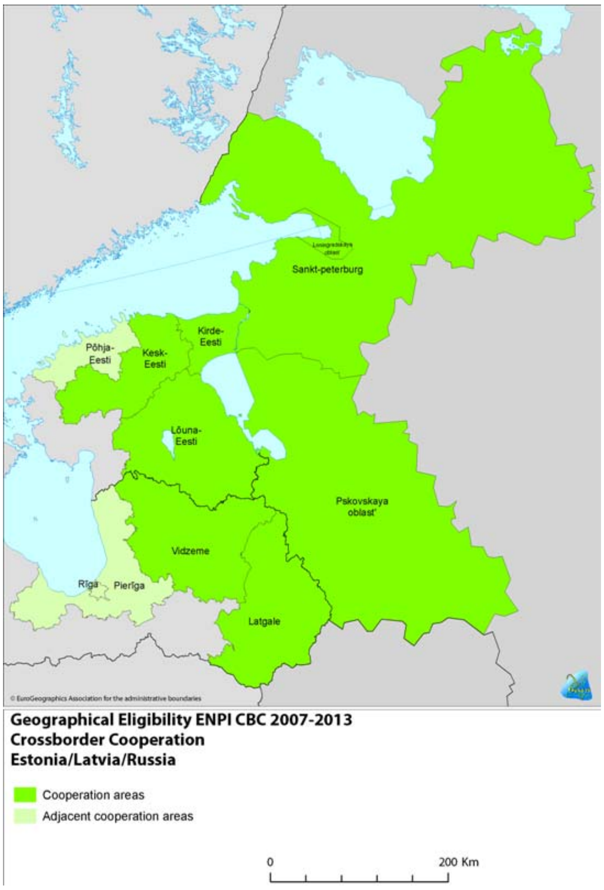
Source: RCBI

Eligible regions:
Finland: Etelä-Karjala (South Karelia), Kymenlaakso, Etelä Savo (South Savo).
Adjoining regions: Itä-Uusimaa (Esat Uusimaa), Päijät-Häme, Pohjois-Savo (North Savo).
Russia: Leningrad Oblast and St Petersburg.
Adjoining areas: Republic of Karelia.
Joint Management Authority: Regional Council of South Karelia, Lappeenranta.
Indicative budget:
Total funding: €54 278 042;
EU contribution: €36 185 361;
Finnish national cofinancing: €18 092 681;
Russian national cofinancing: to be decided.
General objective: to strengthen the competitiveness and attractiveness of the cooperation area and to improve the state of the environment and the standard of living and welfare of its citizens.
Types of project envisaged: integrated, symmetrical, ordinary projects, micro-projects.

Programme priorities

Priority 1: Economic development	The main programme objective is to promote economic development because of the immense potential for economic development and Finnish-Russian cooperation in the programme area
Priority 2: Common challenges – border-crossing and the environment	- Efficient and secure borders - Environment and nature protection
Priority 3: Social development and civil society	The programme offers an opportunity to strengthen people-to-people and civic society contacts at local level.

The Estonia-Latvia-Russia Programme



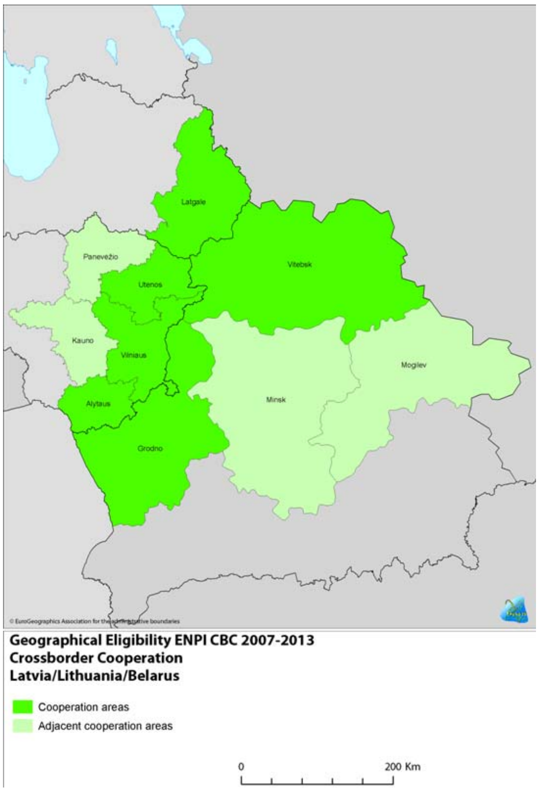
Source: RCBI

Eligible regions:
Estonia: Kirde-Eesti, Lõuna-Eesti, Kesk-Eesti. Adjoining regions: Põhja-Eesti.
Latvia: Region of Latgale, region of Vidzeme. Adjoining regions: Pieriga, Riga City.
Russia: Leningrad Oblast, St Petersburg City
Joint Managing Authority: Ministry of Regional Development and Local Government of Latvia.
Indicative budget:
Total funding : €55 874 707.50;
EU contribution : €47 775 000;
National cofinancing:
€8 099 978.50.
General objective: to use the potential of the wider border region in order to further its economic development and to attract productive investments.
Types of project envisaged: integrated, symmetrical, ordinary projects.

Programme priorities and measures

Priority 1: Socio-economic development	Measure 1.1: fostering socio-economic development and encouraging business and entrepreneurship Measure 1.2: transport, logistics and communication solutions Measure 1.3: tourism development
Priority 2: Common challenges	Measure 2.1: joint action to protect the environment and natural resources Measure 2.2: preservation and promotion of the cultural and historical heritage and support to local traditional skills Measure 2.3: improving energy efficiency and renewable energy sources
Priority 3: Promotion of people-to-people cooperation	Measure 3.1: small-scale activities to develop local initiative, increase administrative capacities of local and regional authorities Measure 3.2: cooperation in the spheres of culture, sports education and health care

The Latvia-Lithuania-Republic of Belarus Programme



Source: RCBI

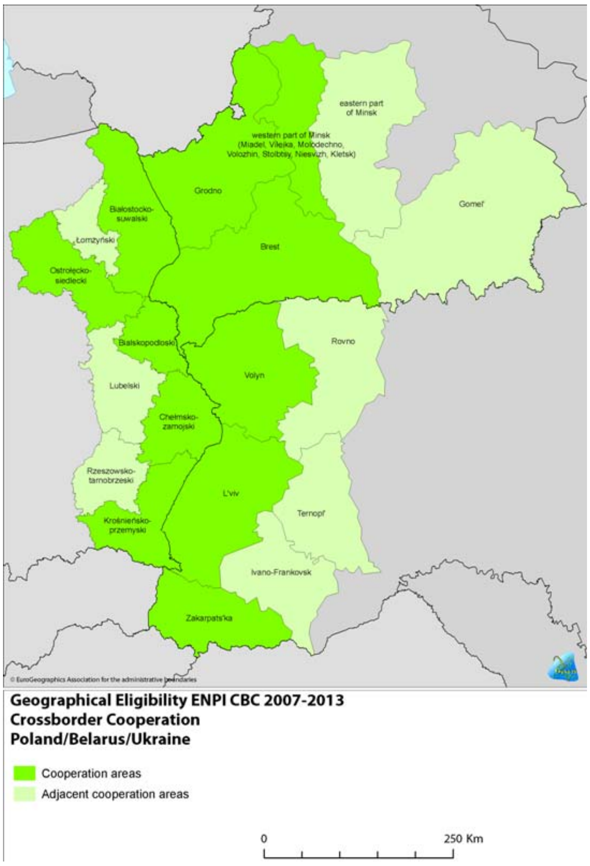
Eligible regions:
Latvia: Latgale Region
Lithuania: Utenos Apskritis, Vilniaus Apskritis, Alytus Apskritis. Adjoining regions: Kaunas Apskritis, Panevezys Apskritis.
Republic of Belarus: Hrodna Oblast, Vitebsk Oblast. Adjoining regions: Minsk Oblast, Minsk City, Mogilev Oblast.
Joint Managing Authority: Ministry of the Interior, Lithuania
Indicative budget:
Total funding: €46 670 154
EU contribution: €41 736 666;
National cofinancing: €4 933 488.
General objective: to enhance territorial cohesion of the Latvian, Lithuanian and Belarusian border area and ensure a high level of environmental protection, to secure economic and social welfare, promote intercultural dialogue and cultural diversity.

Types of project envisaged: integrated, symmetrical, ordinary projects. The programme also provides for the financing of large-scale projects, following a decision by the Joint Monitoring Committee.

Programme priorities and measures

Priority 1: Promoting sustainable cross-border economic and social development	Measure 1.1: Promote social and economic development and encourage business activity Measure 1.2: Improve strategic development and local and regional planning Measure 1.3: Improve border accessibility by developing transport and communication networks and related services Measure 1.4: Protect and promote the cultural and historical heritage, promote tourism along the border Measure 1.5: Strengthen social and cultural relations and develop the community
Priority 2: Addressing common challenges	Measure 2.1: Protect environmental and natural resources Measure 2.2: Strengthen education and develop the health and social spheres Measure 2.3: Improve infrastructure and border crossing facilities Measure 2.4: Improve border and customs operations

The Poland-Republic of Belarus-Ukraine Programme



Source: RCBI

Eligible regions:
Poland: Bialostocko-suwalski, Ostrolecko-siedlecki, Bialskopodlaski, Chelmsko-zamojski, Krosniensko-przemyski. Adjoining regions: Lubelski, Rzeszowsko-tarnobrzeski, Lomzynski.
Republic of Belarus: Hrodna Oblast, Brest Oblast, western part of Minsk Oblast (Miadel, Vileika, Molodechno, Volozhine, Stolbtsy, Niesvizh and Kletsk districts). Adjoining regions: eastern part of Minsk Oblast (15 districts and Minsk City), Gomel Oblast.
Ukraine: Volynska Oblast, Lvivska Oblast, Zakarpatska Oblast. Adjoining regions: Rivnenska Oblast, Ternopilska Oblast, Ivano-Frankivska Oblast.
Joint Managing Authority: Ministry of Regional Development, Poland.
Indicative budget:
Total funding: €202 959 490.03;
EU contribution: €186 201 367.00;
National cofinancing:
€16 758 123.03.

General objective: to support cross-border development processes.
Types of project envisaged: integrated, symmetrical, ordinary projects. The programme also provides for financing large-scale projects, under Measure 2.2.

Programme priorities and measures

Priority 1: Increasing the competitiveness of the border area	Measure 1.1: Better conditions for entrepreneurship Measure 1.2: Tourism development Measure 1.3: Improving access
Priority 2: Improving the quality of life	Measure 2.1: Natural environment protection in the borderland Measure 2.2: Efficient and secure borders
Priority 3: Networking and people-to-people cooperation	Measure 3.1: Regional and local cross-border cooperation capacity building Measure 3.2 : Local communities' initiatives

The Baltic Sea Region Programme

Source: Baltic Sea Region Operational Programme

Eligible regions:
The programme covers regions of Germany and Russia and the whole country of Belarus, Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland and Sweden.
Joint Managing Authority: Investment Bank of Schleswig-Holstein.
Indicative budget:
Total funding : €293 229 132:
ERDF contribution: €208 034 499;
National cofinancing (EU Member States): €48 285 602;
ENPI cofinancing: €22 608 210;
National cofinancing (partner countries): €2 260 821;
Norwegian cofinancing (national and regional): €12 040 000.

General objective: strengthen the development towards a sustainable, competitive and territorially integrated Baltic Sea Region by connecting potentials over the borders.

Types of project envisaged: standard and strategic projects.

Programme priorities

Priority 1: Facilitating innovations across the Baltic Sea Region	Areas of action: 1. Support innovation resources 2. Facilitate the transnational transfer of technology and knowledge 3. Making special social groups fitter for generating and absorbing new knowledge
Priority 2: Improving the external and internal accessibility of the Baltic Sea Region	Areas of action: 1. Promote transport and ICT measures to improve accessibility and sustainable social and economic growth 2. Measures to promote integration of existing, transnational strategic development zones and creating new transnational links
Priority 3: Managing the Baltic Sea as a common resource	Areas of action: 1. Management of the Sea paying special attention to the challenges resulting from the growth of economic activities and climate change 2. Economic management of open sea areas and sustainable use of marine resources 3. Enhancing maritime safety 4. Integrated development of offshore and coastal areas

Priority 4: Enhancing the attractiveness and competitiveness of metropolitan regions, cities and rural areas	Areas of action: 1. Strengthening metropolitan regions and cities as engines for economic development 2. Giving strategic support to the integrated development and socio-economic and territorial cohesion of the region 3. Strengthening the social conditions and impact of regional and city development

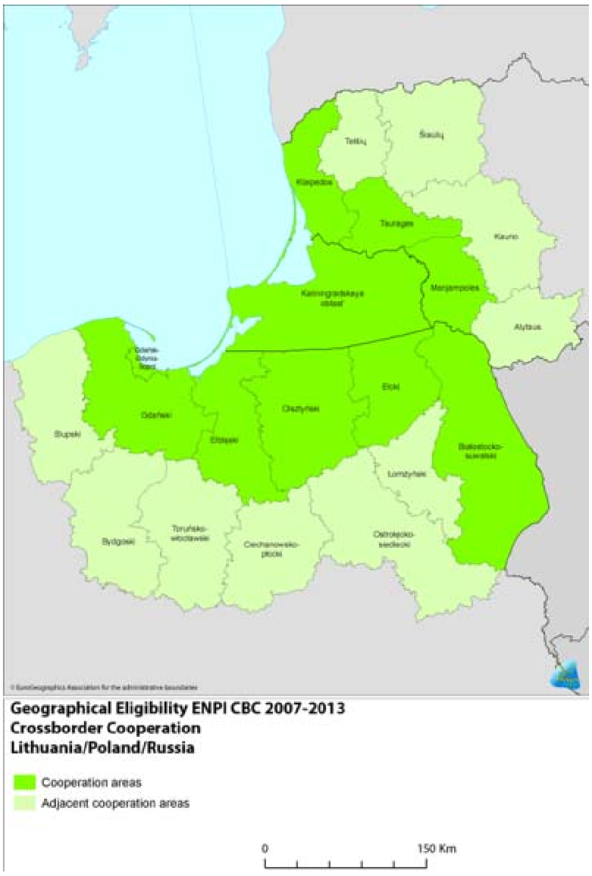
Annex 2: Detailed presentation of the Lithuania-Poland-Russia, Hungary-Slovak Republic-Romania-Ukraine, Romania-Ukraine-Republic of Moldova, Italy-Tunisia, Mediterranean Sea Basin and Black Sea Basin Programmes

(I) ENPI CBC programmes covering a common land border

Lithuania-Poland-Russia Joint Operational Programme 2007-2013

1. Content of the JOP

(a) Geographical coverage:



Source: RCBI

Eligible regions:
Lithuania : Marjampolis Apskritis, Taurages Apskritis, Klaipedos Apskritis. Adjoining regions: Alytus Apskritis, Kaunas Apskritis, Telsiai Apskritis, Siauliai Apskritis.
Poland: Gdansk-Gdynia-Sopot, Gdanski, Elblaski, Olsztynski, Elcki, Bialostocko-Suwalski. Adjoining regions: Slupski, Bydgoski, Toruńsko-Wloclawski, Lomżyński, Ciechanowsko-Plocki, Ostrolęcko-Siedlecki.
Russia : Kaliningrad Oblast.

The programme encompasses a total area of 156.1 thousand km^2 (including 77 751 km^2 of adjacent regions) and has a population of c. 11.3 million (in 2005).

(b) Key aspects of the socio-economic situation (problems and needs)
The geographical conditions in the programme area (including a high percentage of forests and woods and numerous lakes) strongly affect the composition of the territory, which is marked by a low population density in most regions and great distances between towns, where the majority of the active population is concentrated.

The economic structure in the programme area varies from region to region; the programme concentrates on certain common areas that may benefit more than others from cross-border cooperation: for example, tourism, transport and logistics, energy, the environment industry, the maritime industry, the food industry.

As regards the local development of the area covered by the programme, small and medium-sized enterprises are major factors of the regional economy and provide most of the jobs. The number of SMEs has continued increasing over recent years, but they do not have the capacity or knowledge to enable them to explore the advantages they could derive from access to foreign markets and establishing sustained relations with foreign partners. As a result, a system of enterprise support needs to be developed, on the basis of the public-private partnership concept. The administrative and legal barriers to enterprise development should be removed in all the regions participating in the programme.

Among the Russian regions, Kaliningrad is one of the fastest developing. For its part, Lithuania is one of the EU countries that is developing most rapidly in terms of GNP growth, while Poland has recently also begun to increase its rate of growth. As regards the labour market in the entire region covered by the programme, some substantial disparities remain, relating in particular to the unemployment rate, which is very high in Poland.

As regards transport, roads and railways need to be improved, as do border structures, in order to improve access to the region.

The regional economy also needs a qualitative and quantitative improvement in telecommunications infrastructure (in particular in rural areas) with a view to offering young people living in rural areas the same educational opportunities as those who live in urban areas.

As regards the environment, the programme shows several types of pollution in the eligible area, hence the need to develop common cross-border measures. It should be emphasised that the region offers great potential for exploiting bioenergy.

Some parts of the programme area also face social and health problems. For example, there is a high number of tuberculosis and AIDS sufferers and of drug users in the Kaliningrad region.

The administrative systems in the regions involved differ among themselves: in Poland and Lithuania, the local authorities have many decision-making powers, while in Russia they depend financially on the regional and national authorities (even though the Russian federal authorities encourage regional participation in CBC-programme decision-making).

In all cases, the programme area is marked by long experience of cooperation, which also derives from the activities of two intergovernmental councils: Polish-Russian (officially established in 1992) and Lithuanian-Russian (established in 1999). That cross-border cooperation focuses on the common problems of the neighbouring regions and its aim is to make the regions more competitive and attractive.

(c) Programme strategy: general objective, priorities and measures

In the context of the ENPI CBC strategy, the aim of the programme is to develop a zone of shared stability, security and prosperity, involving a significant degree of economic, social and economic cooperation.

The challenge will be to make joint efforts to remove obstacles to development, involving local and regional authorities, SMEs, associations, NGOs and the general public. The vision shared by the authorities involved in the programme is as follows: the programme area is to become the centre of east-west and north-south transport axes and trade and tourism routes.

The environment sector is also regarded as of major socio-economic importance to the development of the local economy and employment, especially in relation to tourism and leisure activities.

Another programme priority is accessibility of the region, especially in regard to the development and/or creation of new cross-border crossing points, and improving local routes that have a major cross-border impact.

The programme also envisages the possibility of promoting a spirit of enterprise, by supporting SME platforms and networks and strengthening the research and development (R&D) sector.

It also provides for a horizontal priority dedicated to people-to-people cooperation, which includes the financing of innovative microprojects.

Moreover, with a view to facilitating the management of people-to-people projects, it provides for financing larger-scale projects, what are known as umbrella projects, which group small projects around a common theme.

Priorities	**Measures**
Priority 1: Contributing to solving common problems and challenges **Aim:** to create the conditions for sustainable development and stronger territorial cohesion of the programme area.	**1.1-** Sustainable use of environment
	1.2- Accessibility improvement
Priority 2: Pursuing social, economic and spatial development **Aim:** to improve integration in the programme area, reduce divergences and prepare the ground for market forces to boost the efforts of public actors.	**2.1-** Tourism development
	2.2- Development of human potential by improvement of social conditions, governance and educational opportunities

	2.3- Increasing competitiveness of SMEs and development of the labour market
	2.4- Joint spatial and socio-economic planning
Priority 3 (horizontal priority): Promotion of people-to-people cooperation **Aim:** To develop local initiatives to increase the administrative capacity of the local and regional authorities; to increase cooperation in the culture, sport, education and social and health fields.	

(d) Types of cofinanced project

The projects envisaged are:

- integrated, symmetrical or ordinary projects;
- infrastructure investment projects;
- large-scale projects;
- microprojects;
- 'umbrella projects'.

The programme gives priority to integrated projects.

Infrastructure investment projects must:

- have a clear impact on both sides of the border;
- be situated in the main programme cooperation area.

The JMC will decide the minimum and maximum subsidy for these projects for each call for tenders.

The programme also provides for the implementation of large-scale projects in the transport and environment fields; they must satisfy the following criteria:

- be directly related to the programme and priority goals,
- be crucial for the development of the whole programme area,
- have a clear cross-border effect,
- have an (infrastructure) investment character,
- have support from the national/regional authorities (written statement),
- have outcomes of a sustainable character,
- be coherent with national/regional strategic development documents.

The decision on the approval of large-scale projects should be made by the JMC, but validated by the European Commission.

Given the programme's regional and cross-border dimension and its budget, the number of projects and the percentage of programme funds allocated to this type of project should be limited. As a result, a maximum of 30% of the total programme budget is used for large-scale projects.

People-to-people cooperation will be established through microprojects, which may take the following forms:

- a limited number of microprojects (in principle, up to 10 for each call for tenders), approved directly by the JMA;
- 'umbrella projects' that may be subsidised twice (subject to compliance with the PRAG rules). In that case, there is one beneficiary (lead partner) and partners. The partners execute a specific part of the project (microproject). All microproject activities forming part of this type of project must constitute a project that is coherent as a whole, with common objectives. The JMA sets the minimum and maximum budget per project.

In the case of Polish or Lithuanian beneficiaries, the rules governing subcontracting the implementation of projects will be applied in compliance with public law.

(e) Financing plan: total funding and breakdown

The programme budget is €144 021 408.97, of which €132 129 733 is contributed by the European Union, with €68 908 000 allocated for the period 2007-2010 and €63 222 000 for the period 2010-2013.

The budget is broken down as follows among the two programme priorities:

Priorities	EU contribution (a)	National cofinancing (b)	Cofinancing rate (in %) (c)	Total funding (d) = (a)+(b)
Priority 1	72 671 353.10	7 267 135.31	10%	79 938 488. 41
Priority 2	46 245 406.60	4 624 540.66	10%	50 869 947.26
Technical assistance	13 212 973.30	0.00	-	13 212 973.30
Total:	132 129 733	11 891 675.97	9%	144 021 408.97

Project beneficiaries must contribute 10% of cofinancing from their own resources. At project level, each partner is free to decide its source of financing and must declare it in the application form.

2. Operational management structure and procedures

(a) Special features of structures assigned to JOP management

The structures assigned to programme management are the Joint Monitoring Committee (JMC), the Joint Managing Authority (JMA) and the Joint Technical Secretariat (JTS).

As regards the JMC, the programme describes its general operating rules and its responsibilities.

The JMA's task has been entrusted to the Ministry of Regional Development of the Polish Republic (Warsaw, Poland), while the tasks of the JTS are assigned to a Polish foundation (Cooperation Fund Foundation, Warsaw), with separate branches in Olsztyn (Poland), Vilnius (Lithuania) and Kaliningrad (Russia). The branches in Poland (Olsztyn) and Lithuania (Vilnius) will apply their national procurement rules, while the branch in Russia (Kaliningrad) will apply the PRAG rules.

(b) Special features of project selection procedures

The JTS is responsible for launching the calls for proposals and disseminating information about the calls for proposals and the programme.

On the basis of a JMA decision, applications may be submitted not only to the Warsaw JTS but also to the branch offices. These applications will be registered and forwarded to the Warsaw JTS.

All applications are subject to an administrative check and a verification of eligibility carried out by the JTS, under the supervision of the JMA, and reviewed by an Evaluation Committee. Quality evaluation of applications is organised by the JTS and carried out by an Evaluation Committee, on the basis of a set of unified selection criteria and an evaluation grid approved by the JMC.

Project proposals will be evaluated by an Evaluation Committee designated by the JMC. The following procedure then applies, in line with the provisions set out in the ENPI regulations and the PRAG.

Large-scale projects require a direct commitment from the regional and central authorities. Consultations are organised in the three countries on project ideas. Thereupon, JMC members draw up a list of large-scale projects eligible for financing. The project promoters must then develop their proposals, which will be submitted first to the JTS and then to the JMC for evaluation. The next stage is the signature of a draft contract between the JMA and the applicant, which includes the list of obligations and the stages involved in the submission of the final application. The completed application form is evaluated, first by the JTS and then by the JMC, which takes the final financing decision.

(c) Special features of JOP internal monitoring and evaluation procedures
The JMC and the JMA (with the assistance of the JTS) are the bodies responsible for monitoring the programme. They carry out this task by reference to indicators and targets specified in the programme and using a monitoring system that collects all the necessary implementation data.

Aside from the mid-term, *ex post* and ad hoc programme evaluations carried out by the European Commission, the JMA may also carry out its own ad hoc evaluations to improve the quality, effectiveness and consistency of the implementation, especially if the monitoring procedure reveals significant divergences with the objectives set in the programme.

(d) Mechanisms for coordinating the JOP with other Community programmes
The programme complements existing and envisaged national, regional and sectoral initiatives covering the programme area. It should be noted that a large number of Structural Fund programmes exist side by side in the programme area and, therefore, overlap with it. In all cases, that prospective overlap is very limited. This programme might add a cross-border perspective to existing programmes.

Moreover, the programme has some similarities with the Baltic Sea Region Programme 2007-2013, although the scale of intervention differs and the geographical centre is much more limited at cross-border level. With a view to preventing programme overlaps, it has been proposed that the Baltic Sea Region Programme should not regard as eligible projects proposed by partners from inside the cross-border Lithuania-Poland-Russia area. In fact, by definition the Baltic Sea Region Programme excludes proposals for projects from Polish, Lithuanian and Russian partners covered by the Lithuania-Poland-Russia ENPI CBC Programme.

In Poland, responsibility for all cross-border programmes in which it participates is in the hands of the Territorial Cooperation Department of the Ministry of Regional Development, which is in charge of the internal coordination of the entire programme and prevents any overlapping.

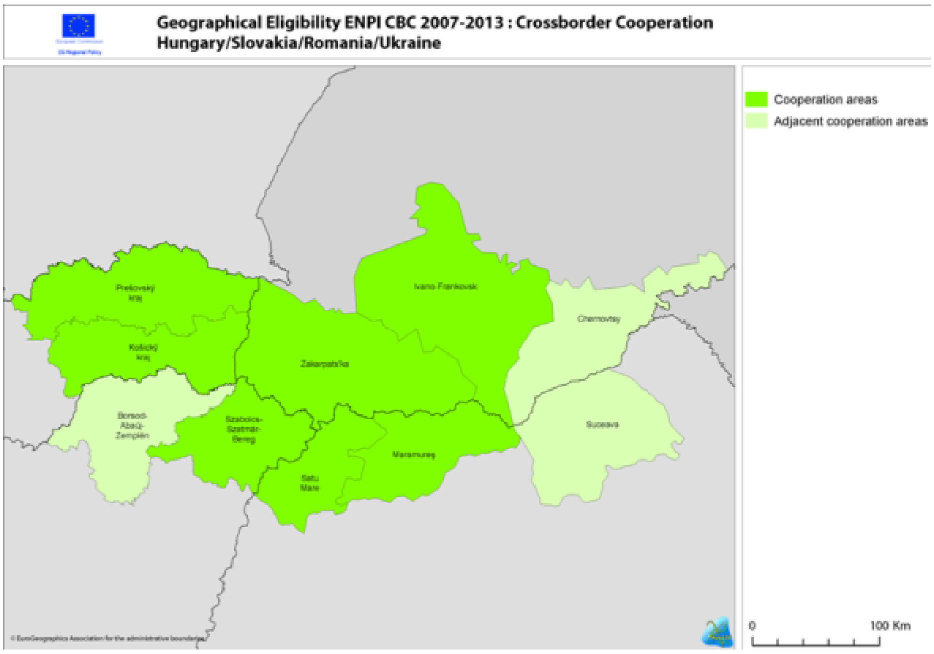
The programme covers the same territorial area (except for the Vilnius area) as the Lithuania-Poland CBC programme (both relate to 2007-2013). They also cover rather similar areas of action. The programme will not consider project proposals put forward by partners from inside the cross-border Lithuania-Poland area.

In general, it will be up to the JTS to carry out checks to prevent duplication of financing. The fact that responsibility for cross-border cooperation programmes is concentrated within a single department will also help prevent any such risk.

Hungary-Slovak Republic-Romania-Ukraine Joint Operational Programme 2007-2013

1. Content of JOP

(a) Geographical coverage :



Source: RCBI

Eligible regions:
Hungary: Szabolcs-Szatmár-Bereg. Adjoining region: Borsod-Abaúj-Zemplén
Slovakia: Prešovský Kraj, Košický Kraj
Romania : Maramures, Satu-Mare. Adjoining region: Suceava.
Ukraine : Zakarpatska Oblast, Ivano-Frankivska Oblast. Adjoining region: Chernivetska Oblast.

As regards the regions adjoining the eligible area, it is important to note that the programme draws a distinction between the Borsod-Abaúj-Zemplén region as an 'adjacent area with full participation', and the regions of Suceava and Chernivetska as an adjacent area with limited participation.

The population of the programme area is 8 012 259. Most of the area is marked by a trend towards depopulation. There is a balance between the population of rural and urban areas.

(b) Key aspects of the socio-economic situation (problems and needs)

The key feature of the economic structure of the area concerned is its lack of balance. One major difference is in gross domestic product (GDP); moreover, the employment rate is higher in the big cities of the region.

In the absence of innovation, the unemployment in many regions and the widespread participation in farming in general act as major obstacles to development; at the same time, the existence of a tourism potential, a few cases of urban development and the availability of manpower may pave the way to a gradual improvement in the general economic performance of the region.

SMEs also play an important part in local employment and, indirectly, in the development of the local economy of the regions concerned. In all cases there are certain obstacles, for example the poor infrastructure support for enterprises, the lack of cooperation among economic actors and the low level of investment.

The programme area is also endowed with unique natural resources that, if exploited, could make a considerable contribution to the area's economic development, especially the development of the tourist industry. Yet the vulnerability of the systems calls for a cautious approach and strict application of the principles of environmental sustainability.

The major obstacle to local development and closer cooperation lies in transport infrastructure, which is overloaded and underdeveloped.

In regard to education and Research and Development (R&D), the territorial analyses show that even if current innovation capabilities are weak, the existence of prospering universities and projects in the region may provide a base for gradually improving competitiveness. Improving the links between industry and the educational system could, therefore, bring tangible benefits for the region's economy.

(c) Programme strategy: general objective, priorities and measures

The general objective is to intensify and deepen cooperation in an environmentally, socially and economically sustainable way. The programme is, therefore, based on needs and opportunities at local level, which means it should focus on problems that can be resolved locally or regionally, rather than on problems that would require decisions or political changes at national level. The programme defines the following areas as strategic:

- cooperation of economic actors, municipalities, institutions at local and regional level and civil society organisations;
- protection and enhancement of the natural environment as one of the major endowments of the programme area;
- acceleration and simplification of border-crossing procedures while maintaining border security;
- improvement of the accessibility within border areas;
- intensification of cooperation among local civil society actors and municipal authorities.

The horizontal principles of the programme are: equality of opportunities, sustainable development and territorial cohesion. The programme must also support cooperation measures between labour organisations, local and regional administrations and civil society.

Tourism development can play a major role in promoting a spirit of cooperation while also offering a specific development opportunity to neighbouring regions by producing revenue and creating new jobs.

The cooperation will also encourage the development of SMEs in all sectors, by providing assistance mainly to institutions responsible for enterprise development.

Other important challenges for the programme area are protection of the environment and the prevention of risks to it. The programme takes an environmental approach to energy questions and supports a cooperative approach to the use of renewable energy resources.

It also encourages better waste management, including waste recycling and collection and processing systems.

As the programme has only limited resources, a ceiling will be set to infrastructure investment in the environmental field. The aim is rather to devise and design joint cooperation plans and strategies for future investments, in the framework of other development programmes, than to finance physical investments themselves. At any rate, the programme envisages the financing of a few pilot projects geared to small physical investments.

Moreover, the programme does not have enough financial resources to make any substantial contribution to large-scale investment projects. For example, the movement of local citizens in the border area will be eased by the establishment of small 'local' border crossing points with limited use (for local residents, workers, public transport, etc.).

It is also necessary to improve the infrastructure at border crossing points and to coordinate it by developing integrated projects. As regards border security, the programme emphasises that the most realistic results can be expected only if it focuses on issues that do not require substantial changes either in policies or in procedures, for the border management in each cooperating country is regarded as a national rather than regional responsibility.

At the same time, it is difficult to achieve 'bottom up' cooperation among local authorities because of the centralised and hierarchical structures of the national authorities. The programme encourages small-scale cooperation, centring on exchanges of good practice and experience, to bring about a better understanding of the common problems and improve coordination between the two sides of the border at operational level.

As regards support for people-to-people cooperation, the programme aims to create effective and solid systems for exchanges of information and practice among institutions and services on the one hand, and to promote local governance and democracy on the other, as a means of promoting cooperation in the social, educational, cultural and media field.

Priorities	**Measures**
Priority 1: Promote economic and social development **Aim:** Knowledge transfer and practice-sharing to promote joint developments of businesses and increase the touristic attractiveness of the area	**1.1-** The harmonised development of tourism **1.2-** The creation of better conditions for SMEs' and business development
Priority 2: Enhance environmental quality **Aim:** To enhance the quality of air, waters, soil and forestry resources and reduce risks of damage to the natural environment	**2.1-** Environmental protection, sustainable use and management of natural resources **2.2-** Emergency preparedness
Priority 3: Increase border efficiency **Aim:** To increase the efficiency of border management on the Ukrainian border.	**3.1-** The improvement of border-crossing transport infrastructure and equipment at border controls

Priority 4: Support people-to-people cooperation **Aim:** To improve the effectives of public services and increase mutual understanding of various groups of society.	**4.1**- Institutional cooperation **4.2** People-to-people cooperation

(d) Types of cofinanced project
The programme envisages the implementation of integrated and simple projects.

The JOP does not provide for strategic or large-scale projects. Yet the programme managing structures envisage the possibility of financing this kind of project, in compliance with the ENPI CBC implementing rules, on the basis of the JMC decision and in the context of Priority 3 of the programme, 'Increase border efficiency'.

(e) Financing plan: total funding and breakdown
The programme budget is €74 815 728.48, of which €68 638 283 is contributed by the European Union, with €35 796 000 allocated for the period 2007-2010 and €32 842 000 for the period 2010-2013.

In relation to the four programme priorities, the total programme budget is broken down as follows:

Priorities	EU contribution (a)	National cofinancing (b)	Cofinancing rate (in %) (c)	Total funding (d)= (a)+(b)
Priority 1	10 295 742	1 029 574.25	10%	11 325 316.70
Priority 2	17 159 571	1 715 957.08	10%	18 875 527.83
Priority 3	20 591 485	2 059 148.49	10%	22 650 633.39
Priority 4	13 727 657	1 372 765.66	10%	15 100 422.26
Technical assistance	6 863 828	0.00	0%	6 863 828.30
Total:	68 638 283	6 177 445.48	9%	74 815 728.48

It is interesting to note that compared with other JOPs, the majority of resources is allocated not to the economic development priority but to the priority relating to the efficiency of border structures and environmental protection.

With a view to simplifying programme implementation, beneficiaries are required to contribute a uniform cofinancing rate (10%) for each approved project.

2. Operational management structure and procedures

(a) Special features of structures assigned to JOP management
The structures assigned to the programme are: the Joint Monitoring Committee (JMC), the Joint Managing Authority (JMA) and the Joint Technical Secretariat (JTS).

The programme describes the general operating rules of the JMC and its responsibilities.

It is worth noting that in order to facilitate implementation of the sustainable horizontal development principle, the programme provides for the participation, as observers, in the JMC's decision-making process of representatives of national and regional authorities working in the environmental field and of representatives of civil society organisations with expertise and experience in the field of the environment and civil protection. Their participation is to focus, in particular, on drawing up and approving the project selection criteria to ensure their environmental sustainability. That underlines the importance the programme gives to the environment.

The designated JMA is the National development Agency (Budapest, Hungary), the functions of JTS are carried out by a non-profit-making body (VÁTI Hungarian Public Non-profit Company for Regional Development and Town Planning Budapest, Hungary), assisted by three branches located in Uzhgorod (Ukraine), Košice (Slovakia) and Satu-Mare (Romania).

(b) Special features of project selection procedures

Projects will be selected under the ENPI CBC implementing rules and the PRAG provisions. Indicatively, one call for proposals will be launched each year for all priorities.

The JMA and the JTS will develop the applications, including the forms and annexes, the guides for applicants and the evaluation grids, on the basis of and in accordance with the PRAG criteria, with the participation of competent technical experts. Applications will be assessed by experts and will then be discussed in the project Selection Committee.

(c) Special features of JOP internal monitoring and evaluation procedures

The monitoring activities are based on a system of indicators to be developed at a later date in order to support monitoring and evaluation at programme level.

The indicators must be established at programme, priority and project level. The monitoring system will be based on a management information system for data collection and monitoring.

The monitoring will also cover the implementation of the programme's information and communication strategy, in particular its communication plan. The JMA/JTS must inform the JMC of progress made in implementing the programme, to monitor the effectiveness of the information and communication in terms of JOP visibility.

(d) Mechanisms for coordinating the JOP with other Community programmes

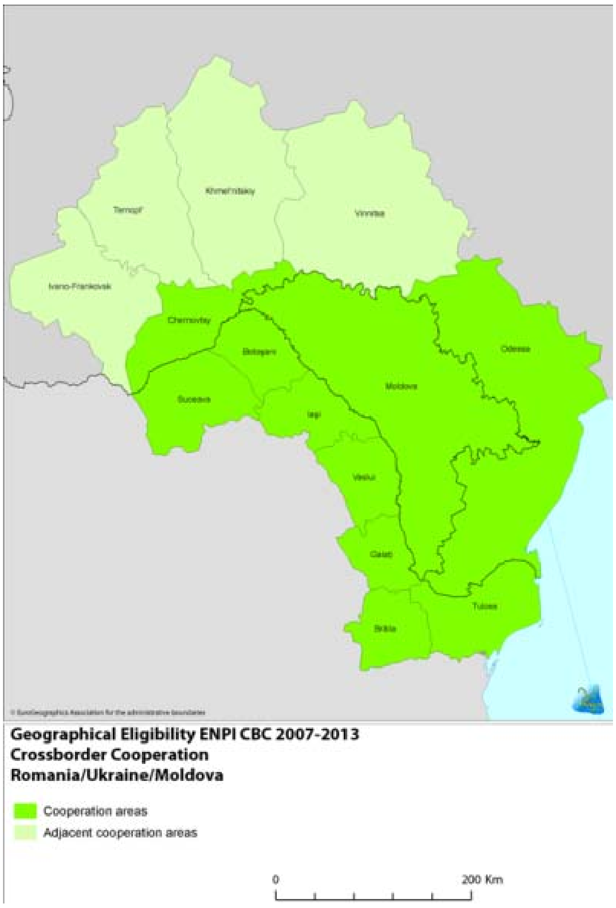
The programme complements a whole range of European, national, regional and local strategies applicable in the programme area. Special attention is, therefore, to be paid during programme implementation to ensuring complementarity and possible synergies with existing initiatives.

To avoid double funding and overlaps with projects financed under other programmes, applicants must clearly indicate in their applications whether they have requested other funds to support part or all of the proposed activities. That should not have a discriminatory effect as regards their proposals but will be taken into account in the final choice of projects.

Romania-Ukraine-Republic of Moldova Joint Operational Programme 2007-2013

1. Content of JOP

(a) Geographical coverage:



Source: RCBI

Eligible regions:
Romania: Botosani, Suceava, Iasi, Vaslui, Galati, Tulcea. Adjoining region: Braila.
Ukraine: Chernivetska Oblast, Odeska Oblast. Adjoining regions: Ivano-Frankivska Oblast, Ternopilska Oblast, Khmelnitska Oblast, Vinnitska Oblast.
Republic of Moldova: the whole country.

Source: RCBI

The total surface area is 176.6 km², with a population of 15 million (10 million in the central cooperation area and 5 million in the adjoining regions).

(b) Key aspects of the socio-economic situation (problems and needs)

The area is basically rural and not very competitive in terms of production, skills and resources used in the research and development sectors.

In terms of the environment, the main problems are soil and water pollution and the absence of industrial waste treatment systems. Moreover, the water supply systems are now obsolete and need major capital investment.

Socially, the area is faced with the challenges of illegal immigration and trafficking in people. In fact, the main east-west transit routes used by organised crime are situated in the programme area.

(c) Programme strategy: general objective, priorities and measures

The JOP addresses the weakness of the region by a strategy based on the four pillars of the ENPI CBC general strategy and aimed at improving the economic, social and environmental situation, in the context of secure borders. It also aims to strengthen contacts among partners on both sides of the border and to concentrate the measures around a small number of projects likely to achieve more effective results at cross-border level.

With a view to creating a genuine entrepreneurial system and developing the agricultural and tourist potential of the region, measures must be taken to improve the quality of infrastructure (especially in the field of transport, electricity and natural gas) and of the administrative system, which is currently marked by high taxes and bureaucracy, and break through a number of administrative barriers. Yet the funds allocated to the programme do not allow for large-scale projects in the infrastructure sector but only for financing investment in structures designed to improve cross-border transit, the electricity distribution sector and the water supply and waste management systems. Moreover, the JMC may decided, at a later stage, to finance large-scale projects proposed by partner countries, provided they comply with the programme priorities and measures.

Soft investment, such as the creation of networks, exchanges of experience and the organisation of joint events, is regarded as another important aspect in the development of the area.

Other programme objectives include promoting a new agricultural economy that takes account of the development of tourism, promoting innovative methods, supporting R&D, and improving workers' skills. A strategy of that kind should help raise incomes and improve living standards among the population and thereby help reduce the level of emigration from the area.

Measures to address common challenges, relating in particular to environmental protection, will concentrate primarily on the issue of water. The programme is designed to encourage joint regional action with a view, in particular, to improving the management of water, waste management and formulating a joint plan for managing emergencies resulting from extreme weather.

Border security will be improved by enhancing cooperation among local authorities with a view to making the procedures for operational border management more efficient.

Cross-border infrastructure investment may be supported under the heading of strategic projects, provided all the participating countries so wish.

As regards the people-to-people cooperation priority, the programme envisages financing a larger number of applications than under previous neighbourhood programmes. Past experience has shown that a sound cross-border cooperation policy calls not only for efficient and clear programmes but also for support to potential applicants for calls for proposals in regard to drafting and developing project proposals. That is why the JTS will be given the task of providing information on the opportunities the programme offers and responding to practical questions about the preparation of applications.

Priorities	Measure
Priority 1: Towards a more competitive border economy **Aim:** Improving the economic performance of the border through the diversification and modernisation, in a sustainable manner, of the border economy	**1.1-** Improving the productivity and competitiveness of the region's urban and rural areas by working across borders
	1.2- Cross-border initiatives in transport, border infrastructure and energy
Priority 2: Environmental challenges and emergency preparedness **Aim:** To support long-term solutions to the environmental problems faced by the border areas, particularly those associated with water and sewerage management systems, as well as environmental emergencies where a coordinated approach is essential	**2.1-** Addressing strategic cross-border environmental challenges including emergency preparedness
	2.2- Water supply, sewerage and waste management
Priority 3: People-to-people cooperation **Aim:** Promoting greater interaction between people and communities living in the border areas	**3.1-** Local and regional governance; support to civil society and local communities
	3.2- Educational, social and cultural exchanges

(d) Types of cofinanced project

The envisaged projects are integrated, symmetrical and simple.

The JOP does not provide directly for large-scale projects, but the JMC has envisaged financing projects in the field of transport, and energy and environmental infrastructure (including emergency preparedness). The JMC will decide the budget available for this type of project.

(e) Financing plan: total funding and breakdown

The programme budget is €138 122 693, of which €126 718 066 is contributed by the European Union, with €66 086 000 for the period 2007-2010 and €60 632 000 for the period 2010-2013.

The total budget is broken down between the three programme priorities as follows:

Priorities	EU contribution (a)	National cofinancing (b)	Cofinancing rate (in %) (c)	Total funding (d) = (a)+(b)
Priority 1	57 023 130	5 702 313	10 %	62 725 443
Priority 2	44 351 323	4 435 132	10%	48 786 455
Priority 3	12 671 807	1 267 181	10%	13 938 988
Technical assistance	12 671 807	0.00	0%	12 671 807
Total:	126 718 066	11 404 626	9%	138 122 692

As a general rule, cofinancing by participating countries should account for at least 10% of the EU contribution to the programme, minus the amount representing technical assistance funded by the EU's contribution to the programme. In any case, the programme provides that each participating country decides its own cofinancing system (at national or local level, or directly by the beneficiary).

2. Structures and methods of operational management

(a) Special features of structures assigned to JOP management

The programme management structures are: the JMC, JMA and JTS.

The JMC is made up of members designated by each country, with a maximum of two from central level and a maximum of four from regional level.

To avoid duplication of financing and ensure a transparent project selection process, in addition to the duly appointed representatives other participants may be invited to take part in each JMC meeting in an advisory capacity. They include representatives of the Ministry of Economy and Finance of Romania, the Audit Authority of the Court of Accounts of Romania, other ministers responsible for managing operational programmes cofinanced from Structural Funds, regions and counties concerned by the programme, and NGOs located in the eligible programme area.

The European Commission will be invited to each JMC meeting at the same time as the participants and be informed of the results of the deliberations. It may take part in all or part of each JMC meeting, on its own initiative, as an observer, and without any decision-making power.

The function of JMA was assigned to the Ministry of Development, Public Works and Housing, General Directorate for European Territorial Cooperation, Romania.

It will be assisted by the JTS (Regional Office for CBC, Suceava, and Regional Office for CBC, Iasi, Romania). The programme specifies the JTS's functions (programme management, development and execution of the project cycle), organisation (establishment of a permanent structure organised in three sections with distinct tasks) and staff selection criteria.

The JTS is assisted by three branch offices situated in Chisinau (Republic of Moldova), Odessa and Chernivetski (Ukraine), with the task of carrying out publicity and information activities addressed to potential applicants for calls for proposals and beneficiaries in the partner countries.

Proposals are assessed by an Evaluation Committee appointed by the JMC and composed of a non-voting chairperson proposed by the JMA, one secretary proposed by the JTS, and three to five evaluators proposed by the participating countries. The JMC may be assisted by external assessors contracted by the JMA; their number will depend on the amount of proposals received, with a minimum of three, so that their expertise can reflect the priorities covered by the calls for proposals.

(b) Special features of project selection procedures

What distinguishes large-scale projects from integrated, symmetrical or simple projects is that the former may be selected by the JMC on the basis of a procedure to be formulated at a later stage. Moreover, the JMC's decision has to be approved by the European Commission.

The JTS and its branch offices are responsible for providing information on the calls for proposals. Project proposals are sent to the JTS and assessed by the Evaluation Committee appointed by the JMC. The entire evaluation procedure must be set out in an evaluation report submitted to the JMC for approval.

The JMA is also responsible for drafting the contracts, although the JMC is responsible for some aspects of this. The JMA drafts the contract, which is subject at a later stage to verification that it complies with national and community legislation and satisfies the legal requirements for approval. At the end of that procedure, the JMA may sign the contract with the beneficiary.

(c) Special features of JOP internal monitoring and evaluation procedures
The programme uses a management tool called 'Management Information System - European Territorial Cooperation (MIS-ETC)'. This is a data base of information relating to implementation, necessary for financial management, monitoring, verification, audit and programme evaluation. The system will support both programme implementation and the project cycle on the basis of two sets of indicators. The JMC, JMA and JTS are responsible for programme monitoring.

The JMC will be consulted on the indicator system at an early stage of programme implementation as well as during the entire programming period.

The JMA will monitor the programme indicators using the MIS-ETC system; the JTS will also monitor the project indicators with the MIS-ETC system and provide the JMA with a synthesis of the indicators at programme level twice a year.

(d) Mechanisms for coordinating the JOP with other Community programmes
Consistency with other programmes is ensured by various measures:

- regular exchanges of information between the JMA/JTS and regional and international organisations active in the eligible area;

- mechanisms to ensure consistency and synergies between the JOP and initiatives carried out in participating countries (e.g. the involvement at programme planning and implementation stage of representatives of the ministries concerned);

- applicants will show how their projects complement other local development initiatives in the same field;

- applicants will describe how their proposals may have multiplier effects, for instance by disseminating and replicating the results in other regions, or whether their projects can be considered pilot projects that can be used as a model to be replicated on a larger scale.

To avoid double funding or overlap between projects, applicants must clearly indicate whether they are applying to other funds for support for the same proposed activities. That will be taken into account in the final project selection. The main risk of overlap noted in the coherence analysis concerns projects under the Romania-Republic of Moldova-Ukraine Neighbourhood Programme (due to run until 2010). Special attention will be paid to the time-schedules and priorities of calls for proposals.

Another risk noted during the planning stage concerns the overlap with Romanian programmes cofinanced from the Structural Funds. Here, any overlaps will be prevented by inviting representatives of the managing authority of the programmes to JMC meetings as observers. Similar measures are envisaged under the above programmes. In any case the JMC will only fund cross-border projects.

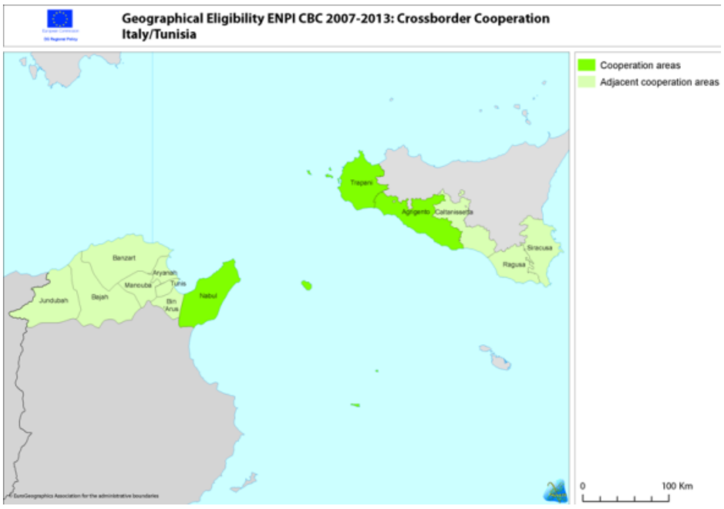
Finally, this programme risks overlapping with the Black Sea Basin Programme. Provision is therefore being made for systematic consultation between the JMAs of the two programmes. Moreover, representatives of the Black Sea Basin Programme's JMA may be invited to take part as observers in the JMC meetings of this JOP.

(II) ENPI CBC sea-crossing programme

Italy-Tunisia Joint Operational Programme - 2007-2013

1. Content of JOP

(a) Geographical coverage:



Source: RCBI

Eligible regions:
Italy: Agrigento, Trapani. Adjoining regions: Ragusa, Caltanissetta, Syracuse.
Tunisia: Nabeul. Adjoining regions: Ben Arous, Tunis, Ariana, Manouba, Bizerte, Béja, Jendouba.

The programme's Joint Task Force decided that the eligible adjoining areas defined above would take part in the programme under the same conditions as the eligible border areas, without discrimination as to their access to the programme resources.

(b) Key aspects of the socio-economic situation (problems and needs)

The cooperation area defined by the programme covers nearly half the region of Sicily and one tenth of Tunisia, making up a total land surface area of 27 198 km². It is marked by a wide natural diversity, including arid mountain areas, forests, green plains, and a long coastline, where most human activity is concentrated.

The institutional framework of the Sicilian provinces and Tunisian governorates differs widely, especially as regards the powers assigned to local and regional authorities. The Italian region of Sicily has a special status, which gives it a degree of legislative, administrative and financial autonomy. In Tunisia, however, under the law of 4 February 1989 that consolidated the role of the regional councils (made up of elected members) of the governorates in regard to all economic, social and cultural matters, the role of the regions has been strengthened again over the past few years. The governorates have been given broader powers to design, manage and monitor their regional development.[34]

[34] Special attention was also paid to consolidating their human resources and working tools, with a view to making the region an active magnet for development and promote private investment in the governorate, initiate and carry out development projects and establish decentralised international cooperation relations.

Per capita GDP differs widely from one side of the border to the other, being seven times higher in Sicily (€15 888) than in Tunisia (€2 196) in 2004. It remains well below the European and Italian averages (€23 448). In terms of purchasing power parity, the income gap remains wide, although to a more limited degree.

The economic situation in the area varies. Although there are common features at the level of fishery and agro-food production, there are wide disparities between the eligible Sicilian provinces, which are mainly geared to services and tourism, and the Tunisian governorates, where industrial activity remains important despite the predominance of services.

Both in the Italian provinces and in the governorates, tourism has grown in recent years and still shows a strong potential for development and exchanges of experience between the regions.

Thanks largely to the growth in tourism, the services sector is by far the biggest employer: tourism alone is the main source of employment for some Sicilian provinces such as Ragusa; agriculture is crucial at local level, as is fishery.

Yet, with an average unemployment rate of over 15% in the eligible areas, raising the level of employment is a major challenge for the regions on both sides of the borders.

At the same time, the region still faces a large number of environmental pressures, some natural, such as forest fires, but others due largely to economic and human activity (industrial pollution, threats to the coast and certain areas facing massive seasonal influxes of tourists, strong pressure on agricultural, forest and pastoral land, poor management of water resources, damage to the urban and rural environment, an inadequate waste-management policy in urban areas, with very low differentiated collection rates). Regional strategies include the promotion of renewable energy production.

The Tunisian education sector faces a rapid increase in the number of secondary and higher education students, as a result of the population growth over recent years, at the very time when it is crucial for Tunisia to improve educational results and the interaction between education, research and the labour market if it is to acquire the skills needed in a knowledge-based international context.

The presence and consolidation of university institutions in the Sicilian provinces represent a major factor of economic development in the cooperation area, although research and innovation still do not receive adequate support.

The basic infrastructure of the eligible area is developed, which allows for international trade; however, not enough attention has been paid to the transport of goods by sea and transport logistics also suffer from the lack of intermodal centres.

The existence of modern and efficient transport networks is crucial to the proper functioning of the Euro-Mediterranean free-trade area that is to be established in 2010, while it is also a strong factor of regional and sub-regional integration of the Mediterranean partners.

Sicily is also a major transit area for immigrants from Africa and Asia, with illegal immigration by sea accounting for 14% of total recorded immigration.

(c) Programme strategy: general objective, priorities and measures
The programme strategy takes account primarily of the ENP objectives and, in particular, of the cross-border cooperation component as defined in the ENPI regulation.

Moreover, the two participating countries believed those objectives should be supplemented by other principles to ensure respect for the programme objectives and also its efficiency. They are as follows:

- common benefits and co-development;
- partnership;
- local development and enhancing the regional territorial dimension;
- opening up the region;
- leverage effect of the programme;
- raising the level of regional competitiveness;
- sustainable development;
- equal opportunities, non-discrimination, respect for the rights of the individual;
- integration.

The general objective of the programme is 'to promote the economic, social, institutional and cultural integration between the Tunisian and Sicilian regions through a joint sustainable development process in the context of cross-border cooperation.'

The two countries participating in the programme have decided to address three of the four specific ENPI cross-border cooperation objectives set out by the European Commission, i.e.:

- economic and social development (Objective 1),
- common challenges (Objective 2),
- people-to-people cooperation (Objective 4).

The analysis of the geographical areas covered by the programme has shown that there are four priority sectors of common interest to both the Tunisian governorates and the Italian provinces on which cooperation measures should focus: the agro-food, fishery, tourism and culture sectors.

Those sectors have been identified as having a major development potential, because of their positive impact on employment, but also more broadly on the socio-economic context (SMEs and craft products, environment, immigration flows).

The first priority identified by the partners participating in the Joint Task Force and the one to which most (60%) of available programme funding for project support will be allocated is the socio-economic development of the eligible regions and the promotion of regional economic development.

The funding will be concentrated on the development and integration of the key economic sectors of the eligible area, i.e. agro-food, fishery and tourism; promoting the flow of goods; promoting research and innovation; supporting institutional cooperation (e.g. regional development organisations, chambers of commerce) in order to promote local development.

The priority relating to the environmental dimension of development will concentrate on the enhancement and efficient management of natural resources in the key sectors of agriculture and fishery; protecting and enhancing the natural and cultural heritage, as a prerequisite for sustainable tourism development; and promoting the development of renewable energy sources.

The priority relating to cooperation among all partners at the level of associations and non-state organisations or institutions (universities, technical or cultural centres, etc.) will concentrate on supporting cooperation at the level of associations; promoting cultural and scientific cooperation; training and exchanges of youths and students.

Priorities	Measures
Priority 1: Regional development and integration Improving competitiveness and dynamism in the economic sector	**1.1-** Development and integration of key economic sectors
	1.2- Promoting the flow of goods, supporting the immigration and financial flows
	1.3- Promoting research and innovation
	1.4- Supporting institutional cooperation for local development purposes
Priority 2: Promoting sustainable development Enhancing natural and cultural resources and the use of renewable energy sources	**2.1-** Efficient management of natural resources
	2.2- Enhancing the natural and cultural heritage
	2.3- Promoting the development of renewable energy sources
Priority 3: Cultural and scientific cooperation and support to networking Establishing sustainable cooperation links and support for vocational training	**3.1-** Supporting cooperation at the level of associations
	3.2- Promoting cultural and scientific cooperation
	3.3- Training and exchange of youths and students

(d) Types of cofinanced project

To achieve the above priorities and taking account of the nature and objectives of the programme, two types of project are envisaged:

- projects resulting from activities initiated by local actors organised in cross-border partnerships and consistent with the programme objectives and priorities;
- strategic projects concerning areas identified in advance by the JMC, to be addressed in relation to the specific programme objectives.

The aim of the first type of projects is to promote the emergence of initiatives jointly defined and developed by partnerships comprising eligible local and regional actors in the programme's cooperation area, on the basis of the objectives and priorities set out in that programme. They include integrated, symmetrical and simple projects.

Strategic projects are identified by the programme's JMC and defined by their capacity to structure cooperation in the cross-border area around the programme objectives and priorities. Strategic projects must take up the opportunities, advantages and challenges of the intervention area and respond to the needs of the regions covered by the programme. Their execution will have an impact that goes beyond the confines of the regions concerned, producing major effects in support of the regional and national development policies of the two countries concerned.

The project themes will be chosen in the light of the major challenges characterising the cooperation area with a view to defining work programmes adapted to the programme as a whole and thus avoiding any fragmentation of operations.

Following a mid-term evaluation of the programme, the JMC may adjust the project themes selected previously before launching new calls for proposals.

(e) Financing plan: total funding and breakdown

The programme budget is €27 458 651, of which €25 191 423 is contributed by the European Union, with €13 138 000 allocated for the period 2007-2010 and €12 054 000 for the period 2010-2013.

The total programme budget is broken down among the four programme priorities as follows:

Breakdown of budget	EU contribution		National cofinancing		Total funding
Total	25 191 423	100%	2 267 228	100%	27 458 651
Technical assistance	2 519 142	10%	0	0%	2 519 142
Projects	22 672 281	90%	2 267 228	10%	24 939 509

91% of total programme resources are allocated to projects according to the following breakdown per priority: 60% for the first priority, 20% for the second and 20% for the third.

Cofinancing of projects by the two participating countries is in both cases 10% of the EU contribution to the programme, not including technical assistance, as shown in the table above. During programme implementation, a uniform 10% cofinancing rate is required at the level of each approved project; the programme beneficiaries in the eligible regions are responsible for that cofinancing at the level of the projects to which they must contribute a minimum of 10%. Given, however, that cofinancing is a means of proving that partners are effectively involved in the projects, the JMC may decide – in regard particularly to the selection criteria for strategic projects, or to certain programme objectives in the framework of a call for proposals – to request a contribution of more than 10% or to assign a greater specific weight to the financing rate in the evaluation grid for project proposals.

2. Operational management structures and procedures

(a) Special features of structures assigned to JOP management

The structures assigned to the programmes are the JMC, JMA, JTS and the project Selection Committee (for each call for proposals).

The programme describes the general operating rules of the JMC and its responsibilities.

Each project Selection Committee is made up of three voting members designated by the JMC for each call for proposals, a non-voting chairperson and a non-voting secretary who is a member of the JMA. The Selection Committee is assisted by the JTS and a team of expert project evaluators. The experts are chosen through a data base set up on the basis of a call for expressions of interest launched by the JMA.

The function of JMA was assigned to the Sicily Autonomous Region (Italy). The JTS will assist the JMA in day-to-day programme management and will be a permanent structure located close to the region and supervised by a coordinator. The JTS will also have a branch office in Tunis, which will coordinate JTS activities with the Tunisian Ministry of International Development and Cooperation.

(b) Special features of project selection procedures

The integrated, symmetrical and simple projects are selected on the basis of calls for proposals.

The procedures for launching calls for proposals and for project selection and implementation will be set out in the manuals of procedures to be drafted by the JMA (taking account of the ENPI regulation, the ENPI CBC programme implementing rules and the PRAG) and subject to approval by the programme's JMC.

Strategic projects will be selected on the basis of open or restricted calls for proposals in accordance with the procedures described in the PRAG. Those calls should cover only a limited number of programme measures and priorities.

The criteria for identifying strategic projects, as indicated in the programme in question, include the following: the project must unite key public and private actors involved in change, around one of the major issues of the cross-border cooperation area; it must promote the implementation of concrete measures that have an objectively appreciable and verifiable impact on the regions; it must be capable of producing effects that facilitate the identification and implementation of common public policies; it must include technological innovation components; it must adopt exemplary procedures for identifying and implementing the envisaged measures that may serve as a model for the entire cooperation area of the programme; it must activate mechanisms for consultation among the various actors at institutional and local level; it must apply mechanisms that will ensure the involvement and encouragement of partnership between the public and private actors concerned.

The JMC will identify in advance the priority areas to be addressed through this instrument and will decide on the type of selection procedure.

(c) Special features of JOP internal monitoring and evaluation procedures

The programme will include a system of annual monitoring on the basis of data provided by the project leaders. Proposals must include forecasts for the monitoring indicators. During the lifetime of the projects, operational and financial reports will make it possible to obtain physical, procedural and financial indicators of the progress of the projects and, therefore, of the programme.

The JTS will keep a data base of the indicators obtained and draw up periodic reports at consolidated programme level with a view to evaluating the way the indicators evolve in relation to the forecasts.

The JMA will create specific programme management software to maintain:

- the specific programme accounts, with the analytical monitoring referred to above, but also with separate monitoring of the expenditure of the various management structures;
- the data base of calls for proposals, together with the list of proposals received and the description of the evaluation procedure;

- the data base of contracts, together with the beneficiaries and the record of all requests for payment. The software will make it possible to monitor the payment procedure in the management structures (JMA and JTS);
- the data base of calls for tenders, with the register of all bids received and the entire award procedure;
- the data base of contracts with service providers and suppliers, together with all payment procedures;
- the data base of the staff of all management structures, indicating all payments of wage and social security costs chargeable to the programme;
- the description of Commission certification procedures and requests for payment;
- the data base of all audits by project samples;
- a list of procedures for claiming reimbursement to beneficiaries.

The software will be accessible by Intranet to all users authorised by the management structures. It will include a system for recording all the transactions made by each user, including authorisations, to facilitate the work of the internal audit unit, which will have priority access. It will include a 'scoreboard' containing key information and summary data on the projects and the programme, for the JMA director and JMC members.

Evaluations of programme implementation and results, carried out by independent experts, are vital to improving the quality and efficiency of the programme. The JMC will decide the frequency of interim programme evaluations, as well as the date of the mid-term and final evaluation by the European Commission.

Pursuant to Article 39 of the Implementing Rules, the JOP also provides that Italy may set up a separate system of national control in order to verify the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations, or parts of those operations, with Community rules and national rules. Italy must provide a detailed description of this system to the JMA and ensure that the beneficiaries of the respective regions are properly informed of the specific provisions with which they must comply. This system of separate national control will be financed from Italy's resources. Expenditure incurred by the Tunisian partners will be verified by external auditors in accordance with PRAG procedures.

(d) Mechanisms for coordinating the JOP with other Community programmes

The partners will ensure coherence and complementarity between the actions and cooperation at national level and at regional and local level, to avoid duplication and produce a stronger leverage effect.

Double financing will also be avoided by other means, such as requiring project leaders to submit original documents to justify the expenditure, indicating the project code.

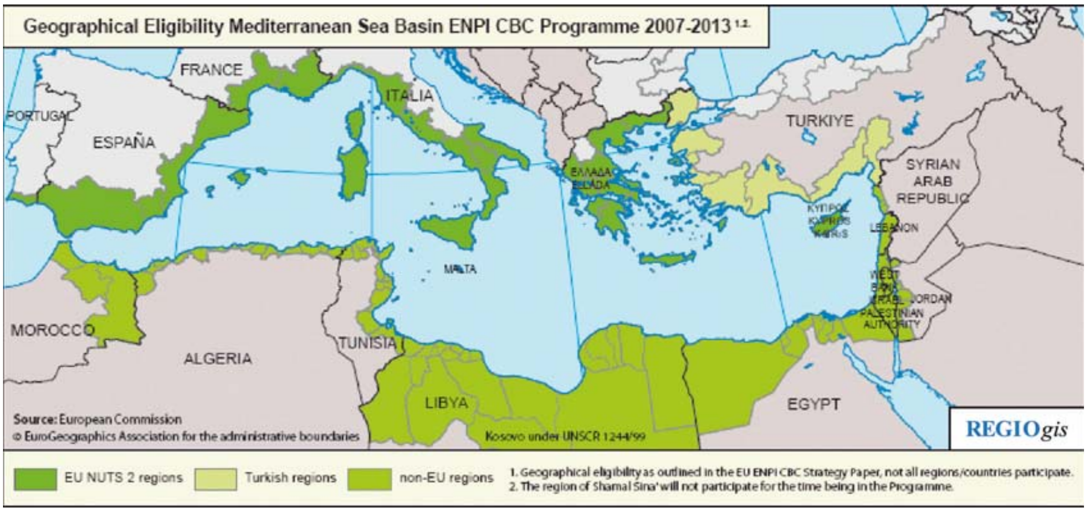
In regard to coordinating the programme with other cross-border cooperation programmes and to prevent the risk of possible overlaps, a joint data base has been created to collate the data on projects financed under the Italy-Tunisia Programme with the data on projects financed under the Italy-Malta ETC Programme. This data base will be managed by the Special Office for Decentralised Aid Cooperation and International Solidarity, which is also the JMA of the Italy-Malta programme. Moreover, the programme provides for the creation of a network with the MED ETC Programme and the ENPI CBC Mediterranean Sea Basin Programme.

ENPI CBC sea basin programmes

Mediterranean Sea Basin Joint Operational Programme 2007-2013

1. Content of JOP

(a) Geographical coverage:



Source: RCBI

Algeria: Tlemcen, Aïn Témouchent, Oran, Mostaganem, Chlef, Tipaza, Alger, Boumerdès, Tizi Ouzou, Béjaïa, Jijel, Skikda, Annaba, El Taref; **Palestinian Authority**: the whole country; **Cyprus:** the whole country; **Egypt:** Marsa Matruh, Al Iskanyah, Al Buhayrah, Kafr ash Shaykh, Ad Daqahliyah, Dumyat, Ash Sharquiyah, Al Isma'iliyah, Bur Sa'id, Shamal Sina'; **Spain:** Andalucía, Cataluña, Comunidad Valenciana, Murcia, Islas Baleares, Ceuta, Melilla; **France:** Corse, Languedoc-Roussillon, Provence-Alpes-Côte d'Azur; **Greece:** Anatoliki Makedonia - Thraki, Kentriki Makedonia, Thessalia, Ipeiros, Ionia Nisia, Dytiki Ellada, Sterea Ellada, Peloponnisos, Attiki, Voreio Aigaio, Notio Aigaio, Kriti; **Israel:** the whole country; **Italy:** Basilicata, Calabria, Campania, Lazio, Liguria, Puglia, Sardegna, Sicilia, Toscana; **Jordan:** Irbid, Al-Balga, Madaba, Al-Karak, Al-Trafila, Al-Aqaba; **Lebanon:** the whole country; **Libya:** Nuquat Al Kharms, Al Zawia, Al Aziziyah, Tarabulus, Tarunah, Al Khons, Zeleitin, Misurata, Sawfajin, Surt, Ajdabiya, Banghazi, Al Fatah, Al Jabal Al Akhdar, Damah, Tubruq; **Malta:** the whole country; **Morocco:** Oriental, Taza-Al Hoceima-Taounate, Tanger-Tétouan; **Portugal**: Algarve; **United Kingdom:** Gibraltar; **Syria:** Latakia, Tartous; **Tunisia:** Médenine, Gabès, Sfax, Mahdiyha, Monastir, Sousse, Nabeul, Ben Arous, Tunis, Ariana, Bizerte, Béja, Jerdouba; **Turkey:** Tekirdağ, Balikesir, Izmir, Aydın, Antalya, Adana, Hatay.

The programme provides for beneficiaries from NUTS II or equivalent level adjoining regions to take part in the calls for proposals. That participation must be authorised by the Joint Monitoring Committee following a case-by-case analysis taking account of the objective benefits to a specific project and to the programme as a whole.

(b) Key aspects of the socio-economic situation (problems and needs)

The Mediterranean Sea Basin countries vary widely in terms of geographical structure, economic specialisation, social organisation and political and cultural forms. Generally speaking, the economic indicators in the partner countries are improving, but there is still a real need for structural reforms and reform of the public administration.

Taking a more detailed look at the population, the northern and southern shore of the basin differ markedly in terms of demographic trend. The population of the Mediterranean partner countries almost doubled (+99%) between 1970 and 2000, whereas the population on the northern shore rose by only 14% over the same period. Those trends have an impact on employment and immigration. The north will face challenges in future owing to an ageing population, which will have adverse effects on economic growth, innovation, the budget, etc. Conversely, in the Mediterranean partner countries a young population is preparing to enter the job market, which will have a strong impact on an already high unemployment rate. Against that background, migration flows may offer solutions to the falling manpower in the EU and the pressure on the Mediterranean partner countries' local employment markets. Yet the need to improve human capital is clear on both sides of the Mediterranean, which face major challenges such as social cohesion and adverse phenomena such as human trafficking and illegal immigration. In that context it is worth noting that in many countries immigration falls within the sole remit of the national authorities.

Economically, the region shows considerable differences between the average income level on the two sides of the Mediterranean. One of the major socio-economic challenges facing the region will be how to encourage policies aimed at a sustainable, long-term process of income convergence.

The areas eligible for the programme vary widely in terms of economic activity and include both highly rural areas and industrial centres or service areas. The tourist sector still has a strong economic development potential throughout the region, although action is needed to tackle its environmental impact. Innovation is also a key objective in the Mediterranean region. The Mediterranean partner countries are pursuing policies aimed at improving their research and innovation capacity. Here, the potential for cooperation between the EU Member States and the Mediterranean countries is beginning to take shape, on the basis of links between technology parks and centres, incubators of innovative activities, etc.

The region faces challenges and has potential in the field of trade and its management through regional, multilateral or bilateral agreements. It should be remembered that the 1995 Barcelona Declaration looked to the creation of a Euro-Mediterranean free trade area for industrial goods by 2010 and that over recent years the EU and the Mediterranean partner countries have also opened negotiations on agricultural, processed agricultural and fishery products. Moreover, the Mediterranean partner countries have begun negotiations with the EU on the gradual liberalisation of trade in services and the right of establishment. Trade cooperation among Mediterranean partner countries, necessary to avoid the distortions produced by an EU-centred hub-and-spoke system, is not yet complete. Yet significant progress has been made.

Other issues of crucial importance to the region are the vulnerability of common natural resources, which are subject to various pressures (demographic, economic and social), climate change and the deterioration of the environment. All the Mediterranean Sea Basin countries have adopted environmental policies (in the framework, also, of the Barcelona Convention) and examples of good practice are to be found.

In transport, infrastructure development and the creation of a European integrated and multimodal transport network are a key target in terms of the sustainable economic and social development of the region.

In regard to managing energy resources and flows, the Euro-Mediterranean ministers have approved an action plan for the period 2007-2013 and agreed to work towards the gradual integration of Euro-Mediterranean energy markets and the development of energy projects of common interest and renewable energy sources.

Lastly, the enhancement of territorial partnerships and exchanges of good practice among regional and local authorities are a key aspect of cross-border cooperation programmes such as the Mediterranean Sea Basin Programme. In that context, the importance of promoting human and cultural contacts has been widely acknowledged.

(c) Programme strategy: general objective, priorities and measures

The definition of the programme strategy is based on four key elements:

- the specific characteristics and trends of the cooperation area, highlighted by the context analysis, which led to the focus on orientations such as the maximisation of the flows of goods, people and capital among the territories of the Mediterranean Basin, the contribution to the establishment of an area of peace, exchange, dialogue and cooperation to enhance the cultural, human, social, natural and economic dimension of the Mediterranean countries, as well as the production of real and sustainable effects on the local development of the territories;

- the activation of operational synergies with ongoing and planned initiatives in the countries and territories of the Mediterranean Sea Basin, in order to enhance the background of knowledge and experiences and to amplify the programme's range of action. The objectives of the Euro-Mediterranean Partnership and of the cross-border component were taken into account in the formulation of the strategy and content of the programme, as were the priorities of the countries participating in the programme as defined by their national agendas. The fact that the programme is a cross-border cooperation initiative means that its strategy and the actions deriving from it must not replace other local, national and regional initiatives but must rather seek to capitalise on the results of past experience and be integrated in a coherent manner with the ongoing and planned initiatives ('added value of cross-border cooperation');

- the specific nature of the programme as a cross-border cooperation initiative, which involves a large number of local, regional and national subjects, taking into account the limited financial resources available to it and the competencies and prerogatives of the principal actors. That is why the projects supported by the programme must be coherent and complementary with other initiatives ('complementarity of cross-border cooperation');

- the willingness of participating countries to avoid the fragmentation and dispersion of the programme's actions by focusing them on a limited number of priorities to produce a more tangible impact on the whole cooperation area ('focalisation of cross-border cooperation').

Moreover, when defining the content of the programme, the participating countries approved a set of principles aimed at providing guidelines for local actors organised in cross-border partnerships who are asked to present projects when the programme's joint structures launch calls for proposals: common appropriation, common benefits, partnership, sustainable development, equal opportunities, territorial dimension of the development process to improve the level of competitiveness of the Mediterranean Sea Basin countries, integration and cofinancing. Those principles, consistent with those established by the ENPI, are designed to ensure compliance with the programme's objectives while also ensuring its efficiency.

The general objective of the programme is to contribute to promoting the sustainable and harmonious cooperation process at the Mediterranean Basin level by addressing the common challenges and enhancing its endogenous potentials.

Four priorities were defined as the most appropriate for building a stable cooperation process in the Mediterranean area:

Priorities	**Measures**
Priority 1: Promotion of socio-economic development and enhancement of territories **Aim:** Support to innovation and research in key sectors of the cooperation area, creation of synergies among potentials of the Mediterranean Sea Basin countries and strengthening the strategies of territorial planning.	**1.1-** Support to innovation and research in the process of local development of the Mediterranean Sea Basin countries
	1.2- Strengthening economic clusters creating synergies among potentials of the Mediterranean Sea Basin countries
	1.3- Strengthening the strategies of territorial planning by integrating the different levels, and promotion of balanced and sustainable socio-economic development
Priority 2: Promotion of environmental stability at the Basin level **Aim:** Enhancement of natural common heritage, reduction of risk factors for the environment, improvement of energy effectiveness and promotion of the use of renewable energy sources.	**2.1-** Prevention and reduction of risk factors for the environment and enhancement of natural common heritage
	2.2- Diffusion of renewable energies and improvement in energy effectiveness to contribute to addressing, among other challenges, climate change
Priority 3: Promotion of better conditions and modalities for ensuring mobility of persons, goods and capitals **Aim:** Support to people flows among territories as a means of cultural, social and economic enrichment of the countries situated on both shores and improvement of conditions and modalities of circulation of goods and capitals among the territories.	**3.1-**Support to people flows among territories as a means of cultural, social and economic enrichment
	3.2- Improvement of conditions and modalities of circulation of goods and capitals among the territories
Priority 4: Promotion of cultural dialogue and local governance **Aim:** Support to exchanges, training and professionalism of young people and to all forms of dialogue within and among communities, and improvement of the governance processes at local level.	**4.1-** Support to mobility, exchanges, training and professionalism of young people
	4.2- Support to artistic creativeness in all its expressions to encourage dialogue among communities
	4.3- Improvement of the governance processes at local level

The programme specifies the main actors eligible for its various priorities and measures.

(d) Types of cofinanced project

The programme envisages two types of project:

- 'strategic projects', whose sectors are identified beforehand by the Joint Monitoring Committee in relation to the programme measures and further detailed in the calls for proposals;
- 'standard projects' proposed by the local actors organised in cross-border Mediterranean partnerships, following the calls for proposals issued in the framework of the programme.

Strategic projects are characterised by the fact that their implementation should have an impact beyond the confines of the territories concerned and generate important effects within the framework of regional, national and Basin development strategies and bring together the key actors of the public and private sector who can bring about change.

The thematic areas will be chosen by the Joint Monitoring Committee on the basis of the main challenges facing the cooperation area, with a view to defining work programmes covering the whole programme and avoiding any fragmentation of operations.

Moreover, since the programme covers a vast area of cooperation with a wide diversity of institutional, economic and social systems, strategic projects may be subdivided as follows:

- horizontal strategic projects, giving priority to a specific thematic approach considered of strategic value to the Mediterranean Basin and involving the active participation of several territories and partners on the two shores of the Basin;
- geographically concentrated strategic projects, focusing on the identification of shared solutions to problems and common challenges in a limited number of territories (of different countries on the two shores) within the framework of a partnership composed of actors of a different nature. Geographical concentration makes it necessary to implement explanatory activities with a strong impact, and to address jointly identified needs and opportunities which have an added value for the whole Mediterranean Basin.

In order to produce an effective and sustainable impact on the territories and according to the principle of concentration, 40% of programme resources (excepting technical assistance) will be allocated to strategic projects. However, this has to be considered an indicative percentage, an objective to be achieved throughout the implementation of the programme.

Standard projects aim to encourage the emergence of joint initiatives prepared by partnerships including public and private actors in the cooperation area, on the basis of calls for proposals launched by the programme. These projects may be integrated, symmetrical or simple, depending on the actual location of the actions in question.

The programme lays down the minimum and maximum thresholds of the total budget per project. The Joint Monitoring Committee may modify these thresholds, provided they remain within the established range; in the case of strategic projects, it may do so on the basis of the particular requirements inherent in certain thematic areas, and in the case of standard projects on the basis of the type of project (simple, integrated and symmetrical) and the priorities addressed.

(e) Financing plan: total funding and breakdown

The MED programme's budget is €189 231 983, of which €173 607 000 is contributed by the European Union, with €90 539 000 allocated for the period 2007-2010 and €83 068 000 for the period 2010-2013.

The EU's overall contribution and the cofinancing by the participating countries represents a single amount that is not pre-allocated per country and per eligible territory. The participating countries cofinance 10% of the EU contribution to the programme, with the exception of technical assistance. The cofinancing covers the whole programme. 50% of funding per project must relate to actions developed in the Mediterranean partner countries.

In order to simplify the implementing process, a uniform 10% cofinancing rate is requested for each approved project. Cofinancing by participating countries is determined by the effective capacity of potential programme beneficiaries in the eligible territories to propose or participate in projects.

Given, however, that cofinancing is a means of verifying the effective involvement of partners in the projects, the Joint Monitoring Committee may decide – as regards the project selection criteria, especially for strategic projects – to demand a contribution in excess of 10% or to assign a specific weight to the cofinancing rate in the evaluation grid relating to project proposals.

The total programme budget is broken down among the four programme priorities as follows:

Priorities	EU financing (a)	Cofinancing (b)	Cofinancing rate (in %) (c)	Total funding (d) = (a)+(b)
Priority 1	62 498 637	6 249 863	10%	68 748 501
Priority 2	46 873 978	4 687 398	10%	51 561 376
Priority 3	15 624 659	1 562 466	10%	17 187 125
Priority 4	31 249 318	3 124 932	10%	34 374 250
Technical assistance	17 360 732	-	0%	17 360 732
Total	173 607 323	15 624 660	10%	189 231 983

The total budget will also include cofinancing by the participating countries.

2. Operational management structures and procedures

(a) Special features of structures assigned to JOP management

The joint management and administration structures for the Mediterranean Sea Basin Programme are as follows:

- Joint Monitoring Committee;
- Project Selection Committees (for each call for proposals);
- Joint Management Authority;
- Joint Technical Secretariat.

Given the nature of the programme and its wide geographical range of action, two branch offices have been set up, located respectively in Valencia, Spain, and Aqaba, Jordan. They are designed to ensure closer proximity with the potential beneficiaries and the main actors at national and local level and facilitate their participation in the programme. Basically, their function is to carry out information, communication and promotion activities.

In regard to the JMC, it is worth noting that the programme provides that it must include a 'national delegation' for each partner country of up to five members (selected on the basis of the JMC rules of procedure). That provision reflects this programme's commitment to ensuring adequate representation of the various local parties involved in implementing the JOP. The programme describes the general operating rules of the JMC, as well as its responsibilities.

The Selection Committee is responsible for project selection. The programme provides that it is composed of seven 'voting members'. A rotating mechanism is used for the various calls for proposals, using the list of persons indicated by the countries participating in the programme. That list must respect a balance between EU Mediterranean countries and partner countries, to ensure that all countries participate in the committee on an equitable basis.

The programme provides that voting members will work with the support of a team of assessors of different nationalities for the evaluation of projects. Those experts will be selected from a pool of experts established by the JMA on the basis of a call for international expressions of interest. The assessors will use tools (selection criteria and evaluation grid) approved by the JMC and will work under the supervision of the chairperson of the Selection Committee.

The Joint Management Authority is the Autonomous Region of Sardinia (Italy). It will be assisted by the Joint Technical Secretariat. The programme defines the JTS's functions (programme management and developing and implementing the project cycle), organisation (creating a permanent structure organised in three sections each with separate tasks) and criteria for selecting its staff.

(b) Special features of project selection procedures

The programme provides for two different types of project selection procedure, one for standard projects and one for strategic projects.

Standard projects are selected on the basis of an open call for proposals, according to a procedure described in the PRAG but incorporating detailed rules.

According to the programme, strategic projects are a 'specific case' as far as selection procedures are concerned. The process for identifying and selection these projects follows the procedures for restricted calls for proposals and is divided into two selection phases: during the first, 'project ideas' are pre-selected, and during the second, the 'definitive' proposals are selected.

These procedures are explained in a sufficiently detailed manner, but further details will be provided in the programme's manuals of procedures, to ensure as far as possible compliance with the principle of transparency.

The JOP also provides for various mechanisms to ensure the efficiency and impartiality of the project selection procedure. It sets out simple and effective procedures that include: direct participation by Member States; creation of a Project Selection Committee separate from the Joint Monitoring Committee (which approves the final list of projects selected by the Selection Committee) and, within it, a group of voting members that changes according to the call for proposals; a committee of international and independent experts responsible for project evaluation; the common definition and validation of the project evaluation tools (including the definition of eligibility criteria).

One special feature worth noting is that in regard to the selection of standard projects and strategic project ideas, the programme provides for consultation between the Project Selection Committee and the participating countries to verify not only the partners' eligibility and technical capacity to implement strategic projects, but also whether the proposals are coherent with national and regional policies and programmes. That provision shows the programme's commitment to involving the ENPI partners in the project selection procedure.

With a view to ensuring transparency in regard to the use of Community funds, the programme provides for general and easily accessible publicity mechanisms. In particular, it specifies that publicity and information activities are organised in two phases. The aim of the first phase, addressed mainly to potential beneficiaries, is to make them aware of the purposes of and opportunities offered by the programme. The second, addressed mainly to the general public, relates to the dissemination of the results of the programme (implemented projects and impacts).

Moreover, in order to maximise its effects the programme recognises that participation by local actors is crucially important. In order to promote a shared perception of the relevance of the programme, it specifies that the communication plan should consider the cultures of participating countries, taking into account their different sensitiveness.

(c) Special features of JOP internal monitoring and evaluation procedures

The programme provides for a monitoring system based on data submitted annually by the project beneficiaries. Applications must indicate forecasts regarding monitoring indicators. During the lifetime of the projects, operational and financial reports will make it possible to obtain physical, procedural and financial indicators informing on the progress of the projects and consequently of the programme.

The JTS will maintain a data base with the indicators obtained and will prepare periodic reports at the consolidated programme level to assess developments in the indicators as compared with the projections.

The programme also provides that the JMA will set up a dedicated software for the management of the programme. The software enables authorised users of the management structures to input and/or have access to all the information needed for programme monitoring: accounts, calls for proposals, calls for tenders, contracts, payments, expenditure of the various management structures, payment requests to the European Commission, data base of audits conducted by the JMA on a sample of projects, etc.

The software will be accessible via the programme's Intranet. It will feature a registry system of all transactions made by each user, including the authorisations, in order to facilitate the work of the internal audit unit, which will have privileged access. It will also include a 'scoreboard' – featuring key information and synthesis data on the projects and the programme – for the director of the JMA and the members of the JMC.

No mention is made in the JOP of any special provisions relating to interim and *ex post* programme evaluation.

(d) Mechanisms for coordinating the JOP with other Community programmes
In order to promote high effects of the cross-border activities from possible synergies and coherence with projects and programmes funded under other EU policies, as well as to avoid duplication, the programme provides that information on activity funding in the recent past may be exchanged as required between Directorates-General before launching calls for proposals. The DGs should also be consulted on the proposals submitted within the calls for proposals.

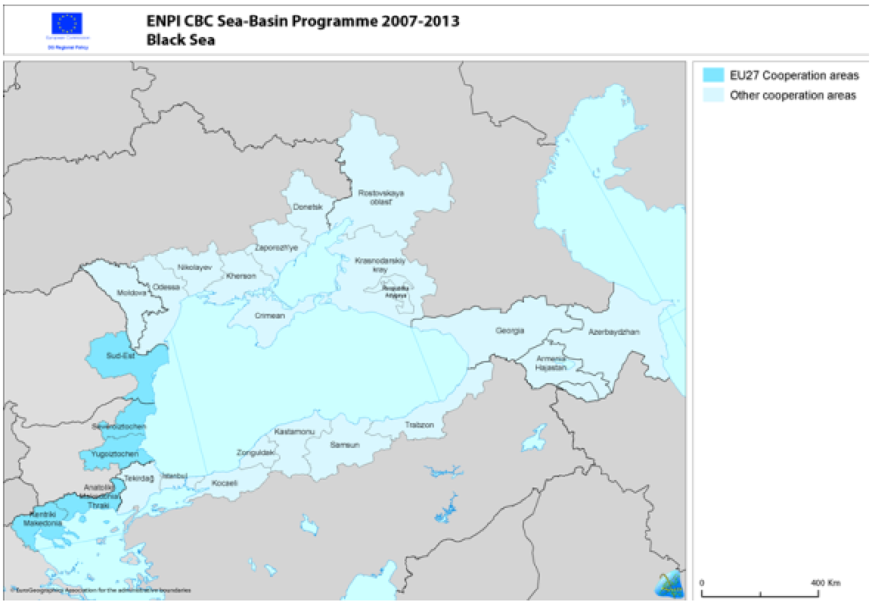
The programme also assigns the Valencia Branch Office the role of Liaison Office with the Mediterranean Programme financed by the Structural Funds (European Territorial Cooperation objective) in order to develop synergies and to maximise the respective contributions of the two cooperation programmes.

Moreover, in the context of the survey carried out with a view to drafting this study, the JMA of the programme has stated that: the applicants for calls for tender must indicate, in their applications for calls for MED projects, the projects for which they have tendered; the relevant national authorities of each country may be consulted in order to avoid any risk of duplication of funding of activities; the JMA will maintain informal relations with the managing authorities of other programmes of cooperation between Mediterranean countries (in particular, the Italy-Maritime France and Italy-Malta European Territorial Cooperation programmes and the Italy-Tunisia ENPI CBC programme).

Black Sea Basin Joint Operational Programme - 2007-2013

1. Content of the JOP

(a) Geographical coverage:



Source: RCBI

Eligible regions:
Armenia: the whole country
Azerbaijan: the whole country
Bulgaria: Severoiztochen, Yugoiztochen
Georgia: the whole country
Greece: Kentriki Makedonia, Anatoliki Makedonia Thraki
Republic of Moldova: the whole country
Romania: South East
Russia: Rostov Oblast, Krasnodar Krai, Adygea Republic
Turkey: Istanbul, Tekirdağ, Kocaeli, Zonguldak, Kastamonu, Samsun, Trabzon
Ukraine: Odessa Oblast, Mykolaiv Oblast, Kherson Oblast, Sevastopol, Zaporosh'ye Oblast, Donetsk Oblast, Crimea Republic

The Black Sea eligible area occupies a territory of 834 719 km² and includes a population of 74.2 million people. It covers ten countries, in some cases the entire national territory (Armenia, Azerbaijan, Republic of Moldova and Georgia) while in others only regions (Bulgaria, Greece, Romania, Russia, Turkey and Ukraine).[35] Of the ten countries, four (Greece, Armenia, Azerbaijan and Republic of Moldova) are not physically located on the shores of the Black Sea but are clearly integrated or connected with the Black Sea Basin for historical, economic, cultural and social reasons and because of environmental factors. The other six countries (Bulgaria, Romania, Russia, Turkey, Georgia and Ukraine) have direct access to the Black Sea.

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[35] Turkey, as a country negotiating its accession, is not covered by Regulation (EC) No 1638/2006 but has been given the option of participating in the Black Sea Basin Programme under Article 9(5) of that regulation and Article 86(4) of Regulation (EC) No 718/2007.

(b) Key aspects of the socio-economic situation (problems and needs)

The Black Sea Basin is a crossroad of civilisations, a confluence of Muslim, Orthodox, Persian, Turkic and Western political and societal cultures. In the present time, the Black Sea Basin is emerging as a decisive geo-strategic crossroad for the future of a wider Europe.

The region has generated some of the most important challenges to European security: from legal and illegal migration to Europe to environmental degradation; from the security of energy supplies to illicit trafficking of drugs and weapons.

In regard to the economic structure of the eligible area, the programme shows that all the regions concerned are still lagging behind other regions in the EU, even though they are all experiencing dynamic economic expansion, which seems gradually to be narrowing the gaps. Yet there is still clearly an economic imbalance.

The economic structures of the Black Sea regions are extremely heterogeneous. In Greece, the service sector is relatively dominant, especially in terms of tourism and maritime activities. In Turkey, tourism, commercial and public services are also dominant (65.2%), followed by the industrial sector (25.6%). Many other countries in the area, such as Russia, the Republic of Moldova, Romania, Ukraine, Bulgaria and Azerbaijan, show a more industrially oriented economy. In other countries, including Armenia and Georgia, and to a lesser extent the Republic of Moldova, the agricultural sector is more strongly represented.

The average unemployment rate is 9.1% for the working population, a rate very close to that of the EU (in 2005, it was 7.9% for the EU-15 and 8.8% for the EU-25) but again a strong variability can be observed at regional level (from 1.4% to 18.2%). Inequalities also appear in regard to age and gender.

Transport infrastructure is limited and service infrastructure underdeveloped. Water infrastructures are often very weak, especially in rural areas.

As regards telecommunications, access to telephone lines or mobile telephones is very uneven from one region to another, although a strongly increasing investment can be seen in this sector. Internet access is still limited, but nonetheless expanding rapidly.

The eligible area of the Black Sea Basin is characterised by a high level of education. Moreover, science and technology are highly developed, although difficulties remain as regards research infrastructure.

The challenge the partners have identified as most relevant to the programme strategy is, however, environmental degradation, because of the weakness of existing infrastructure, particularly in relation to the pollution of rivers within the Basin and in the Black Sea itself.

The administrative systems that prevail in the ten countries (with the exception of Greece) are based on two layers: the central and local administrations, with a strong dominance by the central institutions and very little space for regional institutions between the local and central levels. This represents a major challenge for the programme. In fact a priority is to create administrative capacity for local development policies.

(c) Programme strategy: general objective, priorities and measures

The foregoing analysis underlines the major differences in the development level of the regions concerned.

The main objectives of the programme are to speed up economic and social development, protect the environment and strengthen the cultural interaction among the peoples of the Black Sea Basin.

The programme believes that formulating realistic specific objectives taking into account the administrative and legislative framework in the partner regions as well as the limited experience in cross-border cooperation is an important point of departure.

It is important to note that ensuring secure borders is most important to most regional actors in this programme. Yet in the countries concerned, only the central institutions have the power and means to act on issues of secure borders.

The objective of promoting social and economic development in the Black Sea Basin region is to be achieved with the support of small and medium-sized enterprises (SMEs).

As regards environmental issues, the programme encourages relations between the regions of the northern and southern shore of the Black Sea and planning investments in European transport axes and petrol/gas pipelines. It also encourages innovation and the exchange of experiences.

With regard to promoting exchanges between local peoples, the programme supports local people-to-people actions, especially in the field of the cultural heritage, the development of human capacity and social values, as well as the mobility of people and administrative capacity (especially as regards planning and implementing local development policies). The programme will also contribute to resolving problems such as the weak educational infrastructure and the poor technological level of the centres of innovation. Projects funded under the people-to-people initiative will help promote cooperation between local institutions, in order to strengthen local administrative capacity.

The programme will also contribute to promoting projects in the field of transport infrastructure, e.g. by carrying out feasibility studies.

Priorities	Measures
Priority 1: Supporting cross border partnerships for economic and social development based on combined resources **Aim:** Strengthening accessibility, innovation, a spirit of enterprise, administrative capacity and the transfer of good practice.	**1.1-** Strengthening accessibility and connectivity for new intra-regional information, communication, transport and trade links
	1.2- Creation of tourism networks in order to promote joint tourism development initiatives and traditional products
	1.3: Creation of administrative capacity for the design and implementation of local development policies
Priority 2: Sharing resources and competencies for environmental protection and conservation **Aim:** Promotion of environmental protection and conservation and, on that basis, promotion of innovation and the exchange of experience in the field of environmental protection and conservation.	**2.1-** Strengthening the joint knowledge and information base needed to address common challenges in the environmental protection of river and maritime systems
	2.2- Promoting research, innovation and awareness in the field of conservation and environmental protection for protected natural areas
	2.3- Promotion of cooperation initiatives aimed at innovation in technologies and management of solid waste and wastewater management systems
Priority 3: Supporting cultural and educational initiatives for the establishment of a common cultural environment in the Basin **Aim :** To promote integration and interconnections among heritages and the cultural life of participating countries.	**3.1-** Promoting cultural networking and educational exchange in the Black Sea Basin communities

(d) Types of cofinanced project

The programme gives priority to integrated projects. Only a limited share of the programme budget will be available for simple projects.

The programme sets a threshold of €50 000 as the minimum of the total budget for projects. Yet, when calls for proposals are launched the JMC may modify that threshold according to the nature of the projects (integrated, symmetrical or simple) and the priorities to be addressed.

The Turkish partners may participate, but only in joint projects with at least three partners, including one from the Member States and one from a partner country.

In regard to projects with one or more Turkish partners, those Turkish partners will designate an IPA beneficiary, which will sign a grant contract for the IPA funds with the Turkish authority responsible for those funds, after receiving a notification from the JMA on the signature of the contract for the project in question.

The countries participating in the programme may also, after its adoption by the European Commission, jointly identify large-scale cross-border investment projects.

(e) Financing plan: total funding and breakdown

The programme budget is €27 098 773, of which €17 305 944 is contributed by the European Union, with €9 025 000 allocated for the period 2007-2010 and €8 281 000 for the period 2010-2013.

Turkish participation will be funded by the IPA. The indicative allocation for the IPA funds is EUR 1 000 000 for the period 2007-2009, to be confirmed on a yearly basis through annual financing decisions. The participating countries will cofinance projects with a minimum of 10% of the EU contribution. 10% of the EU allocation will be spent on technical assistance. The programme does not exclude the possibility of reviewing the allocation in the event that the mid-term evaluation confirms that need.

The rules on the financial management of the IPA funds (payment of Turkish partners, recovery of funds, audit at project level) will be established in the financial agreement between the European Commission and the Turkish Authorities concerning IPA funds for participation in the programme. Those rules will be harmonised at a later stage with the ENPI rules (e.g. in relation to the pre-financing percentage).

The total budget is broken down as follows between the three programme priorities:

Priorities	EU contribution (a)	IPA contribution (b)	ENPI national cofinancing (c)	IPA national cofinancing (d)	Total funding (e)
Priority 1	5 500 000	2 224 700	550 000	392 594	8 667 294
Priority 2	6 250 000	2 528 000	625 000	446 118	9 849 118
Priority 3	3 825 350	1 547 300	382 535	273 053	6 028 238
Technical Assistance	1 730 594	700 000	Data not available	123 529	2 554 123
Total:	17 305 944	7 000 000	1 557 535	1 235 294	27 098 773

2. Operational management structures and procedures

(a) Special features of structures assigned to JOP management

The programme has the following structures: Joint Monitoring Committee, Joint Managing Authority and Joint Technical Secretariat.

The programme describes the general rules for the functioning of the JMC, as well as its responsibilities. It is important to emphasise that the participating countries may decide, by common decision, to invite other participants as observers, in particular representatives of regional authorities involved. Each national delegation will have one vote. The JOP also provides that representatives of the EC Delegation in Turkey will attend the meetings of the JMC, although merely in an advisory capacity.

The JMA is the Ministry of Development, Public Works and Housing, Directorate for International Territorial Cooperation, Romania.

The JTS will be established in Romania by the JMA after prior agreement of the JMC. A JTS branch office may be based in Sochi (Russia), provided additional financial resources are identified.

Specific rules have been established concerning Turkey's participation in the programme. In particular, separate structures will be established in Turkey for the management of certain aspects of the implementation of the programme, as regards the IPA contribution. For example, the JMA will not be responsible for the financial management of the IPA funds, which will be entrusted to an operating structure in Turkey. The JMA will sign a collaboration protocol with the operating structure laying down the work procedures necessary to ensure a smooth coordination during programme implementation.

The programme also provides for the setting up of national information points, responsible for informing potential programme beneficiaries in each country.

Furthermore, it provides for the collaboration of a 'principal advisor' of the programme, proposed by Greece and financed by the Greek partners, who will work with the JMA. The advisor will have clearly specified roles and tasks, which will contribute to the management of the programme.

(b) Special features of project selection procedures

The JMA is responsible for launching calls for proposals. In order, however, to ensure participation by the Turkish partners in the IPA funds, the JMA submits the notice of the call for proposals and the application pack, prior to their launch, to the EC Delegation in Turkey for its endorsement.

Projects are evaluated on the basis of the PRAG procedures and the evaluation comprises, first an administrative check and an eligibility check carried out by the JTS under the supervision of the JMC, and then a technical evaluation carried out by a project selection committee made up of:

- one non-voting chairperson proposed by the JMA;
- one non-voting secretary from the JTS;
- 5 voting members proposed by the participating countries, on a rotation basis;
- observers.

The JMC will define the rotation mechanism of the voting members of the Selection Committee in the different calls for proposals, using the list of persons indicated by the countries participating in the programme, ensuring an equitable participation of all countries in the committees. The members of the Selection Committee should possess the technical capacity to evaluate the proposals.

When a specific call for proposals is launched, the participating countries not represented by voting members in the Selection Committee may appoint observers, paid from own resources, to participate in the work of the Selection Committee. The observers' comments are registered in the minutes of the Selection Committee meetings and in the evaluation report, which will be analysed by expert assessors.

The JMA transmits the evaluation report with the list of projects approved by the JMC to the EC Delegation in Turkey for endorsement. The EC Delegation must react within 15 working days from the reception of the evaluation report. The EC Delegation's approval affects only the participation of Turkish partners in the relevant projects. In parallel, the JMA will notify the IPA management structures of the list of approved projects where a Turkish partner is present, in order to proceed with the signature of the grant contract following the endorsement of the EC Delegation.

Any large-scale projects will not be selected through calls for proposals, but through procurement procedures as described in PRAG and subject to the European Commission's approval. These projects will be selected at a later stage by the JMC, provided they are consistent with the programme's priorities and measures and that there are sufficient budgetary means for this purpose.

(c) Special features of JOP internal monitoring and evaluation procedures

The JMA is responsible for setting up a system for collecting statistical and financial data on the implementation of the programme. This system is called the Management Information System - European Territorial Cooperation (MIS-ETC) and its purpose is to facilitate the financial management, monitoring, verification, audit and evaluation of the programme. It will also ensure an exchange of data between the partner countries and the European Commission. The system must address the needs of all the structures involved in the programme management and cover all the stages of the programme cycle (programming, tendering, contracting, monitoring, evaluation, payments, audit and control, etc.).

The indicators relating to the programme must apply to three different levels: programme, priorities and projects. The indicators at project level should permit the monitoring of project contributions to priority and programme indicators.

IPA fund monitoring at project level is carried out separately, by the Turkish management structure responsible for that task. IPA fund beneficiaries should, therefore, present single progress reports to that management structure on the implementation of projects using IPA funds. Moreover, project beneficiaries should make every effort to draft and submit to the JMA progress reports on all the activities financed from ENPI and IPA funds, so that a report can be drafted on progress across the whole programme.

The European Commission will carry out an *ex-ante* evaluation, mid-term evaluations and an *ex-post* evaluation in order to improve the quality, efficiency and effectiveness of the programme. In addition to the mid-term evaluation, the Commission may carry out an evaluation of the programme, or a part of it, at any moment.

(d) Mechanisms for coordinating the JOP with other Community programmes

Three EU policies relate to the Black Sea region: the pre-accession process of Turkey; the European Neighbourhood Policy for Armenia, Azerbaijan, Georgia, Republic of Molovda and Ukraine; and the Strategic Partnership with Russia. Moreover, several sectors of cooperation are covered by various programmes, Community, national, regional, and sectoral, cofinanced by the ERDF.

The programme ensures complementarity and synergy with these various policies and initiatives through the following mechanisms:

- the regular exchange of information between the management structures of the various programmes implemented in the region, and with regional and international organisations active in the eligible area;
- JMC members will remain aware of the national and regional policies and of projects implemented in their respective countries through other initiatives;
- in their project proposals, applicants will describe how their project of cooperation builds upon or complements other local development projects and initiatives implemented by them or by other partners.

Moreover, in order to avoid duplication of financing or project overlap, applicants will be requested to stipulate clearly in their proposals whether they are applying to other funds for support to all or some of the activities proposed. This should not have the effect of discriminating against their proposals at the evaluation stage, but it will still be taken into account for the final selection of projects. The JMC and the JMA must also continuously consult those responsible for other financing projects prior to the signature of the grant contract, in order to prevent double financing.

In particular, the main risk of overlapping identified in the coherence analysis is with the other CBC programmes supported by the EU, in particular the ENPI CBC Romania-Moldova-Ukraine, South-East Europe transnational territorial cooperation programme and also - to a lesser extent - the IPA-CBC Bulgaria-Turkey programme. The Black Sea Basin JMA will systematically consult with the JMAs of the other programmes, both at the selection stage and before signing a grant contract, to make sure there is no overlap in the activities supported. An ENPI CBC Romania-Moldova-Ukraine JMA representative may be invited to attend the Black Sea Basin JMC meetings as an observer.

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