

*Неофіційний переклад*

**УГОДА ПРО ФІНАНСУВАННЯ**  
**Прикордонне співробітництво**  
**Особливі умови**

Європейська Комісія, надалі **«Комісія»**, що діє від імені Європейського Союзу, надалі **«ЄС»**,

Уряд України, надалі **«Країна-партнер ППС»**

та

Міністерство регіонального розвитку і державного управління Румунії, надалі **«Орган Управління»**,

надалі **«Сторони»**,

домовились про наступне:

**Стаття 1- Мета**

1.1 ЄС погоджується надати фінансування наступної спільної операційної програми, описаної в Додатку II:

Спільна операційна програма Україна – Румунія 2014-2020 для Програми прикордонного співробітництва ЄІС 2014-2020 («Програма»).

ENI-CBC/2015/039-029

1.2 Фінансування Програми здійснюється в рамках Європейського Інструменту Сусідства<sup>1</sup> та Європейського Фонду Регіонального Розвитку<sup>2</sup>.

**Стаття 2- Загальна очікувана вартість та співфінансування ЄС**

2.1 Загальна сума програми оцінюється в 66 000 000 євро.

2.2 Максимальна сума внеску ЄС у Програму становить 60 000 000 євро. Розподіл співфінансування ЄС подається в бюджеті програми (Додаток II).

2.3 Співфінансування повинно становити не менш, ніж 10% внеску ЄС у програму і вказується у Програмі (Додаток II).

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<sup>1</sup> Регламент (ЄС) № 232/2014 Європейського Парламенту та Ради від 11 березня 2014 р., яким встановлюється Європейський Інструмент Сусідства, OJ L 77, 15.3.2014, ст. 27.

<sup>2</sup> Регламент (ЄС) № 1301/2013 Європейського Парламенту та Ради від 17 грудня 2013 р. щодо Європейського Фонду Регіонального Розвитку та конкретних положень, які стосуються цілі «Інвестиції для зростання та створення робочих місць» та скасовують дію Регламенту (ЄК) № 1080/2006, OJ L 347, 20.12.2013, ст. 289.

### **Стаття 3- Внесок країни-партнера ППС**

3.1 Якщо країна-партнер ППС робить фінансовий внесок або внесок у формі роботи працівників, це повинно бути зазначено в Програмі (Додаток II).

### **Стаття 4- Реалізація**

Програма буде впроваджуватися шляхом спільного управління у відповідності до Регламенту з реалізації (ЄС) № 897/2014<sup>3</sup> та умов, викладених у даній Фінансовій угоді, яка складається з даних Особливих умов та Додатків.

### **Стаття 5- Термін виконання**

Термін виконання даної Угоди про фінансування, відповідно до ст. 3 Додатку I (Загальні умови) розпочинається від дати набуття чинності Угоди про фінансування і закінчується не пізніше ніж 31 грудня 2024.

### **Стаття 6- Адреси**

Вся переписка щодо реалізації даної Угоди про фінансування повинна вестися у письмовій формі, містити чітке посилання на програму у відповідності до статті 1 Особливих умов і надсилятися на наступні адреси:

a) Європейська Комісія

Генеральний директорат у справах сусідства та переговорів з питань розширення ЄС - DG NEAR

п. Метью Бускет, Начальнику відділу з питань Грузії, Молдови та сусідства в рамках прикордонного співробітництва (C1)

Офіс L-15 04/058

вул. Бурге, 1

В-1049 Брюссель

Бельгія

b) Країна-партнер ППС

Міністерство економічного розвитку і торгівлі України

п. Степану Кубіву, Первому віце-прем'єр-міністру України - Міністру економічного розвитку і торгівлі

вул. Грушевського 12/2

Київ 01008

Україна

<sup>3</sup> Регламент з Реалізації ЄК (ЄС) № 897/2014 від 18 серпня 2014р., яким встановлюються конкретні положення для реалізації програм прикордонного співробітництва, що фінансуються згідно Регламенту (ЄС) № 232/2014 Європейського Парламенту та Ради, яким встановлюється Європейський Інструмент Сусідства (OJ L 244, 19.8.2014, ст. 12).

с) Орган Управління

Міністерство регіонального розвитку і державного управління Румунії  
вул. Аполодор 17, Північне крило, сектор 5  
050741 Бухарест  
Румунія

**Стаття 7- Співпраця з Європейським бюро з протидії шахрайству**

Контактний пункт країни-партнера ППС, який матиме відповідні повноваження для ведення безпосередньої співпраці з Європейським бюро з протидії шахрайству з метою сприяння його оперативній діяльності: Міністерство внутрішніх справ України (ел. пошта: [pgmia@mvs.gov.ua](mailto:pgmia@mvs.gov.ua)).

**Стаття 8- Структура Фінансової угоди**

8.1 Угода про фінансування складається з наступних частин:

- (a) Особливі умови
- (b) Додаток I: Загальні умови
- (c) Додаток II: Програма.

8.2. У випадку конфлікту між положеннями Додатків I і II з однієї сторони та положеннями Особливих умов з іншої сторони, останні мають переважну юридичну силу. У випадку конфлікту між положеннями Додатку I та Додатку II, положення Додатку I мають переважну силу.

**Стаття 9- Положення, що змінюють або доповнюють Додаток I (Загальні умови)**

Це положення доповнює статтю 4.1 Додатку 1 (Загальні умови):

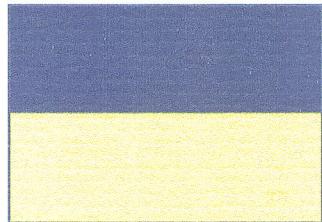
«Ці процедури повинні бути зрозумілі, як мінімальні принципи, що застосовуються до укладання договорів закупівлі та фінансової підтримки третім особам. Для уникнення непорозумінь більш низькі вимоги, ніж ті, які викладені в розділі 4 глави VII Регламенту з Реалізації (ЄС) № 897/2014, можуть бути застосовані бенефіціарами або країною-партнером ППС».

**Стаття 10- Набуття чинності**

Ця Угода про фінансування набуває чинності в день підписання її останньою зі сторін.

Складено в трьох оригінальних примірниках англійською мовою, з яких один примірник передається в Комісію, а два інших примірника – країні-партнеру ППС та Органу Управління.

ВІД КОМІСІЙ	ВІД КРАЇНИ-ПАРТНЕРА ППС	ВІД ОРГАНУ УПРАВЛІННЯ
п. Лоуренс Мередіт Директор з питань сусідства Схід	п. Степан Кубів, Перший віце-прем'єр- міністр України - Міністр економічного розвитку і торгівлі	п. Васіле Дінчу, Віце- прем'єр- міністр Румунії, Міністр регіонального розвитку і державного управління
<Підпис> Підпис	<Підпис> Підпис	<Підпис> Підпис
Дата: <дата>	Дата: <дата>	Дата: <дата>



## FINANCING AGREEMENT

### Cross Border Cooperation

### Special Conditions

The European Commission, hereinafter referred to as "**the Commission**", acting on behalf of the European Union, hereinafter referred to as "**the EU**",

the Government of Ukraine, hereinafter referred to as "**the CBC Partner Country**"

and

the Ministry of Regional Development and Public Administration, located in Romania, hereinafter referred to as "**the Managing Authority**",

hereinafter collectively referred to as "**the Parties**"

have agreed as follows:

#### **Article 1- Purpose**

1.1 The EU agrees to contribute to the financing of the following joint operational programme described in Annex II:

The Joint Operational Programme Romania-Ukraine 2014-2020 for the ENI Cross-Border Cooperation programme for the years 2014-2020 ("the Programme").

ENI-CBC/2015/039-029

1.2 This programme is financed under the European Neighbourhood Instrument<sup>1</sup> and European Regional Development Fund<sup>2</sup>.

<sup>1</sup> Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, OJ L 77, 15.3.2014, p. 27.

<sup>2</sup> Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006, OJ L 347, 20.12.2013, p. 289.

## **Article 2- Total Estimated Cost and Union's Financial Contribution**

2.1 The total cost of the programme is estimated at EUR 66,000,000.

2.2 The maximum EU contribution to this programme is set at EUR 60,000,000. The breakdown of the EU's financial contribution is shown in the budget included in the programme (Annex II).

2.3 Co-financing shall amount to at least 10% of the Union contribution to the programme and shall be presented in the Programme (Annex II).

## **Article 3- The CBC Partner Country's Contribution**

3.1 Where there is a financial contribution or staff contribution by the CBC Partner Country, such contribution shall be indicated in the programme (Annex II).

## **Article 4- Implementation**

This programme shall be implemented under shared management in accordance with Commission Implementing Regulation (EU) No 897/2014<sup>3</sup> and the terms and the conditions set out in this Financing Agreement, which consists of these Special Conditions and the Annexes thereto.

## **Article 5- Execution Period**

The period of execution of this Financing Agreement as defined in Article 3 of Annex I (General Conditions) shall commence on the entry into force of this Financing Agreement and end at 31 December 2024 at the latest.

## **Article 6- Addresses**

All communications concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to this action as identified in Article 1 of these Special Conditions and shall be sent to the following addresses:

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<sup>3</sup> Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument (OJ L 244, 19.8.2014, p. 12).

a) for the Commission

Directorate-General Neighbourhood and Enlargement Negotiations – DG NEAR  
Mr. Mathieu BOUSQUET, Head of Unit Georgia, Moldova & Neighbourhood Cross-Border  
Cooperation (C1)  
Office L-15 04/058  
Avenue du Bourget, 1  
B-1049 Brussels  
Belgium

b) for the CBC Partner Country

Ministry of Economic Development and Trade of Ukraine  
Mr. Stepan Kubiv, First Vice Prime Minister of Ukraine – Minister of Economic  
Development and Trade  
12/2, Hrushevskyi str.  
Kyiv 01008  
Ukraine

c) for the Managing Authority

Ministry of Regional Development and Public Administration  
17 Apolodor Str., North Wing, Sector 5  
050741 Bucharest  
Romania

### **Article 7- Cooperation with OLAF**

The contact point of the CBC Partner Country having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be: the Ministry of Internal Affairs of Ukraine (e-mail address: [pgmia@mvs.gov.ua](mailto:pgmia@mvs.gov.ua)).

### **Article 8-Composition of Financing Agreement**

8.1 This Financing Agreement is composed of:

(a) these Special Conditions,

(b) Annex I: General Conditions

(c) Annex II: The Programme

8.2. In the event of a conflict between, on the one hand, the provisions of the Annexes I and II and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between the provisions of Annex I and those of Annex II, the provisions of Annex I shall take precedence.

### **Article 9- Provisions derogating from or supplementing Annex I (General Conditions)**

The following shall supplement Article 4.1 of Annex I (General Conditions):

“These procedures shall be understood as the minimum principles applicable to the award of procurement contracts and financial support to the third parties. For the avoidance of doubt, lower thresholds than those set out in title VI Chapter 4 of Implementing Regulation (EU) no 897/2014 may be applied by beneficiaries or the CBC partner country”.

### **Article 10- Entry into force**

This Financing Agreement shall enter into force on the date on which it is signed by the last party.

Done in three original copies in the English language, one copy being handed to the Commission, one copy to the CBC Partner and one to the Managing Authority.

FOR THE EUROPEAN  
COMMISSION



Christian DANIELSSON  
Director-General for  
European Neighbourhood  
Policy And Enlargement  
Negotiations

FOR THE CBC PARTNER  
COUNTRY



Stepan KUBIV  
First Vice Prime Minister of  
Ukraine – Minister of  
Economic Development and  
Trade

FOR THE MANAGING  
AUTHORITY



Vasile DINCU  
Vice Prime Minister,  
Minister of Regional  
Development and Public  
Administration

Brussels, 19 December 2016

Brussels, 19 December 2016

23.12.2016

## ДОДАТОК І – ЗАГАЛЬНІ УМОВИ

### Стаття 1- Фінансування Програми

1.1 Фінансовий внесок Європейського Союзу не може перевищувати суми, зазначеної у даній Угоді про фінансування.

1.2 Умовою фінансування з боку ЄС є виконання країною-партнером ППС зобов'язань, передбачених цією Угодою про фінансування.

### Стаття 2- Загальні принципи реалізації

2.1 Програма повинна виконуватись у відповідності до Регламенту з реалізації (ЄС) №897/2014<sup>1</sup> та Програми (Додаток II).

2.2 Програма повинна впроваджуватися Органом управління, що діятиме під загальним керівництвом Спільного моніторингового комітету і, за необхідності, Європейської Комісії. Країна-партнер ППС входить до складу Спільного моніторингового комітету.

### Стаття 3-Термін виконання

3.1 Період виконання цієї Угоди про фінансування складатиметься з наступних етапів:

(а) фаза реалізації, що завершується не пізніше ніж 31 грудня 2022 р. До 30 червня 2019 р. повинні бути підписані контракти на великі інфраструктурні проекти, що відбираються шляхом позаконкурсного відбору, і зроблено внесок у фінансові інструменти. Контракти на всі інші проекти повинні бути підписані до 31 грудня 2021. Всі заходи у проектах, що фінансиються в рамках Програми, повинні бути завершені не пізніше цієї дати;

(б) фаза технічної допомоги, що завершується 30 вересня 2024. Всі заходи з технічної допомоги, що фінансиються Програмою, повинні завершитися не пізніше цієї дати;

(с) завершальна фаза, що включає фінансове завершення всіх контрактів, укладених в рамках Програми, оплата або відшкодування кінцевого балансу і анулювання залишків асигнувань. Без обмеження статті 19 (3) Регламенту з реалізації №897/2014, ця стадія повинна завершитися не пізніше, ніж 31 грудня 2024 р. Заходи, пов'язані із завершенням Програми, можуть виконуватись до 30 вересня 2024 р. Орган управління повинен подати заключний звіт, затверджений Спільним моніторинговим комітетом, до 30 вересня 2024 р.

3.2 Незважаючи на перший параграф даної статті, в очікуванні набуття чинності цієї Угоди про фінансування в країні-партнері ППС можуть проводитись підготовчі заходи в рамках бюджету технічної допомоги Програми (Додаток II), у відповідності до ст. 16 (1) та 16 (3) Регламенту з реалізації № 897/2014 .

3.3 Комісія повинна автоматично анулювати ту частину бюджетних асигнувань для Програми, яка не була використана на авансові платежі або балансові платежі до 31 грудня п'ятого року

<sup>1</sup> Регламент з Реалізації ЄК (ЄС) № 897/2014 від 18 серпня 2014р., яким встановлюються конкретні положення для реалізації програм транскордонного співробітництва, що фінансиються згідно Регламенту (ЄС) № 232/2014 Європейського Парламенту та Ради, яким встановлюється Європейський Інструмент Сусідства (OJ L 244, 19.8.2014, ст. 12).

від призначення асигнувань, в будь-якому випадку не пізніше ніж 30 вересня 2024 р., за винятком окремих випадків, описаних в статті 65 Регламенту з реалізації №897/2014.

#### **Стаття 4 - Проведення закупівель та фінансування третіх сторін бенефіціарами країни-партнера ППС**

4.1 Для здійснення закупівель та фінансування третіх сторін, що є необхідними для реалізації проекту бенефіціаром, зареєстрованим в країні-партнері ППС, застосовуються процедури, описані в Главі VII Розділі 4 Регламенту з реалізації № 897/2014 за винятком ст. 52 (1).

4.2 Якщо виконання річного плану для використання бюджету технічної допомоги вимагає здійснення закупівель інституцією, зареєстрованою в країні-партнері ППС, закупівлі також здійснюються згідно Глави VII Розділу 4 Регламенту з Реалізації № 897/2014 за винятком ст. 52 (1). Закупівлі представництв повинні обмежуватись звичайними операційними витратами та витратами на заходи з комунікації та візуалізації.

#### **Стаття 5 - Правила національності та походження**

5.1 Для участі в процедурах, описаних в ст.4, повинні застосовуватися правила прийнятності, подані в ст. 8 та 9 Регламенту (ЄС) № 236/2014 Європейського Парламенту та Ради<sup>2</sup>. Якщо у Програмі (Додаток II) визначено більш конкретні правила прийнятності для участі в конкурсах проектних заявок, згідно із ст. 8 (7) Регламенту (ЄС) №236/2014, ці правила також застосовуються.

5.2 Всі товари, що закупляються в рамках контракту, описаного в ст. 4, повинні походити з країн, що є прийнятними згідно ст. 8 та 9 Регламенту (ЄС) № 236/2014.

#### **Стаття 6- Візова підтримка та право на проживання та заснування**

6.1 Якщо це обґрунтовано характером контракту на закупівлі чи грантового контракту, в тому числі контрактів на закупівлі та фінансування бенефіціарами третіх сторін, країна-партнер ППС повинна надати фізичним та юридичним особам, задіяним у процедурах закупівель та грантових процедурах, в тому числі відібраних шляхом позаконкурсного відбору, тимчасове право на заснування та проживання в країні-партнері ППС. Це право повинно діяти протягом одного місяця після присудження контракту.

6.2 За умови застосування договору про візову підтримку, який містить детальні положення з даного питання, такі положення також застосовуватимуться. У всіх інших випадках країна-партнер ППС застосовуватиме найбільш сприятливий візний режим або встановить пільгові умови для надання віз фізичним особам та особам, що представляють юридичних осіб, які задіяні в процедурах закупівель та грантових процедурах.

6.3 Країна-партнер ППС також надасть підрядникам, субпідрядникам, бенефіціарам грантів та всім одержувачам фінансової допомоги, а також фізичним особам послуги, які є необхідними

<sup>2</sup> Регламент (ЄС) № 236/2014 Європейського Парламенту та Ради від 11 березня 2014 р., яким встановлюються загальні правила та процедури інструментів ЄС для фінансування зовнішньої діяльності Інструмент Сусідства, (OJ L 77, 15.3.2014, ст. 95).

для виконання контракту, та членам їхніх сімей, права, аналогічні тим, що описані в ст. 6.1 та 6.2 на час реалізації Програми або проекту.

### **Стаття 7- Податкові та митні положення**

7.1 Країна-партнер ППС повинна застосовувати до контрактів на постачання та грантів, в тому числі контактів на закупівлі і фінансування третіх сторін, які фінансуються ЄС, найбільш сприятливу податкову та митну політику, так само як до країн або організацій з міжнародного розвитку, з якими вона має зв'язки, шляхом відповідних національних процедур.

7.2 Якщо застосовується Рамкова угода, яка містить більш детальні положення з цього питання, то ці положення також повинні застосовуватися. Рамкова угода повинна розумітися як така, що поширюється на весь бюджет Програми/проекту, в тому числі внесок ЄС і будь-яке співфінансування.

### **Стаття 8 - Положення про обмін валют та переміщення коштів**

8.1 Країна-партнер ППС повинна застосовувати своє національне законодавство у сфері іноземних валют в недискримінаційний спосіб і надати право на імпорт та купівлю необхідної іноземної валюти. Якщо операції здійснюються у валюті іншій, ніж євро, суми повинні конвертуватися в євро на підставі методу розрахунку курсів іноземних валют, вказаного в Програмі (Додаток І) на місяць початку операції.

8.2 Країна-партнер ППС повинна вжити заходів для того, щоб усі бенефіціари (державні або приватні інституції) та відповідні підрядники, мали можливість:

- i) відкривати окремі банківські рахунки для проектів, в тому числі рахунки в євро;
- ii) здійснювати платежі відповідно до вимог грантового контракту для всіх заходів, необхідних для реалізації Програми/проекту, в тому числі можливість перераховувати частини гранту від головного бенефіціара іншим бенефіціарам.

8.3 Якщо застосовується Рамкова угода, яка містить більш детальні положення з цього питання, то ці положення також повинні застосовуватися.

### **Стаття 9 - Використання результатів досліджень**

Договір на надання послуг з проведення того чи іншого дослідження, фінансованого у рамках цієї Угоди про фінансування, повинен передбачати право Країни-партнера ППС та Комісії на використання результатів цього дослідження, їхню публікацію та оприлюднення третім сторонам.

### **Стаття 10- Зобов'язання щодо співпраці**

10.1 Країна-партнер ППС повинна співпрацювати з Органом управління та Аудиторським органом, відповідно до Програми (Додаток II) а також з Комісією, сприяючи ефективній роботі систем управління та контролю, як описано в Програмі (Додаток II).

10.2 Країна-партнер ППС призначає одного або більше представників до Спільного моніторингового комітету.

10.3 Країна-партнер ППС призначає Національний орган, який візьме на себе кінцеву відповідальність за реалізацію Програми (Додаток II) на її території у відповідності до положень, встановлених даною Угодою про фінансування. Національний орган повинен співпрацювати з Органом управління та Комісією і сприяти діяльності систем управління та контролю, як описано в Програмі (Додаток II).

10.4 Країна-партнер повинна призначити контрольно-контактний пункт, який допомагатиме Органу управління у виконанні його функцій контролю у відповідності до Регламенту з реалізації (ЄС) № 897/2014.

10.5 Країна-партнер повинна призначити представника в Групу аудиторів у відповідності до Регламенту з реалізації (ЄС) № 897/2014.

### **Стаття 11- Конфіденційність**

11.1 Не обмежуючи дію ст. 13, країна-партнер ППС і Комісія повинні зберігати конфіденційність стосовно всіх документів, інформації чи інших матеріалів, безпосередньо пов'язаних з реалізацією цієї Угоди про фінансування, визначених як конфіденційні.

11.2 Публічне розкриття вищепереданої інформації здійснюється Стороною за попередньою письмовою згодою іншої Сторони.

11.3 Зобов'язання Сторін щодо збереження конфіденційності діє до п'яти років після закінчення періоду виконання.

### **Стаття 12- Візуальна ідентифікація**

12.1 У Програмі та всіх проектах, що фінансуються нею (Додаток II), повинні бути забезпечені відповідні заходи з комунікації та інформації. Якщо інше не було погоджено, країна-партнер ППС повинна вжити всіх необхідних заходів для забезпечення візуальної ідентифікації фінансування ЄС на своїй території.

12.2 Такі заходи з комунікації та інформації повинні відповідати комунікаційній стратегії, передбачений Програмою та річному плану з інформації та комунікації, що виконується Органом управління.

### **Стаття 13 - Перевірки Органом управління, Аудиторським органом, Комісією, Європейським бюро з протидії шахрайству (OLAF) та Європейською палатою аудиторів.**

13.1. Країна-партнер ППС сприятиме проведенню перевірок Органом управління, Аудиторським органом, Комісією, Європейським бюро з протидії шахрайству та Європейською Палатою Аудиторів на їхню вимогу.

Країна-партнер ППС погоджується, що Орган управління, Аудиторський орган, Комісія, Європейське бюро з протидії шахрайству та Європейська палата аудиторів можуть перевірити використання коштів Програмою/проектами, що фінансуються в рамках даної Угоди про фінансування, шляхом документальної перевірки та перевірки на місці, і провести, якщо це необхідно, повний аудит, на основі підтверджуючих документів до рахунків, бухгалтерських документів та інших фінансових документів до Програми/проектів, протягом дії цієї Угоди про фінансування та п'яти років після виплати балансу за Програмою.

13.2 Незважаючи на ст. 16.1, записи, пов'язані з аудиторськими перевірками, судовими провадженнями та позовами, пов'язаними з виконанням Програми/проекту, повинні зберігання до завершення таких аудиторських перевірок, судових справ та позовів.

13.3 Країна-партнер ППС також дозволить Європейському бюро з протидії шахрайству здійснювати перевірки на місці відповідно до процедур, встановлених згідно законодавства ЄС для захисту фінансових інтересів ЄС проти шахрайства та інших зловживань.

З цією метою країна-партнер ППС зобов'язується надати належний доступ працівникам та агентам Органу управління, Аудиторського органу, Комісії, Європейського бюро з протидії шахрайству та Європейської палати аудиторів до місця проведення заходів, що фінансуються за цією Угодою про фінансування, в тому числі до інформаційних систем, а також документів та баз даних, що стосуються технічного та фінансового управління проектом та зробить все необхідне для сприяння у їхній роботі. Необхідно дотримуватись конфіденційності по відношенню до третіх сторін щодо надання доступу агентам Комісії, Європейського бюро з протидії шахрайству та Європейської палати аудиторів; при цьому не обмежуючи обов'язків державного права, якому вони підпорядкуються. Документи повинні бути доступними, а також організованими таким чином, щоб полегшити їх перевірку. Країна-партнер ППС повинна повідомити представникам Комісії, Європейського бюро з протидії шахрайству та Європейської палати аудиторів про їхнє точне місцезнаходження.

13.4 Перевірки та аудит, описані вище, повинні застосовуватись також до діяльності підрядників, субпідрядників, бенефіціарів грантів та всіх реципієнтів фінансової допомоги з бюджету ЄС. З цією метою Країна-партнер ППС гарантуватиме шляхом застосування відповідних положень договорів та інших можливих засобів, що права Органу управління, Аудиторського органу, Комісії, Європейського бюро з протидії шахрайству та Європейської палати аудиторів щодо здійснення аудиту та перевірок застосовуватимуться на таких самих умовах та згідно з такими самими правилами, як і права самої країни-партнера ППС, і що її внутрішні регуляторні документи зможуть усунути будь-які недоліки, які перешкоджають ефективному виконанню цих зобов'язань.

13.5 Країна-партнер ППС та Орган управління повинні бути повідомлені про перевірки на місцях, що проводяться агентами, призначеними/уповноваженими Комісією, Європейським бюро з протидії шахрайству та Європейською палатою аудиторів. Те саме стосується перевірок, які проводяться Органом управління або Аудиторським органом.

#### **Стаття 14- Запобігання незаконним діям, шахрайству та корупції**

14.1 Країна-партнер ППС повинна негайно повідомити Комісію про будь-який випадок, що привернув увагу та викликав підозри щодо можливих незаконних дій, шахрайства чи корупції та про заходи, вжиті або заплановані з метою їхнього врегулювання.

14.2 Країна-партнер ППС зобов'язується проводити систематичні перевірки належного виконання заходів, які фінансуються за кошти ЄС. Вона повинна вжити відповідних заходів для недопущення незаконних дій, шахрайства та корупції, а також, на вимогу Органу управління, починати судові провадження з метою повернення неналежно виплачених коштів.

"Порушення" - означає будь-яке порушення Угоди про фінансування, контрактів на її виконання, законів ЄС в результаті дій чи бездіяльності будь-кого, хто завдав чи міг завдати шкоду бюджету ЄС через зменшення або втрату коштів, які належать ЄС, або через необґрунтовану статтю витрат. "Шахрайство" - означає будь-яку навмисну дію чи бездіяльність, що стосується:

- використання чи представлення неправдивих, неточних або неповних заяв чи документів, що призвело до розтрати або незаконного утримання коштів із загального бюджету ЄС;
- приховування інформації, результатом чого стає порушення конкретних зобов'язань, що призводить до аналогічних результатів;
- використання коштів не за призначенням та в цілях, що відрізняються від тих, для досягнення котрих вони виділялись.

14.3 Країна-партнер ППС зобов'язується вжити усіх необхідних заходів з метою попередження, виявлення та покарання будь-яких дій, що мають ознаки активної чи пасивної корупції під час виконання Угоди про фінансування.

Термін "пасивна корупція" означає навмисну дію посадової особи, яка особисто або через посередника вимагає чи одержує користь у будь-якій формі для себе чи для третьої сторони, або приймає обіцянку того, що він/вона її одержить, для того, щоб діяти (або утримуватися від дій, передбачених його/її посадовими обов'язками) чи виконувати покладені функції з порушенням посадових обов'язків, що призвело або може призвести до порушення фінансових інтересів ЄС.

Термін "активна корупція" означає навмисну дію будь-якої особи, яка особисто або через посередника обіцяє надати чи надає користь у будь-якій формі іншій посадовій особі, собі чи третьій стороні, щоб забезпечити дії (або утримання від дій, передбачених його/її посадовими обов'язками) чи виконання покладених функцій з порушенням посадових обов'язків, що призвело або може призвести до порушення фінансових інтересів ЄС.

14.4. Якщо Країна-партнер ППС не використає всі необхідні заходи для недопущення шахрайства, порушень та корупції, Комісія може вжити запобіжних заходів, в тому числі призупинення дії даної Угоди про Фінансування.

## **Стаття 15- Повернення коштів**

15.1. Орган управління повинен вжити усіх відповідних заходів для стягнення з бенефіціара неналежним чином сплачених коштів разом з пенею, нарахованою за порушення термінів оплати, в тому числі шляхом взаємозаліку заборгованості. Країна-партнер ППС зобов'язується у всьому співпрацювати з Органом управління, Аудиторським органом та Комісією і допомагати їм у процесі стягнення.

15.2. Якщо стягнення проводиться на основі претензії до бенефіціара, який зареєстрований у країні-партнері ППС і є державним органом у відповідності до національного законодавства і

Орган управління не може стягнути заборгованість, Орган управління стягне необхідну суму з Країни-партнера ППС.

15.3 Не впливаючи на зобов'язання Органу управління щодо стягнення коштів, сплачених неналежним чином, Європейська Комісія може розпочати процес стягнення заборгованості від імені Органу управління, застосовуючи будь-які засоби, у тому числі шляхом взаємозаліку або примусового стягнення через суд. Якщо стягнення проводиться на основі претензії до бенефіціара, який зареєстрований у країні-партнері ППС Комісія стягне необхідну суму з країни-партнера ППС.

15.4 Договори, укладені Органом управління в рамках Програми, повинні містити положення, які дозволяють Комісії стягнути з будь-якого бенефіціара, зареєстрованого в країні-партнері ППС, заборгованість перед Органом управління, яку останній не зміг стягнути. Договори також повинні містити положення, які дозволяють країні-партнеру ППС стягнути заборгованість з бенефіціара, який зареєстрований у країні-партнері ППС і є державним органом у відповідності до національного законодавства.

15.5 Якщо стягнення стосується системних порушень у системах управління та контролю Програми, Орган управління нестиме відповідальність за відшкодування відповідних сум до загального бюджету ЄС. Країна-партнер ППС повинна відшкодувати Органу управління суму заборгованості відповідно до розподілу зобов'язань між країнами-учасницями, згідно Програми (Додаток II)

## **Стаття 16- Консультації**

16.1 Сторони повинні провести спільні консультації, перш ніж передавати ті чи інші спірні питання щодо реалізації чи тлумачення цієї Угоди про фінансування на розгляд наступної інстанції, відповідно до ст. 20. Якщо Орган управління не є стороною цієї Угоди про фінансування, Сторони повинні провести консультації з ним.

16.2 Якщо Комісії стане відомо про проблеми, що виникли під час проведення процедур, пов'язаних з управлінням цією Угодою про фінансування, вона повинна встановити усі необхідні контакти з Органом управління та країною-партнером ППС для врегулювання цієї ситуації та вжиття необхідних заходів.

16.3 Результатом проведених консультацій може стати внесення змін до Угоди про фінансування, призупинення чи скасування її дії.

## **Стаття 17- Внесення змін до Угоди про фінансування**

17.1 Будь-які зміни до цієї Угоди про фінансування оформляються письмово, у тому числі шляхом обміну листами за згодою Сторін.

17.2 Якщо запит про внесення змін надходить від країни-партнера ППС, вона повинна подати цей запит на розгляд Комісії принаймні за три місяці до передбаченої дати набуття чинності запропонованих змін, крім випадків, належним чином обґрунтованих країною-партнером ППС та погоджених з Комісією.

17.3 Зміни до Програми (Додаток II) регулюються положеннями ст. 6 або ст. 66(5) Регламенту з Реалізації (ЄС) № 897/2014 і можуть вимагати змін до даної Угоди про фінансування.

## **Стаття 18- Призупинення дії Угоди про фінансування**

18.1 Дія Угоди про фінансування призупиняється у таких випадках:

- Європейська Комісія може призупинити виконання Угоди про фінансування, якщо країна-партнер ППС порушить одне зі своїх зобов'язань за цією Угодою.
- Європейська Комісія може призупинити виконання Угоди про фінансування, якщо країна-партнер ППС порушить одне зі своїх зобов'язань, що стосуються дотримання прав людини, демократичних принципів і верховенства права, а також у серйозних випадках, пов'язаних з корупцією.
- Дію Угоди про фінансування може бути призупинено за обставин форс-мажору, відповідно до наведеного нижче визначення. «Форс-мажор» означає будь-яку непередбачену чи надзвичайну ситуацію, або подію, що не залежить від волі та бажання сторін, яка перешкоджає будь-якій з них виконувати свої зобов'язання, але не пов'язана з помилкою або недбалістю з їхнього боку (чи з боку їхніх підрядників, агентів та співробітників) і, незважаючи на всі вжиті заходи, створює непереборні перешкоди. Дефекти обладнання чи матеріалів, затримки їхнього постачання, трудові спори, страйки та фінансові труднощі не можуть вважатися обставинами форс-мажору. Сторона не може бути притягнута до відповідальності за порушення своїх зобов'язань, якщо їхньому виконанню перешкоджають обставини форс-мажору, про які іншу сторону поінформовано належним чином. Сторона, що підпадає під дію обставин форс-мажору, повинна негайно повідомити про це іншу сторону, зазначивши у повідомленні характер, ймовірну тривалість та очікувані наслідки ситуації, що склалась, а також вжити всіх необхідних заходів, аби звести до мінімуму ймовірну шкоду.
- Жодна зі Сторін не може бути притягнута до відповідальності за порушення своїх зобов'язань, передбачених цією Угодою, якщо їхньому виконанню перешкоджають обставини форс-мажору за умови, що Сторона, яка підпадає під дію таких обставин, вживає заходів, аби звести до мінімуму ймовірну шкоду.

18.2. Комісія має право призупинити дію цієї Угоди про фінансування без попереднього повідомлення.

18.3. До моменту призупинення дії Угоди про фінансування Комісія має право вжити запобіжних заходів.

18.4. У разі надання повідомлення про призупинення дії Угоди про фінансування у ньому зазначаються наслідки цього призупинення для поточних контрактів на закупівлю та надання гранту, а також для контрактів, що готуються до підписання.

18.5. Призупинення дії Угоди про фінансування не обмежує право Комісії на призупинення платежів Комісією відповідно до Статті 62 Регламенту з реалізації (ЄС) № 897/2014.

18.6. Як тільки це дозволяє обставини, Сторони повинні відновити виконання Угоди про фінансування, за умови попередньої згоди Комісії у письмовій формі. Це не обмежує внесення до Угоди про фінансування змін, які можуть бути необхідними для адаптації проекту до нових умов його виконання, у тому числі, якщо можливо, продовження періоду виконання чи припинення дії Угоди відповідно до Статті 20.

### **Стаття 19 - Припинення дії Угоди про фінансування**

19.1. Якщо питання, які призвели до призупинення дії цієї Угоди про фінансування, не було врегульовано впродовж періоду максимальною тривалістю 180 днів, будь-яка зі Сторін має право припинити дію цієї Угоди, повідомивши про це іншу Сторону за 30 днів.

19.2. У разі надання повідомлення про припинення дії Угоди, у ньому зазначаються наслідки цього припинення для поточних договорів а також для договорів, що готовуються до підписання.

19.3. Ця Угода про фінансування припиняє дію у випадку припинення Програми у відповідності до ст.17 Регламенту з реалізації № 897/2014.

### **Стаття 20- Порядок вирішення спірних питань**

20.1 Будь-яке спірне питання стосовно цієї Угоди про фінансування, яке не вдається вирішити впродовж шести місяців шляхом консультацій між сторонами, як зазначено у ст. 16, може бути розглянуто на вимогу однієї із сторін в арбітражному порядку.

20.2. У цьому випадку кожна зі сторін впродовж 30 днів після подання клопотання про розгляд суперечки в арбітражному суді повинна призначити арбітражного суддю. За відсутності можливості виконання цієї умови будь-яка із сторін може звернутися до Генерального секретаря Постійної палати Арбітражного суду (м. Гаага) з клопотанням про призначення другого арбітражного судді. Двоє призначених суддів, у свою чергу, впродовж 30 днів повинні призначити третього суддю. За відсутності можливості виконання цієї умови будь-яка зі сторін може звернутися до Генерального секретаря Постійної палати Арбітражного суду з клопотанням про призначення третього арбітражного судді.

20.3. Якщо арбітражним судом не буде прийняте інше рішення, то для вирішення суперечки має застосовуватися процедура, визначена в Диспозитивних нормах Постійної палати арбітражного суду щодо арбітражного розгляду справ, сторонами яких є міжнародні організації та країни. Рішення арбітражного суду повинні прийматися більшістю голосів протягом тримісячного терміну.

20.4. Кожна зі сторін зобов'язана вжити всіх необхідних заходів для виконання рішення, прийнятого арбітражним судом.

## ANNEX I-GENERAL CONDITIONS

### **Article 1- Programme financing**

1.1 The Union contribution shall be limited to the amount specified in this Financing Agreement.

1.2 The provision of Union contribution shall be subject to the fulfilment of the CBC Partner Country's obligations under this Financing Agreement.

### **Article 2- General principles of implementation**

2.1 The Programme shall be carried out in accordance with Implementing Regulation (EU) No 897/2014<sup>1</sup> and the Programme (Annex II).

2.2 The Programme shall be implemented by the Managing Authority, acting under the general supervision of the Joint Monitoring Committee and, where relevant, of the European Commission. The CBC Partner Country is part of the Joint Monitoring Committee.

### **Article 3-Execution Period**

3.1 The execution period of this Financing Agreement shall comprise the following phases:

(a) a project implementation phase ending at 31 December 2022 at the latest. Contracts for large infrastructure projects selected through direct award shall be signed and contribution to financial instruments shall be provided before 30 June 2019. Contracts for all other projects shall be signed before 31 December 2021. All project activities financed by the Programme shall end by that date at the latest;

(b) a technical assistance phase ending at 30 September 2024. All technical assistance activities financed by the Programme shall end by that date at the latest;

(c) a closure phase, including financial closure of all contracts concluded under the Programme, the payment or reimbursement of the final balance and the de-commitment of remaining appropriations. Without prejudice to Article 19(3) of Implementing Regulation (EU) No 897/2014, this phase shall end on 31 December 2024 at the latest. Activities linked to the closure of the Programme may be carried out until 30 September 2024. The Managing Authority shall submit a final report approved by the Joint Monitoring Committee by 30 September 2024.

3.2 Notwithstanding paragraph 1 of this Article, and pending the entry into force of this Financing Agreement, preparatory actions financed under the technical assistance budget of the Programme (Annex II), referred to in Article 16(1) and 16(3) of Implementing Regulation (EU) No 897/2014, may be implemented with the CBC Partner Country.

3.3 The Commission shall automatically de-commit any portion of a budgetary commitment for a Programme that, by 31 December of the fifth year following that of the budgetary commitment, has

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<sup>1</sup> Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument (OJ L 244, 19.8.2014, p. 12).

not been used for the purpose of pre-financing or making final payments and in any case no later than 30 September 2024 with the exception of the specific cases referred to in Article 65 of Implementing Regulation (EU) No 897/2014.

#### **Article 4- Award of procurement contracts and financial support to third parties by beneficiaries or the CBC Partner Country**

4.1 The procedures for procurement contracts and financial support to third parties by a beneficiary established in the CBC Partner Country necessary for the implementation of a project shall be those referred to Title VII Chapter 4 of Implementing Regulation (EU) No 897/2014 with the exception of Article 52(1).

4.2 If the implementation of the annual plan for the use of the technical assistance budget requires procurement by an entity established in the CBC Partner Country, the contracts shall be also awarded in accordance with Title VII Chapter 4 of Implementing Regulation (EU) No 897/2014 with the exception of Article 52(1). Procurement by branch offices shall be limited to ordinary running costs and costs for communication and visibility activities.

#### **Article 5- Rules of nationality and origin**

5.1 The eligibility rules for participation in the procedures referred to in Article 4 shall be those referred to in Articles 8 and 9 of Regulation (EU) No 236/2014 of the European Parliament and of the Council<sup>2</sup>. Where more specific eligibility rules for participation in the calls for proposals are defined in the Programme (Annex II), in compliance with Article 8(7) of Regulation (EU) No 236/, these rules shall apply as well.

5.2 All supplies purchased under a contract referred to in Article 4 shall originate from an eligible country in accordance with Articles 8 and 9 of Regulation (EU) No 236/2014.

#### **Article 6- Visa facilitation and right of residence and establishment**

6.1 Where justified by the nature of the procurement or grant contract, including procurement contracts and financial support to third parties by beneficiaries, the CBC Partner Country shall entitle natural and legal persons participating in procurement and grant procedures, including direct award, with a provisional right of establishment and residence in the CBC Partner Country. This right shall remain valid for one month after the contract is awarded.

6.2 Where a visa facilitation agreement is applicable, which includes detailed provisions on the subject, these provisions shall apply as well. In all other cases, the CBC Partner Country shall apply its most favourable visa regime or establish facilitating procedures for issuing visas for natural persons and persons representing legal persons participating in procurement and grant procedures.

6.3 The CBC Partner Country shall also entitle contractors, subcontractors, grant beneficiaries, any recipient of financial support and natural persons whose services are required for the performance of the contract and members of their family with similar rights referred to in Articles 6.1 and 6.2 during the implementation of the Programme or a project.

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<sup>2</sup> Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action (OJ L 77, 15.3.2014, p. 95).

## **Article 7- Tax and customs provisions**

7.1 The CBC Partner Country shall apply to procurement and grant contracts, including procurement and financial support to third parties by beneficiaries, financed by the Union the most favoured tax and customs arrangements applied to States or international development organisations with which it has relations, through the appropriate national procedures.

7.2 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well. The Framework Agreement should be understood as covering the entire Programme/project cost, including Union contribution and any co-financing.

## **Article 8- Foreign Exchange provisions and transfer of funds**

8.1 The CBC Partner Country shall apply its national foreign exchange regulations in a non-discriminatory manner and authorise the import or purchase of the foreign currency necessary. In case of procedures in currencies other than Euro, the amount shall be converted to Euro using the exchange rate method mentioned in the Programme (Annex II) for the month of the launch of the procedure.

8.2 The CBC Partner Country shall undertake measures to facilitate any beneficiary (public or private), or contractors where applicable, to:

- i) open specific project bank accounts, including accounts in Euro;
- ii) make payments as per grant contract requirements for the implementation of all activities necessary for the implementation of the Programme/project, including the possibility of the lead beneficiary to redistribute the grant amount to the other beneficiaries.

8.3 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well.

## **Article 9- Use of studies**

The contract related to any study financed under this Financing Agreement shall include the right for the CBC Partner Country and the Commission to use the study, to publish it or to disclose it to third parties.

## **Article 10- Cooperation obligation**

10.1 The CBC Partner Country shall fully cooperate with the Managing Authority, the Audit Authority, as referred to in the Programme (Annex II) and the Commission and support the efficient functioning of the management and control systems as described in the Programme (Annex II).

10.2 The CBC Partner Country shall appoint one or more representatives in the Joint Monitoring Committee.

10.3 The CBC Partner Country shall appoint a National Authority assuming ultimate responsibility for the implementation of the Programme (Annex II) in its own territory in compliance with the provisions set out in this Financing Agreement. The National Authority shall fully cooperate with the Managing Authority and the Commission and support the management and control systems as described in the Programme (Annex II).

10.4 The Partner Country shall designate a control contact point that will support the Managing Authority in its control tasks in accordance with Implementing Regulation (EU) No 897/2014.

10.5 The Partner Country shall nominate a representative in the Group of Auditors in accordance with Implementing Regulation (EU) No 897/2014.

#### **Article 11- Confidentiality**

11.1 Without prejudice to Article 13, the CBC Partner Country and the Commission shall preserve the confidentiality of any document, information or other material directly related to the implementation of this Financing Agreement that is classified as confidential.

11.2 The Parties shall obtain each other's prior written consent before publicly disclosing such information.

11.3 The Parties shall remain bound by the confidentiality until at least five years after the end of the execution period.

#### **Article 12- Visibility**

12.1 The Programme and any project financed by the Programme (Annex II) shall be subject to appropriate communication and information measures. Unless otherwise agreed, the CBC Partner Country shall take the necessary measures to ensure the visibility of the Union funding on their territory.

12.2 These communication and information measures shall follow the communication strategy included in the Programme and the annual information and communication plan carried out by the Managing Authority.

#### **Article 13- Verifications and checks by the Managing Authority, the Audit Authority, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors**

13.1 The CBC Partner Country shall assist and support the verifications and checks carried out by the Managing Authority, Audit Authority, Commission, OLAF and the European Court of Auditors at their request.

The CBC Partner Country agrees to the Managing Authority, Audit Authority, Commission, OLAF and the European Court of Auditors conducting documentary and on-the-spot checks on the use made of Programme/projects financing under this Financing Agreement and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the Programme/projects, throughout the duration of this Financing Agreement and for five years from the date of payment of the balance for the Programme.

13.2 Notwithstanding Article 16.1, records pertaining to audits, appeals, litigation or the pursuit of claims arising out of the performance of the Programme/projects shall be retained until such audits, appeals, litigation or claims have been completed.

13.3 The CBC Partner Country also agrees that OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by Union law for the protection of the Union financial interests against fraud and other irregularities.

To that end, the CBC Partner Country shall grant officials of the Managing Authority, the Audit Authority, the Commission, OLAF and the European Court of Auditors and their authorised agents access to sites and premises at which operations financed under this Financing Agreement are carried

out, including their computer systems, and to any documents and computerised data concerning the technical and financial management of those operations, and to take every appropriate measure to facilitate their work. Access by authorised agents of the Commission, OLAF and the European Court of Auditors shall be granted on conditions of strict confidentiality with regard to third parties, without prejudice to public law obligations to which they are subject. Documents must be accessible and filed in a manner permitting easy inspection, the CBC Partner Country being bound to inform the Commission, OLAF or the European Court of Auditors of the exact location at which they are kept.

13.4 The checks and audits described above shall also apply to the activities of contractors, subcontractors, grant beneficiaries and any recipient of financial support who have received Union financing. To this end, the CBC Partner Country shall ensure through contractual provisions and any other means at its disposal, that these persons are legally bound by the same obligations toward the Managing Authority, Audit Authority, Commission, OLAF and the European Court of Auditors, as the CBC Partner Country itself, and that its own documentation can remedy any shortcoming to the effective enforcement of the said obligations.

13.5 The CBC partner country and the Managing Authority shall be notified of on-the-spot missions by agents or external auditors appointed/authorised by the Commission, OLAF or the European Court of Auditors. The same shall apply when these on-the-spot missions are performed by the Managing Authority or the Audit Authority.

#### **Article 14- Prevention of irregularities, fraud and corruption**

14.1 The CBC Partner Country shall immediately inform the Managing Authority and the Commission of any element brought to its attention which arouses suspicions of irregularities, fraud or corruption and of any measure taken or planned to deal with them.

14.2 The CBC Partner Country shall ensure and check regularly through appropriate national procedures that the operations financed with the Union funds have been properly implemented. It shall take appropriate measures to prevent irregularities and fraud and, upon request of the Managing Authority or the Commission, bring prosecutions to recover funds unduly paid.

"Irregularity" shall mean any infringement of the Financing Agreement, implementing contracts or of Union law resulting from an act or omission by anyone who has, or would have, the effect of prejudicing the Union funds, either by reducing or losing revenue owed to the Union, or by an unjustified item of expenditure. "Fraud" shall mean any intentional act or omission concerning:

- the use or presentation of false, incorrect or incomplete, statements or documents which has as its effect the misappropriation or wrongful retention of funds from the general Union budget;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misuse of such funds for purposes other than those for which they are originally granted.

14.3 The CBC Partner Country undertakes to take every appropriate measure to prevent, detect and punish any practices of active or passive corruption during the implementation of the Financing Agreement.

"Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party,

or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the Union financial interests.

"Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the Union financial interests.

14.4 If the CBC Partner Country does not take appropriate measures to prevent fraud, irregularities and corruption, the Commission may adopt precautionary measures including the suspension of this Financing Agreement.

### **Article 15- Recoveries**

15.1 The Managing Authority shall take all appropriate measures to recover funds unduly paid together with any interest on late payment from any beneficiary by any means, including by offsetting. The CBC Partner Country commits itself to cooperate fully with the Managing Authority, the Audit Authority and the Commission and support them in the recovery process.

15.2 Where the recovery relates to a claim against a beneficiary established in the CBC Partner Country, which is a public entity in accordance with its national legislation, and the Managing Authority is unable to recover the debt, the Managing Authority shall recover the due amounts directly from the CBC Partner Country.

15.3 Without prejudice to the responsibility of the Managing Authority to recover from any beneficiary the funds unduly paid, the Commission may proceed to the recoveries on behalf of the Managing Authority by any means, including by offsetting and by forced recovery before the competent courts. Where the recovery relates to a claim against a beneficiary which is a public entity established in the CBC Partner Country, the Commission may recover directly from the CBC Partner Country.

15.4 Contracts concluded by the Managing Authority as part of the Programme shall contain a clause allowing the Commission to recover from any beneficiary established in the CBC Partner Country any amounts due to the Managing Authority which the latter was not able to recover. Contracts shall also contain a clause allowing the CBC Partner Country to recover from a beneficiary established in the CBC Partner Country which is a public entity in accordance with its national legislation.

15.5 Where the recovery relates to systemic deficiencies in the Programme management and control systems, the Managing Authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union. The CBC Partner Country must repay to the Managing Authority the due amount in accordance with the apportionment of liabilities among the participating countries laid down in the Programme (Annex II).

### **Article 16- Consultations**

16.1 The Parties shall consult each other before taking any dispute relating to the implementation or interpretation of this Financing Agreement further pursuant to Article 20. Where the Managing Authority is not a party to this Financing Agreement the Parties shall endeavour to consult the former.

16.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of this Financing Agreement, it shall establish all necessary contacts with the Managing Authority and the CBC Partner Country to remedy the situation and may take any steps that are necessary.

16.3 The consultation may lead to the amendment, suspension or termination of this Financing Agreement.

### **Article 17- Amendment of this Financing Agreement**

17.1 Any amendment of this Financing Agreement shall be made in writing, including the possibility of an exchange of letters upon agreement of the Parties.

17.2 If the request for an amendment comes from the CBC Partner Country, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the CBC Partner Country and accepted by the Commission.

17.3 Amendments to the Programme (Annex II) are governed by the provisions of Article 6 or Article 66(5) of Implementing Regulation (EU) No 897/2014 and may require an amendment of this Financing Agreement.

### **Article 18- Suspension of this Financing Agreement**

18.1 The Financing Agreement may be suspended in the following cases:

- The Commission may suspend the implementation of this Financing Agreement if the CBC Partner Country breaches an obligation under this Financing Agreement;
- The Commission may suspend this Financing Agreement if the CBC Partner Country breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption;
- This Financing Agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by a case of force majeure of which the other party is duly informed. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage;
- Neither of the Parties shall be held liable for breach of its obligations under this Financing Agreement if it is prevented from fulfilling them by force majeure, provided it takes measures to minimise any possible damage.

18.2 The Commission may suspend this Financing Agreement without prior notice.

18.3 The Commission may take any appropriate precautionary measure before suspension takes place.

18.4 When the suspension is notified, the consequences for the ongoing procurement and grant contracts and for such contracts to be signed shall be indicated.

18.5 A suspension of this Financing Agreement is without prejudice to the suspension of payments by the Commission in accordance with Article 62 of Implementing Regulation (EU) No 897/2014.

18.6 The Parties shall resume the implementation of the Financing Agreement once the conditions allow with the prior written approval of the Commission. This is without prejudice to any amendments of this Financing Agreement which may be necessary to adapt the action to the new implementing conditions, including, if possible, the extension of the implementation period, or the termination of this Financing Agreement in accordance with Article 20.

#### **Article 19- Termination of this Financing Agreement**

19.1 If the issues which led to the suspension of this Financing Agreement have not been resolved within a maximum period of 180 days, either party may terminate this Financing Agreement at 30 days' notice.

19.2 When the termination is notified, the consequences on the ongoing contracts and contracts to be signed shall be indicated.

19.3 This Financing Agreement can be terminated in case of discontinuation of the Programme in accordance with Article 17(2) of Implementing Regulation (EU) No 897/2014.

#### **Article 20- Dispute settlement arrangements**

20.1 Any dispute concerning this Financing Agreement which cannot be settled within a six-month period by the consultations between the parties provided for in Article 16 may be settled by arbitration at one of the parties' request.

20.2 Each party shall designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

20.3 Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.

20.4 Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.

## **Annex 1**

### **Joint Operational Programme**

**Managing Authority  
Ministry of Regional Development and Public Administration,  
Romania**

*Joint Operational Programme Romania – Ukraine  
2014-2020*

November 2015

AA	-	Audit Authority
CBC	-	Cross Border Cooperation
CC	-	County Council
CCP	-	Control Contact Point
DG DEVCO	-	Europe Aid Development and Cooperation
EaP	-	Eastern Partnership
EC	-	European Commission
ENI	-	European Neighbourhood Instrument
ENPI	-	European Neighbourhood and Partnership Instrument
EP	-	European Parliament
EU	-	European Union
FDI	-	Foreign Direct Investment
GIZ	-	German Society for International Cooperation
JOP	-	Joint Operational Programme
JOP RO-UA-MD	-	Joint Operational Programme Romania – Ukraine - Republic of Moldova 2007-2013
JPC	-	Joint Programming Committee
JTC	-	Joint Technical Secretariat
HCOP	-	Human Capital Operational Programme
LIPs	-	Large Infrastructure Projects
KEEP	-	Knowledge and Expertise in European Programmes
MA	-	Managing Authority
MC	-	Municipal Council
MD	-	Republic of Moldova
MEF	-	Ministry of European Funds Romania
M&E	-	Monitoring and Evaluation
MFA	-	Ministry of Foreign Affairs
MRDPA	-	Ministry of Regional Development and Public Administration Romania
NGO	-	Non Governmental Organisation
NPRD	-	The National Programme for Rural Development
NE	-	North-East
NRP	-	National Reform Program
NUTS	-	Nomenclature of Territorial Units for Statistics
OP	-	Operational Programme
OPAC	-	Operational Programme Administrative Capacity
OPLI	-	Operational Programme Large Infrastructure
OPC	-	Operational Programme Competitiveness
ODA	-	Official Development Assistance
PA	-	Partnership Agreement
RA	-	Regional Authority
R&D	-	Research and Development
RO	-	Romania
ROP	-	Regional Operational Programme
SIDA	-	Swedish International Development Cooperation Agency
SE	-	South East
SME	-	Small and Medium Enterprises
SWOT	-	Strengths, Weaknesses, Opportunities, Threats analysis
TWG	-	Thematic working groups
TA	-	Technical Assistance
TO	-	Thematic Objectives
UA	-	Ukraine
USAID	-	United States Agency for International Development

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## 1. INTRODUCTION

Cross border cooperation at the external borders of the EU continues to represent a top priority for the European Union during the 2014-2020 programming period. The cross border cooperation under the European Neighbourhood Instrument (ENI) will create added value for the border regions building on its predecessor, the ENPI. The ENI CBC aims to create “an area of shared prosperity and good neighbourliness between EU Member States and their neighbours”. To this purpose the ENI has three strategic objectives:

- (A) promote economic and social development in regions on both sides of common borders;
- (B) address common challenges in environment, public health, safety and security;
- (C) promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

The Joint Operational Programme Romania-Ukraine 2014-2020 will contribute to all ENI strategic objectives while focusing its strategic intervention on four thematic objectives:

1. Support to education, research, technological development and innovation (Strategic objective: A)
2. Promotion of local culture and preservation of historical heritage (Strategic objective: A)
3. Improvement of accessibility to the regions, development of transport and communication networks and systems (Strategic objective: C)
4. Common challenges in the field of safety and security (Strategic objective: B)

The contribution of the European Union to the Programme is of 60 million Euro, while the participant countries must ensure a co-financing of at least 6 million euro. In the general framework created by the Programming document for EU support to ENI Cross-Border Cooperation 2014-2020, EU Regulation 232/2014 establishing a European Neighbourhood Instrument and of the Commission Regulation no 897/2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation 232/2014, the participant countries have cooperated in order to identify the needs of the programme area and select those thematic objectives and priorities that are most relevant for further development of the border region.

Within this context the partner countries nominated the Ministry of Regional Development and Public Administration from Romania as Managing Authority and established the Joint Programming Committee (JPC) as decisional body for the programming process. The JPC included representatives of the central (Ministries of Foreign Affairs, Ministry of Regional Development and Public Administration Romania, Ministry of Economy and trade Ukraine) and regional level from the two countries (county/oblast representatives, Regional Development Agencies). Additionally, two working groups were created, one for the identification of Large Infrastructure Projects and one for the description of management and control structures.

The process of elaboration of the Romania-Ukraine Joint Operational Programme included stakeholder consultations, socio economic analysis, SWOT and multi criteria analysis as well as a review of the lessons learnt from the Romania-Ukraine-Republic of Moldova Joint Operational Programme and meetings of the especially created working groups and JPC. The whole process actively involved the JPC who was informed regarding each milestone and decided on the stages of the programming process.

The main steps of the development of the Romania-Ukraine Programme were:

- Socio-economic and SWOT analyses
- Preliminary consultations: interviews, focus groups, online survey
- Coherence and multi-criteria analyses
- Public consultations on the first draft of JOP
- Elaboration of SEA Report
- Public consultation on SEA
- Public consultation on the draft of JOP

## ***Socio-economic and SWOT analyses***

The socio economic and SWOT analyses followed the most important features of the eligible area and their likely positive or negative impact. The main areas covered were:

- 1) Geography;
- 2) Demography;
- 3) Economy and Labour Market;
- 4) Transport and Infrastructure (including public utilities and ICT);
- 5) Environment and Energy;
- 6) Health, Social, Safety and Security;
- 7) Education, Culture, Society;
- 8) Public Administration and Governance

As a result of the socio-economic and SWOT analyses thematic objectives 5 (Support to local & regional good governance) and 9 (Promotion of energy cooperation) were ruled out.

## ***Preliminary consultations: interviews, focus groups, online survey***

The preliminary consultations with the Programme stakeholders included **interviews** with local, regional and national authorities and focus-groups with civil society organisations, Universities, Commerce, Industry & Agricultural Chambers and other relevant stakeholders. Additionally, 5 **focus groups** were organised in Ukraine and 4 in Romania involving representatives of local and central administration as well as civil society.

An **on-line survey** was sent to potential eligible applicants from the programme area. The survey was done using a web-based research tool and submitted via e-mail to 655 potential respondents from the eligible area of the Romania-Ukraine-Republic of Moldova JOP.

**Overall results of preliminary consultations** indicated the main preferences of the stakeholders in the eligible area in regards to the thematic objectives to be financed as follows:

- TO 2. Support to education, research, technological development and innovation
- TO 3. Promotion of local culture and preservation of historical heritage
- TO 6. Environmental protection, climate change adaptation
- TO 7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO 8. Common challenges in the field of safety and security

## ***Past experience analysis***

A review of the lessons learnt from the previous programming period was done in order to gather information for the strategy development. The main findings followed the typical life stages of a project: generation (including identification of partners), application, evaluation, contracting and implementation and provided valuable inputs for the implementation section.

## ***Coherence and multi-criteria analysis***

According to CBC programming regulations for 2014-2020 timeframe, the CBC programmes must deliver real cross-border added value and not cover elements already funded or that could more suitably be funded from other ENI or EU programmes. In order to narrow down the thematic objectives to be addressed by the Romania-Ukraine Programme to those that can contribute to a greater extent to the development of the programme area and that are not financed through other funding mechanisms, a coherence analysis was undertaken.

Based on the Programming document for EU support to ENI Cross-Border Cooperation 2014-2020, the coherence analysis followed three types of criteria:

- Convergence with European, National and Regional Strategies;
- Potential financing overlaps (in order to be avoided);
- Effectiveness & Complementarity (of the thematic objectives with the other programmes and strategies).

As a result of the consistency analysis with other programmes and strategies it was considered that thematic objective 6 is already covered through other funding mechanisms and it was decided to exclude it from the list of thematic objectives to be considered for the Romania-Ukraine Programme.

### ***Multi criteria analysis***

In order to ensure the consistency of the selected thematic objectives with the realities of the region and with the financial allocation of the programme a multi-criteria analysis was done. A panel of experts scored each thematic objective against the following five criterions:

- Cross border impact
- Capacities for project management
- Relevance for overall financial allocation
- Coherence with strategies and programmes
- Current regional context

As a result of the multi criteria analysis the highest ranking thematic objectives were:

OT 2: Support to education, research, technological development and innovation (Strategic objective: A)

OT 3: Promotion of local culture and preservation of historical heritage (Strategic objective: A)

OT 7: Improvement of accessibility to the regions, development of transport and communication networks and systems (Strategic objective: C)

OT 8: Common challenges in the field of safety and security (Strategic objective: B)

### ***Public consultations on the first draft JOP***

Four workshops with Programme stakeholders were organised both in Romania (Baia Mare, Tulcea) and Ukraine (Ujgorod, Chernivtsi) on the first draft of the Programme, totalizing 138 participants. Also, on-line consultations were carried out on the first draft of the Programme and the relevant inputs from the stakeholders were integrated into the final version of the Programme. Participants from all the Romanian counties and Ukrainian oblasts were invited across the eligible area.

This round of consultations focused on indicative activities, type of beneficiaries, indicative financial allocation, as well as the main elements of the management and control system and of the implementation of the program ( management bodies and their functions and competencies, selection procedures, type of projects, indicative number of the calls for proposals and the programme time line).

### ***Work of the Joint Programming Committee and Joint Working Groups***

In the programming process the main decision making body has been the Joint Programming Committee (JPC) that has been set up especially for the development of the operational programme. The JPC has met three times in order to decide on the main elements of the programming process. During its first meeting held in June 2013, the JPC nominated the Managing Authority, the Audit Authority and the Joint Technical Secretariat.

The second meeting of the JPC took place in October 2014 and had as main objective the decision regarding the thematic objectives to be financed by the Programme. The JPC approved the list of thematic objectives resulted from the analyses and gave further guidance on the priorities and activities to be included under each of the selected thematic objectives. Following the second meeting the JPC approved by written procedure the programme area and the priorities and indicative activities.

The third meeting of the JPC took place in March 2015. The main decisions taken during the meeting were related to the revision of the indicative activities, approval of the financial allocation and setting English language as the official language of the programme.

## Joint Working Group for LIPs

The Joint Programming Committee decided to select and award without call for proposals (as according to art. 41 of the Commission Implementing Regulation no 897/2014) Large Infrastructure Projects. In this respect a Joint Working Group (JWG) was set. Its role was to identify, select and prioritize the list of Large Infrastructure Projects to be included in the programme. The JWG included representatives nominated by the central and regional institutions from the following fields of interest: energy, transport, environment, internal affairs (emergency situations/ border police), health and customs. The responsibility for the designation of the LIP WG members belonged to each participant country.

At national level, a strong and participatory consultation process was carried out with the relevant institutions having a significant role in the fields of interests for LIPs. The objectives of the consultation were firstly to identify suitable and feasible project ideas at national level and secondly, to obtain the proper input from the relevant stakeholders as regards the national support for the identified projects.

The project selection itself was based on a working procedure approved by the Joint Programming Committee. More specifically, the stakeholders have submitted project proposals through the use of a template designed to underline the LIP essential criteria and conditions and these were analysed by the Joint Working Group, with the support of the Managing Authority.

Following a thorough analysis projects were discussed and prioritized at the level of the Joint Working Group through the means of two meetings (October 2014 and March 2015).

The Joint Programming Committee approved the list of the **Large Infrastructure Projects (including the reserve list)** proposed to be selected through direct award procedure. The list, together with individual project fiches are presented in **ANNEX II. The projects were discussed during the 3<sup>rd</sup> JPC meeting, in March 2015 and subsequently approved in written procedure.**

## Joint Working Group for the Management and Control System

A common JWG for Management and Control was established for both the Romania-Ukraine JOP and for the Romania-Republic of Moldova and Black Sea Basin programmes. The JWG met three times during the programming period in order to define the management and control systems of the three programmes. Some of the main decisions taken were related to the role and tasks of control contact point, as well as the general tasks that will be fulfilled by all the structures involved in the management and control of the programmes.

## 2. DESCRIPTION OF THE PROGRAMME AREA

The programme area consists of the core regions listed in the chapter 2.1. below and major social, economic and cultural centres as presented in chapter 2.2.

In addition to the programme area, a flexibility rule has been introduced, as described in chapter 2.3 below.

### 2.1. CORE REGIONS

The core regions of the Romania-Ukraine Joint Operational Programme 2014-2020 are indicated by the Programming document for EU support to ENI Cross-Border Cooperation and covers:

- **Romania** – 5 counties – Suceava, Botoșani, Satu-Mare, Maramureș, Tulcea;
- **Ukraine** – 4 oblasts – Zakarpattia, Ivano-Frankivsk, Odessa, Chernivtsi.

The core regions encompass a total of 100,860 km<sup>2</sup>, out of which 32,760 km<sup>2</sup> represent the Romanian territory (divided between the 5 counties: Suceava 8,553 km<sup>2</sup>, Botoșani 4,986 km<sup>2</sup>, Satu-Mare 4,418 km<sup>2</sup>, Maramureș 6,304 km<sup>2</sup>, Tulcea 8,499 km<sup>2</sup>), while 68,100 km<sup>2</sup> represent the Ukrainian territory (divided between the 4 oblasts: Zakarpattia 12,800 km<sup>2</sup>, Ivano-Frankivsk 13,900 km<sup>2</sup>, Odessa 33,300 km<sup>2</sup>, Chernivtsi 8,100 km<sup>2</sup>). In terms of proportionality, the Ukrainian eligible area is more than double in size compared to the Romanian territory.

The total length of the border of the eligible area is of 649.4 km. The border is varied in terms of type: land – 273.8 km, river – 343.9 km, sea – 31.7 km. Furthermore, the Southern part of the Romanian-Ukrainian border

divides the shared biosphere of the Danube Delta. The two countries share six land border crossing points at the Northern part of the programme area, accessible by car and train as follows:



Map 1 : Core eligible area

Crossing points	Accessibility
<b>Halmeu (Satu Mare)– Diakove (Zakarpattia)</b>	• rail & auto
Cămpulung la Tisa – Teresva	• rail (not operational)*
Sighetu - Marmătiei - Solotvino	• auto
Valea Vișului – Dilove	• rail (not operational)*
Vicșani – Vadul Siret	• rail
Siret – Porubne	• auto

\*according to official data from the Romanian Border Police

Table 1: Crossing points

As regards the Southern area of the core regions there are no direct border crossing points between the two countries. The border crossing can only be done through Galati (RO) - Giurgiulesti (MD) and further, through several border crossing points from Republic of Moldova to Ukraine (the closest in terms of distance being Giurgiulesti-Reni and Vulcanesti-Vinogradovka).

The core regions include a significant part of the core eligible area of the former Romania-Ukraine-Republic of Moldova cross-border cooperation programme (Odessa and Chernivtsi oblasts and Botoșani, Suceava and Tulcea counties) and an additional number of two oblasts (Zakarpattia and Ivano-Frankivsk) and two counties (Maramureș and Satu-Mare) that are also included in the former (2007-2013) and current (2014-2020) ENI CBC Hungary-Slovakia-Romania-Ukraine.

The core regions encompass a total *area* of 100,860 km<sup>2</sup> and have a combined border length of 649.4 km. Out of the total core eligible area 32.48% represents the Romanian territory and 67.52% represents the Ukrainian territory.

There are a number of important urban *settlements* in the core eligible area that polarize a large number of the resident population. This type of polarization, along with the social and economic situations of the urban and rural areas emphasizes the large disparities when comparing urban and rural settlements. This is of major importance, as in spite of the urban concentrations in the area, a large part of the core eligible area is still predominantly rural.

The programme area sums up a total of approximately 8,022,042 inhabitants. Of the total *population*, 26% (2,083,538 inhabitants) reside on the Romanian side of the border and 74% (5,938,504 inhabitants) on the Ukrainian side. The difference in scale, considering both the size of the territories and populations, represents a key consideration for the territorial analysis. The reasoning behind this consideration is that comparing two territories with large differences in terms of area and population can lead to disproportionate comparison results, with no real relevance in terms of policy and development prioritization.

The core eligible area concentrates a large population with ages between 15 and 64 years. Territorial comparisons show that the four Ukrainian oblasts have a positive (but sensitive) natural increase of 0.6%, while the Romanian counties have a negative rate of -3.78%. The largest negative natural increase rates are registered in the rural area of the core eligible areas, while urban centres register slight positive increases. Even so, the natural increase rate of the core eligible area is of -0.54%, which combined with the outward migration trends signals major difficulties in the population rejuvenation process, creating the premise for the increase of the urban-rural disparities.

The *health infrastructures* are limited in development especially in the rural areas. The level of development and the capacity of the health units are below national averages across all of the core eligible area. Significant differences are observed in the more urbanized counties and oblasts; however, even in these cases, the capacities are still under their national averages.

The major differences in development and opportunities leading to higher poverty and unemployment rates have direct effects on the quality of life and life expectancy at birth. In Romania, male life expectancy is 71 years and female life expectancy is 78.1 years, while in Ukraine the life expectancy for males is of 66 years and 76 years for females. Compared to previous years life expectancy is on a rise, but it is still below European averages.

The core eligible area's *active population* represents 45.09% of the total population. Out this total, 93.83% of the active population is employed, while 6.15% is unemployed. The largest employed population by sector is employed in the agricultural sector, and represents 25.35% of the total employed population. Territorial differences are however significant, as in Romania 42.58% of the employed population works in this sector, while in Ukraine only 20.35%. In the latter case, this still represents the largest sector by employed population.

The structure of the unemployed population shows that there are similarities between the two sub-national territories. On both sides of the border the largest part of the unemployed population has only primary, secondary or vocational education. In the Romanian counties, 62.99% of the unemployed population has this level of education, while in the Ukrainian oblasts 48.03%. In addition, early school leaving is relatively high in the area, especially in Ukraine, where in 2012 at the secondary level early school leaving reached 17%.

The average gross monthly earnings in the area are some of the lowest at national and European levels. On average the gross monthly earnings reached in 2012 €360 in Romania and €241 in Ukraine. The agricultural sector is the largest sector in terms of employed population; however, earnings in this sector are some of the lowest, registering values below the averages.

The core regions of the programme have one of the lowest development levels in the area in comparison with the other neighbouring countries and regions. At the national level of Romania, comparing the GDP per inhabitant levels by county emphasized a directional trend of development on an axis from North-West to South East. Compared to this axis of development, the North-East development region and the Northern part of the South-East development region in Romania can be considered peripheral, while their GDP levels indicate a type of isolation effect. The North-West Development Region, which includes Maramureş and Satu-Mare counties, benefits from the direction of this axis; however, the two counties are positioned only in the influence area of the axis.

In Ukraine the major development axis, is also oriented from North-West to South-East, out of the reach of the Ukrainian oblasts in the core eligible area. Compared to the rest of the country and excepting Odessa Oblast, the rest of the oblasts in the eligible area are some of the poorest at national level. This is consistent when comparing the GDP per inhabitant levels at county and oblast level, as Botoșani and Chernivtsi have some of the lowest GDPs compared to each of their national territories.

*Competitiveness* is rather low in the core eligible area. The major causes behind this are: the predominance of agriculture and industry as the main economic activity and the lack diverse economic activities; the low level of investments in Research & Development and its underuse in industrial and technological activities, reducing productivity; low accessibility due to the poor quality of the transport infrastructure; the underdeveloped and deteriorating public utilities infrastructure; and the low ICT penetration rates at territorial level.

In terms of *infrastructure*, the core eligible area has a poorly developed transport infrastructure, which cannot insure accessibility and connectivity at international standards, resulting in an isolation effect. Intermodal transport is still limited, as the naval and air links are underdeveloped, in spite of the gain potential given by the Tulcea-Odessa region. The road and rail infrastructures are sufficiently dense if compared to their national figures. However, quality wise the infrastructure still leaves room for improvement. Local roads lack investments due to limited funding opportunities and bureaucracy, compared to national and European roads, which receive significantly more attention. The rail network is rather old and requires significant improvements, as at the present state it does not allow the use of high speed trains, and the gauge difference between the two countries makes border crossing by train time consuming.

The state of the *public utilities and services infrastructure* serving the urban and rural localities in the area raises a number of issues. Even if significant percentages of the localities in the core eligible area are connected to these networks, their quality is rather poor. A large portion of these infrastructures are developed before 1989 and in general lack serious investments since then, especially in the case of rural localities. This creates problems in terms of environmental protection, as this leads to the evacuation of untreated or untreated waters and poorly managed waste, which combined have a negative impact on soil and water quality.

The analysis shows that the core eligible area is a big consumer of energy, mostly due to industrial activities and energy production with the purpose of heating. The Ukrainian oblasts have significantly higher levels of energy use compared to the Romanian counties. Furthermore, the Ukrainian oblasts are large consumers of coal and gas as fuels, greatly increasing particle and greenhouse emissions in the area.

The varied relief, the geographical positioning, the varied flora and fauna, and the cultural heritage of the area are major competitive advantages of the core eligible area in terms of tourism. The area benefits from over 1000 natural protected areas of national and international importance and numerous historic sites. The increasing number of tourists in the last two years confirms that the attractiveness of this area is one of international level.

## 2.2. MAJOR SOCIAL, ECONOMIC AND CULTURAL CENTRES

The programme decided to make use of the art. 8 (3) of the *Regulation no 232/2014 of the European Parliament and of the council establishing a European Neighbourhood Instrument* provisions, and included two major social, economic and cultural centres Bucharest (RO) and Kiev (UA) in the programme area. Considering that large infrastructure projects proposed for selection without a call for proposals have specific characteristics that require a particular type of body based on its technical competence, high degree of specialisation or administrative power and also taking into account that most of the relevant institutions are located in the Capitals of the participant countries, it was identified the need to include in the programme area, these two cities as major social, economic and cultural centres.

The selection of the Capital Cities as major social, economic and cultural centres will primordially contribute to the achievement of the programme objectives in a sustainable way especially for the thematic objectives (TOs) including essential/strategic investments, capable to improve the life of people in the eligible area by larger and more integrated interventions generated exclusively with central support. Including Bucharest and Kiev as Major Centres within the programme will be a guarantee for more sustainable results at the core eligible area level.

In the same line of reasoning, including these two cities in the Programme will strongly contribute to the achievement of the CBC impact of the interventions. The Programme allocates 30% of the EU contribution to Large Infrastructure Projects (LIPs) which presumes (1) beneficiaries from central level having de jure / de facto monopoly of the interventions and (2) financial capabilities to support costly/large scale interventions.

LIPs contribute to the development of the border area, as they are strategic projects that address important problems of the border such as emergency situations, health, transport and infrastructure. Also, LIPs require better-coordinated actions, joined planning and implementation at central level from both countries, while paying attention to the particularities and communalities of larger regions on both sides of the border.

The two major centres may only be involved in large infrastructure projects selected by direct award listed in the joint operational programme, which are addressing TO7 Improvement of accessibility to the regions and TO8 Common challenges in the fields of safety and security.

The corresponding financial allocation for the project partners and/or activities carried out within the major social, economic and cultural centres are limited by the allocation set at programme level for large infrastructure projects.

#### **Summary of conditions for eligibility of major, economic and cultural centres**

Major Centres	Specific Conditions*
Bucharest	Organizations participating in Large Infrastructure Projects selected through direct award,
Kiev	Financial allocation limited by the large infrastructure envelope;  <i>Thematic Objective 7 Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems</i> <i>Thematic Objective 8 Common challenges in the field of safety and security</i>

Table 2: Summary of conditions for eligibility of major, economic and cultural centres

### **2.3. FLEXIBILITY RULE**

A **flexibility rule** set in accordance to point (b) of article 39(2), and article 45(4) of Commission Regulation 897/2014 **may** be used outside the programme area (meaning outside core regions and major social, economic and cultural centres).

A total of 10 % of the Union contribution to the Programme may be used as follows:

A. Conditions to be met by Beneficiaries located outside the programme area:

- a) they must be Romanian or Ukrainian;
- b) they cannot act as lead beneficiaries;
- c) their participation in project is required by the nature and by the objectives of the project and is necessary for its effective implementation;
- d) they comply with the eligibility criteria defined for each selection procedure.

B. Conditions to be met by project activities partially implemented outside the programme area:

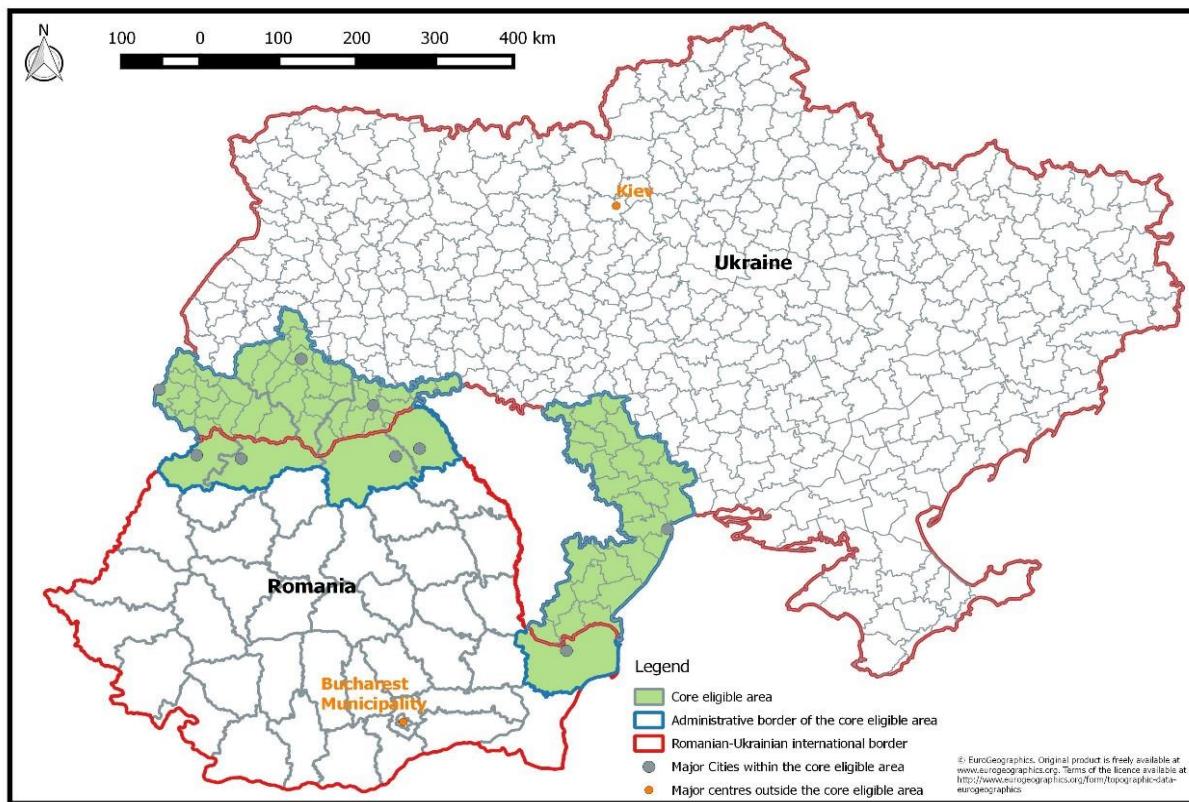
- a) they must be implemented by beneficiaries from the programme area or by LIP beneficiaries partners located outside the programme area;
- b) they may be implemented outside the programme area insofar they are necessary for achieving the programme objectives
- c) they are in the benefit of the programme area.

In order to be selected, a project should justify any use of funds outside the programme area.

### **2.4. PROGRAMME MAP**



Map 2: core area of the Programme



Map 3: Map of Programme Area with major centres

### 3. PROGRAMME STRATEGY

### 3.1. STRATEGY DESCRIPTION

The Joint Operational Programme Romania-Ukraine 2014-2020 contributes to the achievement of the overall ENI objective of “*progress towards an area of shared prosperity and good neighbourliness between Member states and their neighbours*”. For the 2014-2020 period the ENI will contribute to the creation of a climate of prosperity and good neighbourliness at its external borders and has set three strategic objectives for the achievement of this overall goal:

- A: promote economic and social development in regions on both sides of common borders;
- B: address common challenges in environment, public health, safety and security;
- C: promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

Each operational programme financed through the ENI will contribute, depending on its specific context, to the achievement of at least one of these strategic objectives by financing a maximum of 4 thematic objectives.

***The general objective of the Romania-Ukraine Joint Operational Programme is to enhance the economic development and to improve the quality of life of the people in the programme area through joint investments in education, economic development, culture, infrastructure and health while ensuring the safety and security of the citizens in the two countries***

#### **Thematic objectives and priorities**

The process of identifying the specific needs of the border area to be addressed through the Romania-Ukraine Programme was concluded with the selection of 4 specific thematic objectives:

- ✓ **Thematic objective 2:** Support to education, research, technological development and innovation (ENI Strategic objective: A)
- ✓ **Thematic objective 3:** Promotion of local culture and preservation of historical heritage (ENI Strategic objective: A)
- ✓ **Thematic objective 7:** Improvement of accessibility to the regions, development of transport and communication networks and systems (ENI Strategic objective: C)
- ✓ **Thematic objective 8:** Common challenges in the field of safety and security (ENI Strategic objective: B)

These thematic objectives will be addressed through specific priorities, implemented through cross border activities as presented below.

#### **THEMATIC OBJECTIVE 2: SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT & INNOVATION**

*Objective 1:* *Develop education and support research and innovation at the level of the Programme area by facilitating the cooperation at local, regional and central level*

##### **Priority 1.1 – Institutional cooperation in the educational field for increasing access to education and quality of education**

###### ***Justification for the definition of Priority 1.1:***

The development of the education sector is strongly supported as a key area for intervention in the programme area. The main issues of the area in regards to education are related to early school leaving, poor accessibility to the educational infrastructure in rural areas, support for disadvantaged groups as well as low investments in educational infrastructure and trainings for teachers. These elements combined with the fact that the current capacities of the major university centres in the eligible areas (Odessa, Ivano-Frankivsk, Chernivtsi and Suceava) are underutilized give this sector a great potential for development in a cross border cooperation environment. The above-mentioned issues highlight the need of joint interventions in order to get a positive impact on the border communities.

###### ***Indicative activities***

- Joint planning and joint development of educational strategies;

- Exchanges of experience, teacher exchanges, transfer of good practices between institutions from both sides of the border for increasing the effectiveness of education through the diversification of professional training programs for employees in the education system in areas such as:
  - school development, school management, developing the relation between schools and communities;
  - developing and applying innovative educational methods, for increasing teaching skills to facilitate and motivate students to perform;
- Developing specific joint programs of entrepreneurship education, programmes that stimulate creativity, innovation and active citizenship;
- Rehabilitation/modernization/ extension/ equipment procurement for the educational infrastructure to provide the necessary material preconditions of a quality educational process and increase the participation in the educational processes;
- Development and implementation of partnerships between education institutions from both sides of the border to:
  - prevent and correct early school leaving phenomenon through integrated programs (including awareness campaigns) for prevention of school dropout, encourage school attendance and reintegration of those who have left school early;
  - develop after school programs and extra-curricular activities;
- Development and implementation of cross border actions for enhancing/improving/facilitating job qualifications and competences.

#### ***Indicative Beneficiaries for Priority 1.1***

- National/regional/local public administration and other public institutions;
- Education institutions;
- NGOs; / professional teachers associations; other relevant associations;

#### **Priority 1.2 – Promotion and support for research and innovation**

##### ***Justification for the definition of Priority 1.2:***

One of the underdeveloped fields in the programme area is research and development (R&D). The level of investment in this field is very low, although there is potential for its growth. There are a number of urban centres where R&D activities are carried out that can be correlated with the level of the expenditures in R&D, the number of employees in the field, and the localization and number of tertiary level educational institutions, e.g. Odessa, Chernivtsi, Tulcea, Suceava. Building on existing centres and the general economic profile of the core eligible area there is a strong opportunity for positive outcomes for R&D that can be further enhanced through joint cross border activities.

##### ***Indicative activities***

- Development of partnerships/networking between universities for joint development of theoretical research;
- Joint research actions and studies (including related equipment procurement) in the field of environment (climate change challenges, preservation of biodiversity, renewable energy and resource efficiency etc.);
- Promotion and support for research and innovation through rehabilitation/modernization/ extension of the specific infrastructure including the procurement of related equipment.

#### ***Indicative Beneficiaries for Priority 1.2***

- Universities;
- Research institutes/organizations/NGOs;
- National /regional/local public administration and other public institutions;
- Professional/ other relevant associations

#### **TO 3. PROMOTION OF THE LOCAL CULTURE AND PRESERVATION OF HISTORICAL HERITAGE**

***Objective 2: Preservation of the cultural and historical heritage in the eligible area, support the developing of local culture, specific cultural identities and the cultural dialog contributing to an enhanced attractiveness of the eligible area.***

### **Priority 2.1 – Preservation and promotion of the cultural and historical heritage**

#### ***Justification for the definition of Priority 2.1:***

The two sub-national eligible areas share commonalities in terms of cultural heritage due to historic evolution and have a long-standing tradition in multi-ethnic cohabitation and multiculturalism. Despite the fact that there is a high concentration of natural and historical sites and natural protected areas, the eligible area registered low level of investments in touristic and cultural facilities.

The cultural infrastructure is developed but poorly financially supported. It includes museums, libraries, theatres and other cultural institutions. This priority aims to facilitate investments in historical heritage and local culture through joint projects and to improve the touristic potential of the cross border area.

#### ***Indicative activities***

- Restoration, conservation, consolidation, protection, security of cultural and historical monuments, archaeological sites (including the corresponding access roads), museums, objects and art collections and their joint promotion based on relevant cross-border strategies/concepts;
- Preservation, security, and joint valorisation of cultural and historical monuments and objects;
- Cultural institutions networks aiming at the promotion of the cultural and historical heritage Support for specific and traditional craftsman activities, important for preserving local culture and identity.
- Promotion of specific and traditional activities in the eligible area (including cross border cultural events);
- Preserving, promoting and developing the cultural and historical heritage, mainly through cultural events with a cross-border dimension;
- Valorisation of the historical and cultural heritage through developing joint promotion strategies, common tourism products and services.

#### ***Indicative Beneficiaries for Priority 2.1***

- Museums, cultural/religious/higher education institutions;
- National /regional/ local public authorities and other public institutions;
- NGOs, cultural and tourism associations;
- Local business associations in the domain of traditional and craftsmen activities;
- International organizations

## **TO7. IMPROVEMENT OF ACCESSIBILITY TO THE REGIONS, DEVELOPMENT OF TRANSPORT AND COMMON NETWORKS AND SYSTEMS**

***Objective 3: Improve public transport services, infrastructure and ITC cooperation and networking***

### **Priority 3.1 –Development of cross border transport infrastructure and ICT tools**

#### ***Justification for the definition of Priority 3.1:***

Transport in the core eligible area is dominated by road and rail. However, regardless of the high density of road and rail networks, their viability is reduced by the poor quality and maintenance of these networks, the lack of modernization projects and of resources. This situation increases travel times significantly and impacts on the transport costs.

As mentioned, there is a poor quality of road and rail networks and urban-rural linkages in the border area. Technical differences in terms of rail transport between the two countries (i.e. use of different rail gauge) and limited multi-modal transport capabilities makes cross-border transportation more difficult. However, the

eligible area presents high potential for river transport development that should be acknowledged and acted upon.

The people and businesses have low access levels to broadband Internet and communications infrastructure, especially in the rural areas as pointed out in the socio-economic analysis.

This priority has a very good potential to have a high cross-border impact due to the good capacities for project management in transportation area and offers good potential for strategic coordination between Romania and Ukraine.

#### ***Indicative activities***

- Reconstruction, rehabilitation, modernization of cross-border transport systems
- Development of environmentally friendly (carbon-proofed) cross-border transport initiatives and innovative solutions ;
- Improvements of multimode transport (road/water ) facilities of cross-border interest;
- Reconstruction, rehabilitation, widening of cross-border (segments of) roads connecting settlements alongside the border with main road, which leads to the border;
- Improvement/restoration/construction of (segments of) access roads to centres of cross-border interest;
- Elaboration of joint strategies/policies/plans for improving the cross-border transport infrastructure;
- Development of cross-border connections, information and integrated communications network and services;
- Upgrading existing facilities to enable linkages between communities and public services which promote co-operation on a cross-border and wider international basis;

#### ***Indicative Beneficiaries for Priority 3.1***

- National /regional/local public administration and other public institutions;
- State owned companies administrating transport and communication infrastructure

### **TO 8. COMMON CHALLENGES IN THE FIELD OF SAFETY AND SECURITY**

*Objective 4: Addressing common challenges concerning access to health, management of natural and anthropic risks and emergency situations, cross border security through joint projects*

#### ***Justification for the definition of Priority 4.1:***

#### ***Priority 4.1 - Support to the development of health services and access to health***

The public health system in the programme area faces a number of limitations generated by the low quality of the infrastructure, the accessibility to health services and the lack of access of physicians to trainings and specializations. These limitations are responsible for the low life expectancy at birth in the eligible area, the low number of physicians and the high number of illnesses. A system of joint investments in public health infrastructure and equipment as well as related professional trainings and exchanges of experience would contribute to improving the response of the health local system to the real need of the area and generate significant cross border impact and added value.

#### ***Indicative activities***

- Joint activities meant to enhance the access to health in the border area through construction / rehabilitation / modernization of infrastructure of public health services (including through the use of renewable energy etc.);
- Developing labs and mobile labs for screening / clinical monitoring of diseases and prevention of cross border epidemics;
- Equipping specific public medical service infrastructure (outpatient, emergency room facilities, medical centres, integrated social intervention, etc.);
- Joint training programs and exchange of experience, networking for supporting the functioning of the specific public medical services, telemedicine ;
- Exchange of experience, joint activities in order to ensure compatibility of the treatment guidelines, joint diagnosis programmes;
- Awareness campaigns concerning public education on health, diseases and prevention of epidemics.

#### ***Indicative beneficiaries groups for Priority 4.1***

- National /regional/local public administration and other public institutions
- National/regional/local/ institutions acting in the field of health and social policies;
- NGOs, universities and research institutes;
- Professional medical and other relevant associations.

#### ***Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint actions during emergency situations***

##### ***Justification for the definition of Priority 4.2:***

The eligible area presents high risk of pollution through industrial accidents, especially in the Danube and Black Sea area. Also, there is a high risk of natural disasters as a result of the topography and the dense hydrographical network (e.g. flooding, landslides) – mountain areas in the North, delta area in South. These characteristics of the programme area require joint actions involving organizations from both sides of the border in order to prevent and improve the response to emergency situations. This priority aims to address common challenges such as landslide, flooding, risk prevention, emergency situation, through joint planning and coordinated interventions.

##### ***Indicative activities***

- Common measures for preventing land slide and flooding of the cross border areas;
- Joint integrated systems for efficient monitoring and disaster prevention and for the mitigation of consequences;
- Common strategies and tools for hazard management and risk prevention including joint action plans;
- Elaborating of joint detailed maps and databases (indicating natural and technological risks, and land use for regional planning authorities, environmental agencies and emergency services);
- Exchanging experience and knowledge, including raising awareness in the field of efficient risk prevention and management in the cross-border area;
- Development of integrated and common standards for the urban planning and risk management;
- Investments and development of common, integrated, emergency management systems.
- Planning co-ordinated actions of the authorities in emergency situations caused by natural and man-made disasters (flood, fire, heat waves, earthquakes, storms, etc).

#### ***Indicative beneficiaries for Priority 4.2***

- National/ regional/local county/ public administration and other public institutions acting in the area of mitigation of disaster risks and effects and emergency situations;
- Research institutes/organizations, universities, NGOs;

#### ***Priority 4.3 Prevention and fight against organised crime and police cooperation***

##### ***Justification for the definition of Priority 4.3:***

The region faces challenges in terms of criminality rates and additional risks due to the status of the border and the ramifications of illegal smuggling.

In order to reduce criminality rates, improve the intervention capacity of police forces and ensure the security of the people on both sides of the border this priority will foster investments in capacity building, infrastructure and equipment for the structures involved in the customs and police services.

##### ***Indicative activities***

- Common actions for increasing mobility and administrative capacity of police units (including border police);
- Creating collaborative working platforms in order to increase the efficiency of police, border police and custom structures in the exchange of data and information;
- Joint trainings of police, customs, border police, gendarmerie, exchange of best practices on specific areas of activity (analysis, criminal investigation, organized crime).
- Investment in construction, renovation or upgrading of police and border crossing infrastructure and related buildings;

- Investments in operating equipment and facilities specific for the activity of police/customs/border police/gendarmerie (e.g. laboratories, equipment, detection tools, hardware and software, means of transport);
- Developing common policies and strategies, experience exchange for fighting organised crime.

#### ***Indicative beneficiaries for Priority 4.3***

- Custom services, border police, police, other national/regional/local public institutions acting in the area of crime prevention and police, professional associations

### **3.2. JUSTIFICATION OF THE CHOSEN STRATEGY**

The strategy of the programme was derived from a number of analyses and consultations and reflects the needs of the border area between Romania and Ukraine that can be addressed by the ENI cross border cooperation programme. The main elements of the strategy justification can be found below.

#### **3.2.1. SOCIO-ECONOMIC AND SWOT ANALYSES**

This section summarizes the main findings of the territorial analysis, the statistical data and the conclusions from the document analysis, under the general framework of a SWOT analysis.

Starting from the ENI strategic objectives, the socio-economic and SWOT analyses are organized along the main lines of the territorial analysis: A) Geography and human settlements; B) Demography; C) Economy and Labour Market; D) Transport and Infrastructure (including public utilities and ICT); E) Environment and Energy; F) Health, Social, Safety and Security; G) Education, Culture, Society; H) Public Administration and Governance. The most important information for each of these fields is presented below:

#### **A. Geography & Human Settlements**

The major geography and topography of the area divides the area in two: a mountainous and hilly region in the North and a flat region dominated by the Danube Delta and wetlands in the South. This major difference requires a comprehensive approach, to address the territorial particularities of each of the regions.

In the mountainous Northern region there are major risks for landslides and floods with direct effects on localities at the base of the mountains. Similarly, increased natural disaster risks are also present in the Southern region of the core eligible area, dominated by the Danube Delta and plains. Here, potential flooding is a major risk, which must be carefully managed.

The area has a limited number of large urban centres, in general, these being the administrative capitals of the corresponding county or oblast. The largest urban centres in the area like Odessa, Uzhhorod, Ivano-Frankivsk, Chernivtsi, Baia-Mare, Satu-Mare, Suceava, Botoşani and Tulcea attract a large part of the rural-to-urban migration in the area as well as the majority of the international immigration. In addition, these urban centres concentrate the bulk of the services based economy in the detriment of the rural areas. In contrast, the largest majority of the population in the area still lives in rural areas with limited access to public utilities and amenities.

The living area composing the housing stock of the core eligible area sums up a total of 172,805,872 m<sup>2</sup>. Because of the disproportionate area and population ratios between the Romanian and Ukrainian eligible territories, 20% of the total living area is on the Romanian side of the core eligible area, while the bulk of 80% is on the Ukrainian side.

Comparing the average living area per inhabitant shows a significant difference between the Romanian counties and Ukrainian oblasts. In Romania, the average living area is of 16.8 m<sup>2</sup> per inhabitant, with the highest registered in Tulcea County (18.45 m<sup>2</sup>) and the lowest in Botoşani County (14.31 m<sup>2</sup>). The Ukrainian oblasts average at 23.5 m<sup>2</sup> per inhabitant, and have smaller differences at territorial level compared to the Romanian counties, the oblasts' living area per inhabitant ranging from 22.3 m<sup>2</sup> to 24.6 m<sup>2</sup>. In this respect, the Ukrainian oblasts' average living area per inhabitant is much more in line with the EU member states (besides Romania), where these rates usually surpass 20 m<sup>2</sup> per inhabitant.

However, the living area rates do not reflect living conditions, as does the access to public utilities and services. At the core eligible area level the technical infrastructure required for public services is more developed in urban than in rural localities.

Moreover, the level of development of the infrastructure is not always consistent at territorial level. Urban localities have better connectivity to public utilities and services than rural ones. This is an important issue as with the exception of Maramureş County and Odessa Oblast, a large majority of the population still lives in rural localities.



The Ukrainian rural localities in the core eligible area have poor access to the drinking water infrastructure, while access to sewage systems is limited (i.e. below 30% are connected). Access to the gas supply infrastructure is extremely different at the level of core eligible area. Almost 85% of the Ukrainian localities in the core eligible area are connected to the gas supply infrastructure, while in Romania less than 60% of the urban localities and 13% of rural localities are connected. Reliance on thermal energy supply is on a downward trend in Romania (i.e. less than 20% of the urban localities are still connected), while in the Ukrainian oblasts this remains an important utility in urban and rural areas. Access to internet infrastructure is still a problem, especially in rural areas in both Romania and Ukraine, the core eligible area connectivity rate being below 50%. The public transport infrastructure is concentrated in the main urban centres of the core eligible area, and offers limited connectivity to the predominant rural localities. In addition, public transport in the core eligible area is mainly limited to buses, with additional but underdeveloped means of transportation in the major centres.

Strengths		Weaknesses		Opportunities		Threats	
<b>1. Geography &amp; Human Settlements</b>							
S11	Various relief forms as: mountains, hills, plains presenting advantages for agricultural and tourism development	W11	Extremely different topography across the programme's area. The eligible area of the programme is split in two distinct geographical zones: north-west zone (Suceava, Botoşani, Satu-Mare, Maramureş counties and Zakarpattia, Ivano-Frankivsk, Chernivtsi regions and the south-east zone (Tulcea county and Odessa region)	O11	The proximity of Black Sea represents a strong potential opportunity for the south-east area of the programme	T11	High risk from natural disasters due to the differentiated types of relief (e.g. landslides, floods)
S12	Complex hydro graphic network: many lakes and estuaries, important rivers and Danube together with its Delta	W12	Large unpopulated areas and rural areas, especially in the areas of Tulcea County and Odessa Oblast	O12	Future synergies that can be obtained by cooperation with border regions from Hungary, Slovakia and Poland, which all are UE member states	T12	Massive migration from rural to urban settlements due to lack of opportunities, services, and other amenities, especially in areas with small number of urban centres (i.e. Odessa Oblast, Tulcea County)
S13	Presence of the powerful urban pole of Odessa	W13	Large urbanization gaps between the main urban centres	O13	Development of the technical infrastructure in rural areas, consequently reducing the polarization effects of established urban centres	T13	Uncontrolled sprawl of the existing urban areas towards neighbouring rural areas without considering technical requirements
S14	Developed urban settlements with more than 100000 inhabitants (i.e. Baia-Mare, Satu-Mare, Botoşani, Odessa, Chernivtsi, Ivano-Frankivsk, Uzhgorod)	W14	Mountainous areas and the natural deltas hinder urban and infrastructure development				
		W15	Uneven distribution of large urban settlements which favour polarization processes				

**Conclusion:** Looking at the geography and characteristics of human settlements it should be mentioned that the positioning of large rural areas between the main urban centres, having limited access to services and amenities characteristic to urban areas. This factor negatively affects the accessibility to education, healthcare or social assistance services, mostly for the rural area.

## B. Demography

The core eligible area of the programme sums up a total of approximately 8,022,042 inhabitants. Of the total population, 26% (2,083,538 inhabitants) reside on the Romanian side of the border, while 74% (5,938,504) on the Ukrainian side.

In terms of densities, in a country-to-country comparison the difference is notable. The average density for the five Romanian counties was in 2011 63.6 inhabitants/km<sup>2</sup>, significantly lower than the national population density of Romania of 84.4 inhabitants/km<sup>2</sup>. In comparison, according to the 2013 population estimates, the four Ukrainian oblasts had an average density of 87.20 inhabitants/km<sup>2</sup>, higher than the national average of 75.5 inhabitants/km<sup>2</sup>.

Urban areas concentrate a large part of the population, especially in the Romanian counties and Odessa Oblast. Comparing the urban-rural composition of the population, the numbers show a slight difference: only 46.16% of the Romanian population is living in urban areas, compared to 50.84% of the Ukrainian population. Compared to national levels both of the sub-national territories have significantly smaller urban populations than at national level, as 54% of Romania's population lives in urban areas, while in Ukraine the rate is 68.88%.

The gender distribution is almost even between male and female, however a slightly larger female population can be observed – 52.18% of the population – compared to the male population – 47.57%.

**The natural increase rate shows an overall negative trend**, with a weighted average of -0.54%, due to the almost equal values of birth and crude death rates, however in favour of the latter.

The age pyramids of the Ukrainian and Romanian populations in the core eligible area are different in terms of composition. The Romanian pyramid is significantly flatter than its Ukrainian counterpart, and reflects a more **even distribution of the population within the age groups**, and a predominant population aged between 40 and 44 years. In contrast the Ukrainian age pyramid has a much steeper slope and the largest age group in the eligible area is aged between 25 and 29 years.

**Outward migration and consequently the ageing** of the resident population are major concerns in the area. The young adult population leaves the area in search of work opportunities and education either abroad or in other parts of Romania or Ukraine. Territorial differences are visible as in Ukraine the natural increase rate is positive, but close-to-0, compared to Romania's negative natural increase rate. An important consideration is the **fragility of the natural increase trend** (in the case of Ukraine), which can swiftly change its direction, especially considering the low life expectancy at birth of both territories in comparison with EU averages.

**International and internal out-migration** at core eligible area level and the **polarization** effects of cities like Odessa or Tulcea create significant development gaps of slowly depopulated rural areas where opportunities become extremely limited in terms of economic activities. This is especially important in Odessa Oblast and Tulcea County, where there are major **differences in terms of population densities** compared to the rest of the core eligible area due to the presence of the Danube Delta, making depopulation and the ageing of the resident population major concerns, as in this region smaller demographic variations have much greater impacts.

Strengths		Weaknesses		Opportunities		Threats	
<b>2.Demography</b>							
S21	Higher density of population in the north-west part of the eligible area of the programme	W21	Low density of population in the south-east part of the eligible area of the programme. (A low density implies higher operating costs for public services for population, especially in Tulcea and Odessa)	O21	Future synergies that can be obtained by cooperation with border regions from Hungary, Slovakia and Poland, which all are UE member states	T21	Long term trend in negative natural increase ratio
S22	Important urban centres of both sides of the border concentrating a large urban population	W22	Urban population ratio under the national average in Tulcea County and Odessa Oblast	O22	Increased attractiveness of the EU border area and the potential return of expats to the Ukrainian oblasts due to the signing of the EU Association Agreement	T22	Over-polarization of the migrant urban population in established urban centres (e.g. Odessa)
S23	The Ukrainian regions have a positive natural increase ratio of population	W23	The Romanian counties are confronted with a negative natural increase ratio of the population			T23	Strong migrant influx: external in the case of Romanian counties, internal in the case of Ukrainian
						T24	Ageing process of population on Romanian side

**Conclusion:** One of the main weaknesses is the split of the eligible area in two parts: north-west and south-east, with different geography and population features. Other weaknesses are related to the ageing population and strong migrant flows: internal in Ukraine and external in Romania. These have the potential of a negative impact on the labour market (the tendency is for the most skilled labour force to leave while the non-active and socially assisted part of population would remain).

Out-migration is an important issue in the core eligible area, especially in the Romanian counties, and the most eastern oblast in Ukraine, Zakarpattia. Even though, the statistical analysis shows a relatively stable present situation, the slight negative natural increase rate emphasizes the importance of the ageing process, and the current inability to counterbalance this process.. On the longer run, this trend would impact heavily on the sustainability of the national pension system. Even if the Ukrainian data shows a more positive trend regarding evolution of the population, great attention should be given to the population forecasts, as the close-to-0 numbers show that the natural increase rate is exposed to the risks of future socio-economic events, which combined with out-migration trends, can increase the depopulation phenomenon in the area. Even though a large part of the population fits in the 15-64 age group (active population), the tendency towards negative natural increase shows that attention should be given to the population rejuvenation process, whilst also considering increasing in-migration flows and decreasing out-migration, in order to stabilize the active population and to reduce the strain on the social security system.

## C. Economy and Labour Market

According to the 2011 data, the GDPs per inhabitant registered significant increases since 2004. In Romania, the regional GDPs increased on average 2.3 times, while in the case of the Ukrainian oblasts the increase was of 2.25 times. However, the territorial hierarchy in terms of GDP per inhabitant at county and oblast levels remains the same, while the GDP gaps increased. The difference between the Romanian top and bottom counties in terms of GDP tripled in size since 2004, while in Ukraine the gap increased 2.5 times. This shows an involution in terms of reducing regional disparities, and over-polarization of both capital and population to already established urban areas. This is a systemic unbalance with long-term consequences that comes against the EU's polycentric approach towards development.

In terms of employment and unemployment, percentages are in line with national averages, with only small variations. The dominance of the agricultural sector in Romania and agricultural and industrial sectors in Ukraine in terms of employment makes the labour market over-specialized and extremely sensitive to socio-economic changes. These sectors register some of the lowest earning levels out of all the economic sectors, thus being unable to support an increase in the standards of living. The analysis showed that there is a negative correlation between the high rates of employment in the agricultural sector and the GDP levels, emphasising **the low added value of this activity** in the core eligible area. This is mainly caused by the fragmentation of the agricultural land between small subsistence farms, which lack the resources required to capitalize on their agricultural production and to protect their production against natural disasters.

Negative variations in both industrial and agricultural production have a direct impact on the living standards in the area. At the same time, **the low variety of economic activities**, especially in the rural areas, limit the opportunities of the unemployed active population. This is more important in the context in which over 60% of the unemployed population in the five Romanian counties and almost 50% of the unemployed population in the Ukrainian oblasts have only primary or vocational education. Out of the rest of the Romanian unemployed population in the programme area 28% have a high-school or post high school education, while only 9% have a University degree. This situation is however, different for the Ukrainian oblasts in the programme area, as 23% of the unemployed population have high-school or post high school education, and 27% have a University degree. This is a high-risk situation if we also consider the low level of investments in the education sector and the significant early school leaving rates. These trends signal that the tools required by the unemployed population to adapt to the labour market requirements are missing.

The two territorial typologies are also visible in economic terms, as the neighbouring Tulcea County and Odessa Oblast have the highest GDP (i.e. €5000, respectively €2325) per inhabitant, compared to their national territories mean GDP (i.e. €3700, respectively €1417). This significant difference can be partially attributed to the different economic specificity of these two administrative units, as these are the only two opened to international water transport (in both national and international transport) in the Programme area, this being one of their most important economic activities, especially considering the Danube waterway which is the naval access point to the European Union and also the large number of port cities in the area relying on this type of activity. This is also a risk, as intensity variations (related to fuel and customs costs, technical requirements for navigation in this industry, etc.) can negatively affect the local economy due to over reliance on a single type of economic activity, thus increasing the economic risk in the area.

**The SMEs sector grew considerably** in the core eligible area showing a new direction towards entrepreneurship. At the core eligible area the largest number of SMEs is concentrated in Maramureş County and Odessa Oblast, pointing to a certain level of polarization. Also, six predominant activities of the SMEs can be identified at the core eligible area level: *Wholesale and retail trade, repair of motor vehicles and motorcycles; Manufacturing Industry; Constructions; Agriculture, forestry and fishing; Industry; and Real estate activities*.

One major disadvantage in the core eligible area is the **lack of investments in R&D** and the reduced number of this type of activities. Considering the general movement towards a service-based economy, the potential added value of this sector is significantly diminished. This is extremely

significant as R&D can also have positive impacts in both dominating sectors of agriculture and industry through technological innovation.

Compared to the national level, the core eligible area is also the **poorest performer in terms of FDI attraction**, because of the low level of competitiveness of the sub-national territories composing the core eligible area. The **reduced competitiveness** of the area can be assigned to three main problems: the complex bureaucracy, the taxation systems along with corruption create a high risk environment for investors; the reduced level of accessibility and intermodal capabilities significantly increase travel times; excepting the main urban centres, the technical infrastructure in the area is underdeveloped.

**Competitiveness of the Romanian and Ukrainian territories composing the Programme area is significantly lower** than that of the neighbouring countries. This reduced level of competitiveness is a direct result of the poorly maintained road and rail networks along with the constantly deteriorating public utilities infrastructure, the deteriorating tourism infrastructure, the lack of productivity and the low added value of the traditional economic activities (i.e. agriculture, industry and commerce), the limited RDI activities in the area, and the overall polarization of the population in and around already established urban centres.

Strengths		Weaknesses		Opportunities		Threats	
<b>3.Economy and Labour Market</b>							
S31	Diverse structure of economy and important natural resources (forestry)	W31	The divergence in investment focus between Romanian side (industry related area) and Ukrainian side (real estate and financial services)	O31	Opportunities related to the EU member-state status of Romania (attractiveness for foreign investments) and to the signing of the Association Agreement between Ukraine and EU	T31	Political instability of the north-west part of Black Sea region can jeopardise economic development, especially the Foreign Direct Investments – FDIs
S32	Developed agriculture, forestry, fishing and food industry activities	W32	Divergent economic structure (on Romanian side focused on agriculture/forestry/fishing and on Ukrainian side on services)	O32	EU financing programmes on Romanian side	T32	The other regions surrounding the north-west part or the eligible area of the JOP, from Hungary, Slovakia and Poland are from the poorest in their countries – generation of negative spill over effects
S33	Strong potential for tourism in general and agro-tourism in special	W33	The main economic activities have low value added (agriculture, forestry, fishing, trade and tourism related services)	O33	Other donors increasing their financial assistance programs in Ukraine (e.g., USAID, UNDP focusing on local lasting economic development)	T33	The eligible area of the JOP is relatively far from the specific economic developing axes in Romania (West-North-West to South-East) and Ukraine
S34	Since the programming period 2007-2013, GDP per capita increased 2.3 time on the Romanian side and 2.25 on the Ukrainian side	W34	The agriculture production is concentrated in subsistence farms and is strongly dependant on weather conditions and exposed to natural risk.	O34	Well established cross-border contacts and communication at the business level in the northern area	T34	Ukrainian economy presented zero economic growth and it is in recession in 2014.
S35	Low rate of unemployment partially influential by migratory fluxes	W35	Very low ratio of employed population is hired in high added value activities as R&D, Innovation (0.18%)			T35	Internal turmoil in UA with impact economic activity across the country
S36	Relatively low gap in personal revenues on both sides of the border (maximum 50%): the relative difference between wages especially in conditions of low absolute pressure does not stimulate migratory border.	W36	Low coherence of the economic structure due to the split of the eligible area of the programme in two different and specific sub-areas: north-west and south-east				
S37	Important number of SMEs	W37	Labour force massively occupied in a very limited number of activities				

S38	Competitive labour costs and labour force with good education and skills (see especially the structure of unemployed population on Ukrainian side)	W38	Widening of the GDP gap			
		W39	Unbalanced employment rate by gender, especially in the UA side.			

**Conclusion:** The eligible area has an important economic potential and achieved high levels of economic growth in the last 7 years (the GDP per capita increased 2.3-2.5 times during this period); however the eligible area remains poorer compared to the national average in Romania and Ukraine. Moreover other two threats are relevant: the eligible area is surrounded by poorer (in their national terms) regions of Hungary, Slovakia and Poland; secondly the eligible area is outside of both developing axes of the Romanian economy (which can be seen in the figure bellow) and Ukraine.

The concentration of investments in the Industry sector in the Romanian counties and Ivano-Frankivsk Oblast in Ukraine signals a resistance to the global de-industrialization process, more visible on the Romanian side. The limited amount of investments in Transportation emphasizes that in the future the level of connectivity of the area might suffer. The increase in investments in Real Estate and Financial Services in the Ukrainian oblasts shows that, in spite of the industrial character of the area, the economic activities are starting to reorient towards the more general services sector.

The important role of the agricultural sector and the decrease in production, in reference to the percentage of the employed population working in this sector signals certain risks for the Romanian side of the core eligible area. Part of the decrease can be assigned to recent climatic changes, making natural risk a major element to be considered when analysing socio-economic development.

The analysis emphasizes significant territorial gaps both in Romania and Ukraine in general but also when comparing the two sub-national territories. A more focused approach to R&D is needed, given the limited (or lack) of R&D activities (especially in Botoșani County) and the need to counterbalance the areas that polarize these activities at the expense of others.

#### D. Transport and Infrastructure (including public utilities and ICT)

The transport in the core eligible area is dominated by **road and rail transport**. However the networks are underdeveloped and poorly maintained, limiting traveling speeds and increasing traveling times. Out of the seven functioning international airports in the core eligible area, Odessa International Airport has the most varied flight schedule in terms of type and destinations, the rest of the airports being limited mostly to charter or low-cost flights and seasonal flights, hence affecting the **accessibility of the area**.

In the Romania-Ukraine core eligible area the most important and utilized navigable route is the Danube, and its three arms unravelling in Tulcea County: Chilia, Sulina and Sfântul Gheorghe. However, the **traffic on the Danube is fairly limited due to the underdevelopment of the navigable canals**, in spite of the direct link to the Danube Delta, the possible connectivity with Galați and Tulcea ports, and the link with the Black Sea, which could open more opportunities in terms of international freight and passenger traffic.

The most important ports in the core eligible area are Tulcea river and sea port, Sulina, Chilia and Sfântul Gheorghe in Romania, and Izmail, Reni, Ust Dunoi in Ukraine. To the Romanian side two more large ports contribute to the economic environment of the area: Brăila and Galați, located in the neighbouring counties. Galați and Tulcea are the two main ports on the Danube as these ensure the linkage between the river and the Black Sea and the inter-modal change between means of transport (naval-road-rail).

One of the major issues regarding border crossing between Romania and Ukraine is represented by the limitations in this respect of the Southern area of the core eligible area, i.e. Tulcea County - Odessa Oblast. Due to the geographical specificities of the area and the relief characteristic of the Danube Delta there are no borders crossing points between the two states. As a result, the Romania-Ukraine border crossing traffic has to be rerouted via Republic of Moldova, through the Galați-Giurgiulești border crossing point, while entrance into Ukraine can be made through several points, the closest in terms of distance being Giurgiulești-Reni and Vulcănești-Vinogradovka border crossing points. This detour increases traveling times with significant impacts on economic activities, as well as supplementary complications in terms of international transit law.

Nonetheless considering the high rate of Tulcea County and Odessa Oblast economic activities related maritime transport, this situation of reduced intermodal connectivity in the Tulcea Odessa region also reduces the potential added value of this type of transport activities.

The **quality and modernization levels of the road network in the core eligible area show significant issues** at territorial levels. In Romania, in the five counties, 56.88% of the roads are either modernized or have a light pavement, while in the Ukrainian oblasts 98.3% of all roads are covered with a hard coating. It is important to note that these percentages do not reflect the real road quality. All of the county and oblast strategies and their afferent analyses emphasize that in the core eligible area the **quality of the transport infrastructure is very poor**. National and European level roads have significantly higher qualities and their state is better than that of the local roads. The problems in the area result from the ageing pavements, as the majority of the roads in the area are built pre-1989, and have since then exceeded their maintenance periods, leading to a continuous degradation.

**Urbanization is a major concern** in the area considering the types of technical infrastructure available, the access of the population to public services, and the limited levels of connectivity of the urban and rural settlements. A large number of localities and their population are deprived because of the **limited access** to the drinking water and sewage systems. This limitation does not only reflect in the conditioning of future local development, but becomes a problem as it can create major health and sanitary issues. In addition, the lack of this type of public utilities also directly affects the environment as the lack of sewage and waste management systems means that used waters and waste are discarded directly into the environment, increasing the pollution levels and affecting the quality of the soil and waters.

Access to telecommunications and internet backbones is also a problem as, along public utilities provision, it directly affects the competitiveness level of the area, especially in the case of the rural settlements, making the area unattractive for businesses using these technologies.

Rail transport infrastructure is significantly underdeveloped in the core eligible area. The old infrastructure drastically limits the movement speeds across the network, and the lack of modernisation projects inhibits the introduction of high-speed trains. In addition, the network is underused, especially in the case of Romania, where at national level the majority of the rail traffic uses less than 50% of the rail network.

Local public transport networks in the core eligible area are varied and complex in terms of modes of public transport. At core area level, **bus and minibus are the most used modes of transport**, as passenger traffic for these represent 71% of the total traffic. However, **public transportation and urban-rural linkages** are major problems, since the majority of the public transport networks are concentrated in and around the main urban centres with limited rural connections.

Internet access has improved in the recent years across Romania and Ukraine. In Romania, in 2013, 52.9% of the total number of dwellings had Internet access, and 73.2% of these were urban dwellings. In addition, 95% of the Internet subscribers used fixed broadband technologies. As concerns the counties participant in the programme, at regional level, the 5 Romanian counties are part of the North-West, North-East and South East development regions. The first is the third at national level in terms of connectivity with 56.9%, while the others have a connectivity rate of 45.7% and 44% respectively (lowest in the country).

In Ukraine, the level of subscribers to Internet services in 2013 is registered at around 13% out of the total population, according to the official statistics.

Strengths		Weaknesses		Opportunities		Threats	
<b>4. Transport and Infrastructure (including public utilities and ICT)</b>							
S41	Good density of road infrastructure in the Northern Border	W41	Under-developed air, naval and rail transport Poor quality of road infrastructure in UA	O41	The eligible area is crossed by TEN-T and TRACECA networks	T41	Political instability and international conflicts or tensions can directly threaten the significant investments in infrastructure development, which need long-term planning, predictability and stability
S42	Developed transport network for buses and minibuses	W42	Old rail infrastructure and using different gauges	O42	2014-2020 EU programs to support developing of infrastructure (ROP, BIOP, NRDp)		
S43	The core eligible area is crossed by important EU network roads	W43	Very limited air direct connectivity of the eligible area (especially Tulcea-Odessa & Maramureş-Ivano-Frankivsk)	O43	Other international donor programmes (in Ukraine) to develop public utility infrastructure (ROP, BIOP)		
S44	Good energy supply network	W44	Old airport infrastructure	O44	Border traffic agreement recently signed		
S45	Good water and sewage networks in urban area, especially on Romanian side	W45	Poor water and sewage networks in rural area				
S46	Good Internet access (using broadband technologies), especially on urban area	W46	Poor gas supply networks in the eligible area				
		W47	Low coherence of the transport infrastructure (especially road and rail) due to the split of the eligible area of the programme in two different and specific sub-areas: north-west and south-east				

**Conclusion:** An important issue for the core eligible area of the Programme is the low level of urbanization and the associated downfalls, directly affecting the accessibility of the population to public services and basic utilities. A large number of localities and their population have limited access to the drinking water and sewage systems, which may create a negative impact on the future local development, but also on population health.

Access to telecommunications and Internet backbones must be developed further to increase the competitiveness level, especially in the case of the rural settlements and their population by facilitating their access to new opportunities. Transportation should also be a priority, specifically public transportation and the improvement of the urban-rural linkages. The diversification of the modes of public transport should be the main concern especially in Satu-Mare, Suceava and Tulcea Counties, and Zakarpattia Oblast, as this can participate to increasing the mobility level of the population and to reducing the level of pollution caused by public transport modes.

## **E. Environment and Energy**

The use of natural gas, coal, oil and petroleum products, and firewood are the predominant fuels used in the core eligible area for the daily consumption of the population. This is a major concern in terms of energy and pollution, due to lack of alternatives, and because it has a major impact on the environment as energy production is one of the main polluting activities directly affecting air quality, especially in the Northern region of the core eligible area where the relief inhibits the movement of air masses.

Surface water pollution levels in the area are high, but within international limits – the Ukrainian side registering significantly higher levels. Pollution reasons are versatile, but the most significant are the evacuation of untreated or under-treated used waters resulted from both home and industrial use, and the ageing water treatment and purging facilities.

In the Northern region of the core eligible area, the majority of the treatment and purging facilities as well as the drinking water supply system is developed before 1989, and lacks any real modernisation for bringing these to present day standards. In addition, the rural localities in the area have significantly lower penetration levels of the sewage system; as a result the evacuation of used waters in these cases being done directly into the water streams. Even so, surface waters register levels of pollution within accepted limits, and are used as water sources for industrial and home use (drinking water) – for example the Tisza Basin. Few exceptions do exist in this respect, especially where these are or were affected by industrial activities and contaminated sites, as in the case of Satu-Mare, where the water quality is lower than normal.

In the case of the Danube and the Delta, water pollution is much more difficult to measure because of the total mass of water; however, levels of pollution have been noted as high on its tributaries, increasing the potential pollution levels of the Delta, and further more of the Black Sea.

Leakages and losses due to ineffective sewage systems, treatment facilities working below potential capabilities, the lack of general waste management systems – especially in the rural area – and the infiltration of mine waters, resulted from active mining activities all participate to the pollution of the soil and underground water systems.

The use of chemical fertilizers used in agriculture has a damaging effect on the soil and underground waters, due to increased levels of nitrites and nitrogen, making the latter not recommended for use without treatment. Furthermore, waste storage platforms that are not up to sanitary and environmental standards – mainly in rural area – and the existence of several contaminated industrial sites as well as toxic waste storage sites are major contributors to soil and underground water pollution.

Along with climatic changes, deforestation is a major contributor to soil erosions, landslides, drought in the summer and floods in the spring, which have crippling social, economic and environmental effects on the agricultural lands and human settlements in the area.

Air pollution is below internationally accepted limits, however territorial differences are significant due to industrial activities in the area that use coal and gas as energy fuels (especially in Odessa Oblast). In addition, in the Northern region of the core eligible area two specific environmental situations have to be considered: the pollution resulted from industrial manufacturing and energy production sites; and the mountainous relief present in most areas and the positioning of human settlements in valleys where atmospheric conditions prevent the dispersion of toxins in the air.

Strengths		Weaknesses		Opportunities		Threats	
<b>5. Environment and Energy</b>							
S51	High quality natural sites and ecosystems, especially Danube Delta	W51	High levels of water pollution from wastewater and industrial pollution – lack of waste water treatment systems	O51	The EU programmes to finance environmental protection, to develop public utility infrastructure, energy efficiency and green energy production (Connecting Europe – EU projects list supporting two-way pipeline)	T51	Political instability and international conflicts or tensions can directly threaten the significant investments in green energy production and infrastructure, which need long-term planning, predictability and stability.
S52	Variety of natural sites and ecosystems: forestry, wetlands, mountains.	W52	Lack of developed solid waste management systems, especially in the rural areas.	O52	The other international donor programmes (in Ukraine) focusing on energy efficiency and green energy production	T52	Development of new source of fossil energy (gas and oil in Black Sea, shale gas) can jeopardise new investments in green energy
S53	Low level of air-pollution	W53	High level of soil erosion	O53	Foreign Direct Investments in green energy (especially solar and wind power)	T53	Instable legal framework regarding the subsidies for green energy production
S54	Strong potential for green and renewable energy: hydro, solar and wind power	W54	Groundwater pollution by nitrates and nitrites				
		W55	Energy production is based on fossil resources – Ukraine is the 6th world producer of greenhouse gas				
		W56	Lack of modern and integrated emergency system in case of natural disasters				

**Conclusion:** The main strengths refer to the multitude and variety of natural sites and ecosystems and especially to the strong potential of renewable energy (sun and wind power). The main weaknesses are the high level of pollution together with the high rank of Ukraine as producer of greenhouse gas. In this sector the opportunities and threats are equally distributed as importance: on one side there is a high interest of international investors in renewable energy; on the other side new technologies developed in the field of fossil energy resources together with the unstable legal framework in the domain can jeopardize the development of green energy.

The main priority in the area should be the migration towards renewable and environmentally friendly energy sources, especially when the area has significant potential in this respect. Along with the high potential for harvesting solar and wind power especially in the plane and valley areas, the large number of rivers is a good starting point for developing hydroelectric facilities. Moreover, the predominant rural areas and the intense agricultural activity can make possible the creation of biomass and bio-fuels through the recycling of zootechnical waste.

## **F. Health, Social Safety and Security**

The significant differences between the Romanian and Ukrainian territories in terms of health infrastructure are a direct result of the difference in scale and have no real relevance. True disparities can be observed only at subnational level.

In the Romanian counties 20 out of the 32 hospitals are equally divided between Maramureş and Suceava counties, while the rest of the counties have five or less hospitals. A similar skew is also visible at the level of the Ukrainian oblasts as 103 of the 279 hospitals are localized in Odessa Oblast and 82 in Ivano-Frankivsk. This shows a notable unevenness in the distribution of the medical facilities across the core eligible area, which is aggravated by the reduced accessibility of the area.

The differences in terms of health services offer are especially visible when considering urban and rural areas, the latter having a significant handicap due to the combined effects of low accessibility to health services and infrastructure and also public utilities and services, like drinking water and sewage systems – which have significant impacts on health. In addition, increases in poverty due to unemployment rates rising as a result of the economic crisis, have a great impact on life expectancy at birth. As a result Romania and Ukraine have some of the lowest life expectancies at birth in Europe.

At the level of the European Union in 2012, life expectancy for males was estimated at 77.5 years and for females at 83.1. According to Eurostat data, in 2012, in Romania the general life expectancy at birth is of 74.2 years, while according to the state statistics in Ukraine life expectancy is of 71.2. Male life expectancy at birth in Romania is of 71 years, while in Ukraine is of 66 years; and female life expectancy at birth in Romania is 78.1 years, while in Ukraine is of 76 years. These numbers position the two countries at the bottom of the life expectancy hierarchy if we compare these with the EU member states.

In terms of safety and security, the major issues of concern relate to contraband, border fraud and illegal crossings.

Strengths		Weaknesses		Opportunities			Threats
<b>6. Health, Social Safety and Security</b>							
S61	Good density of border crossing points on the north-west part of the eligible area of the programme	W61	High cross-border criminality	O61	Small-scale border traffic agreement.	T61	The new conflicts from the Black Sea area (Crimea) could represent a direct threat to the south-east area of the programme
		W62	No border crossing point in the south-east part of the eligible area of the programme	O62	On-going political discussions on opening new cross border points.		
		W63	Cross-border traffic is concentrated in only one point: Siret-Porubne (63% from the total)				
		W64	Higher level of poverty in the eligible area of the programme compared with the national average both in Romania and Ukraine				
		W64	Lower rate of life expectancy at birth				
		W65	Low rate of investments in public health infrastructure				
		W66	Uneven distribution of public health facilities				

**Conclusion:** Increasing safety and security by reducing the cross-border criminality and the need to modernize the cross border crossing points appear as priority activities out of the analysis. On the other hand, the social inclusion and poverty alleviation, other important areas of intervention, benefit from significant support from other programmes (EU or other international donor programs).

The high concentration of traffic in Siret-Porubne and the two closed crossings signal that there might be a need for developing additional border crossing infrastructures and points. The development of cross-border infrastructure and economic activities is because of this of utmost importance. Moreover, the development of border environmental activities is also of importance considering that the Romanian-Ukrainian border is formed out of river and land, and it divides the shared biosphere of the Danube Delta.

The concentration of this type of traffic on the Romanian-Ukrainian border signals that security systems must be upgraded, especially when considering traffic from Ukraine to Romania. In this context, cross border projects covering the security infrastructure of the border must be prioritized.

In terms of health issues, the programme area faces specific challenges in terms of accessibility to public health services and distribution of hospitals as well as low investments in health.

## G. Education, Culture and Society

The **educational system** in the core eligible area has registered several improvements in the last 20 years. However the provision and accessibility of post-high school educational units is still relatively low. The two subnational territories have significant early school leaving rates, but in respect with their national averages.

In Ukraine, at national level, in 2012 17% (715 thousand) of the total secondary level (primary, secondary, and high school) students did not finish this level of education, and 16.4% (39.7 thousand) of the students admitted in vocational educational institutions did not graduate. The Romanian educational system manages to keep the early school leaving rates relatively low for the primary and secondary educational levels – less than 3%. However, this is still a high rate compared to the national level of 1.8%. The high rate of early school leaving signals a reduction of the potential opportunities of young adults, as education is an important factor in increasing individual competitiveness on the labour market.

The educational infrastructure corresponding to the primary, secondary and high school levels is fairly well distributed considering population distribution and area. The major differences appear when comparing the infrastructure required for higher education levels, as these are concentrated in well-established urban centres, so a polarization effect of students in this type of areas is clearly visible.

The polarization effect is highly visible when comparing student numbers at the level of the core eligible area. Because of the structure and quantitative consideration of the educational infrastructure, in the five Romanian counties the student population is not distributed evenly. Maramureş and Suceava counties have the largest student populations of 81,510 and 133,575 students, together representing 55.7% of the total student population in the Romanian eligible area. Tulcea registers the lowest number of students, 34,293. A particularity in this case is the total lack of students enrolled in tertiary education. At the opposite pole, Suceava has the largest numbers of students for all categories. In the Ukrainian territory the number of students is in its majority evenly spread out, the exception being as in the case of the infrastructure Odessa Oblast. The oblast registers the largest number of overall student, 443,725 – representing 41.44% of the total number of students in the Ukrainian oblasts – and 59.8% (114,300) of the total tertiary level students in the Ukrainian eligible area. Out of all of the oblasts, Chernivtsi has the lowest number of students – 166,570 – representing 15.5% of the total student population in the core eligible area, and its tertiary student population only 12.3% of the total students in this category at the level of the Ukrainian eligible area.

An analysis of the educational systems in both countries shows high similarities in approach with respect to its organization and functioning. The five levels existing in Ukraine (preschool, primary, secondary, higher and postgraduate) largely correspond to the ones in the Romanian system while focusing on the same age groups.

In this context, joint interventions would positively impact the beneficiaries in the eligible area, as exchange experience would allow the transfer of best practices from one system to another. Moreover, the common issues encountered in the eligible area (given to a common history of communist type of education systems) could be better addressed through joint, locally adapted, evidence based policy initiatives.

Comparing the **cultural institutions** shows a number of differences across the core eligible area. In the five Romanian counties there are a number of 1,347 cultural institutions, distributed in a relatively even manner across the territory, with the exception of Tulcea County, which has the lowest number of 164 institutions. At the level of the Ukrainian oblasts, there are a significant number of cultural institutions, 2,932 in total. The difference in comparison with the Romanian territory is in part due to the difference in territorial scale.

The subnational distribution of these institutions is uneven due to the concentration of some of these in and around urban centres. The dominant type of institution (e.g. library, museum, theatre, cinema, or opera) varies across the core eligible area between countries as well as between administrative units of the same country. Ivano-Frankivsk and Chernivtsi oblasts register a large number of cinemas summing 158, respectively 127, Odessa and Zakarpattia oblasts have only 12 cinemas each. In Romania, cinemas are the scarcest cultural amenity in the Romanian counties, counting a total of only 5, with Suceava County having none. These differences signal different cultural priorities as well as investment priorities in this field.

The **natural settings** in the core eligible area give very specific competitive advantages in terms of tourism, especially in the mountainous areas of Maramureş County, the Western part of Suceava County, Zakarpattia Oblast, Ivano-Frankivsk Oblast and the Western part of the Chernivtsi Oblast. Moreover, there is also a notable touristic advantage given by the protected area of the Danube Delta, renowned at international level.

The varied relief, the geographical positioning, the varied flora and fauna, and the cultural heritage of the area are key components that can form the base for developing the tourism infrastructure and services. The area benefits from over 1070 natural protected areas of national and international importance and numerous historic sites. These are important points of attraction for national and international tourists, as proven by the number of overnight stays.

In 2012, in the core eligible area there were a number of 1309 hotel and similar facilities, out of which 695 were located in the Romanian counties, and 614 in the Ukrainian oblasts. If we compare these numbers at territorial level, compared to area and population, than the number of hotels and similar facilities in the four Ukrainian oblasts is fairly small. These hotels and similar facilities registered 1098417 overnight stays in the Romanian counties and 721600 in the Ukrainian oblasts. The difference can be attributed to the EU and non-EU status of the two countries, and the reduced accessibility in the area due to limited or underdeveloped transport modes and networks.

**Culture and tourism** are two sectors with a significant growth potential due to the **specific advantages** of the core eligible area: the mountainous regions in the North and the Danube Delta in the South. The low level of investments in both culture and tourism diminishes this potential. The latter is also affected by the low accessibility of the area, which makes the development of touristic projects; and the lack of public utilities in rural areas, which limit the type of tourism that can be practiced in the area.

Strengths		Weaknesses		Opportunities		Threats	
<b>7. Education, Culture and Society</b>							
S71	Strong and diverse cultural heritage and long and positive tradition of multi-ethnic cohabitation	W71	High level ratio of early school leaving	O71	Other international donors actively supporting this area (ROP, HCOP, UNICEF, UNDP, USAID, Youth in Action)	T71	Past contradictory discussions regarding minorities rights.
S72	Good culture infrastructure: museums, cinemas, libraries etc.	W72	Poor accessibility to educational infrastructure in rural areas	O72	Shared cultural background to support exchange experience and joint initiatives		
S73	Good potential for cultural tourism	W73	Un-balanced distribution of culture institutions within eligible area of the programme on both Romanian and Ukrainian sides				

**Conclusion:** The eligible area is well known as a region with strong education and cultural heritage and a long positive tradition of multi-ethnic and multi-cultural cohabitation. The main weakness is the high ratio of early school leaving, especially on Ukrainian side. The cultural assets can be easily used to develop the tourism and so to use also the natural potential for this sector.

There are clear signs of concentration in the area, as both the educational structures and the number of students confirm it. The lack of access to educational infrastructure is one of the key factors for students moving away to other regions or countries for continuing their studies. Correlating this accessibility with the number of unemployed population according to education level emphasizes the limitations this brings in terms of labour market opportunities, and this direction should be prioritized in developing cross-border educational programmes.

Working towards developing connectivity links and the modernization of the tourism infrastructure can bring a significant increase in the overall competitiveness of the area. In addition, advantage should be taken of the cultural similarities, as the basis for the development of tourist attractions involving cross-border cooperation.

## **H. Public Administration and Governance**

The national territory of Romania is divided in 4 macro-regions corresponding to NUTS level I and 8 development regions, corresponding to NUTS level II. These regions are not administrative regions, and hold no responsibilities in this respect, their role being mostly statistical in managing EU funding.

The Romanian administrative-territorial system is structured on several levels. From top to bottom, Romania is divided in 42 counties, including Bucharest Municipality; 320 towns and municipalities, 2.861 communes (including one or several villages) and 12.957 villages. The commune is the basic administrative-territorial unit.

The Romanian eligible area part of the programme is formed out of 5 counties Maramureş, Satu-Mare, Botoşani, Suceava and Tulcea. The counties are further divided into 35 towns, 12 municipalities, and 337 communes summing together 1.279 villages.

The Ukrainian territory is structured in 26 main administrative units: 24 oblasts, the Autonomous Republic of Crimea, and two cities with special status Kiev and Sevastopol. The eligible Ukrainian territory is formed out of the four oblasts of Zakarpattia, Ivano-Frankivsk, Odessa, and Chernivtsi. Below oblast level, the territory is divided into districts (raions). Furthermore the Ukrainian administrative-territorial system is split into: cities; cities with special status, republican, and regional importance; city districts, urban type settlements, village councils and rural localities. The four oblasts composing the Ukrainian part of the core eligible area are divided into 64 districts, 56 cities, 84 urban type settlements, 1.475 village councils and 2.866 rural localities.

Strengths		Weaknesses		Opportunities		Threats	
<b>6. Public Administration and Governance</b>							
S81	Good experience in working with EU programs, especially with the previous JOP, at both tiers of public administration, central and local	W81	Different administrative structures: two administrative levels in Romania, three administrative levels in Ukraine and based on this different function assignment for these tiers.	O81	EU structural programmes on Romanian side (ACOP)	T81	Future decentralization reforms can generate legal instability and lack of predictability
S82	Improved capacity of public administration (both central and local) in project management given the experience accumulated during 2007-2013 programming cycle	W82	For Romanian Local Government units potential lack of interest for the new JOP, due to the existence of other important EU and national investment programmes with possible similar eligible policy areas (ie transport infrastructure)	O82	New association agreement between EU and Ukraine	T82	Political instability and international conflicts or tensions can divert the focus from implementing the CBC OPs
		W83	For all LGs (but for different reasons in Romania and Ukraine) un-flexible budgetary framework, which limits investment capabilities	O83	Other international donors programs in Ukraine	T83	Differences in legal framework between the two countries
		W84	Long distance to Romanian Consulate for Ukrainian population from Zakarpattia affecting easy people and business environment contacts on both sides of the border	O84	High focus of international community to support Ukraine in political stability and economic development		

**Conclusion:** The final success of the Programme is dependent on the administrative capacity and on the quality of the public governance. There are some problems in this sector (potential lack of interest of local governance from the Romanian side together with an un-flexible budgetary framework). At the same time there are numerous opportunities especially related to high interest of the international community to support the governance reforms in Ukraine. A potential threat could be represented by the organizational changes that might appear, especially with reference to the decentralization process, changing dramatically the function assignment for Ukrainian regions and smaller local governance, hence, indirectly causing delays in programme implementation.

The different administrative structure of the Romanian and Ukrainian administrative systems poses additional risks with respect to the type of responsibilities assigned as well as the decision-making powers of various administrative units.

### 3.2.2. PRELIMINARY CONSULTATIONS

The preliminary consultations with the Programme stakeholders included interviews with local, regional and national authorities and focus-groups with civil society organisations, Universities, Commerce, Industry & Agricultural Chambers and other relevant stakeholders.

For each type of stakeholder a specific interview guide was drafted (based on a semi-structured questionnaire). The purpose of these consultations was to identify the trends in relation to the preferred thematic objectives for the next programme.

In *Romania*, the respondents were deputy-mayors, deputy-presidents of the county councils, public administrators, or directors of development of local institutions. The representatives of the local authorities showed interest in the consultation process and several persons attended the meeting/interview simultaneously. Therefore, the interviewed representatives were asked to jointly decide the Thematic Objectives to be selected, and the registered answer represented the position of the institution. All the counties were involved in consultations at the level of county and municipal councils. Focus groups with relevant programme stakeholders representing civil society were organised in Tulcea, Botoşani, Suceava, Maramureş and Satu Mare. Relevant stakeholders participated at the focus-groups (NGOs, Commerce, Industry & Agricultural Chambers, Universities, as well as other participants from local institutions) totalising 35 organisations.

In *Ukraine*, respondents were representatives of central institutions (ministries and representatives of city and oblast authorities, vice-governors and heads of the respective CBC departments at city and oblast administration. Interviews were carried out with Oblast administration representatives (Chernivtsi, Uzhgorod, Ivano-Frankivsk,) and City Councils representatives (Chernivtsi). The consultations with the local stakeholders occurred on June 2014 in Chernivtsi, Ivano-Frankivsk and Uzhgorod respectively. The consultations with the local stakeholders included both interviews and interaction with the focus groups. In Ukraine, 3 focus-groups and on-line interviews (for Odessa region) and face-to-face interviews were organised targeting 18 NGOs and universities.

An on-line survey was sent to potential eligible applicant stakeholders from the programme area. The survey questionnaire was developed using a web-based research tool and submitted via e-mail to 655 potential respondents from the eligible area of the Romania-Ukraine-Republic of Moldova JOP. (Respondents were asked to select their own country, region and the programme they express their opinions on). 82 answers were received from both countries.

Overall results of preliminary consultations indicated that the identified stakeholders prefer the following Thematic Objectives to be at the core of the future Programme Romania-Ukraine 2014-2020:

- TO 2. Support to education, research, technological development and innovation
- TO 3. Promotion of local culture and preservation of historical heritage
- TO 6. Environmental protection, climate change adaptation
- TO 7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO 8. Common challenges in the field of safety and security

### 3.2.3. COHERENCE ANALYSIS WITH OTHER PROGRAMMES AND STRATEGIES

According to the programming regulations for the 2014-2020 period, the ENI programmes must deliver real cross-border added value and not cover elements that are already funded or could more suitably be funded from other ENI or EU programmes. Coherence and complementarity between the ENI programmes and the national ENP Action Plans, ENI multi-country strategies and Single Support Frameworks (and relevant EU-Russia agreements) and other relevant EU instruments are to be ensured through the programming process. Reaching the overall aims of the assistance EU is providing should be achieved through coherence and complementarity between the instruments for external action, as well as the creation of synergies between the ENI, other instruments for external action and other policies of the Union. This should further entail mutual reinforcement of the programmes devised under those instruments.

Based on ENI CBC Programming Document 2014-2020, the present coherence analysis is rating three types of criteria:

- Convergence with European, National and Regional Strategies;
- Potential financing overlaps (in order to be avoided);
- Effectiveness & Complementarity (of the thematic objectives with the other programmes and strategies).

Relevant programming documents such as strategies, actions, plans, agreements were analysed and interviews were conducted with the representatives of relevant institutions from Romania and Ukraine including:

Management authorities of operational funds in Romania of:

- Human Capital Operational Programme (MEF),
- Major Infrastructure Operational Programme (MEF),
- Regional Operational Programme (MRDPA),
- Competitiveness Operational Programme (MEF),
- Administrative Capacity Operational Programme (MRDPA) ,
- The National Programme for Rural Development (MARD)

Major donor agencies active in Ukraine:

- Swedish International Development Cooperation Agency (SIDA)
- European Delegation in Ukraine
- United States Agency for International Development (USAID)
- United Nations Development Programme (UNDP)

#### **Coherence with national strategies and EU strategies**

Fourteen national strategic documents with potential impact on the eligible area were analysed, five for Romania and six for Ukraine. However, given the difficult context in Ukraine at the time of elaboration of the programme – with open conflict in the eastern part of the country and new political power in place – the relevance of the policy documents approved in the previous years may be questionable.

#### **Romania**

##### **The Partnership Agreement of Romania**

The Partnership Agreement of Romania-European Union (PA RO-EU) of August 2014 provides the strategic focus for the necessary reforms and investment to be carried out in the 2014-2020 period. It provides the required alignment with the EU strategy of smart, sustainable and inclusive growth. The

indicative allocation of funds is pursuant to the treaty-based objectives, including economic, social and territorial cohesion.

The PA RO-EU objectives are totally coherent and convergent with ENI CBC Thematic Objectives due to the fact that both documents are converging in European Union 2020 Strategy. The PA RO-EU is the main strategic document, covering needs and investments totalising approximately 40 billion Euros.

### **National Reform Program for Romania**

This strategic document<sup>1</sup> is setting the framework for the main priorities and reforms to be applied on short and medium term for Romania to meet the objectives of the Europe 2020 Strategy. The NRP includes particular measures in various policy areas targeted to sustain growth and create jobs, and meet the objectives of Europe 2020. Focused on the Romania's most urgent measures, the National Reform Program (NRP) is paying special attention to governance issues and macroeconomic stability. It is aiming to boost competitiveness, productivity and growth, social cohesion, territorial and economic convergence for reducing disparities in terms of economic development to other member states of the European Union. Generally, ENI CBC Thematic Objectives are converging with NRP measures, with the exception of two of them, *TO3 Promotion of local culture and preservation of historical heritage* and *TO10 Promotion of border management and border security*, that are not essential to the NRP.

### **North-West Regional Development Plan 2014-2020<sup>2</sup>**

This strategic document covers four main development priorities and including subsequent investment priorities, as follows:

- Priority 1. Increasing competitiveness of the region and stimulating research and innovation. The investment priorities for this first objective are (1) Improving the competitiveness of SMEs and improving their internationalization capacities; (2) Supporting and promoting RDI activities; (3) Develop and Encourage entrepreneurship; (4) Development and valorisation tourism potential;
- Priority 2. Increasing accessibility and mobility of people, goods and information. For this second priority area the investment are to be focused on (1) Developing a sustainable transport system; (2) Improving access to ICT, for both, private and public sectors;
- Priority 3. Improving quality of life in the region. This priority is focused on investment area as (1) Investment in education, health and social services and improving service quality in these areas; (2) Development of human capital; (3) Promoting social inclusion and combating poverty in urban and rural areas; (4) Development of regional administrative capacity;
- Priority 4. Natural and anthropogenic environmental protection, resource efficiency and reduce emissions. This priority include a large range of investments for (1) Promoting energy efficiency in public and private sectors; (2) Protection against the effects of climate change; (3) Protecting biodiversity and natural resources (water, air, soil); (4) Sustainable urban development; (5) The development of environmental infrastructure in water and waste sectors; (6) The sustainable development of cultural heritage.

The North-West Regional Development Plan 2014-2020 is coordinated with the EU defined thematic objectives and European Union 2020 Strategy targets, as showed in the summary table in the end of this section.

### **South-East Regional Development Strategy 2014-2020**

The strategy (draft version June 2014) identified ten development priorities for the SE Region as follow: (1) Integrated sustainable urban development, (2) Development of regional transport infrastructure, (3)

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<sup>1</sup> The 2014 NRP being approved in April 2014

<sup>2</sup> N-W Regional Development Plan, April 2015

Improving the competitiveness of the regional economy, in the context of promoting smart specialization, (4) Improving the quality of tourism at regional level, (5) Conservation and protection of environment, (6) Improving energy efficiency and using renewable resources, (7) Improving quality in education, health and social inclusion, (8) Recovery superior resources in rural areas and upgrading of the rural economy; (9) Improving human resources at the regional level in the context of smart regional specialization, and (10) Promoting cross-border and interregional cooperation.

Even if these development priorities are formulated differently than the objectives of the ENI programmes, the measures included in the SE Regional Development Plan are strongly convergent with ENI CBC Thematic Objectives.

## **Ukraine**

### **State Strategy of Regional Development for the period until 2020**

In the current 2014 context, the Strategy points out new risks and challenges that emerged in 2014 due to the external influence of Russian Federation regarding Crimea and Sevastopol and Eastern regions of Ukraine. It is also emphasized that the document has been elaborated in accordance with the European standards and in compliance with the EU's budget cycles. The document takes into account such modern trends as urbanization, openness to movement of labour force and limitations in access to resources (particularly water resources).

The Strategy defines the goals of the state's regional policies and key targets of regional authorities and structures of self-governance. The UA Government declares that it shares EU's approach towards avoiding the increase of the regional disproportions however admits limitation in resources necessary for the efficient efforts in this direction.

The key goals of the Strategy are the raise of the competitiveness of the regions, good governance and decentralization of power and enhanced coordination in such spheres as transport and infrastructure, economic development and investments, support to entrepreneurship, labour market, education and science and innovations.

The raise of competitiveness of the regions in accordance with the Strategy can be reached by enhanced access to the regions including the development of transport networks, applying new technologies, ensuring environmental protection and enhanced economic activities in the country. The Strategy also points out the necessity of the efficient interaction with the external mechanisms of support (e.g. ENPI). One of the important objectives foreseen by the Strategy is diversification of sources of energy supplies, increase of energy efficiency, modernization of industries aimed at enhancing of energy efficiency, substituting gas by other energy resources gained from renewable sources of energy and alternative types of fuel.

Good governance and efficient state policies in the field of regional development can be reached by decentralization of power and enhanced coordination of activities between central authorities and self-governance bodies.

Additional priority is given to the development of border security and efficient border management in the regions bordering Russia, although the Strategy also mentions plans for the improvement of the ecological situation in the bordering regions, development of near-border infrastructure and enhanced cooperation with the local communities of the bordering states.

Most of the TOs are tackled and convergent with the Ukrainian State Strategy of Regional Development for the period until 2020.

### **The State Program of the development of trans-border cooperation for 2011-2015**

Cross-border cooperation in Ukraine is connected with the significant disparities of socio-economic development of the border regions, the level of employment for the territories of Ukraine and the border regions of neighbouring countries, leading to social instability among the subjects of cross-border cooperation. Cross-border cooperation is one of the tools to accelerate the process of approaching the standard of living for the average border regions and to ensure the free movement of people, goods and capital across borders. The feature of cross-border cooperation between Ukraine is that it occurs at the border of Ukraine with the European Union and on the borders with Russia, Belarus and Moldova. The purpose of this program is to promote socio-economic, scientific-technical, environmental, and cultural development of cross-border cooperation.

The main objectives of Ukraine towards CBC cooperation are: (1) promote economic, social and cultural development of border regions and promoting comprehensive cross-border cooperation with neighbouring countries at the national, regional and local level; (2) ensure the improvement of living standards and social development of the border regions; (3) activation of foreign economic activity of the regions; (4) create conditions for the establishment and operation of joint ventures and the formation of cross-border economic clusters; (5) promotion of small and medium enterprises; (6) ensuring environmental protection and ecological safety; (7) infrastructure of border regions and to create conditions for attracting investments.

This program is most convergent with the TO1, TO3, TO6 and TO10.

Thematic objective 1: Business and SME development

Thematic objective 3: Promotion of local culture and preservation of historical heritage

Thematic objective 6: Environmental protection, climate change and adaptation

Thematic objective 10: Promotion of border management and border security

### **The Strategy of Economic and Social Development of the Territories of Ivano-Frankivsk Oblast until 2015**

The overall objective defined by Ivano-Frankivsk oblast council is minimization of interregional differences and social disproportions. In this regard in accordance with the recommendations of the Ministry of Economics and with the consideration of the experience of the EU countries, CEE countries and CIS the respective strategy was elaborated. The Strategy is grounded on the fact that the region is a self-sufficient and ecologically clean part of Ukraine with its own natural resources, stable growth of the level of welfare and high social and spiritual level of life.

Within the given circumstances the strategic goal of economic and social development of the oblast is stable growth of the welfare of the region. There are few strategic directions of economic and social development defined: (1) Stable growth of the economics, (2) The development of human resources. (3) Protection of the environment and ecological safety.

For the sustainable growth of the economics of the region it is planned to create the favourable conditions for the development of big enterprises with the innovative approach and the respective priority dimensions are touristic and recreational complex, agricultural enterprises, forestry and woodworking industry, the development of oblast infrastructure (including transport infrastructure, logistics, telecommunications), selective development of some clusters: energy, chemical industries etc. Besides the Strategy foresees SME development and the development of human resources in particular what regards to the development of education and science of innovative type, investments into infrastructure of

healthcare institutions and cultural institutions. The Strategy also points out the necessity of selective support of regional innovative-investment scientific and analytical consultancy centers, techno-parks and business incubators. Another important priority is the protection of the environment and ecological security. With regard to this objective the priority directions are systematic counterweighing of the problem of waste, systematic efforts aimed at prevention of natural disasters including floods.

One of the strategic directions defined in the document almost coincides with the TO6 - Environmental protection, climate change adaptation, whereas two other indirectly refer to TO1 - Business and SME development and TO 4 - Promotion of social inclusion and fight against poverty. Although SME development is among the top priorities, the document also contains direct references to TO2 - Support to education, research, technological development and innovation.

### **The Program of Economic and Social Development of Chernivtsi Oblast for 2014**

The document directly refers to the necessity of cross-border cooperation. In this regard the priorities are the equipment of border crossing checkpoints, participation in CBC Programmes financed by the EU, continuation of cooperation with the neighbouring regions of Romania and the Republic of Moldova (within the framework of "Upper Prut" Euro-region), participation in the realization of the EU Strategy for the Danube Region. What relates to the development of transport infrastructure, the document foresees the development of the modern network of the automobile roads and the development of oblasts' transit potential as well as providing of the security of passengers and goods.

In the field of tourist and recreational and touristic business green tourism is among the priorities alongside with shaping of the attractive touristic image of the region.

Separate section of the document is devoted to the issue of preventing the floods, including the measures for the restoration and building of the flood-preventing objects, cooperation with Romania and the Republic of Moldova regarding the safety of Dniester, Prut and Siret rivers.

In the field of housing the priority is given to renovation of water waste management and energy saving technologies.

The document directly points out that the outcome it expects from cross-border cooperation patterns is the security of the borders, which corresponds with TO 10 - Promotion of border management, and border security. Besides the document also focuses on the necessity to improve the existing transport infrastructure and this goal corresponds with the TO 7 - Improvement of accessibility to the regions, development of transport and communication. Sensitivity of the region in terms of ecological security and focus on trans-border cooperation in terms of flood prevention as well as focus on the necessity to improve water waste management correspond with TO 6 - Environmental protection, climate change adaptation. Some of the mentioned in the document objectives also relate with TO 9 - Promotion of energy cooperation.

### **The Strategy of Economic and Social Development of Odessa oblast for the Period until 2020**

The foreseen plans of social and economic development of Odessa oblast contains a number of strategic objectives accompanied with the priorities that are to be followed for fulfilling the objectives. Strategic objective "Renovation of industrial potential" foresees support to small and medium business. Strategic objective "Introduction of innovative development of enterprises" can be reached by creating conditions for applying innovative approaches at the enterprises, restoration of research-enterprise centers/institutes, increase of innovative activities of the enterprises and creation of conditions for the development of SME. There are also strategic objectives which aim at SME development on the industrial sector which can be in accordance with the document reached by the support to the sustainable development of small business, support to the international business partnership and support to the cluster approach to the development of the economics of the region. As mentioned by the document strategic objective: the development of highly productive agricultural sector can be also reached by the support to small and medium enterprises

in the agricultural sector. No less important strategic objective is the support and modernization of transport infrastructure. Within its framework creation of new highways and automobile roads of general usage in accordance with the regional and touristic priorities, creation of conditions for the comfortable and secure movement of passengers are foreseen.

Taking into account specifics of the location of the oblast the document also contains strategic objective modernization of seaports, which goes alongside with the development of air and sea routes. Location on the seaside causes also strategic objective of the development of touristic and recreational spheres which is supposed to be accompanied by ecological initiatives, development of SME in the touristic sphere. Separate passages are devoted to the development of modern high quality education and science, increase of access to quality and availability of medical services, social protection and social services to the population, the development of culture and protection of cultural heritage objects, providing of ecologically-favourable conditions and the development of water waste management and taking measures for the ecological safety of the population.

Given the attention on SME development in different spheres it is clear that the number one priority for the oblast is the complex of measures which correlates with TO1 - Business and SME development. Another top priority foreseen by the document corresponds with TO7-Improvement of accessibility to the regions, development of transport and communication. Less highlighted although still present in the document are the measures that correspond with TO 3-Promotion of local culture and preservation of historical heritage, TO4-Promotion of social inclusion and TO 6-Environmental protection, climate change adaptation.

### **The Program of Economic and Social Development of Zakarpatska Oblast - Key Directions of Development for 2014 and 2015**

While focusing on the necessity of the reforms in the industrial sector the document focuses on the necessity to apply energy-saving and resource saving technologies, usage of the alternative sources of energy. Among the other priorities there is initiation of long-term innovative infrastructure projects.

In the field of transport and communications the documents puts the emphasis on the improvement of railway connection and improvement of bus network, improvement of transportation of goods and passengers by automobile transport. It is noteworthy that the oblast is the only one out of four target regions mentions the necessity of access to the Internet and mobile connection among the priorities.

Another strategic task for 2014-2015 is the increase of energy efficiency and energy saving which includes modernization of gas networks and stimulation of autonomous gas heating. Innovative activities are emphasized among the priorities and focus is on the development of industrial parks with the logistical centres in cooperation with the respective structures of the bordering regions.

Another priority for the oblast is creation of system of usage of hydro resources of the Carpathian Mountains with the consideration of flood prevention measures. The document also refers to "Drinking water of Transcarpathia" which defines such priority as improvement of the efficiency of water supply and water waste management, reconstruction of systems of water supply and water waste, applying new technologies for water supply and water waste management.

In the paragraph devoted to the incomes of the population and salaries it is mentioned that social policy in the oblast will be grounded on the active interventions at the labour market, providing social services to unemployed persons, providing access to labour market for the disabled persons.

In the field of culture and informational space the document foresees supporting traditional skills for local economic development.

Environmental protection also belongs to the priorities of oblast's development. In particular that regards to the protection of civil population from national disasters. Reaching this goal is expected by enhanced cross-border cooperation grounded on improved informational infrastructure, trans border cooperation in all fields of people's life, enhanced cross-border activities in the field of monitoring and management of extraordinary situations in the bordering regions and in the field of science, culture, environmental protection, IT and healthcare.

The priorities of oblast first and foremost focus at energy-saving and alternative energy sources that correspond with TO9 - Promotion of energy cooperation. There is also a strong emphasize on the objectives which correlate with TO2 - Support to education, research, technological development and innovation and TO7 - Improvement of accessibility to the regions, development of transport and communication. Likewise in other flood sensitive oblasts the document also defines goals and priorities which together with the foreseen by the document measures on water waste and water supply management go in compliance with TO6 - Environmental protection, climate change adaptation. To less extent but still the document also highlights some measures that correspond with TO4 - Promotion of social inclusion and TO3 - Promotion of local culture and preservation of historical heritage.

## Coherence with EU policies

### Europe 2020

Europe 2020 is the EU's ten-year growth and jobs strategy launched in 2010. It aims to create within the EU the conditions for economic growth:

- Smart, through more effective investments in education, research and innovation;
- Sustainable, thanks to a decisive move towards a low-carbon economy;
- Inclusive, with a strong emphasis on job creation and poverty reduction.

The EU 2020 targets are focused on (1) Employment, (2) Research and Development, (3) Climate change and energy sustainability, (4) Education and (5) Fighting poverty and social exclusion.

### Danube Strategy

A macro-regional strategy to boost the development of the Danube Region was proposed by the European Commission in 2010 and endorsed by the European Council on 13 April 2011. The Strategy seeks to create synergies and coordination between existing policies and initiatives taking place across the Danube Region, including 14 countries among which Romania and Ukraine.

The Danube Region Strategy addresses a wide range of issues; these are divided among **4 pillars** and **11 priority areas** Each priority area is managed by 2 Priority Area Coordinators (PACs).

The strategy is focused on (1) Mobility (Waterways, Rail-Road-Air), (2) Energy, (3) Culture & Tourism, (4) Water Quality, (5) Environmental Risks, (6) Biodiversity, landscapes, quality of air and soils, (7) Knowledge Society, (8) Competitiveness, (9) People & Skills, (10) Institutional capacity and cooperation, (11) Security.

Most of the TOs of the ENI CBC - except for social inclusion and local governance - are also well represented in this strategy. Given the cross-countries and regional dimension of the Danube Strategy, a more integrated approach to common support of complementary measures is recommended.

The Programme demonstrates a high relevance and coherence with EUSDR initiatives. The section below gives an overview of the relevance of the Programme Priority Axes and EUSDR Priority Areas.

Joint Operational Programme Romania – Ukraine 2014-2020 priorities:	Relevant Priority Areas of Danube Strategy:
Priority 1.1 – Institutional cooperation in the educational field for increasing access to education and quality of education	<ul style="list-style-type: none"> <li>PA 7 - To develop the knowledge society through research, education and IT;</li> <li>PA 9 - To invest in people and skills;</li> </ul>
Priority 1.2 – Promotion and support for research and innovation	<ul style="list-style-type: none"> <li>PA 7 - To develop the knowledge society through research, education and IT;</li> <li>PA 9 - To invest in people and skills;</li> </ul>
Priority 2.1 – Preservation and promotion of the cultural and historical heritage	<ul style="list-style-type: none"> <li>PA 3 - To promote culture and tourism, people to people contacts;</li> <li>PA 1 - To improve mobility and multimodality;</li> </ul>
Priority 3.1 – Development of cross border transport infrastructure and ICT tools	<ul style="list-style-type: none"> <li>PA 1 - To improve mobility and multimodality</li> </ul>
Priority 4.1 - Support to the development of health services and access to health	<ul style="list-style-type: none"> <li>-</li> </ul>
Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint actions during emergency situations	<ul style="list-style-type: none"> <li>PA 4 - To restore and maintain the quality of waters;</li> <li>PA 5 - To manage environmental risks;</li> <li>PA 6 - To preserve biodiversity, landscapes and the quality of air and soils.</li> </ul>
Priority 4.3 Prevention and fight against organised crime and police cooperation	<ul style="list-style-type: none"> <li>PA 11 - To work together to tackle security and organised crime</li> </ul>

As demonstrated in the above table, relevance and coherence of the Programme with EUSDR is ensured: all pillars of EUSDR are answered, while **no less than 8 Priority Areas out of 11 are being supported**.

The coherence is also demonstrated by the enhanced corresponding rate of JOP Priorities to the EUSDR PAs. For instance Priority 4.2 of JOP RO-UA will support projects contributing to three PAs (Water Quality; Environmental Risks; Biodiversity, landscapes, quality of air and soils).

### ***Coordination with EUSDR***

The institutions ensuring the National Coordination for the EUSDR from both countries have been members in the Joint Programming Committee and will also be members in the future Joint Monitoring Committee of the Programme, thus ensuring communication and coordination between all parties involved in the implementation of the strategy and the programme.

### ***Eastern Partnership***

Representing the Eastern dimension of the European Neighbourhood Policy, this initiative was launched at the Prague summit in 2009 and was reaffirmed in 2011 and 2013. It aims to deepen and strengthen

relations between the European Union and its six Eastern neighbours, Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EaP is focused on several Flagship Initiatives as Integrated Border Management Programme; Small and Medium-size Enterprise (SME); Regional energy markets and energy efficiency; Diversification of energy supply; Prevention of, preparedness for, and response to natural and man-made disasters; Good environmental governance.

### **European Union Blue Growth Strategy**

Blue Growth is the long term strategy to support sustainable growth in the marine and maritime sectors as a whole. Seas and oceans are drivers for the European economy and have great potential for innovation and growth. The strategy consists of three components: (1) Develop sectors that have a high potential for sustainable jobs and growth, such as aquaculture, coastal tourism, marine biotechnology, ocean energy, seabed mining; (2) Essential components to provide knowledge, legal certainty and security in the blue economy as marine knowledge to improve access to information about the sea, maritime spatial planning to ensure an efficient and sustainable management of activities at sea, integrated maritime surveillance to give authorities a better picture of what is happening at sea; (3) Sea basin strategies to ensure tailor-made measures and to foster cooperation between countries. The Sea Basin strategy relevant to our Programme is Black Sea Synergy, analysed below.

### **Black Sea Synergy**

The EU supports regional development in South-East Europe with its Black Sea Synergy. By encouraging cooperation between the countries surrounding the Black Sea, the synergy offers a forum for tackling common problems while encouraging political and economic reform.

The 2007 Communication on the Black Sea Synergy set out concrete goals and tasks across a range of economic sectors and thematic fields. The Synergy was intended as a flexible framework to ensure greater coherence and provide policy guidance. It is based on a bottom-up project development approach aimed at building on concrete deliverables in the environment, maritime affairs, fisheries, maritime transport, energy, education, civil society, cross border cooperation and research fields

Black Sea Synergy is under current evaluation and future developments will take into account actions such as: (1) stimulate democratic and economic reforms; (2) support stability and promote development; (3) facilitate practical projects in areas of common concern; (4) open up opportunities and challenges through coordinated action in a regional framework; (5) encourage the peaceful resolution of conflicts in the region.

### **Internal Security Fund - Police**

One of the European Funds relevant for the eligible area is the Internal Security Fund (ISF). ISF was set up for the period 2014-2020, with a total of EUR 3.8 billion for the seven years. The Fund will promote the implementation of the Internal Security Strategy, law enforcement cooperation and the management of the Union's external borders. The ISF Police component of the Internal Security Fund will contribute to ensuring a high level of security in the EU. Within this general objective, the Funds' activities will focus on achieving two specific objectives: (1) Fight against crime: combating cross-border, serious and organised crime including terrorism, and reinforcing coordination and cooperation between law enforcement authorities and other national authorities of EU States, including with EUROPOL and other relevant EU bodies, and with relevant non-EU and international organisations and (2) Managing risk and crisis: enhancing the capacity of EU States and the Union for managing effectively security-related risk

and crisis, and preparing for protecting people and critical infrastructure against terrorist attacks and other security related incidents.

#### **Assessment of TOs' coherence with strategies**

The table below is presenting the coherence and convergence of the ENI CBC Thematic Objectives with the most important National, Regional and European strategy document.

Legend	Criteria	Rate
	Mostly convergent priorities	2
	Partially convergent priorities	1
	Not convergent priorities	0

Table 3: Legend coherence analysis

Thematic objective/ Strategic document	Romania					Ukraine					European Union				TOTAL		
	N-W Regional Developt. Plan 14-20	N-E Regional Developt. Plan 14-20	S-E Regional Developt. Plan 14-20	Partnership Agreement RO 14-20	National Reform Program 2014	State Strategy for the Regional Develop. until 2020	State Program for CBC for 2011-2015	Strategy: Economic and Social Developt. of Ivano-Frankivsk Oblast until 2015	Program: Economic and Social Developt. of Chernivtsi Oblast for 2014	Strategy: Economic and Social Developt. of Odessa oblast for the Period until 2020	Program: Ec. and Soc. Developt. Zakarpatska Oblast - Directions for 14-15	EU 2020	Danube Strategy	EaP	Blue Growth	Black Sea Synergy	
TO 1. Business and SME development	2	2	2	2	2	2	2	1	1	1	0	2	2	2	1	0	24
TO 2. Support to education, research, technological development & innovation	2	2	1	2	2	2	0	2	0	0	2	2	2	0	1	0	20
TO 3. Promotion of local culture/ preservation of historical heritage	2	1	2	2	0	1	2	0	0	1	1	0	2	0	0	0	14
TO 4. Promotion of social inclusion and fight against poverty	1	1	1	2	2	1	1	1	0	1	1	2	0	0	0	0	14
TO 5. Support to local & regional good governance	1	0	1	2	2	2	0	0	0	0	0	0	0	0	0	1	8
TO 6. Environmental protection, climate change adaptation	1	1	2	2	2	1	2	1	1	1	2	2	2	2	1	1	24
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	2	1	2	2	2	2	1	0	2	2	2	0	2	2	1	0	23
TO 8. Common challenges in the field of safety and security	1	2	2	2	2	2	1	0	1	0	0	1	2	2	1	1	20
TO 9. Promotion of energy cooperation	0	1	1	1	2	2	0	0	1	0	2	2	2	2	1	0	17
TO 10. Promotion of border management and border security	0	0	1	2	0	2	2	0	2	0	1	0	2	2	0	0	14

Table 4: Assessment of TOs' coherence with strategies

Cross-border cooperation policy aims to be coherent with the objectives of existing and future macro-regional strategies. According to the analysis summarized in the table above, taking into account the alignment of TOs with national, regional and EU level strategic documents, the Romania- Ukraine CBC Programme for 2014-2020 could focus on the following TOs:

- TO1. Business and SME development
- TO2. Support to education, research, technological development & innovation
- TO6. Environmental protection, climate change adaptation
- TO7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO8. Common challenges in the field of safety and security
- TO9. Promotion of energy cooperation

#### **Alignment with EU financial instruments and other international donors**

#### **Coherence with EU Operational Programmes in Romania**

As identified in the Partnership Agreement, in order to reach the global objective of reducing the economic and social development disparities between Romania and other EU Member States, the funding priorities for the use of European Structural and Investment Funds in the 2014-2020 period will be focused on tackling the following five development challenges:

- The competitiveness and local development challenge
- The people and society challenge
- The infrastructure challenge
- The resources challenge
- The administration and government challenge

The structural and cohesion funds for the 2014-2020 programming period will be managed through nine operational programmes, including Territorial Cooperation: Human Capital Operational Programme, Major Infrastructure Operational Programme, Regional Operational Programme, Competitiveness Operational Programme, Administrative Capacity Operational Programme, Technical Assistance Operational Programme and the National Programme for Rural Development, Fishery Operational Programme<sup>3</sup>.

#### **Human Capital Operational Programme (HCOP) – total budget 4,42 billion EUR**

The HC OP strategy aims to integrate human resources development needs in all programs and policies across Romania. It underlines, first and foremost, valuing human capital as a critical resource for sustainable development in the future.

The OP Human Capital focuses on employment, social inclusion and education, and it will function as a means of stimulating economic growth and cohesion, whilst supporting the objectives set out in relation to other challenges in development - competitiveness, infrastructure, management and governance. It is therefore expected for the programme to provide an important contribution to the objectives assumed by Romania in the Europe 2020 strategy for smart, sustainable and inclusive growth.

OP Human Capital will support inclusive growth by investing in:

- Encouraging employment and labour mobility, especially among young people and people outside the labour market;
- Promoting social inclusion and combating poverty

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<sup>3</sup> Given their particularities of the programmes, the current analysis does not include Technical Assistance Operational Programme and Fishery Operational Programme.

- Supporting education, skills development and encouraging lifelong learning

### **Operational Programme Administrative Capacity (OPAC) - total budget 0, 55 billion EUR**

The Operational Programme Administrative Capacity 2014 - 2020 aims to strengthen the administrative capacity of public institutions and authorities to support a modern and competitive economy, by addressing two of the above mentioned challenges in the Partnership Agreement- "administration and governance" and "People and Society".

The objective of OP Administrative Capacity is to help create a modern public administration, able to facilitate socio-economic development of the country through public services, investments and quality regulations, thus contributing to achieving the Europe 2020 goals. To fulfil this role, the public administration needs skilled and well-managed human resources, as well as an efficient and transparent management of public expenditure, an adequate administrative institutional structure, as well as clear, simple and predictable operating procedures. OP Administrative Capacity will focus investments in:

- Development of strategic planning, Programme-based budgets and coordination/ cooperation/ consultation practices in central public administration; the development and implementation of modern policies and human resource management tools, as well as the effectiveness of the judicial system;
- High-quality public services for citizens and the business environment at the local level; increased transparency, integrity and accountability of public authorities and institutions, and improving access and quality of services provided by the judiciary, including by ensuring greater transparency and integrity.

### **Operational Programme Large Infrastructure (OPLI) total budget 9, 41 billion EUR**

The funding priorities established by OP Large Infrastructure contribute to the overall objective of the Partnership Agreement to reduce economic and social disparities between Romania and the EU Member States by addressing two of the five challenges identified in national development: infrastructure and resources. Thus, the global objective of the Programme is the development of environment, energy and transport infrastructure, as well as risk prevention, at European standards, in order to create conditions for a sustainable economic growth whilst protecting and efficiently using natural resources. The Programme is focused on addressing the development needs in four sectors (Transport infrastructure, Environment protection and adaptation to climate change, Infrastructure in Bucuresti-Ilfov region, clean energy and energy efficiency) and it will fund four of the 11 thematic objectives set by EU Regulation 1303/2013:

- Promoting sustainable transport and removing bottlenecks in major networks' infrastructure;
- Protecting and preserving the environment and promoting efficient use of resources;
- Promoting adaptation to climate change, risk prevention and management;
- Supporting the shift towards a low-carbon economy in all sectors.

### **Regional Operational Programme (ROP) - total budget 6.7 billion EUR**

The Regional Operational Programme's overall objective for 2014-2020 is enhancing economic competitiveness and improving living conditions of local and regional communities by supporting business development and infrastructural conditions and services to ensure sustainable development of the regions, which will be thus able to manage resources efficiently, as well as to exploit their potential for innovation and assimilation of technological progress.

To achieve the overall objective of ROP 2014-2020, the financial allocation will be based on the level of development of the regions and it will be focused on the following thematic priorities:

- Connected infrastructure;
- Human capital;
- Innovation, Research & Development;
- Agglomeration processes / agglomeration economies, taking into account environmental issues.

### **Operational Programme Competitiveness (OPC) - total budget 1.33 billion EUR**

OP Competitiveness is primarily responsible for the development challenge of Competitiveness and Local development, as described in the Partnership Agreement. Complementary, it contributes to achieving objectives in terms of three other development challenges, including: People and society, Infrastructure and Administration and Governance, positioning itself as a factor to allow horizontal interventions in the economy and society.

Through its interventions, the Programme aims to support smart economic growth and a knowledge and innovation-based economy, by investing in:

- Improving access, quality and use of information and communication technologies;
- Strengthening research, technological development and innovation.

### **The National Programme for Rural Development (NPRD) - total budget 9.36 billion EUR**

The National Programme for Rural Development responds to three of the development challenges identified in the Partnership Agreement: Competitiveness and local development, People and society, Resources. It supports the strategic development of rural areas through:

- Restructuring and increasing farm viability
- Sustainable management of natural resources and combating climate change
- Diversification of economic activities, creating jobs, improving infrastructure and services to improve the quality of life in rural areas

## **International donors in Ukraine**

### **European Union**

The EU is seeking an increasingly close relationship with Ukraine that goes beyond bilateral cooperation, encompassing gradual political association and economic integration. Ukraine is an important country both within the European Neighbourhood Policy and the Eastern Partnership. The principal objective of EU-Ukraine cooperation is to bring Ukraine closer to the EU and foster political relations as well as economic integration. EU assistance to Ukraine is delivered through bilateral and regional Annual Action Programmes (AAPs). The new European Neighbourhood Instrument (ENI) is the main EU instrument in the next financial period, 2014-2020.

The European Commission announced in March 2014 a large support package for Ukraine, to help stabilise the economic and financial situation of the country. All the measures combined could bring overall support of at least 11 billion Euros over the next seven years from the EU budget and the international financial institutions, consisting of:

- 3 billion Euros from the EU budget in the coming years;
- 1.6 billion Euros in macro financial assistance loans (MFA) and an assistance package of grants of 1.4 billion Euros;
- Up to 8 billion Euros from the European Investment Bank and the European Bank for Reconstruction and Development;
- Potential 3.5 billion Euros leveraged through the Neighbourhood Investment Facility

One of the elements of the package is a new Macro-Financial Assistance (MFA) programme in the amount of up to 1 billion Euros. The proposed EU MFA is intended to help Ukraine cover part of its urgent external financing needs in the context of the stabilisation and reform programme under preparation, reducing in this way the economy's short-term balance of payments and fiscal vulnerabilities. The proposed assistance would support the urgent fiscal consolidation and external stabilisation and encourage the implementation by the authorities of structural reforms aimed at improving the overall macroeconomic management, strengthening economic governance and transparency and improving conditions for sustainable growth. The proposed MFA is in line with the aims of the Eastern Partnership and the orientations of the new European Neighbourhood Policy (ENP).

On 29 April 2014, the European Commission has adopted a new support for Ukraine's transition worth 365 million Euros, which includes two actions:

- State Building Contract (355 million Euros)- The general objective is to support the government of Ukraine in addressing short-term economic problems and preparing for in-depth reform in the context of political association and economic integration with the EU on the basis of the Association Agreement/Deep Comprehensive Free Trade Areas through support to improved governance, the fight against corruption, judiciary reform and public administration reform;
- Support to Civil Society (10 million Euros) - Will accompany and complement the support provided to Ukraine under the State Building Contract, to enhance the role of civil society; promoting and monitoring democratic reforms and inclusive socio-economic development in Ukraine.
- In addition to the ENI instrument, Ukraine is also eligible for funding under the thematic programmes, notably the European Instrument for Democracy and Human Rights (EIDHR), Instrument for Stability, Instrument for Nuclear Safety Cooperation as well as the Development Cooperation Instrument (DCI). Thematic Instruments provide financial support to civil society and a broader set of non-state actors and local authorities in Ukraine. Since 2011, the civil society organisations also benefit from the Neighbourhood Civil Society Facility (CSF).

The **PPRD East** reviewed existing resources and available mechanisms working on disaster prevention, preparedness and response in different countries, and developed an Electronic Regional Risk Atlas. Training workshops, study visits and exchanges of experts involved in disaster management, as well as technical assistance missions in response to specific demands by the countries' authorities were organised. Further activities included awareness-raising for stakeholders and the general population. The PPRD project was finalised in 2014.

**Eastern Partnership Integrated border management (IBM)** facilitated the movement of persons and goods across borders in the six Eastern Partnership (EaP) countries while maintaining secure borders by improving inter-agency cooperation, bilateral and multi-lateral cooperation among the target countries, EU member states and other international stakeholders. The project was implemented in Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine and Russia between 2011 and 2013 with a budget of €2 million.

The project contributed to the establishment of a modern training system in the six beneficiary countries; it trained officials from beneficiary countries on specific topics such as risk analysis, document integrity and security, the fight against smuggling drugs/cigarettes and tobacco products and the protection of intellectual property rights, the fight against trafficking in human beings; enhanced operational capacities by providing specific capacity building activities on specified topics based on needs identified by the beneficiary institutions; it also raised awareness and support for the fight against corruption in the six EaP countries.

#### **United Nations Development Programme (UNDP)**

UNDP supports Ukraine in achieving the Millennium Development Goals and the fulfilment of the European integration agenda. The key focus areas are: eliminating poverty, developing people's capacity, achieving equitable results of public policies, sustaining the environment, and advancing democratic governance. UNDP Ukraine partners with a number of donors who provide additional funding for three of their flagship programmes: Democratic Governance and Local Development; Millennium Development Goals (MDGs), Prosperity and Poverty Reduction; and Environment and Energy Efficiency.

### **Swedish International Development Assistance (SIDA)**

Sweden's development assistance with Ukraine is focused on supporting the EU integration process, where an Association Agreement, including a free trade component with the EU, is one step on the way. The support is concentrated on democracy/human rights, environment and civil society. The Swedish support is also about cooperation between Swedish and Ukrainian authorities and organisations, this being a complement to other donors' support. Sweden has chosen to proceed with project support and core support to civil society, helping the country to bring about a better public financial management, so that the state can use its resources more effectively and reduce the risks of corruption.

The project portfolio of SIDA within Ukraine has a total value of 123 million Euros and the annual budget is estimated to be around 23 million Euros. In 2013, the main domains in which SIDA financed projects in Ukraine were the following: (1) Energy Efficiency – 31%; (2) Environment and climate changes – 22% (3) Democratic Governance and Human Rights: decentralization, gender based budgeting, e-government (Ivano-Frankivsk), building capacity – 23% (4) Civil Society Core Program – 13% (5) Economic integration with EU - market development 11%.

The Swedish Government has recently decided to continue its commitment for continued support to Eastern Partnership countries through “Results Strategy for Reform Cooperation with Eastern Europe, Western Balkans and Turkey 2014-2020”. The main aim for the results strategy is to assist these countries forge closer links with the EU. The strategy is not based on sectors but rather it outlines a set of results of reforms, which are crucial for long-term EU-integration that Sweden would like to contribute to.

The results strategy includes three main results areas for cooperation with Ukraine:

- Enhanced economic integration with the EU and development of market economy;
- Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law;
- A better environment reduced climate change and enhanced resilience to environmental impact and climate change a set of expected results within all results areas.

### **United States Agency for International Development (USAID)**

Ukraine holds an important place in the United States Government's efforts to help the countries of the former Soviet Union to establish democratic institutions and free market economics and integrate with global markets. USAID's overarching goal for Ukraine is a stable, democratic and prosperous country. Within the Country Development Cooperation Strategy for Ukraine 2012-2016, USAID formulated the following goal for the program over the plan period: A More Stable, Democratic and Prosperous Ukraine. In order to achieve this goal, the Mission has set three Development Objectives:

- More Participatory, Transparent and Accountable Governance Processes;
- Broad-Based, Resilient Economic Development as a Means to Sustain Ukrainian Democracy;
- Improved Health Status in Focus areas and Target Groups.

The Financial Year 2015 Economic Support Fund advances U.S. interests by helping countries meet short- and long- term political, economic, and security needs. The FY 2015 ESF request for Ukraine is estimated to be **57 million Euros** and will help to promote democratic and economic reforms to support Ukraine and the aspirations of its people for Euro-Atlantic integration.

### **German Society for International Cooperation (GIZ - Gesellschaft für Internationale Zusammenarbeit)**

German Society for International Cooperation has been working on behalf of the German Government to support Ukraine in its transition process since 1993. The German Government has reiterated its support for Ukraine in implementing the ENP Action Plan. Cooperation is designed to bring Ukraine closer to the EU and to result in tangible improvements to the political, social, economic and ecological situation,

based on a commitment to sustainable development. Germany's international cooperation with Ukraine focuses on three priority areas:

- sustainable economic development;
- energy efficiency;
- the HIV/AIDS response.

Between 2007 and 2014, GIZ implemented projects and programmes which addressed a series of issues focusing on economic development and employment, environment and climate change, governance and democracy, social development and sustainable infrastructure.

## Other relevant EU policies and programmes

### Horizon 2020

Horizon 2020 is the financial instrument implementing the [Innovation Union](#), a [Europe 2020](#) flagship initiative aimed at securing Europe's global competitiveness and is the biggest EU Research and Innovation Programme ever with approximately 80 billion Euros of funding available over 7 years (2014 to 2020). By coupling research and innovation, Horizon 2020 is helping to achieve this with its emphasis on excellent science, industrial leadership and tackling societal challenges. The goal is to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation. Horizon 2020 promises to drive breakthroughs, discoveries and innovation by taking great ideas from **lab to market**. The EU Framework Programme for Research and Innovation will be complemented by further measures to complete and further develop the [European Research Area](#). These measures will aim at breaking down barriers to create a genuine single market for knowledge, research and innovation.

Horizon 2020 Programme sections:

- Excellent science;
- Industrial Leadership ;
- Societal Challenges ;
- Spreading Excellence and Widening Participation ;
- Science with and for Society;
- European Institute of Innovation and Technology;
- Euratom.

Ukraine falls into the category of automatically eligible non-EU applicant, which provides access for funding under the Horizon 2020 budget, except where the country is explicitly excluded from the call for proposals.

### ENI Black Sea Basin programme 2014-2020

The wider Black Sea Basin ENI programme will contribute to the improvement of the welfare of the people in the Black Sea Basin regions through sustainable growth and joint environmental protection. More specifically, the programme will contribute to two of ENI CBC overarching strategic objectives:

- Promote economic and social development in regions on both sides of common borders
- Address common challenges in environment, public health, safety and security

The strategy of the Black Sea Basin ENI programme is focused on the following objectives and priorities: Objective 1. Promote business and entrepreneurship within the Black Sea Basin

- Priority 1.1 – Jointly promote business and entrepreneurship in the tourism and cultural sectors

- Priority 1.2 – Strengthen cross-border trade opportunities and modernisation of the agricultural and connected sectors

Objective2. Promote coordination of environmental protection and joint reduction of marine litter<sup>4</sup> in the Black Sea Basin

- Priority 2.1 – Improve joint environmental monitoring
- Priority 2.2 - Promote common awareness-raising and joint actions against river and marine litter.

### **URBACT III Cooperation Programme**

The 2014-2020 URBACT III programme builds on URBACT I (2002-2006) and URBACT II (2007-2013). The URBACT III Cooperation Programme will contribute to the Europe 2020 strategy goals by providing a mechanism for stakeholders involved in the development and implementation of better policies and actions for smart, inclusive and sustainable urban policy in cities.

The programme is co-financed by the European Regional Development Fund (ERDF) with **a budget of 74.302 million EUR** for the 2014-2020 period, Romania having a contribution of **162 thousand EUR**.

The first Call for Proposals for the creation of up to 20 Action Planning Networks was open from March to June 2015, having as main objective the improvement of European cities capacity to manage sustainable urban policies and to strengthen their ability to design integrated strategies for sustainable urban development.

### **INTERREG EUROPE Programme**

The INTERREG Europe Programme aims to improve the implementation of regional development policies and programmes, in particular (1) programmes having as objectives the investments for growth and jobs and (2) European Territorial Cooperation (ETC) programmes. By co-financing projects, the Programme allows the regional and local public authorities and other players of regional relevance across Europe to exchange practices and ideas and thereby, find solutions to improve the cities' strategies. The Programme's total budget is 426 million EUR.

### **INTERACT III 2014-2020 Operational Programme**

INTERACT III is an Operational Programme which aims at reinforcing the effectiveness of cohesion policy by promoting the exchange of experience concerning the identification, transfer and dissemination of good practices and innovative approaches in relation to implementation of territorial cooperation programmes and actions concerning territorial cooperation.

INTERACT III is a programme co-financed by the ERDF with **a budget of 39.3 million EUR**. Within the programme, Romania has the allocated amount of 1,8million EUR

INTERACT III Operational Programme, focuses on 3 specific objectives:

- to improve the management and control capacity of ETC programmes;
- to improve the ETC capacity in capturing and communicating the programme results;

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<sup>4</sup> Marine litter is any persistent, manufactured or processed solid material discarded, disposed of or abandoned in the marine and coastal environment. Marine litter consists of items that have been made or used by people and deliberately discarded into the sea or rivers or on beaches; brought indirectly to the sea with rivers, sewage, storm water or winds; accidentally lost, including material lost at sea in bad weather (fishing gear, cargo); or deliberately left by people on beaches and shores. Also known as marine debris.

- to improve the cooperation management capacity to implement innovative approaches.

INTERACT supports the Managing Authorities, Joint Technical Secretariats, Monitoring Committees, National Contact Persons, First Level Controllers, Certifying Authorities and Audit Authorities across Europe.

## **ESPON 2020 Programme**

The main objective of the ESPON 2020 Cooperation Programme, adopted by the European Commission on 12 February 2015, is to support the reinforcement of the effectiveness of EU Cohesion Policy and other sectorial policies and programmes under European Structural Investment (ESI) funds as well as national and regional territorial development policies.

The ESPON 2020 Programme is built around the following five specific objectives:

- Specific Objective 1: Enhanced production of territorial evidence through applied research and analyses;
- Specific Objective 2: Upgraded knowledge transfer and use of analytical user support;
- Specific Objective 3: Improved territorial observation and tools for territorial analyses;
- Specific Objective 4: Wider outreach and uptake of territorial evidence;
- Specific Objective 5: Leaner, and more effective and efficient implementation provisions and more proficient programme assistance.

The programme is co-financed by the European Regional Development Fund with a contribution of 41.3 million EUR for the period 2014-2020.

## **Hungary-Slovakia-Romania-Ukraine ENI Cross-border Cooperation Programme 2014-2020**

The eligible area of the Hungary – Slovakia – Romania – Ukraine (HSRU) 2014 – 2020 Operational Programme, includes Satu-Mare and Maramureş counties in Romania as core regions and Suceava county as adjoining region. Moreover, Bucharest and Cluj Napoca are included in the programme as Major social, economic or cultural centres. The overall budget to be allocated for the programme is 81.347.200 euro. Coordination between the HSRU programme and the Romania-Republic of Moldova programme will be ensured to avoid overlapping of activities.

The aim of the Programme is to intensify the co-operation between the regions of Zakarpatska, Ivano-Frankivska and Chernivetska of Ukraine and the eligible areas of the Member States in order to initiate progress on the fields of existing social, economic, infrastructural and environmental difficulties, by focusing on the following four thematic objectives:

- TO3 Promotion of local culture and preservation of historical heritage
- TO6 Environmental protection, climate change mitigation and adaptation
- TO7 Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems
- TO8 Common challenges in the field of safety and security

## **Assessment of TOs' coherence with programmes and donors**

The coherence analysis with respect to the alignment of TOs with other existing funding opportunities for the eligible area focused on two criteria; (1) potential *overlaps* (to be avoided) and (2) *effectiveness & complementarity* between the ENI CBC TOs and other relevant sources of funding on medium term.

Criteria	Scale	Rate
<b>Overlapping</b>	Significant overlapping	(-2)
	Partial overlapping	(-1)
	No overlapping	(0)

**Table 5: Coherence table for Romania financing Programmes (below)**

Thematic objective/ Programme	OPLI	ROP	HCOP	OPAC	OPC	NPRD	HORIZON	T
TO 1. Business and SME development	0	-2	-1	0	-2	-2	-1	-8
TO 2. Support to education, research, technological development & innovation	0	-1	-2	-1	-1	-1	-2	-8
TO 3. Promotion of local culture and preservation of historical heritage	0	-1	0	0	0	-1	0	-2
TO 4. Promotion of social inclusion and fight against poverty	0	-1	-2	0	-1	-1	0	-5
TO 5. Support to local & regional good governance	0	0	0	-1	0	0	0	-1
TO 6. Environmental protection, climate change adaptation	-2	-1	0	0	0	-1	0	-4
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-2	-1	0	0	-1	-1	0	-5
TO 8. Common challenges in the field of safety and security	0	-1	0	0	0	0	0	-1
TO 9. Promotion of energy cooperation	-2	0	0	0	0	0	0	-2
TO 10. Promotion of border management and border security	-1	0	0	0	0	0	0	-1

**Table 6: Coherence table for Romania territorial cooperation programmes**

Thematic objective/ Programme	CBC BS	HUSK ROUA	URBACT III	INTERREG EUROPE	INTERACT III	ESPO N 2020	T
TO 1. Business and SME development	-2	0	0	0	0	0	-2
TO 2. Support to education, research, technological development & innovation	0	0	0	0	0	0	0
TO 3. Promotion of local culture and preservation of historical heritage	0	-2	0	0	0	0	-2
TO 4. Promotion of social inclusion and fight against poverty	0	0	0	0	0	0	0
TO 5. Support to local & regional good governance	0	0	0	0	0	0	0
TO 6. Environmental protection, climate change adaptation	-2	-2	0	0	0	0	-4
TO 7. Improvement of accessibility to the regions, develop. of transport and comm.	0	-2	0	0	0	0	-2

networks and systems								
TO 8. Common challenges in the field of safety and security	0	-2	0	0	0	0	-2	
TO 9. Promotion of energy cooperation	0	0	0	0	0	0	0	
TO 10. Promotion of border management and border security	0	0	0	0	0	0	0	

**Table 7: Coherence table for Ukraine<sup>5</sup>**

Thematic objective/ Programme	EU	USAID	UNDP	SIDA	GIZ	CBC BS	HUSK ROUA	HORIZON	T
TO 1. Business and SME Development	-1	-2	-1	-2	-2	-2	0	-1	-11
TO 2. Support to education, research, technological development & innovation	0	-1	0	0	0	0	0	-2	-3
TO 3. Promotion of local culture and preservation of historical heritage	0	0	0	0	0	0	-2	0	-2
TO 4. Promotion of social inclusion and fight against poverty	-1	-1	-1	0	0	0	0	0	-3
TO 5. Support to local & regional good governance	-2	-2	-2	-2	-2	0	0	0	-10
TO 6. Environmental protection, climate change adaptation	-1	-2	-1	-2	-1	-2	-2	0	-11
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-2	0	0	0	0	0	-2	0	-4
TO 8. Common challenges in the field of safety and security	0	-1	0	-1	-1	0	-2	0	-5
TO 9. Promotion of energy cooperation	-2	0	-1	-2	-2	0	0	0	-7
TO 10. Promotion of border management and border security	-2	0	-2	0	0	0	0	0	-4

The overall results generated by the above-presented coherence analyses are illustrated in the table below.

**Table 8: Summary coherence analysis**

Thematic objective/ Programme	Financing programmes		Strategies	Total
	RO	UA		
TO 1. Business and SME development	-10	-11	23	2
TO 2. Support to education, research, technological development & innovation	-8	-3	19	8
TO 3. Promotion of local culture and preservation of historical heritage	-4	-2	14	8
TO 4. Promotion of social inclusion and fight against poverty	-5	-3	14	6

<sup>5</sup> The European territorial cooperation programmes do not support activities and projects in Ukraine, hence were not included in the coherence assessment table

TO 5. Support to local & regional good governance	-1	-10	8	-3
TO 6. Environmental protection, climate change adaptation	-8	-11	22	3
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-7	-4	22	11
TO 8. Common challenges in the field of safety and security	-3	-5	18	10
TO 9. Promotion of energy cooperation	-2	-7	16	7
TO 10. Promotion of border management and border security	-1	-4	14	9

In conclusion, the objectives that best satisfy the defined criteria are TO2, TO3, TO7, TO8 and TO10.

### **Coordination between various financial instruments of the EU and other donor organizations Romania**

According to Romania's Partnership Agreement, a coordination mechanism is set up with the purpose of ensuring the coherence of interventions, complementarities and synergies in the programming and implementation stages. In this context, ***in the programming period***, the Managing Authorities responsible for the ETC programmes were involved in the discussions covering the five development challenges of the Partnership Agreement<sup>6</sup>. Additional measures aiming at a better coordination of cooperation programmes with the national programmes were taken into consideration, including, but not limited to:

- Participation of relevant MAs/actors and institutions in the joint working groups for programming the cooperation programmes;
- Due consideration of relevant national and EU strategies;
- Specific meetings with other relevant MAs.

Furthermore, ***in the implementation period***, some of the main measures aiming at a better coordination at national level, including with other cooperation programmes are:

- Participation of MAs in the Monitoring and Steering Committees of relevant programmes;
- Technical meetings;
- Encouraging project beneficiaries to contribute to EUSDR and other relevant strategies.

#### *Checking potential double funding*

Following the selection process, the Managing Authority will consult the list of projects recommended for funding with the European Commission, to avoid double funding and promote synergies with existing projects, where possible.

Moreover, in order to avoid double financing, as well as to ensure complementarities and synergies, the institutional coordination mechanism outlined by the Partnership Agreement includes the existence of functional working groups (FWG) on the following four areas: (1) operational, (2) performance assessment, (3) **territorial coherence and European territorial cooperation** and (4) new approaches. The Programme will participate in the FWG 3 - territorial coherence and ETC, as well in other groups, depending on the identified needs.

Furthermore, at the level of the FWG on territorial coherence and ETC several topics will be addressed, among which the most important are related to *avoiding the overlaps financed from various OPs in the*

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<sup>6</sup> The development fields are: Competitively and Local development, Human Capital, Infrastructure, Natural Resources and Administrative Capacity.

*border areas and analysis of the complementarities of actions financed under national programmes and OP ETC.*

## **Ukraine**

The representatives of EC and EU Delegation in Ukraine will be invited as observer in selection process, in order to enable a better synergy to be developed between bilateral and regional assistance provided to the Country by the EU on the one hand and assistance provided through the programme on the other hand.

## **National Authorities**

The National Authorities will support the Managing Authority in performing the verification of potential double funding at beneficiary level during contracting and implementation phase in accordance with the specific national procedures, as follows:

## **Romania**

The National Authority hosted by the Ministry of Regional Development and Public Administration will analyse the potential overlaps with other PO and the double financing. The NA coordinator will also provide support for the proceedings of the FWG on territorial coherence and ETC.

## **Ukraine**

A single Government coordination structure for donors and international technical assistance will be set in Ukraine, with the purpose as part of the measures undertaken for the necessary political and economic reforms. The National Authority will provide support to the Managing Authority as regards the verification of overlaps and potential double funding at beneficiary level during contracting and implementation phase.

### **3.2.4. MULTI CRITERIA ANALYSIS**

In order to ensure the correspondence of the programme strategy with the specific requirements of the ENI regulations a multi-criteria analysis was used. Each thematic objective was scored<sup>7</sup> against all criteria

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<sup>7</sup> Regarding the methodological aspects of the multi-criteria analysis, five criteria's (1 – Cross-border impact, 2 – Capacities for project management, 3 – Relevance for overall financial allocation of the Programme, 4 – Coherence with strategies & programmes, 5 – Current regional context) were selected and a team of key experts assisting the preparation of the Programme set the weights to these criteria and performed the assignment. All key experts had previous extensive experience in the two countries.

In assessing the objectives against the respective criterias, the experts have consulted the conclusions of the territorial analysis, SWOT, additional findings following the preliminary consultation process and the results of the second consultation process as well as the lessons learned of the Romania-Ukraine-Republic of Moldova CBC Programme 2007-2013 A short argumentation on the assessment of each thematic objective is presented further on in this section.

Each thematic objective was scored against all criteria and the overall score was calculated based on the weight each criterion was given. The overall results illustrate the hierarchy and priority level of the 10 thematic objectives

and the overall score was calculated based on the weight each criterion was given. The overall results illustrate the hierarchy and priority level of the 10 objectives.

The main steps followed for Multi-criteria analysis of the thematic objectives are briefly presented below:

1. Setting the five criteria used in analysis and agreeing on their relative weight- the analysis concentrated on the previous analyses and consultations in order to use trusted and documented information available.
2. Definitions of the designated criteria:

**C1 - Cross-border impact** refers to the impact of the potential initiatives to be promoted under the respective CBC Thematic Objective on both sides of the border. Given the specificity of ENI CBC interventions, the weighting of this criterion is set at 30%.

**C2 - Capacities for project management** denotes the capabilities of potential beneficiaries active in different thematic areas to manage, co-finance and apply programme procedures (based on the legislation of the country in which the project is implemented and track record of the respective organizations in the eligible area). This criterion is allocated a 20% weight.

**C3 – Relevance for overall financial allocation of the Programme** - Limitations of the financial allocation represent the capability of the financial allocation of the program to support costly/large scale interventions. (Even if such large interventions could be needed across the eligible area the limited budgetary allocation cannot support these under the Ro-Ua programme). The weight is set at 20%.

**C4 - Coherence with strategies & programmes** represents the correspondence of the TOs with the relevant policy documents and other financing instruments available for the eligible area in the 2014-2020 programming period in order to identify those thematic objectives that can be best addressed through the Ro-Ua Programme. The weighting is, as in previous 2 criteria, is set at 20%.

**C5 – Current regional context** - This criterion takes into account the recent developments in the region that were not envisaged at the moment of preparation of the programming documents and intends to provide a priority for the TO that are of most urgency. Weighting is at 10%.

3. Setting the hierarchy of the objectives – Overall calculation of scores and generating the Priority Objective List. Each criteria was scored on a scale from 1 (lowest score) to 5 (highest score) and weighted as explained above.

TO	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight
	Cross-border impact	<b>0,3</b>	Capacities for project management	<b>0,2</b>	Relevance for overall financial allocation	<b>0,2</b>	Coherence with strategies & programmes	<b>0,2</b>	Current Regional context	<b>0,1</b>
TO1	3		3		4		2		3	
TO2	5		4		5		5		4	<b>4,7</b>

TO3	3		4		5		4		3		3,8
TO4	2		4		4		3		2		3
TO5	3		4		5		1		3		3,2
TO6	3		4		3		4		3		3,4
TO7	5		5		3		5		4		4,5
TO8	5		5		3		5		5		4,6
TO9	3		2		2		3		5		2,8
TO10	2		3		3		4		4		3

Table 9: Multi criteria analysis

The Thematic Objectives with best rates (TO2, TO3, TO7, TO8) have the potential to ensure a *stronger cross-border impact* due to the fact that the projects and activities that could be financed under these TOs require better coordinated actions, joined planning of public administration beneficiaries from both countries, hence taking full advantage of the particularities and communalities of the regions on both sides of the border. These five thematic objectives (together with TO 4, 5 and 6) benefit also from *better project management capacities* developed in the EU Programming period 2007-2013 (for Romania). Also, in the previous CBC Phare and RO-UA-MD 2007-2013 Programme were implemented projects at the local level which helped cross-border contacts and management capacities.

Also, the same TOs score higher and medium rates at *coherence with strategies & programmes* criterion, being well-correlated with relevant policy documents in the core eligible area and better anchored in the *regional context*, therefore better suited to answer to the identified development needs. In the same time they score medium rates at the *relevance for overall financial allocation of the Programme* criterion (except TO 5) since the Programme allocation is not substantial enough to cover numerous projects, in order to answer to all the development needs the region reveal. These TOs top-rank on the final criterion, *Current Regional Context*, proving suitability to the actual conditions and developments in the region.

Lower rated Thematic Objectives (TO1, TO4, TO5, TO6, TO9, TO10) scored lower or average at the *cross-border impact* criterion as the types of interventions that could be supported are not necessarily guided by the top strategic priorities, hence not generating strategic-level impact. However, there are significant *project management capacities* of organisations active in these thematic areas (some of them developed in the previous Programme). These objectives ranked higher at the *relevance for overall financial allocation of the Programme* criterion (except TO9), because they can support more small scale projects to be initiated by more diverse types of beneficiaries. Also, they score fewer points at the *coherence with strategies & programmes* and *current regional context* criteria (also, except TO9) due to the fact that they are not top priorities in the relevant policy documents across the eligible area.

### 3.2.5. PAST EXPERIENCE ANALYSIS

Following the analysis of the Joint Operational Programme Romania – Ukraine – Republic of Moldova 2007-2013 implementation reports, findings, conclusions and recommendations stemming from the result oriented monitoring missions (European Commission) and as well from conclusions of audit/ verification missions undertaken and last, but not least, on the opinions expressed by various stakeholders during the consultation phase, a range of lessons learnt from 2007-2013 programming period must be taken into account.

In what concerns projects' generation, it must be acknowledged that proper consideration should be given to support building up and/or development of effective **cross border partnerships** since they are the

cornerstone on which genuine and successful projects are based on. This is where the programme may call on various modalities aimed to facilitate and better connect partners from across the borders and which proved to be efficient in the past or may be now substantially improved/ diversified. Going further, the programme must look after and request an **effective involvement of partners** residing on both sides of the border during the entire projects' lifespan, whether by awarding incentives during evaluation stage to those which adequately respond to it, or by setting mandatory requirements in the Guidelines for applicants.

On the other hand, as the previous 2007-2013 monitoring experience shows, large partnerships proved to be hardly manageable since cross border projects require close cooperation, attentive coordination and joint efforts towards the common targets. It is for the programme to decide on the **maximum number of partners** which may effectively act together to implement these projects.

Taking into account cross border specificities, it is a fact that good quality applications cannot be prepared from scratch only during the call for proposals period, but they need to be thoroughly designed quite some time before the actual start date of the call. Having this in mind, it is important for the programme to specifically address the **capacity building component** even in between of the call for proposals by means of structured thematic trainings covering as much as possible the programme eligible area, and with a special focus in the partner country. This is a point where adequate **coordination across** different projects and/or programmes financed by the European Union might be a solution since cooperation may bring added-value and streamline the programme's efforts in this respect.

It is worth pointing that high call has been noticed, not only from the programme stakeholders' side as this is also strongly required by the related EU regulations, for simplification, accuracy and transparency in what concerns the programme actions. One of the starting points to address these requirements is to upgrade and improve the **application template(s)**. On one hand, such template(s) should be able to integrate and meaningfully substantiate whatever project idea, facilitate and focus evaluation and further, support implementation and monitoring, on the other hand. Number and type of documents to be annexed to the application form should also be limited to what is necessary and relevant for e.g. assessing the project eligibility and, in any case, should not be an additional burden to its promoters.

Regarding the assessment of applications great need has been expressed to accelerate the process, so that projects remain relevant and to keep the initial design in terms of accuracy, reality and feasibility. The two **stages evaluation** (Concept Note and, if pre-selected, Full Application) has been proved as beneficial as shortened significantly the evaluation duration while was less burdensome and costly, both for the programme structures and for the applicants (especially for those rejected at the end of the 1<sup>st</sup> stage). However, existing discrepancies between the documentation submitted by some applicants in each of the two stages conducted to difficulties in evaluation and contracting of projects. Consequently, in order to accelerate the evaluation process, the Programme shall find the appropriate instruments for getting the evaluation process more effective, including by involving a consistent number of independent assessors. It also became evidence that large selection committees are not-functional since is extremely difficult to convene them and find a timeline which is suitable for everyone. This approach was also abandoned in the second call for proposals, when the programme took the decision to set **smaller and more flexible selection committees** (one committee per priority, one evaluator per country per committee). Finding the right balance between the need of representation at country level, and the urge to have evaluators above conflict of interest, adequately qualified in the respective fields of interest, committed to comply with the evaluation schedule and delivering good quality assessments, is a real challenge that must be attentively addressed by the programme.

High number of complaints following evaluation was another sensitive issue during the previous programming period. Grounds lie, mainly, within the huge amount of proposals received requiring much more funds than the ones available for the call on one hand, and on insufficient information provided to the applicants as regards the reasons for rejection or the score awarded. The programme shall consider limiting the number of applications which may be submitted by the same applicant within a call for proposal and to improve the communication with the applicants during the evaluation process.

It is also recommendable programme to continue with the former programme approach of setting a **complaints procedure** within the Guidelines for grant applicants and to indicate clear **reasons for rejecting** a proposal. Moreover, an **Assessment Manual** published on the programme website may allow anyone interested to go into details with the way scores are awarded for the given evaluation criteria. Selected applicants should always be aware about how contracting is to be conducted by the programme bodies. In the 2007-2013 ENPI programme, preparing and making available the **Guidelines for the selected applicants** prior to the start of this stage has clarified the process and cut off potential complaints related to timing, type of documents, and roles that each body has to play.

Nevertheless, the stage proved to be time-consuming due to the large number of documents required, unavailability and/or non-compliance of the documents submitted, while poor coordination between project partners during the process led to recurrent postponements and delays. “White spots” in what concerns specific provisions of the national legislation impacted directly on the ability of organizations to meet the deadlines and programme’s requests. Each issue can be solved or improved if is addressed in a practical way and is accompanied by a **stronger commitment of the selected applicants** (support of the National Authorities may prove beneficial in this respect), as well as prior knowledge of the related legal aspects.

In the new RO-UA Programme, the Guidelines for Grant Applicants will provide extensive information regarding the contracting phases and the deadlines for submitting the documents (especially for the complex ones) will be set through a careful assessment by the JTS/ MA as regards the beneficiaries needs.

The communication plan will include more activities related to project results’ dissemination: publications, events, dedicated section on Programme website so that to allow the access of potential beneficiaries to models of good practices.

### 3.2.6. RISK ANALYSIS AND MITIGATION MEASURES

The achievement of the programme objectives depends on internal but also on external influences which cannot be directly controlled by the programme structures and that may have negative consequences on the programme.

Two types of risks can be identified:

- External: situations connected with the regional/local context that can pose difficulties for the programme implementation. In this case the programme structures have limited or no control over the risk but it is important to monitor the situation and take appropriate action if possible.
- Internal: institutional and programmatic risks that have the potential of jeopardising the implementation of the programme. In case of institutional and programmatic risks the programme structures should envisage appropriate mitigation measures.

As the risks are subject to change during the programme implementation the risk matrix will be subject to regular review and updating.

No.	Identified risk	Probability	Impact	Mitigation	Responsible body
1.	The management and control system is not fully functional when Programme starts	Medium	High	<ul style="list-style-type: none"> <li>-Preparation of internal procedures of MA and JTS/BOs, NAs and Control Contact Points;</li> <li>-Strong commitment of the National Authorities for preparing and put in force the necessary legal framework for carrying out their tasks.</li> </ul>	MA, JTS/ BO's/N As, CCP
2.	The prerequisites (adequate processes, skills and overall management) of an efficient evaluation of project proposals are not met	Medium	High	<ul style="list-style-type: none"> <li>-Development of an efficient and transparent evaluation and selection methodology;</li> <li>-Selection of a pool of independent assessors in due time for being ready for evaluation when needed;</li> <li>-Strong commitment of the NAs for quick reaction during the evaluation when their support is needed.</li> </ul>	JMC, MA, NAs
3.	Delays in the process of verification of progress reports and requests for payment	Low	Medium	<ul style="list-style-type: none"> <li>-Allocation of sufficient personnel for checking the documentation;</li> <li>-Development of efficient procedures.</li> </ul>	MA, JTS, national controllers/audit ors
4.	Drawbacks within the project implementation due to inefficient communication operations with beneficiaries	Low	Medium	<ul style="list-style-type: none"> <li>-Setting up a system of coherent communication and working procedures, with specific division of tasks between MA and JTS or JTS and BO's as regards the communication with projects beneficiaries, with the aim to develop a <i>partnership approach</i> between Programme management structures and beneficiaries.</li> </ul>	MA, JTS, BO's
5.	Low visibility of the Programme and projects	Medium	Medium	<ul style="list-style-type: none"> <li>-Adaptation of the Programme communication strategy/ plan according to the needs;</li> <li>-Elaboration and implementation of annual communication plans;</li> <li>-Specific provision within the grant contract as regards the obligation of the beneficiaries to have a communication strategy/ plan.</li> </ul>	MA, JTS, BO's
6.	Poor quality of audit reports provided by independent auditors	High	High	<ul style="list-style-type: none"> <li>-Setting clear and relevant selection criteria for selecting the pool of auditors;</li> <li>-Foreseeing sanctions within the individual agreements between NA/CCP and each audit firm for those cases of improper performance of the verifications;</li> <li>-Training delivery to the auditors included in the pool;</li> <li>-Communication between MA, CCP and NA concerning the quality of the</li> </ul>	MA, JTS, CCP, NA UA

				performance of the selected auditors.	
7.	Instable internal and external political context and/ or regional conflicts	High	High	<i>Independent from Programme management structures' capacity for action</i>	
8.	Lack of knowledge of the beneficiaries concerned, of legislation and management techniques on either side of the border	Medium	Medium	-Development of coherent and exhaustive project implementation procedures, including also indication on financial and procurement regulation at national level in each country; -Targeted training to projects' beneficiaries on Programme's implementing rules.	MA, JTS, BO's, NA,
9	Overlaps with other programmes	Low	Low	-Setting clear selection criteria for projects -Selection of projects those are fully relevant to the Programme's priorities and objectives, with a focus on cross-border impact.	JMC, MA, JTS,
10.	Difficulties encountered by potential applicants in finding reliable cross-border partners	Low	Low	Development of support instruments (such as partners search web applications, partnership events, info-days, workshops).	MA, JTS, BO's
11.	Difficulties for projects beneficiaries to ensure co-financing or to finance ineligible costs related to their projects	Medium	Medium	Setting up clear eligibility rules related to financial capacity in the Guidelines for grant applicants Providing training for beneficiaries, explaining the rules for project implementation, for eligibility of the expenditures and actions	JMC, MA, JTS, Regional and central authorities, NA,
12.	Non-efficient use of EU public funds: irregularities, including frauds and corruption acts	Medium	High	Developing of an effective audit and control system and providing specific training to selected auditor and national controller regarding their responsibilities Development of risk analyses and monitoring of projects' progress accordingly Financial corrections to projects that do not comply to the rules	MA, JTS, AA, NA, CCP, / auditors

Table 10: Risk analysis

### 3.2.7. SUMMARY OF STRATEGY IDENTIFICATION

Four TOs resulted from the strategy analyses (territorial, SWOT, coherence and multi-criteria) and from preliminary consultations:

TO2 - Support to education, research, technological development & innovation;

TO3 - Promotion of local culture and preservation of historical heritage

TO7 - Improvement of accessibility to the regions, development of transport and communication networks and systems;

TO8 - Common challenges in the field of safety and security;

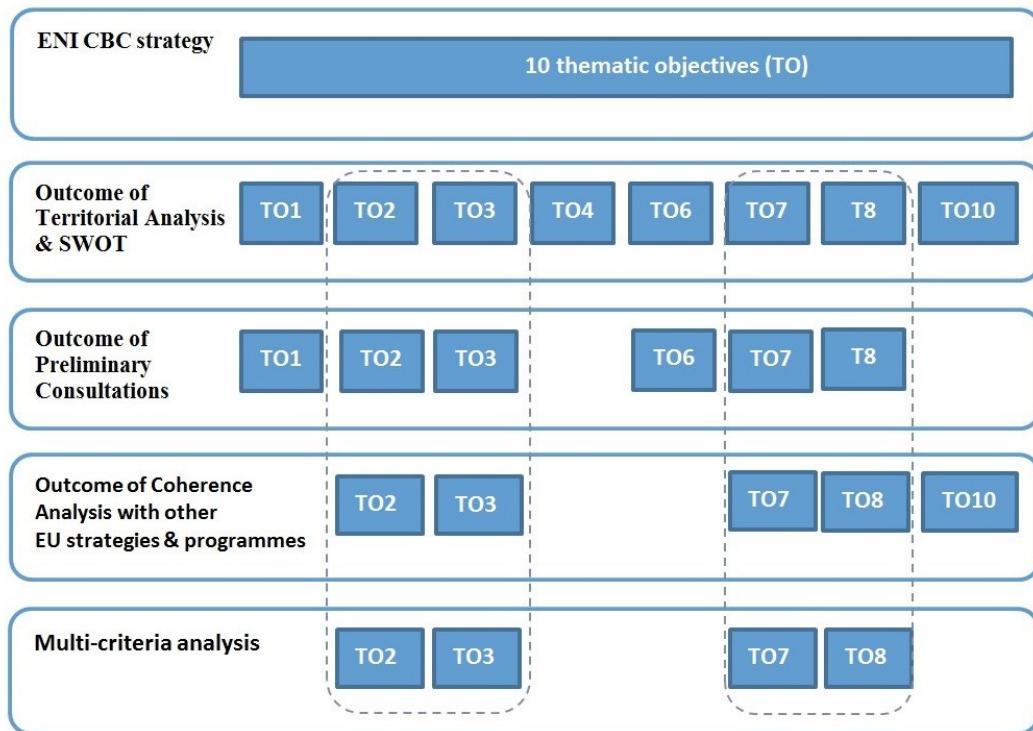


Figure 1: Summary of strategy identification

According to ENI CBC programming regulations, a *maximum number of four TOs* are allowed to be financed under the ENI Programmes.

### 3.3. PROGRAMME INDICATORS

#### 3.3.1 EXPECTED RESULTS

Thematic Objective	Priority	Expected results
TO 2. Support to education, research, technological development & innovation	Priority 1.1: Institutional cooperation in the educational field for increasing access to education and quality of education	Enhanced cooperation between educational institutions leading to an increase in quality of the education programs available in the eligible area, as well as improving accessibility to education and ensuring appropriate, labour market relevant skills of the graduates.
	Priority 1.2: Promotion and support to research and innovation	Improved pre-conditions for sustained cooperation in the field of research and innovation contributing to economical development of the region
TO 3 Promotion of local culture and preservation of historical heritage	Priority 2.1: Preservation and promotion of the cultural and historical heritage	Restored cultural and historical sites that enhance the cross – border touristic potential of the eligible area.

To7. Improvement of accessibility to the regions, development of transport and common networks and systems	Priority 3.1: Development of cross border transport infrastructure and ICT tools	1.Increased mobility of persons and goods in the eligible area through a modernized transport network  2. Improved integrated ICT tools to support the cross –border connections.
TO 8 Common challenges in the field of safety and security	Priority 4.1 - Support to the development of health services and access to health	Improved health condition of citizens in the eligible area and reduced risks for human epidemiology hazards.
	Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint actions during emergency situations	Reduced risks for natural or man-made disasters and improved cross-border joint emergency situation systems.
	Priority 4.3 Prevention and fight against organised crime and police cooperation	Increased efficiency of the police, border police and custom services in coping with cross border organized crime, increased level of trust and confidence of the citizens in these structures

Table 11: Expected results

### 3.3.2 PROGRAMME INDICATORS

The below table is describing the expected results for each priority, and the corresponding result indicators, with a baseline value and a target value and the output indicators for each priority, including the quantified target value, which are expected to contribute to the results;

The report on the proposed indicators is in the ANNEX IV of the Programme. The report includes the methodology followed for the selection of the indicators, definitions of indicators, source for the data collection and indications on measurements and substantiation for setting the proposed targets.

Indicator coding system: e.g. C OI XXX, OI XXX, RI XXX

C OI – Common Output Indicator

OI – Output Indicator

RI – Result Indicator

XX – Priority Number (First two digits)

X – Indicator Number (Last digit)

NA – Not Applicable

TBD- to be decided

		ID	Indicator Name	Measuring Unit	Baseline Year	Baseline	Indicator target value	Sources	Frequency of measuring
Objective 1	Priority 1.1	COI 111	Number of institutions using programme support for cooperation in education, R&D and innovation.	Institutions	NA	NA	15	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 112	Number of people benefitting from all types of activities that received funding within the CBC programme	Individuals	NA	NA	5000	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 113	Number of rehabilitated / modernized educational institutions	Institutions	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 111	Percent of tertiary education students in eligible area out of total no. of students	Tertiary Students	2012	14%	16%	National Institute of Statistics in Romania / State Statistics Service of Ukraine	2023
		RI 112	Employment rate in the eligible area	Percent	2012	57.77%	59.00%	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania / State Statistics Service of Ukraine	2023
	Priority 1.2	COI 121	Number of institutions using programme support for cooperation in R&D and innovation	Institutions	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023

		RI 121	Number of employees in research & development activity	Employees	2013	4380	4468	Ex-post Programme evaluation report(s) / / National Institute of Statistics in Romania / State Statistics Service of Ukraine	2023
Objective 2	Priority 2.1	COI 211	Number of institutions using programme support for promoting local culture and preserving historical heritage	Institutions	NA	NA	10	Database of projects/ Projects' reports	2018, 2021, 2023
		COI 212	Number of improved cultural and historical sites	Cultural and historical sites	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 211	Number of overnight stays in the eligible area	Overnight stays	2012	1820017	1 912 000	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania / State Statistics Service of Ukraine.	2023
Objective 3	Priority 3.1	COI 311	Total length of reconstructed or upgraded roads	KM	NA	NA	10	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 312	Number of joint mechanisms to support improvement of cross-border infrastructure (joint planning documents, including: strategies, plans, action plans, as well as multi-modal facilitation	Mechanisms	NA	NA	3	Database of projects/ Projects' reports	2018, 2021, 2023

			mechanisms) developed					
		OI 313	Number of additional ICT based tools developed supporting cross-border cooperation	ICT based tools	NA	NA	3	Database of projects/ Projects' reports
		OI 314	Number of environmentally friendly (carbon-proofed) cross-border transport initiatives developed	Initiatives	NA	NA	3	Database of projects/ Projects' reports
		RI 311	Cross border traffic volume (by rail, road)	Crossings	2013	2554671	2682404	Romanian Border Police. Border Police of Ukraine
Objective 4	Priority 4.1	COI 411	Population covered by improved health services as a direct consequence of programme support	Inhabitants	NA	NA	150000	Database of projects/ Projects' reports
		OI 412	Number of medical service infrastructure units improved	Medical services infrastructure units	NA	NA	3	Database of projects/ Projects' reports
		RI 411	Number of newly registered cases of illness	Cases of illness (thousands)	2013	5500	4400	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania / State Statistics Service of Ukraine
	Priority 4.2	COI 421	Population benefiting from flood protection measures	Persons	NA	NA	10000	Database of projects/ Projects' reports

Priority 4.3	OI 422	Number of joint actions, including soft operations <sup>8</sup> , as well as joint infrastructure investments in the field of emergency situations and the prevention of man-made disasters.	Actions	NA	NA	20	Database of projects/ Projects' reports	2018, 2021, 2023
	RI 421	Average response time for emergency situations in the eligible area	Minutes	2014	15'30" (in Romania) 23' 05" (for Ukraine <sup>9</sup> )	13'50" (for Romania) 22'23" (for Ukraine)	General Inspectorate for Emergency Situations of Romania. State Emergency Service in Ukraine – official request for information as per Annex 2	2023
	OI 431	Number of participants involved in joint capacity building activities (exchanges of experience, study visits, trainings etc)	Facilities	NA	NA	200	Database of projects/ Projects' reports	2018, 2021, 2023
	OI 432	Number of modernized facilities of police, police border and custom services from the eligible area	Facilities	NA	NA	10	Database of projects/ Projects' reports	2018, 2021, 2023
	RI 431	Increase of the ratio of annual number of persons crossing the	Crossings per Employee per	2015	7426	8540 (15%)	National Agency for Fiscal Administration, Ministry of Interior of Romania /	2023

<sup>8</sup> Including but not limiting to exchange experience, trainings, study visits, common planning sessions, newly developed: maps, data bases, systems/structures, aquisitioned equipments; etc.

<sup>9</sup> Given the current data collection systems in place in Ukraine, this indicator reflects only the average response time in case of fire. See Annex 2 for more details

			border to the number of customs personnel directly employed at the border crossing points	year			increase)	Customs and Border Guard Services of Ukraine	
	RI432	Level of trust of citizens in the police	Level of trust expressed in population percentages	2014	47.6% in Romania  0.8% in Ukraine	3% increase in Romania  8% increase in Ukraine	Annual Opinion barometers  INSCOP (Romania)  Sociology Institute of the National Academy of Sciences of Ukraine (Ukraine)	2023	

Table 12: Programme indicators

### 3.4. CROSS-CUTTING ISSUES

A number of important elements for successful, sustained and inclusive cross-border cooperation will be ensured as horizontal modalities to be deployed across any of the Programme priorities, rather than as separate thematic priorities. These cross – cutting issues are additional to the Programme priorities and objectives being significant to any project activity. Project applicants are to be expected to consider these cross-cutting themes when developing their projects.

ENI CBC regulations<sup>10</sup> require a description of the ways the following cross-cutting issues will be mainstreamed during programme implementation, where relevant: democracy and human rights, environmental sustainability, gender equality and HIV/AIDS. Integration at project level of the relevant cross-cutting issues described below will be:

- ✓ Assessed during the selection process and included into the criteria for project evaluation;
- ✓ Checked in project reports and during project monitoring visits.

Further guidance on requirements for project selection and reporting will be provided in the programme's Guidelines for Applicants, Implementation Manual or similar documents issued at programme level.

The cross – cutting themes include:

- Democracy, participation and human rights;
- Equal opportunities (promotion of gender equality and opportunities for youth);
- Environmental sustainability;
- HIV/AIDS

#### **Democracy, participation and human rights**

In regard to democracy and human rights, several aspects are embedded in the Programme strategy as horizontal issues or modalities to be deployed in projects across any of the selected priorities, in particular:

- ✓ 'People-to-people' actions, including enhanced cooperation among NGOs and other civil society groups
- ✓ Capacity-building components for NGOs that will enhance the role of non-state actors and build their capabilities as partners in the public policy process making;
- ✓ Enhanced cooperation among local and regional authorities, promotion of local and regional good governance and capacity-building components for local/regional authorities and agencies that will support public administration reform and decentralization and local government;

The projects shall seek to integrate considerations related to democracy, good governance, participation and human rights. This may also include exchange of good practices, as well as regular and transparent project financial reporting, widely circulated and understandable project results ensuring there is no discrimination against particular target groups whether the project helps to ensure respect for any relevant human rights.

#### **Equal opportunities (promotion of gender equality, and opportunities for youth & elders)**

Promotion of gender equality, and equal opportunities for youngsters and elders, is important within the Programme design as a horizontal issue to be deployed in projects across any of the priorities selected. Both men and women shall have equal access to the opportunities and benefits of the programme.

All projects will have to adequately consider gender related issues – such as equality of opportunity, rights, distribution of benefits, responsibilities for men and women. This may include the integration of a gender perspective when planning activities, considering the likeliness of increased gender equality beyond the project ends.

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<sup>10</sup> Art. 4.3 Regulations (EU) N° 897/2014

The programme strives for promoting equal opportunities and preventing any form of discrimination based on sex, racial or ethnic origin, nationality, religion or belief, disability, language, non-contagious chronic disease, HIV/AIDS infection, social category, belonging to an under-privileged social category, age or sexual orientation during its life cycle and in particular in relation to access to funding. It will take into account the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for persons with disability.

Also, the projects should address specific needs of young people and ensure participation regardless the age of the target groups. Additionally, all operations funded by the programme shall ensure that the activities implemented are in line with the principle of equality between men and women and do not generate discrimination of any kind.

## **Environmental sustainability**

Environment is crucial for projects under most of the Thematic Objectives selected, mainly for projects supporting infrastructure construction / rehabilitation / modernization etc.

All projects funded in the frame of the Programme will have to integrate environmental considerations. This notably includes following good environmental practices during implementation, in particular in relation to energy efficiency as well as in relation to the use of water and the production of waste, etc.

Besides the verification of the respect of in-force rules and regulations on the environment and sustainable development, the programme seeks to avoid or reduce environmentally harmful effects of interventions and to deliver results in terms of social, environmental and climate benefits.

For the reduction of the impact on the environment, investment projects that will be financed under the programme should consider certain measures, as identified in the SEA report.

## **HIV/AIDS**

The HIV/AIDS epidemic represents an important problem for the two countries, the issue being addressed at national level through programmes aimed at prevention and control.

This cross-cutting theme, relevant for the Programme, will mainly be addressed through the calls conducted under TO2 - Support to education, research, technological development and innovation and thematic objective 8 - Common challenges in the field of safety and security (Priority 4.1 - Support to the development of health services and access to health).

When submitting proposals, applicants will have to describe the contribution to equal opportunities and non-discrimination within the application form, explaining how the equal opportunity principle is anchored within the design and planned activities of operations. Due care shall be attached in order to avoid the negative impact on the vulnerable groups at risk of discrimination, at the level of project activities and results. All the aspects related to the definition of discrimination, as mentioned above, shall be considered. This matter is considered as a horizontal issue during the quality assessment of applications.

The principle of equal opportunities will be considered in terms of programme management arrangements.

All operations submitted under any chosen priority will be encouraged to incorporate activities for integrating measures to consider the principle of equal opportunities and non-discrimination, considering the above mentioned definition.

Also, the projects will address specific needs of young people and ensure participation regardless the age of the target groups. Additionally, all operations funded by the programme shall ensure that the activities implemented are in line with the principle of equality between men and women and do not generate discrimination of any kind, including within the selection of the target group which shall include, to the extent possible, representatives of all categories, as they are mentioned above, thus taking into account the special needs also for HIV/AIDS categories.

#### **4. STRUCTURES AND APPOINTMENT OF THE COMPETENT AUTHORITIES AND MANAGEMENT BODIES**

##### ***Joint structures***

*Joint Monitoring Committee (JMC)*: follows the programme implementation and progress towards its priorities; examines all issues affecting the programme performance;

*Managing Authority (MA)*: responsible for managing the programme in accordance with the principle of sound financial management and for ensuring that decisions of Joint Monitoring Committee comply with the applicable law and provisions;

*Joint Technical Secretariat (JTS)*: the joint operational body, assisting the Managing Authority, the Joint Monitoring Committee and Audit Authority, in carrying out their respective duties;

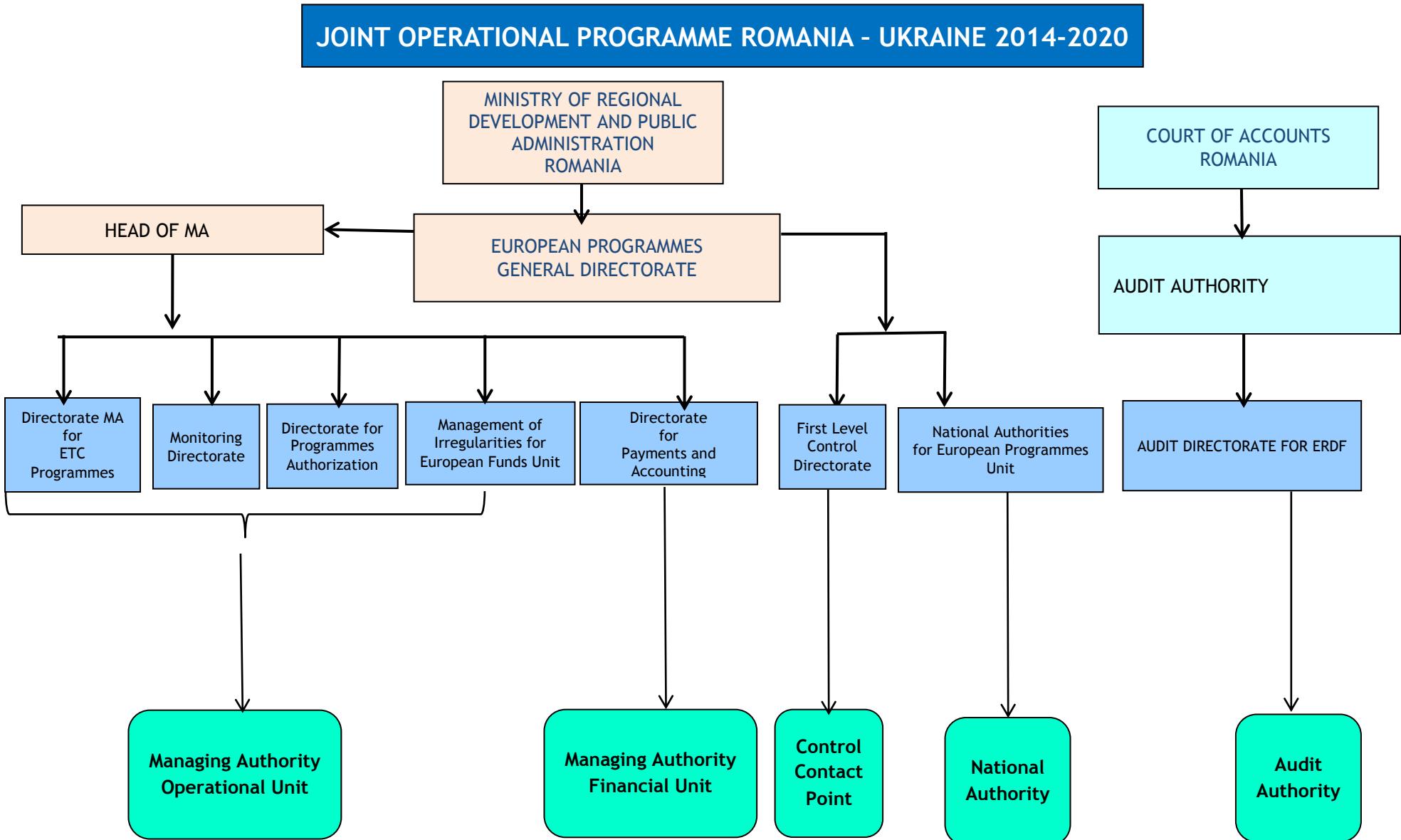
*Audit Authority (AA)*: ensures that the audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the programme. The Audit Authority shall be assisted by a *Group of Auditors* comprising a representative of each participating country in the Programme.

##### ***Structures at the national level***

*National Authorities (NAs)*: appointed by each participating country bearing the ultimate responsibility for supporting the Managing Authority in the implementation of the programme on its own territory, in accordance with the principle of sound financial management.

*Control Contact Point (CCP)* - appointed by each participating country in order to assist the Managing Authority in carrying out verifications throughout the whole programme area.

Figure 2: Indicative Organisational Chart of the Programme



## 4.1. JOINT MONITORING COMMITTEE (JMC)

### 4.1.1. COMPOSITION OF JOINT MONITORING COMMITTEE

The Joint Monitoring Committee (JMC) shall include as **voting members** representatives from county level, regional level and central level (out of which at least one member per country will represent each National Authority and one member per country will be designated by each of the Ministries of Foreign Affairs).

The indicative composition of the JMC consists of:

On the Romanian side:

- representatives of the counties included in core region of the programme;
- representatives of Regional Development Agencies covering core region of the programme;
- representative of Ministry of Foreign Affairs;
- representative of Ministry of Regional Development and Public Administration;

On the Ukrainian side:

- representatives of the regions included in core region of the programme
- representative of Ministry of Foreign Affairs
- representative of Ministry of Economic Development and Trade

Changes to the composition of the Joint Monitoring Committee do not constitute an adjustment of the programme and may be made at the initiatives of the participating countries. However, in order to maintain the functionality of this joint structure, a maximum number of 10 voting members per country will be considered. The Commission shall be informed about the changes.

**Each participating country has equal voting rights regardless of the number of representatives it has appointed**

Other entities may be invited by the Joint Monitoring Committee to designate observers to the JMC meetings, on a permanent basis or whenever needed in order to ensure the transparency of the programme implementation and/or to avoid the duplication of financing. These have not voting right.

The European Commission shall be involved in the work of the Joint Monitoring Committee as an observer. It shall be invited to each meeting of the JMC at the same time as the representatives of the participating countries. The Commission may decide whether it will participate or not in all or part of each JMC meeting.

The Joint Monitoring Committee shall be chaired by a representative of the MA. The Joint Monitoring Committee may be co-chaired by a representative of the participant country where the respective meeting takes place. The secretariat of the Joint Monitoring Committee shall be ensured by a representative of the joint Technical Secretariat.

The chairperson shall act as moderator and lead the discussions.

The chairperson, the secretary and the observers (including the EC) participating in the meeting, have no voting rights.

The co-chairperson, as representative of a participating country, will have voting rights.

### 4.1.2. FUNCTIONING OF THE JOINT MONITORING COMMITTEE

The JMC shall draw up and adopt its rules of procedure by unanimity. The rules of procedure shall set in detail the working procedures of JMC, including the voting procedure, rules for written procedure, administrative issues

(e.g. number of meetings, costs covered by the programme TA for organizing the meetings, rules for ensuring the co-chairmanship, etc.).

The Joint Monitoring Committee shall meet at least once per year. It shall be convened by its chairperson at the request of the Managing Authority or upon duly justified request of any participating country or of the Commission.

Minutes shall be drawn up after each meeting of the Joint Monitoring Committee for signature by the chairperson and the secretary. A copy of these minutes shall be shared with the participating countries representatives, the EC and any other observer.

#### **4.1.3.        TASKS OF THE JOINT MONITORING COMMITTEE**

The Joint Monitoring Committee shall follow the programme implementation and progress towards its priorities using the objectively verifiable indicators and related target values defined at Chapter 3.3.

The Joint Monitoring Committee shall examine all issues affecting the programme performance.

The Joint Monitoring Committee may issue recommendations to the Managing Authority regarding the programme implementation and evaluation. It shall monitor actions undertaken as a result of its recommendations.

The JMC work and decision – making process are based on the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition.

The Joint Monitoring Committee shall in particular:

- approve the work programme of the Managing Authority and its financial plan, including planned use of technical assistance;
- monitor the implementation by the Managing Authority of the work programme and financial plan;
- approve the criteria for selecting projects to be financed by the programme
- approve any proposal to revise the Programme;
- be responsible for evaluation and selection procedure applicable to projects to be financed by the programme;
- examine all reports submitted by the MA and, if necessary, take appropriate measures;
- examine any contentious cases of recovery brought to its attention by the MA;
- examine and approve the annual reports to be submitted to the EC pursuant to Article 77 of the ENI CBC Implementing Rules;;
- examine and approve the annual monitoring and evaluation plan to be submitted to the EC pursuant to Article 78 of the ENI CBC Implementing Rules;
- examine and approve the annual information and communication plan to be submitted to the EC pursuant to Article 79 of the ENI CBC Implementing Rules

#### **4.2. MANAGING AUTHORITY (MA)**

According to article 25 of ENI CBC Implementing Regulations no 897/2014, participating countries have nominated the Ministry of Regional Development and Public Administration<sup>11</sup> (RO), as Managing Authority.

The Managing Authority shall be responsible for managing the programme in accordance with the principle of sound financial management and for ensuring that decisions of the Joint Monitoring Committee comply with the applicable law and provisions, as foreseen by Article 26 of ENI CBC Implementing Regulations no 897/2014.

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<sup>11</sup> Decision no. 1 / January 4, 2013 on the organization and functioning of the Ministry of Regional Development and Public Administration Romania

The Managing Authority shall also ensure that the internal organisation of the Management and Control system is in compliance with the principle of separation of functions between and within such bodies as stipulated in the Article 30 the Commission Implementing Regulations no 897/2014.

#### 4.2.1. DESIGNATION PROCESS

Following the adoption of the programme by the European Commission, the Romanian Government will proceed with the designation of the Managing Authority in accordance with article 25 of the Commission Implementing Regulations no 897/2014.

The designating body will be the Ministry of European Funds (RO) that will initiate a Governmental Decision for the designation, based on the report and opinion of the Audit Authority.

In this respect, the Audit Authority should take the following steps, in accordance with internationally accepted audit standards:

- analysis of the management and control system description
- gathering other relevant documents and their examination
- performance of audit work required, including, where appropriate, interviews with staff
- preparation of the report and opinion and a contradictory procedure, including validation of findings and conclusions.

Adequate time should be allocated as to allow the authorities assessed to respond to observations and provide additional information. A tentative timeline is presented below:

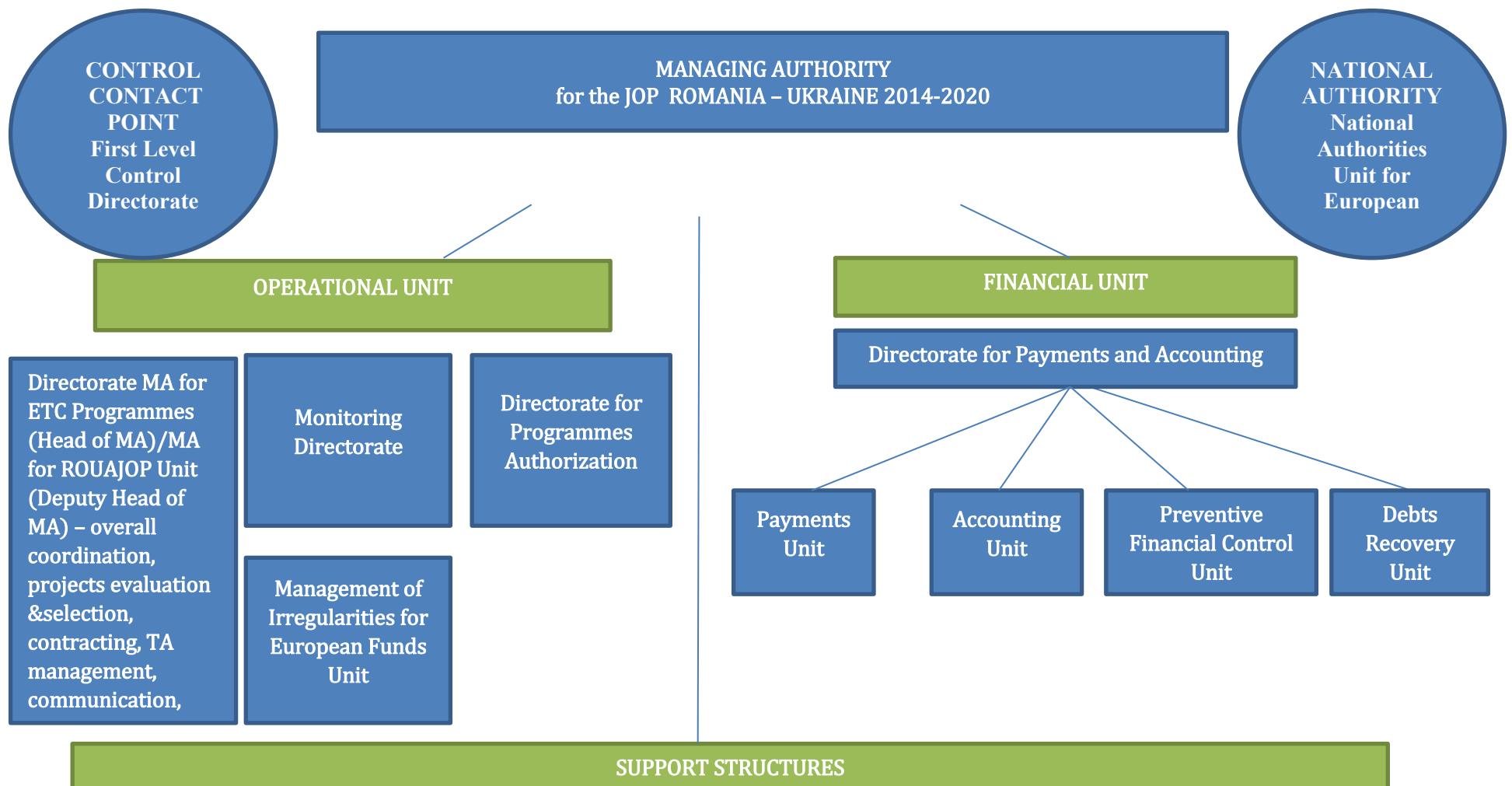
**Table 13: Provisional indicative time-frame for the designation process**

	Month											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
<b>JOP approval by the European Commission and finalization of DMCS by the MA</b>	■											
<b>Assessment of the compliance of DMCS by the AA</b>		■	■	■	■							
<b>Elaboration and submission of the Report and Opinion of the AA</b>						■						
<b>Designation decision by the Ministry of European Funds</b>							■					
<b>Submission of the formal decision to the European Commission</b>								■				

#### 4.2.2. FUNCTIONS OF THE MANAGING AUTHORITY

The functions of Managing Authority will be fulfilled by the Directorate for Managing Authorities for European Territorial Cooperation Programmes, the Monitoring Directorate, the Directorate for Programme Authorisation and the Directorate for Payments and Accounting, together with other departments within the Ministry of Regional Development and Public Administration of Romania.

Figure 3: Indicative organigram of the Managing Authority



*Regarding the programme management, the Managing Authority:*

- Supports the work of the Joint Monitoring Committee and provides it with the information it requires to carry out its tasks, in particular data relating to the progress of the programme in achieving its expected results and targets;
- Draws up and, after approval by the Joint Monitoring Committee, submits the annual report and the final report to the Commission;
- Shares information with the Joint Technical Secretariat, the Audit Authority and beneficiaries that is relevant to the execution of their tasks or project implementation;
- Establishes and maintains a computerised system to record and store data on each project necessary for monitoring, evaluation, financial management, control and audit, including data on individual participants in projects, where applicable. In particular, it shall record and store technical and financial reports for each project. The system shall provide all data required for drawing up payment requests and annual accounts, including records of amounts recoverable, amounts recovered and amounts reduced following cancellation of all or part of the contribution for a project or programme;
- Carries out, where relevant, environmental impact assessment studies at programme level;
- Implements the information and communication plans in accordance with Article 79 of Commission Implementing Regulation no. 897/2014;
- Implements the monitoring and evaluation plans in accordance with Article 78 of Commission Implementing Regulation no. 897/2014;
- Puts in place coordination mechanisms to foster complementarities and synergies with other programmes or financial instruments in the programme area.

*Regarding the selection and management of projects, the Managing Authority:*

- Draws up and launches the selection procedures;
- Manages the project selection procedures and ensures transparency of selection process;
- Provides the lead beneficiary with a document setting out the conditions for support for each project including the financing plan and execution deadlines;
- Signs contracts with beneficiaries;
- Manage projects.

*Regarding the technical assistance, the Managing Authority:*

- Manages the contract award procedures;
- Signs contracts with contractors;
- Manages contracts.

*Regarding the financial management and control of the programme, the Managing Authority:*

- Verifies that services, supplies or works have been performed, delivered and/or installed and whether expenditure declared by the beneficiaries has been paid by them and that this complies with applicable law, programme rules and conditions for support of the projects; In this respect shall perform:
  - Administrative verifications for each payment request by beneficiaries;
    - In this respect, where the institution hosting the MA is also a beneficiary under the programme, arrangements for the verifications shall ensure suitable segregation of functions.
  - On the spot project verifications.
    - Verifications, pursuant to Article 6 (b) of the ENI CBC Implementing Rules may be carried out on a sample basis

- MA may externalise part or all of the on the spot verifications, by using the national legal procurement procedure,
- MA shall set the frequency and coverage of the on the spot verification so that to be proportionate to the amount of the grant to a project and the level of risk identified by these verifications and audits by the Audit Authority for the management and control systems as a whole.
- Ensures that beneficiaries involved in project implementation maintain either a separate accounting system or a suitable accounting code for all transactions relating to a project;
- Puts in place effective and proportionate anti-fraud measures taking into account the risks identified;
- Set up procedures to ensure that all documents regarding expenditure and audits required to ensure a suitable audit trail are held in accordance with the requirements of Article 30 of Commission Implementing Regulation no. 897/2014;
- Draws up the management declaration and annual summary referred to in Article 68 of Commission Implementing Regulation no. 897/2014;
- Draws up and submit payment requests to the Commission in accordance with Article 60 of Commission Implementing Regulation no. 897/2014;
- Draws up the annual accounts;
- Takes account of the results of all audits carried out by or under the responsibility of the Audit Authority when drawing up and submitting payment requests;
- Makes payments to the beneficiaries with whom a grant contract has been signed
- Maintains computerised accounting records for expenditure declared to the Commission and for payments made to beneficiaries;
- Keeps an account of amounts recoverable and of amounts reduced following cancellation of all or part of the grant.

### 4.3. NATIONAL AUTHORITIES OF ROMANIA AND UKRAINE

**Each participating country appointed a National Authority to support the Managing Authority in the management of the programme in accordance with the principle of sound financial management.**

Romania appointed through the Government Decision no. 1183/2014, as National Authority, the **Ministry of Regional Development and Public Administration**. The functions of National Authority will be fulfilled by a unit working independently of the Managing Authority, the Unit for National Authorities for European Programmes, working together with supporting units within MRDPA on issues related to irregularities and recovery of funds unduly paid to Romanian beneficiaries), and ensuring a suitable segregation of functions.

Ukraine appointed as National Authority, the Ministry of Economy and Trade.

The National Authority in Ukraine is the ultimate responsible body for implementing the provisions set out in the financing agreement referred to in Articles 8 and 9 of the ENI CBC Implementing Rules.

#### 4.3.1. FUNCTIONS OF NATIONAL AUTHORITIES

Each National Authority is *inter alia*:

- Responsible for the set up and effective functioning of management and control systems at national level;
- Representing its country in the Joint Monitoring Committee.

In this respect, the main functions of the National Authorities shall be to:

- Ensure the overall coordination of the institutions involved at national level in programme implementation including, *inter alia*, the institutions acting as control contact points and as member of the group of auditors

- Represent its country in the JMC ;
- Be responsible for the set up and effective functioning of management and control systems at national level and support the MA in its obligations referred to in Article 30 (2) of the ENI CBC Implementing Rules:
  - Approve the list of auditors pre-selected by Control Contact Point (for Partner country) in accordance with section 4.7.2 thereafter..
  - Support the MA/JTS in conducting project monitoring and follow-up on their territory;
  - Support the MA by providing specific national data concerning the progress of the programme in achieving its expected results and targets;
  - Provide and review information concerning the implementation of the programme on its territory, to be used for annual reports, including by facilitating the process of collecting statistical data and financial information on implementation of the Programme on its territory;
  - Provide information to MA/JTS about the beneficiaries located on their territory, the national procedures/requirements (e.g. labour law provisions, VAT exemption, eligibility issues, procurement);
  - Provide input for the development of the computerized system (have access to it)
  - Checking the accuracy of the relevant data related to the respective country
  - Provide the necessary input to implement the information and communication plans on their territory (e.g. information on media, contact with journalist, support for organisation of events, etc), ensuring compliance with the practices concerning information and publicity on their territory.
  - Support the MA/JTS in carrying out the eligibility check by ensuring the verification of eligibility of the entities established on their territory.
  - Support the MA/JTS in the contracting phase for projects (clarifications concerning national legislation specificities, facilitating the communication with beneficiaries, etc), including by ensuring the prevention of double funding at national level
  - Facilitate the setting up of the JTS Branch Offices on their territory;
  - Support the MA in drawing up the annual monitoring and evaluation plan.

**For preventing, detecting and correcting the irregularities and frauds on their territory, as per the Commission Regulation 897/2014 (MS)/ Financing Agreement (PC), the NA shall:**

- contribute to the elaboration of guidelines on the eligible expenditure for project beneficiaries, how to apply national rules, accounting and project reporting, participation (including by means of representatives from relevant institutions) in local training events organised by the AM/JTS
- notify the irregularities and fraud detected by own means, to the EU Commission and the MA, without delay and keep them informed of the progress of related administrative and legal proceedings;
- support the verifications performed by MA/JTS/other audit and control bodies
- support the MA in implementing the corrections of the cases detected

Put in place, together with the relevant national bodies, effective and proportionate anti-fraud measures taking into account the risks identified. In this respect, they will:

- support MA in identifying risks on their territory
- defining together with the MA and the relevant national public bodies effective and proportionate anti-fraud measures to be put in place on their territory

**For recovery of the amounts due by the beneficiaries established on their territory, as per the Commission Regulation 897/2014 (MS)/ Financing Agreement (PC), the NA will:**

- Support the MA in recovering the amounts unduly paid, with any interest pursuant to Article 74 of the ENI CBC Implementing Rules from beneficiaries (private and public entities) established on their territory.
- Take over the files transferred by the MA, when the MA was unable to recover the debt from a beneficiary established on its territory, and, in coordination with the Control Contact Point shall take the necessary measures for the Member State/Partner Country to pay the due amount to the MA or (in case of Partner Country) to act as foreseen by the Financing Agreement.
- The National Authority from Ukraine is the ultimate responsible body for implementing the provisions set out in the Financing Agreement signed with the European Commission and MA according to Articles 8 and 9 of the of Commission Implementing Regulation no. 897/2014.

In its capacity of JMC member, the NA shall:

- provide feedback and approve the MA proposals for working plan, financial plan, use of TA, etc;
- approve the criteria for selecting project and provide guidance from the legal perspective for requirements and further evaluation and contracting.
- support the MA in the preparation of the evaluation and selection procedure, including the contract template, ensuring the compliance with the national legislation specificities for their country.
- Nominate, in accordance with Section 6.1.2 below, members of the Programme Selection Committee (PSC) who fulfil all administrative and quality requirements set by JMC, including those related to impartiality and confidentiality
- dedicate a person to answer during the evaluation process to the questions (clarifications) of the PSC concerning the national specificities with regard to eligibility criteria or other legal requirements. This person may use any legal and procedural means (including consultation of other national institutions) in order to draw up a substantiated point of view, ensuring also the principles of confidentiality and impartiality.
- approve and/or propose revision of the programme that may result in more effective implementation of the programme.
- examine the MA reports and take appropriate measures at national level when needed
- examine any contentious cases brought to its attention by the MA, provide information on national issues and specificities, where relevant, decide on the contentious cases if so requested by the MA;
- examine and approve the annual reports
- examine and approve the annual monitoring and evaluation plans
- examine and approve the annual information and communication plans,

#### **4.4. JOINT TECHNICAL SECRETARIAT AND BRANCH OFFICES**

The Programme shall set up a Joint Technical Secretariat (JTS) to assist the Managing Authority, the Joint Monitoring Committee and the Audit Authority in carrying out their respective functions.

The Regional Office for Cross Border Cooperation for Romanian-Ukrainian Border-Suceava was nominated as JTS through the Romanian Governmental Decision no 274/22.04.2015. The organisation hosting the JTS is

located in Suceava, Romania and has performed similar functions in the previous programming period benefiting from entirely functional management structures and multicultural human resources with experience in programme management. As the staff of the JTS for the 2007-2013 Romania-Ukraine-Republic of Moldova Joint Operational Programme is already trained and experienced, it will take over the new responsibilities, according to a personnel transfer plan for the set-up of the JTS of 2014-2020 Romania-Ukraine Joint Operational Programme.

Should the need may arise, besides the already existing human resource, new staff selections will be organised at the Joint Technical Secretariat in Suceava based on selection criteria approved by the JMC and through a public and transparent procedure, ensuring equal opportunities and promoting equality between men and women. The Romanian labour law will be applied.

The Regional Office for Cross-border Cooperation in Suceava, hosting the JTS is a solvent legal entity with administrative and financial management capacity. It was established in 2005 to function as a non-governmental organization, founded by three regional development agencies: (North-East Regional Development Agency, North-West Regional Development Agency and South-East Regional Development Agency) for the specific purpose of supporting regional development and cooperation between Romania and Ukraine and implementation of strategies and projects aiming to achieve this objective. All three Regional Development Agencies ensure financial (through yearly county councils contributions) and technical support in implementing financing contracts under execution of cross-border programmes. During 2007-2013 programming period, the JTS for Romania-Ukraine-Republic of Moldova Programme has been set up as distinct department within RO CBC Suceava, entrusted with specific tasks concerning implementation of Programme.

An indicative structure per function and number of staff to perform JTS tasks is to be found in Annex VI. The proposed structure took into consideration the nature and complexity of responsibilities per function and the current practice as well as the JOP Romania-Ukraine-Republic of Moldova 2007-2013 experience, and objective factors impacting directly on Programme implementation but outside its control (e.g. number of proposals to be submitted following the calls for proposals).

Regional Office for CBC Suceava will provide support staff for backing up the JTS activity in terms of general management, financial, administrative, legal, secondary procurements and human resources aspects with the view to ensure appropriate conditions for fulfilling the respective responsibilities.

The procurement rules for the JTS expenditures will follow the Romanian national law. However, in order to conclude the service contract between the organisations hosting the JTS and the Ukrainian Branch Offices, the procurement rules will be those foreseen by PRAG rules.

#### **4.4.1. JOINT TECHNICAL SECRETARIAT TASKS**

The JTS will assist the JMC in performing its tasks by:

- performing secretariat function for the Joint Monitoring Committee
- organising the JMC meetings,
- under coordination of MA, preparing and mailing of the documentation related to written procedures, information, or other consultations;
- drawing up of the minutes of the meetings, circulate them for approval to the JMC members
- under coordination of MA, preparing Joint Monitoring Committee decisions;

The JTS will directly assist the MA in the execution of the various tasks, as described below:

- Under the MA supervision, co-ordinates project generation by organising info-days with public sessions offered to potential applicants regarding the application procedures;
- Supports MA in organising the calls for proposals, including the preparation of the application packages;

- Organises the evaluation sessions, ensures the secretariat functions for evaluation committees and participates with its staff as **internal assessors** in evaluation of eligibility and administrative step;
- Carries out information and publicity activities related to the programme (e.g. seminars, conferences, partnership forums, contributes to updating of the programme web-site, etc.) under the supervision of the Managing Authority, and according to information and communication plans;
- Supports MA in contracting process by preparing the related documentation and performing pre-contracting visits to the selected grant beneficiaries;
- Contracts the branch office and co-ordinates its activity;
- Co-operates with organisations, institutions and networks relevant for the objectives of the Programme;
- With the support of the branch offices, organises and co-ordinates the monitoring of the projects, including the corresponding site visits;
- Receives and carries out the operational and financial verification of the requests for payments, submitted by the beneficiaries, together with the report and a checklist of the supporting documents;
- Sends the verified documents to the MA with a notification regarding the regularity and compliance of the request for payment with the program rules;
- Introduces and validates data related to the projects in the monitoring computerised system;
- Assists the beneficiaries in implementing the projects.
- Supports AM in performing the programme evaluation by providing relevant information
- Performs ex-post visits to the projects in order to check the sustainability of the projects, including the fulfilment of the Art 39 (3) of Commission Implementing Regulation no 897/2014.
- MA may decide to also delegate other tasks to the JTS during the implementation of the programme.

The JTS will assist the Audit Authority or any controls by the Union (Commission, European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by these institutions and bodies) in the execution of their tasks, by supporting the organisation of the audit and control missions, including the organisation of the related on-site visits.

The JTS will perform its tasks based on a framework agreement covering the whole implementation period of the programme and the whole range of tasks to be performed and multi-annual subsequent contracts setting the particular activities to be performed in different stages of programme implementation. Both the framework agreement and the subsequent contracts shall be concluded by the MA using TA funds, following the approval of the JMC over the respective financial allocations.

#### 4.4.2. JTS BRANCH OFFICES

In order to ensure a better communication with the Ukrainian stakeholders and to facilitate their access to information related to the programme, but also for supporting MA in evaluation process and implementation follow-up, two JTS branch offices shall be established in Ukraine, both in the Northern and Southern part of the programme area.

The appointed JTS branch offices shall be located in Chernivtsi, and in Odessa Oblasts. In this respect, the Ukrainian National Authority shall propose, and the Joint Monitoring Committee shall approve, two non-profit organisations that have the capacity to provide experts holding the competencies and experience necessary to fulfil the tasks specific to JTS branch offices. Maximum number of experts to perform BO tasks per organization will not go over 3 (three).

Service contracts following procurement procedures foreseen by PRAG rules shall be concluded between the Regional Office for Cross – Border Cooperation Suceava and the nominated organizations. Experts will work within these organizations based on the provisions of the Ukrainian national legislation in force.

Moreover, in order to support the activity of the Ukrainian National Authority and of the Control Contact Point from Ukraine, part of the staff of the branch offices will work in Kiev, and will assist the two institutions in performing their tasks.

The tasks of JTS branch offices will be limited to communication actions and support for MA and NA/CCP Ukraine and they will not be entrusted with tasks involving exercise of public authority or the use of discretionary powers of judgments regarding projects, during the selection process or implementation.

The JTS branch offices have the following tasks:

- To carry out information and publicity activities related to the programme, under JTS coordination;
- To provide support to the MA/JTS during the evaluation process as regards the administrative and eligibility check of the applicants
- To provide support to the MA/JTS during the grant contracting process by providing information related to national legislation of Ukraine on specific issues
- To support the JTS in the monitoring process of the projects, by organising the site visits to the projects partners located in Ukraine.
- To support JTS in perform ex-post visits to the projects located in Ukraine in order to check the sustainability of the projects, including the fulfilment of the Art 39 (3) of Commission Implementing Regulation no 897/2014.
- To support JTS in organising the missions in Ukraine of Audit Authority or any controls bodies (Commission, European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by these institutions and bodies).
- To support the National Authority and Control Contact Point in carrying out their tasks.

The RO CBC Suceava, where JTS is located, shall conclude service contracts with the organizations where the branch offices are located using the technical assistance budget and following a negotiated procedure with a single tender with the organizations designated by Ukraine.

The Joint Monitoring Committee shall be consulted over the main tasks to be performed by the branch office as well as the corresponding financial allocation.

In case procurements will be needed under these service contracts, the Ukrainian national legislation in force shall be applied provided that principles set forth in PRAG are correctly followed.

## 4.5. AUDIT AUTHORITY

The **Audit Authority within the Romanian Courts of Accounts** was appointed by the participating countries as the Audit Authority for the Programme.

In performing its tasks, the Audit Authority functions independent from the Managing Authority.

### Tasks of the Audit Authority

In accordance with article 28 of the ENI CBC Implementing Regulation, the main functions of the AA will be to:

- Ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the programme;
- Prepare an audit strategy setting out the methodology and sampling methods and the planning of audits for the current accounting year and the two subsequent accounting years;
- Draws up an audit opinion on the annual accounts for the preceding accounting year, according to article 68 of ENI CBC Implementing Regulation;
- Draws up an annual audit report according to article 68 of ENI CBC Implementing Regulation.

The Audit Authority will coordinate its audit plans and methods with the European Commission and share with the EC the results of the audits carried out on management and control systems.

#### 4.6. GROUP OF AUDITORS

The Audit Authority is assisted by a group of auditors comprising representatives of Ukraine and Romania. The institutions acting as members of the Group of Auditors (GoAs) in each country are:

- for Romania: the Court of Accounts-Audit Authority, Directorate for ERDF.
- for Ukraine: the Ukrainian Accounting Chamber.

The group of auditors shall be set up within three months of the designation of the Managing Authority. It shall draw up its own rules of procedures. It will meet at least once per year and shall be chaired by the Audit Authority.

The members of GoAs will be appointed by each country and will be independent from the other national bodies participating in the programme.

The members of the GoAs shall contribute to the following:

- The audit strategy, and further annual updates, that shall set out the audit methodology on the annual accounts and on projects, the sampling method for audits on projects and the planning of audits for the current accounting year and the two subsequent accounting years;
- The audit opinion on the annual accounts. This opinion shall establish whether the accounts give a true and fair view, the related transactions are legal and regular and the control systems are properly put in place and function. The opinion shall also state whether the audit work casts doubt on the assertions made in the management declaration referred to in the article 68.2 (b) of the ENI-CBC Implementing Regulation;
- The annual audit report providing a summary of controls carried out by the MA, including an analysis of the nature and extent of errors and weaknesses identified, both at system level and for projects, as well as the corrective actions taken or planned.

#### 4.7. CONTROL CONTACT POINT

Each participating country appointed one control contact point to assist the MA in carrying out verifications throughout the whole Programme area.

**Romania** appointed the Ministry of Regional Development and Public Administration (MDRPA) as the control contact point in Romania. The function of control contact point shall be performed by a specialised unit within First Level Control Directorate, responsible with first level control for the cross border cooperation programmes starting with programming period 2007-2013. This unit is working independently of MA, ensuring suitable segregation of functions with the management and audit levels.

Moreover, the first level control unit within the MDRPA will carry out the expenditure verifications at project level for the Romanian beneficiaries, as well as those related to the TA of the programme. There is no need for Romanian beneficiaries to foresee in their budget an allocation for external audit.

The staff of the first level control unit consist of public officers having the necessary expertise in performing their work as according to art 32 of Commission Implementing Regulation no 897/2014.

**Ukraine** appointed Ministry of Finance, as the control contact point for Ukraine.

The control contact point in Ukraine is responsible for pre-selection of independent auditors in accordance to the criteria foreseen by art 32 of the Commission Implementing Regulation no 897/2014.

## **Tasks of the Control Contact Point-Romania**

- Establishes a control system consisting of national controllers.
- Draws up procedures for national control system, coordinates the controllers and monitors the observance of the procedures.
- Carries out quality control of the work of controllers.
- Takes the appropriate measures at national level for informing the beneficiaries regarding the existence of the national control system.
- Supports the MA in elaboration of guidance on expenditure verification.
- Provide clarifications to beneficiaries on national rules (e.g. Eligibility of expenditure, procurement, labour law, taxes, accounting auditors, etc.)
- Answer possible requests for clarification put forward by the MA/JTS (during the checks performed for payment request).
- Supports the on-the-spot project verifications carried out on a sample basis by the MA or the body contracted by MA for this purpose, at the request of MA.
- Controllers perform verification (1<sup>st</sup> level control) of 100% expenditures declared by beneficiaries established on the Romanian territory, including 100% on-the-spot verification.

## **The main tasks of Control Contact Point in Ukraine are:**

- Organizes the selection of auditors at national level.
- Cooperates with the MA for setting up the criteria used for selection of auditors and preparing the terms of reference; The selected auditors shall perform verification of 100% of expenditures declared by beneficiaries established in Ukraine, including 100% of on-the-spot verification.
- Maintains an updated database of auditors and manages the pool of auditors (periodically renew the pool, exclude the auditors that proved a low-performance in their verification work or are in conflict of interest/incompatibility)
- Takes the appropriate measures at national level for informing the beneficiaries regarding the existence of the pool of auditors and the rules for using the auditors.
- With the support of JTS/JMA, organizes trainings for the pool of auditors, to inform them regarding the specificities of the programme. Supports the MA in elaboration of guidance on expenditure verification.
- Provide clarifications to beneficiaries on national rules (e.g. Eligibility of expenditure, procurement, labour law, taxes, accounting, auditors, etc.)
- Answer possible requests for clarification put forward by the MA/JTS (during the checks performed for payment request).
- At the request of the Managing Authority or Audit Authority carries out quality control of the work of independent auditors so as to ensure that the audits undertaken comply with international audit standards.
- Participates to the on-the-spot project verifications carried out on a sample basis, together with the MA or the body contracted by MA for this purpose.
- Take over the files transferred by the MA, when the MA was unable to recover the debt from a beneficiary established on its territory, and, in coordination with the National Authority shall take the necessary measures for the Partner Country to act as foreseen by the Financing Agreement.

## 5. PROGRAMME IMPLEMENTATION

### 5.1. SUMMARY DESCRIPTION OF THE MANAGEMENT AND CONTROL SYSTEM

In accordance with article 30 of ENI-CBC Implementing Regulations, the management and control systems for the Romania-Ukraine programme include:

- (a) The functions of each body involved in management and control, including division of functions within each body, their internal organisation in compliance with the principle of separation of functions between and within such bodies;
- (b) Procedures for ensuring the correctness and regularity of expenditure declared;
- (c) Electronic data systems for accounting, storage, monitoring and reporting;
- (d) Systems for monitoring and reporting where the responsible body entrusts execution of tasks to another body;
- (e) Arrangements for auditing the functioning of the management and control systems;
- (f) Systems and procedures to ensure an adequate audit trail;
- (g) Procedures for prevention, detection and correction of irregularities, including fraud and the recovery of amounts unduly paid, together with any interest;
- (h) Contract award procedures for technical assistance and projects selection procedures;
- (i) The role of national authorities and the responsibilities of the participating countries in accordance with Article 31.

Some of the information is already included in specific sections of the JOP, in particular:

- point (a) is summarized in the chapter 4 on programme bodies and authorities;
- project selection procedures, indicated in point (h) are summarized in the chapter 6 of the programme
- contract award procedures for technical assistance, also in point (h), is included in chapter 6.5 of JOP further below
- the role of national authorities and the responsibilities of the participating countries in accordance with Article 31 (3) and (4), also indicated in point (i), are summarized in the section 6.11 hereinafter.

Other procedures and arrangements for management, implementation control and ensuring the adequate audit trail are briefly described below.

#### **Procedures for ensuring the correctness and regularity of expenditure and revenue declared**

The programme foresees several procedures for ensuring the correctness and regularity of expenditure and revenue declared by the project beneficiaries to the Managing Authority:

- Regular monitoring, follow-up and support by JTS to project beneficiaries, including of/for the set-up of good internal control systems, accounting and archiving of supporting documents ;
- Verification procedures for declared expenditure and revenue;
- On-the-spot verifications of projects by MA & JTS, with support of CCP;
- Risk analysis and anti-fraud measures;
- Sample checks of the operations by the Audit Authority with the support of the Group of Auditors.

In accordance with article 32 of Commission Implementing Regulation no 897/2014, the expenditure declared by the beneficiaries shall be examined either by an auditor (for Ukrainian beneficiaries) or by a competent public officer (for Romanian beneficiaries).. All payment requests by beneficiaries, whether intermediate or final, should be subject to **administrative verifications** by the MA, after a compliance check by the JTS. The verifications shall be based on an examination of the request for payment and relevant supporting documentation such as narrative and financial reports of the Beneficiary and Expenditure Verification Report issued by the controller/auditor. Additionally, a sample of expenditure supporting documents, such as procurement procedures, invoices, proofs of payment and delivery or timesheets, may be examined, if the need arises from the outcome of the Expenditure Verification Report.

**On-the-spot verifications** shall be carried out by the MA in order to check the reality of the operation, that the delivery of the products/services is in full compliance with the terms of references of the Grant Contract, that the beneficiary's Statements of Expenditure and Sources of Funding is correct and that the actions and expenditure are in line with the community, programme and national rules. On-the-spot verifications shall be carried out on a sample basis. MA shall set the frequency and coverage of the on the spot verification so that to be proportionate to the amount of the grant to a project and the level of risk identified by these verifications and audits by the Audit Authority for the management and control systems as a whole. MA may externalise the part or all on the spot verifications using the national legal procurement procedure. In performing on the spot verification to projects, MA may request the support of the Control Contact Point.

### **Payment procedures**

Beneficiaries will receive the following payments during the life-time of the project, pursuant to Articles 58 to 64 of the ENI CBC Implementing Rules:

- An initial payment following the signature of the grant contract. The MA makes the payment to the lead beneficiary, while the lead beneficiary shall distribute the corresponding amounts to the partners.
- Interim payment, after approval of the corresponding financial and narrative reports, accompanied by Expenditure Verification Reports (EVR). The MA makes the payment to the lead beneficiary
- A balance payment, after approval of the final report, also accompanied by Expenditure Verification Reports (EVR)

The payment procedures shall have the following steps:

#### *INITIAL PAYMENT:*

1. The lead beneficiary submits a request for payment to the JTS/MA.
2. The MA makes the payment to the lead beneficiary,
3. The lead beneficiary distributes the corresponding amounts to the partners.

#### *INTERIM&BALANCE PAYMENTS:*

1. The lead beneficiary submits a request for payment to the JTS/ MA, together with the financial and narrative reports and Expenditure Verification Reports,
2. The documentation submitted by the Lead Beneficiary is checked by the JTS and later by the MA
3. The MA makes the payment to the lead beneficiary,
4. The lead beneficiary distributes the corresponding amounts to the partners.

## **Recovery of unduly spent amounts**

The Managing Authority shall in the first instance be responsible for preventing and investigating irregularities and for making the financial corrections required and pursuing recoveries in connection with individual or systemic irregularities detected in projects, technical assistance or in the programme.

The financial corrections may lead to:

- Reducing the amount of EU contribution reimbursed to programme bodies receiving technical assistance funds;
- Off-setting the cancelled amount against a future payment of EU contribution to the project beneficiary(ies) or the programme bodies receiving technical assistance funds;
- Issuing a recovery order claiming the project beneficiary (ies) or the programme bodies the payment of the amount unduly received of EU contribution.

The steps to be followed when issuing recovery orders shall be:

1. The MA shall ensure that the claim is certain, of a fixed amount and due.
2. Authorizing Officer of the MA issue the recovery order, registration of debt in the accounting system and delivery of recovery order to project Lead Beneficiary.
3. MA receives the payment from the Lead Beneficiary in the stipulated deadline or takes the decision to consider the recovery as contentious.
4. If the recovery is not concerning the Lead Beneficiary and the Lead beneficiary does not succeed in securing the repayment from the concerned beneficiary, the MA formally notify the latter to repay the lead beneficiary.
5. If the concerned beneficiary does not repay the Lead Beneficiary, the MA requests the participant country in which the concerned beneficiary is established, to reimburse the amounts unduly paid, as follows:
  - a) MA issue of the recovery order by the Authorizing Officer of the MA and delivery of recovery order to the National Authority;
  - b) where the recovery relates to a claim against a beneficiary established in Romania, the amount will be paid from the state budget to the MA and claiming back from the beneficiary;
  - c) where the recovery relates to a claim against a beneficiary established in Ukraine, the level of responsibility of Ukraine is such as it is laid down in the Financial Agreement.
6. Any amounts recovered shall be allocated to the Programme and inserted into accounting system. The funds recovered by the EC shall be returned and included in the programme accounting system.

If the amount due is not received, a waiver procedure will be initiated in line with Art. 75.2 of the Implementing Rules. In this respect, MA shall ensure that the waiver is in order and complies with the principles of sound financial management and proportionality.

In case of waiver of debts, the steps to be followed shall be:

1. Proposal of waiver by the MA in line with Art. 75.2 of the Implementing Rules
2. Decision by the JMC
3. Communication of the decision to the EC and to the concerned beneficiary
4. Insertion into the accounting system

## **Procedures for drawing up the programme accounts**

In accordance with the Article 68 of the ENI CBC Implementing Rules the accounts of the programme shall be drawn up by the Managing Authority. These accounts shall be independent and separate and shall include only transactions relating to the programme. They shall be kept in such a way as to enable analytical monitoring of the programme by thematic objective and priority, as well as technical assistance.

The accounting activity ensures chronological and systematic recording, processing, publishing and maintaining information related to the Programme accounts for both internal and external reporting.

A system of double entry accounting is used. It provides the following:

- Chronological and systematic registration, processing and storage of information that can be verified for all accounting transactions;
- Control of the operations and of the processing procedures used and the accuracy of the accounting data supplied;
- Exact and accurate vision of the financial operations regarding the use of ENI funds;
- Keeping the accounting in LEI and / or EUR;
- Accounting related to commitments.

Preparing accounting records and financial statements occurs with different frequency: some documents are prepared daily, while others are prepared monthly, quarterly or annually.

*Daily:*

- Accounting notes

*Monthly:*

- Synthetic trial balance for all priorities;
- Cumulative balance for the entire program;
- Separate content sheet for each priority;
- Accounting journal which registers all transactions;
- General Ledger

*Quarterly and annually:*

- Balance Sheet and annexes

Analytical accounts will be established by adding letters or numbers after the synthetic account number, in order to monitor the priorities, thematic objectives, projects and beneficiaries.

## **Monitoring procedures**

Monitoring activities shall be carried out at project level, both internally (by the project partners) and externally (by the programme bodies). The monitoring procedure will track the achievement of programme indicators and related results.

The aim of the project-level monitoring activities shall be to track progress in project implementation, to take remedial action where necessary as soon as possible, as well as to update action plans.

Project monitoring is the on-going process of systematic collection of information about the conduct and results of certain activities, analysis and use of information through the documents and / or by site visits, in order to obtain the overview about the progress of a project.

The monitoring procedure is the managerial instrument through which the technical and financial progress made in implementing projects at various levels is followed, including comparing their results with proposed targets to meet specific objectives.

The monitoring procedures provide an operational framework for carrying out the monitoring of projects by the MA and JTS, by determining the way of work, deadlines for these activities and responsibilities of personnel involved;

### **Use of electronic data systems**

The software (IT system) to be developed by the Managing Authority shall include features for collecting, recording and storing electronically data on each project, for monitoring, evaluation, financial management, control and audit and communication purposes.

The software will be a management system covering the whole programme cycle and allowing:

- management of procedures, including the programme work flow and audit trail
- monitoring information for all programme bodies, including dashboards and alerts
- reporting

### **Risk management procedure**

In order to monitor the external and internal environment of the Programme as to identify whether or not the assumptions that have already been made within the JOP are likely to hold true, as well as new risks that may be emerging, a system of risk management will be implemented. This will include an appropriate procedure for risk identification and actions to be taken in order to manage or mitigate the risks.

The risk management procedure describes, taking into account the principle of proportionality, the system put in place for ensuring that an appropriate risk management exercise is conducted at least once per year, and, in particular, in the event of major modifications of the activities and/ or modifications of the Programme environment. It describes the work flow needed for conducting the risk management exercise and the bodies, departments and personnel involved and the documents to be prepared.

Risk management is a continuous and cyclical process that includes the following steps:

- Risk identification and evaluation
- Planning of activities for risk mitigation
- Implementing of activities for risk mitigation
- Revision of the risk mitigation activities and risk reporting

### **Archiving procedure by programme bodies**

The documents issued by any department of the MA are the property of the Romanian Ministry of Regional Development and Public Administration. They are kept for a period of 5 years after the official closure of the Joint Operational Programme "Romania-Ukraine 2014-2020 in accordance with the requirements of European regulations and in accordance with the Romanian legislation on keeping the documents to their creators and holders.

## **Procedure for the verification of JTS capacities to carry out delegated tasks**

MA will delegate to the JTS several tasks related to the daily management of the programme by means of a framework agreement signed with the legal entity hosting the JTS. The verification performed by the MA in order to assess and monitor the capacity of the JTS to carry out the delegated task will consist of continuous verification of the delegated tasks based on the documents submitted by the JTS according to the rules of procedures of the MA and the JTS as well as periodical/ad-hoc on the spot verifications.

The verification of the delegated tasks will mainly focus on the following aspects:

- the institutional conformity and capacity
- the correct use of procedures of the JTS
- the various documents and report drafted by the JTS while performing the delegated activities
- the relevant conditions and operations related to performing the delegated activities according to the implementing agreement

MA will analyse the results of the verifications in order to establish corrective measures aiming to improve the activity and performance of the JTS.

## **Procedures for the management of irregularities**

The prevention, detection and correction of irregularities and fraud are a joint responsibility of the joint programme bodies and the participating countries and affect multiple procedures described in the DMCS.

The prevention of irregularities both at programme and project level may be summarised in three types of actions:

- Information
- Capacity building
- Support

Managing Authority will ensure a unitary set of rules for ascertainment of the types of irregularities and their corresponding corrections. This set of rules will take into account the nature and the gravity of the irregularities and financial loss, while a proportionate financial correction will be applied.

The main procedures and actions to be carried out for the detection of irregularities and fraud and its responsible bodies are:

Procedure/Action	Responsible bodies
Expenditure Verification Report (EVR)	Controllers/auditors, CCP
Verification of supporting documents	Controllers/auditors, JTS, MA & CCP
On-the-spots checks	MA & Partner Country CCP
Progress reports	JTS & MA
Follow-up & regular monitoring	MA and JTS with support by NA
Visit to project's events/activities	JTS, BOs, MA & NA
Sample checks, including checks on the performance of the work	AA & Group of Auditors

of controllers (re-performing & check on working papers)	
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Table 14: Irregularities and frauds

When the irregularities are identified in the framework of the verification procedures linked to a payment claim, the MA may reduce the amount of EU funding for the project to be paid or the reimbursement of technical assistance expenses. Otherwise, once the irregularity is confirmed by the MA, this body will decide on the applicable procedure to recover or reduce the amount due.

**Procedures for auditing the functioning of the management and control systems, the accounts and operations** The Audit Authority's audit manual ENI 01<sup>12</sup> describes the working procedures to be carried out for the audits on the programme management and control systems, on the appropriate sample of projects and on the annual accounts of the programme.

The audit manual provide a description of the working procedures for the different phases of an audit, i.e. audit planning, preliminary survey, risk assessment, performance of engagements, recording and documentation, supervision, reporting, quality assurance process and external review, using the work of other auditors, use of any computer assisted audit techniques (CAATs), sampling methods used, etc.

The audit manual contain reference to materiality thresholds and other quantitative and qualitative factors to consider when assessing the materiality of audit findings for system audits, audits of operations and audits of the annual accounts.

The audit manual cover a description of the different phases of reporting (such as draft audit reports, contradictory procedure with the auditee and final audit reports), deadlines for reporting, follow-up processes.

The Audit Authority will be assisted by a Group of Auditors comprising a representative of each country participating in the programme.

The Audit Authority considers the Guideline No 25 of the European Implementing Guidelines for the INTOSAI Auditing Standards<sup>13</sup>, related to the concept of using the work of other auditors and experts by the European Supreme Audit Institutions. This guideline specifically refers to the requirements to be respected depending on the extent of the reliance on the work done by other auditors at each phase of the audit, whether for planning purposes, as part of the audit evidence or at the end of the testing.

The extent of procedures that the principal auditor should perform to obtain sufficient appropriate audit evidence that the work of the other auditor is adequate for the principal auditor's purposes, in the context of the specific assignment, depends on the phases of the audit where the work of other auditors may be used. Especially when the work is used as audit evidence, the Audit Authority's review will be more detailed.

Further guidance is provided by the ISSAI 1610<sup>14</sup> (includes ISA 610) concerning the use of the work of internal auditor, and by ISSAI 1620<sup>15</sup> on using the work of an auditor's expert.

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<sup>12</sup> The audit manual will be developed by the Audit Authority and will be available only to the members of the Group of Auditors

<sup>13</sup> <http://eca.europa.eu/portal/pls/portal/docs/1/133817.PDF>

<sup>14</sup> [http://www.issai.org/media/13128/issai\\_1610\\_e\\_.pdf](http://www.issai.org/media/13128/issai_1610_e_.pdf)

<sup>15</sup> [http://www.issai.org/media/13188/issai\\_1620\\_e\\_.pdf](http://www.issai.org/media/13188/issai_1620_e_.pdf)

## Modification of DMCS

Modifications may arise as a proposal of the National Authorities, the JTS, the MA or the AA, with the aim of improving the efficiency and effectiveness of the programme and project implementation or in order to correct deficiencies in the system.

There may be two types of modifications of the DMCS:

- Minor modifications that do not significantly affect the management and control system (e.g. changes in name of the institutions or departments involved in the system, while maintaining their functions as described, modifications of number of staff, minor modifications of internal procedures of the management structures). The JMC shall be informed about the nature of the modification;
- Significant modifications which will be approved by the JMC. The revised version of the document shall be made available to all programme authorities and bodies, as well as to the European Commission.

## 5.2. PROGRAMME TIMEFRAME

	Provisional indicative time-frame for programme implementation																					
	2015		2016		2017		2018		2019		2020		2021		2022		2023		2024			
	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II
Period of execution																						
Signature of Fin. Agreements.																						
JMC meetings																						
Setting up of the JTS/BOs			JTS	BO																		
Launching of the calls					hard + soft						soft											
Evaluation/selection of projects (call for proposals)																						
Contracting phase (call for proposals)																						
Implementation of projects (call for proposals)																						
Submission of summaries for projects selected through direct award to the EC																						
Submission of full applications for projects selected through direct award to the EC																						

Table 15: Programme timeframe

## 6. PROJECT EVALUATION AND SELECTION PROCEDURES

Within the Programme Romania-Ukraine, the projects shall be selected mainly following calls for proposals. However, a maximum of 30% of programme funds may be granted through direct award.

## 6.1. SELECTION FOLLOWING CALLS FOR PROPOSALS

The selection of the projects submitted following the call for proposals launched under the Programme shall be realised through a process consisting of several steps and involving both joint structures, national authorities and independent assessors. The roles and responsibilities of each actor involved, as well as a summary of the process is presented below

### 6.1.1. ROLES AND RESPONSIBILITIES

### ***Joint Monitoring Committee tasks:***

- To approve the criteria for selecting projects and provide guidance from the legal perspective for requirements and further evaluation;
- To nominate, with the NA, members of the Project Selection Committee, and approve the composition of the team involved in evaluation (Coordinator, Secretary, internal assessors);
- To approve the evaluation reports after each step of evaluation, and may ask supplementary evaluation to be performed by external assessors, only in duly justified cases;
- To approve the terms of reference for external assessors.

### ***Managing Authority tasks:***

- To prepare the documentation related to calls for proposals, with the support of National Authorities and JTS;
- To nominate the Coordinator of the Project Selection Committee from the staff of MA/JTS;
- To contract the external assessors following a procedure in accordance with the national law on procurement;
- To take measures for avoiding any double funding of project activities, by circulating the list of projects to the National Authorities and the European Commission.

### ***Joint technical secretariat and Branch Offices***

- To support MA in preparing documentation related to calls for proposals.
- To organise the evaluation process
- To participate with its staff as ***internal assessors*** in evaluation of eligibility and administrative step;
- To designate the Secretary of the Project Selection Committee.

**National Authorities tasks:**

- To support the MA in the preparation of the evaluation and selection procedure, including the contract template, ensuring the compliance with the national legislation of each participant country;
- To support the Project Selection Committee in performing eligibility check of the applications.

**Project Selection Committee tasks:**

- To coordinate the work of internal and external assessors, performing also a quality check of their work;
- To draw up the evaluation reports following each step of the selection procedure;
- To maintain a written correspondence with the Joint Monitoring Committee.

**External Assessors tasks:**

- To perform the assessment of the project proposals in all steps of assessment, except for the administrative and eligibility check, where the assessment is performed by internal assessors;

## 6.1.2. MAIN FEATURES OF THE SELECTION PROCESS

All persons involved in the evaluation process have to strictly adhere to the principles of:

- **Confidentiality:** information made available to persons involved in the evaluation process shall be treated as strictly confidential;
- **Objectivity, independence, impartiality and equality of treatment:** project proposals have to be assessed alike and treated on their merits, following a review strictly based upon the information;
- **Transparency and clarity.**
- **Fair competition**

### Type of projects

Two types of projects defined based on the criterion set by art. 43 (2) of ENI CBC IR: the existence of an infrastructure component of at least **1 million euro** (for which special requirements are foreseen), as follows:

- **Soft projects** – projects which do not include an infrastructure component or their infrastructure components are of **less than 1 million euro** per project;
- **Hard projects** – infrastructure projects with at least **1 million euro per infrastructure component\***.

**\*No artificially division of infrastructure component in order to avoid administrative requirements is allowed.**

### Submission of projects

Two options for submission of the applications are envisaged:

- Option 1: Hard-copy submission, including electronic version on DVD. The applications will be uploaded in the informatic system by JTS.

This option will be available for the first call for proposals.

- Option 2: On-line submission. The applicants will upload their applications directly in the informatic system set at programme level. This option may be available in a later stage of programme implementation\*.

*\*The informatic system to be developed at programme level for programme management will include a component for on-line application. The estimated date for implementing the first module of the application (project selection) is middle 2016.*

***Indicative<sup>16</sup> number of applications submitted by an organisation:***

- Each organisation will be allowed to submit, as lead beneficiary, during a call for proposals, maximum 1 application for each priority. However, no limitation will be set for participating in projects as partners.

***Indicative<sup>17</sup> number of partners in a project***

Maximum 4 partners (including the leader) may participate in a project.

***Type of projects per Thematic Objective:***

- Under Thematic Objectives 2 and 3 only soft project proposals may be submitted;
- Under Thematic Objectives 7 and 8 both hard and soft project proposals may be submitted;

***Composition of the Project Selection Committee***

The Project Selection Committee is not a permanent structure of the Programme, but its setting is related to the calls for proposals. The Project Selection Committee shall oversee the entire evaluation process and prepare all materials for the JMC approval (checks the grids filled in by assessors, ensure the coherence between the scores and comments within the grids, draft the evaluation reports for each step, supervises the work done by the assessors).

The Project Selection Committee consists of:

- one coordinator, designated by Managing Authority,
- one secretary, designated by Joint Technical Secretariat and
- two members per country, designated by Joint Monitoring Committee/National Authorities.

The representatives of EC and EU Delegation in Ukraine may participate as observer in Project Selection Committee meetings, in order to enable a better synergy to be developed between bilateral and regional assistance provided to the Country by the EU on the one hand and assistance provided through the programme on the other hand.

***Evaluation process***

The entire selection procedure shall be recorded in the Evaluation reports, submitted following each step to the JMC for approval. It includes the proposals recommended for funding, as well as a reserve list. Applications will be treated equally i.e. they will be assessed against pre-defined eligibility, evaluation and award criteria. Applications will be ranked according to the total scores received in the evaluation process. The applications that will receive programme support will be selected starting from the highest-ranking one. The JMC, based on the recommendations of external assessors may decide to award a proposal under certain conditions (e.g. eligible costs reduced).

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<sup>16</sup> This is an indicative number. This provision may be changed, based on the Joint Monitoring Committee decision, during the programme implementation, without constituting a modification of the JOP.

<sup>17</sup> This is an indicative number. This provision may be changed, based on the Joint Monitoring Committee decision, during the programme implementation, without constituting a modification of the JOP

## **Impartiality and confidentiality**

All members of the Project Selection Committee (including Coordinator and Secretary), external assessors and any observers must sign a Declaration of Impartiality and Confidentiality. Any member or observer who has or might have an actual or potential conflict of interest with any applicant must declare it and immediately withdraw from the Project Selection Committee.

There is a conflict of interests where the impartial and objective exercise of the functions of a financial actor or other person, as referred in the previous paragraph, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the applicant/partners. Should the conflict of interests be proven, the member, external assessor or observer will be excluded from participating further in any capacity in the evaluation process.

Acts likely to be affected by a conflict of interest may, *inter alia*, take one of the following forms:

- granting oneself or others unjustified direct or indirect advantages;
- refusing to grant a beneficiary the rights or advantages to which that beneficiary is entitled;
- committing undue or wrongful acts or failing to carry out acts that are mandatory.

The Coordinator of the Project Selection Committee decides whether the evaluation process must be restarted. The decision must be recorded and reasons given in the evaluation report.

During the selection procedure, all contacts between the Project Selection Committee and applicants must be transparent and ensure equal treatment. Those contacts must only be in writing and must not lead to any amendment to the conditions of the call for proposal.

No information about the examination, clarification, or evaluation of proposals, or decisions about the award of a grant, may be disclosed before the evaluation report is approved.

Any attempt by an applicant to influence the process in any way (whether by making contact with members of the Project Selection Committee, Managing Authority, Joint Technical Secretariat and its Branch Offices or otherwise) will result in the immediate exclusion of its application from further consideration. In this respect, all persons facing this situation must immediately inform the Coordinator of the Project Selection Committee.

The proceedings of the Project Selection Committee, from the opening of proposals to the conclusion of the work of the Project Selection Committee, are conducted *in camera* and are confidential.

In duly justified cases<sup>18</sup>, proceedings may be done using informatics technology. Moreover, the assessors will get access to the documentation to be evaluated through the informatic system. The systems to be used shall ensure the confidentiality of the communication.

In order to keep the proceedings confidential, attendance at Project Selection Committee meetings is strictly limited to the committee members, internal and external assessors and to authorised observers.

Apart from the copies made available to the assessors through the informatic system, the proposals must not leave the room/building in which the Project Selection Committee meetings take place before the conclusion of the work of the committee. They shall be kept in a safe place when not in use.

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<sup>18</sup> When the members of PSC cannot attend the meeting.

### 6.1.3. DESCRIPTION OF THE EVALUATION AND SELECTION PROCESS

The evaluation process will go through the following steps:

- **Step 1. Administrative and eligibility assessment** (*applicable to both type of projects-hard and soft*)
- **Step 2. Technical & financial assessment** (*applicable to both type of projects-hard and soft*)
- **Step3. Assessment of the supporting documents according to art. 43 (2) of ENI CBC IR** (*only applicable to hard projects*)

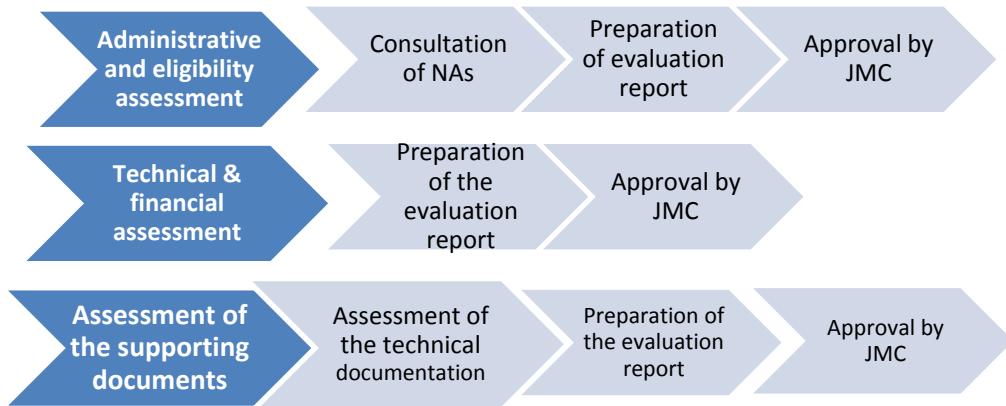


Figure 4: Evaluation process

#### Step 1 - Administrative & eligibility assessment

- Administrative & eligibility assessment performed by a designated group of **internal assessors** consisting of the JTS staff and the BO staff, using the “4 eye“ principle. The internal assessors shall work under the supervision of the Coordinator and with the support of the Secretary of Project Selection Committee.
- When clarifications concerning the eligibility of a partner are needed, the Coordinator shall address a request for support to the relevant NA. The assessment of the internal assessors is submitted to each of the NAs for checking the eligibility of the organizations from the country concerned. NAs are the sole responsible for deciding upon the eligibility of project partners. The NA concerned is free to take all the steps it considers necessary, in order to get a substantiated opinion over the analysed case, including by consultation of other relevant national institutions, but keeping the confidentiality over the evaluation process, and taking the necessary measures for avoiding potential conflict of interest.
- PSC oversees the work of the internal assessors and drafts the Evaluation Report for step 1. The report is submitted in written procedure to the JMC for information and approval.
- JMC issues a Decision for the approval of the Evaluation Report for step 1.
- PSC Coordinator notifies the rejected applicants and the applicants that were selected for step 2.

#### Step 2 – Technical & financial assessment

- The technical and financial assessment shall be carried out by external assessors.
- PSC Coordinator assigns project applications to the external assessors, based on their competencies. Each project shall be assessed by two independent assessors.
- PSC performs a quality check of the evaluation grids filled in by the assessors. In this respect, they analyse the consistency and coherence of the scores awarded by assessors, and may request, if needed,

the correction of the concerned grid. Assessors are allowed to correct their grids in cases of clear inconsistencies between their scores and their comments. An audit trail for such corrections will be kept

- If major differences between the scores awarded by the two assessors are identified, the PSC shall request an independent evaluation to be performed by a third assessor. The final score will be calculated as the average of the two nearest scores.
- The PSC drafts the common grids and the Evaluation Report for step 2, including the ranking.
- The Evaluation report for step 2 is submitted for approval to the JMC.
- The scores resulted following the evaluation may not be changed by the JMC. Only in duly justified cases, thoroughly substantiated in written, the JMC may request a supplementary evaluation performed by third independent assessor regarding one or a certain number of applications (e.g. when the JMC is not satisfied with the consistency and coherence of the scores awarded). The final score will be calculated as the average of two of the nearest scores granted by the assessors. All the concerned aspects of the evaluation process shall be reported in the evaluation report and a proper audit trail will be kept.
- The final score(s) and the list of projects (main and reserve list) thus obtained is **final** and the JMC shall approve the Evaluation Report in the revised form. Following the JMC Decision, the PSC Coordinator notifies both the rejected applicants and the awarded applicants.
- AM starts the contracting procedures with the selected applicants.

**Step 3 (for hard projects only) – Assessment of the additional documents according to art. 43 (2) of ENI IR**

- For hard projects (defined in chapter x.1.2) selected on the main and reserve list, the applicants will be requested to submit supplementary documents according to art.43 (2) of ENI CBC Implementing Rules. The deadline for submission of these documents will be set by the JMC in the Guidelines for applicants concerned by the call, according with the legal requirements of each participant country.
- The requested additional documents are:
  - (a) *a detailed description of the infrastructure investment and its location;*
  - (b) *a detailed description of the capacity building component of the project, except in duly justified cases;*
  - (c) *a full feasibility study or equivalent carried out, including the options analysis, the results, and independent quality review;*
  - (d) *an assessment of its environmental impact in compliance with the Directive 2011/92/EU of the European Parliament and of the Council and, for the participating countries which are parties to it, UN/ECE Espoo Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991;*
  - (e) *evidence of ownership by the beneficiaries or access to the land;*
  - (f) *building permit.*
- Following the deadline for submission, the PSC Coordinator assigns the additional documents to the same two assessors that performed the technical & financial assessment for the respective application.
- The two assessors will perform an assessment of the additional documents. In this respect will award scores for documents listed at points (a)-(c) above, and will check the existence and conformity of the documents listed at points (d)-(f) above.
- PSC performs a quality check of the evaluation grids filled in by the assessors. In this respect, they analyse the consistency and coherence of the scores awarded by assessors, and may request, if needed, the correction of the concerned grid. Assessors are allowed to correct their grids in cases of clear inconsistencies between their scores and their comments. An audit trail for such corrections will be kept.

- If major differences between the scores awarded by the two assessors are identified, the PSC shall request an independent evaluation to be performed by a third assessor. The final score will be calculated as the average of the two nearest scores.
- The PSC drafts the common grids and the Evaluation Report for step 3. The final ranking shall consider both the scores awarded in step 2 and step 3.
- The Final Evaluation report is submitted for approval to the JMC. Following the JMC Decision, the PSC Coordinator notifies the rejected applicants and the awarded applicants (including those on the reserve list).

### **Avoiding double funding of project activities**

- MA shall circulate the list of projects to the NAs.
- Pursuant to Art. 44 of the ENI CBC IR, the Managing Authority will consult the list of projects recommended for funding with the European Commission to avoid double funding and promote synergies with existing projects, where possible.
- If double funding is identified following these consultations, the JMC will cancel the award decision of the respective project(s) and revise the list of projects accordingly. Also, if after consultations recommendations are formulated only regarding certain activities, the JMC shall decide whether the project application may be revised by the applicant without calling into question the award criteria or the ranking of project on the list of projects.

#### **6.1.4. APPEAL PROCEDURE**

- Appeals will be analysed in a first instance by the PSC that shall verify whether material errors occurred in the content of the evaluation.
- If the subject of the appeal is of a complex technical nature or if the PSC identifies inconsistencies between the comments and scores of the external assessors, the PSC requests a formal point of view of the assessor that performed the concerned assessment. If the assessor maintains his/her point of view and no assessment error is assumed by the assessor, the PSC shall request an independent evaluation (by another assessor which was not involved in the evaluation of the concerned application before)
- The decision of the PSC on the appeals received is final, and no other supplementary complaint submitted to MA will be considered. However, the applicant may use a legal way to complain.
- If the appeal is successful, PSC amends the Evaluation Report accordingly and request the approval of the JMC on the amended Evaluation Report and corresponding list of projects

#### **6.2. SELECTION BY DIRECT AWARD**

**Only Large infrastructure projects shall be selected through direct award. The List of the proposed large infrastructure projects proposed for selection without a call for proposals is presented in the ANNEX 2 of the programme.**

Projects may be awarded without a call for proposals only in the following cases and provided this is duly substantiated in the award decision:

- a) The body to which a project is awarded enjoys a de jure or de facto monopoly;
- b) The project relates to actions with specific characteristics that require a particular type of body based on its technical competence, high degree of specialization or administrative power.

In order to qualify as a large infrastructure project, two other main conditions have to be fulfilled:

- a) The project proposal is part of the final list of large infrastructure project (including the reserve proposals) included in the Programme pursuant to Article 41 of the ENI CBC IR;
- b) At all times, the LIP comprises 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 investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2.5 million euros is allocated to acquisition of infrastructure.

The projects proposed for the selection without a call for proposals shall be approved by the JMC and the European Commission based on a two-step approval procedure as follows:

**Step 1 – Development and approval of the LIP Project Summaries:**

- The Project Summaries and the corresponding annexes are elaborated by the beneficiaries with the support of and under the coordination of JTS and MA. In the case in which the beneficiaries do not comply with the deadlines set by the JTS and MA, the applicant cannot further participate in the selection process and the first project in line from the reserve list will be notified as regards the steps of the selection process;
- After the final submission of the project summaries, the JTS will verify the documentation from an administrative point of view and, if needed, will ask for clarifications. The MA is entitled to request qualitative clarifications;
- The project summaries are submitted for approval to the JMC. With the purpose of providing to the JMC a full description of the project evolution, the MA will provide the description of the project track, the encountered problems and its corresponding quality;
- If approved by the JMC, the project summaries are submitted for approval to the European Commission. EC shall notify its decision to the Managing Authority within two months of the document submission date.

*Note: If during the approval process by the European Commission one or more selected LIPs are rejected, another project from the reserve list may start the procedures for selection, depending on the JMC decision, based on the financial resources made available.*

**Step 2 - Development, evaluation and submission of a full project application:**

- Further the approval of the project summaries, the applicants will elaborate and provide the full project application including the technical documentation such as the feasibility studies, environmental impact assessment, evidence of ownership, building permit;
- The JTS and MA will provide qualitative support to the project beneficiaries. In the case in which the beneficiaries do not comply with the set deadlines by the JTS and MA, the applicant cannot further participate in the selection process and the first project in line from the reserve list will be notified as regards the steps of the selection process;
- Once the applicants submit the full projects applications, these are administratively verified by the JTS and if the case, clarifications are requested.

**Step 3 - Evaluation:**

- For the evaluation process of the full application, external assessors will be contracted by the MA through public procurement procedure in line with the national legislation and paid from the TA budget of the programme. Selection criteria for independent external assessors are proposed by the MA and approved by the JMC decision, according to the rules of procedure of the JMC.. At all times, the evaluators, through the support of the JTS and the MA can request qualitative and technical clarifications.

**Step 4- LIP full application final approval:**

- The full project application, along with the evaluation report (that contains a clear recommendation for further financing or removal from the selection process) is submitted for approval to the JMC, along with the MA recommendations. The MA recommendations will regard the track of the project, the encountered problems and its corresponding quality.

- If approved by the JMC, the full project application is submitted for approval to the European Commission. EC shall notify its decision to the Managing Authority within two months of the document submission date.

*Note: If during the approval process by the European Commission one or more selected LIPs are rejected, another project from the reserve list may start the procedures for selection, depending to the JMC decision, based on the financial resources made available.*

### 6.3. NATURE OF SUPPORT

Projects are expected to establish long-lasting cross-border links between Romanian and Ukrainian organisations while improving the situation for the issues addressed by the Programme. Projects shall achieve a set of results that will allow the programme to reach its objectives. Project partners shall mention in their application how they will contribute to some of the programme expected results and provide relevant outputs both at the level of programme priorities and of horizontal issues.

Partners from Romania and from Ukraine should submit jointly the projects. The project proposals must include at least one partner from each country.

Project partners shall be effectively **established in the programme area**<sup>19</sup> or, in case of international organisations, have a base of operations in the programme area. A European grouping of territorial cooperation may be a project partner, regardless of its place of establishment, provided its geographic coverage is within the programme area<sup>20</sup>.

The conditions for involvement of other organisations shall be defined in the Guidelines for Applicants prepared for each call for proposals.

Project activities shall be **implemented in the programme area**. However, maximum 10 % of the Programme allocation may be used for activities outside the programme area and by beneficiaries located outside the programme area, as detailed in chapter 2.3 Flexibility rule<sup>21</sup>.

The recommended size of grant will be further defined in the Calls for Proposals<sup>22</sup>.

Projects may receive financial contribution if they meet all the following conditions:

- they deliver a clear cross-border cooperation impact and benefits as described in the Programming Document and demonstrate added value to Union strategies and programmes;
- they are implemented in the programme area;
- they take the form of :
  - *integrated projects* where each beneficiary implements a part of the activities of the project on its own territory;
  - *symmetrical projects* where similar activities are implemented in parallel in the participating countries;
  - *single-country projects* where projects are implemented mainly or entirely in one of the participating countries but for the benefit of all or some of the participating countries and where cross-border impacts and benefits are identified.

<sup>19</sup> See section 'Description of the Programme area' of the strategy part of the JOP for further details on the programme area.

<sup>20</sup> Art. 45.3 (a) of ENI CBC Regulation (EU) 897/2014

<sup>21</sup> Art. 39 of ENI CBC Regulation (EU) 897/2014 and section "Description of the Programme area" of the strategy part of the JOP for further details on the programme area

<sup>22</sup> See also Section 6.1.2 Main features of the selection process.

A project is a series of activities defined and managed in relation to the objectives, outputs, results and impacts which it aims at achieving within a defined time-period and budget. The objectives, outputs, results and impacts shall contribute to the priorities identified in the programme.

The programme will only finance soft projects under Thematic Objectives 2 and 3, while under Thematic Objectives 7 and 8 both hard and soft project proposals shall be financed.

## Call for proposals

Support to projects will be provided mainly in the form of **grants awarded to projects selected through calls for proposals**.

Three calls for proposals (one for hard projects and two for soft projects) are provisionally expected to be launched during the programme lifetime, according with the time-frame for programme implementation (presented in the chapter 5.2 on programme implementation).

The procedures to launch the calls for proposals, select and implement projects will be detailed in the Guidelines for Applicants. This document will also include the specific requirements concerning the deliverables under the project, the financial plan, and the time-limit for execution<sup>23</sup>.

## Direct award

No more than 30% of the share of the Union contribution to the Programme is allocated to projects selected **without call for proposals**. According to the participant countries decision, only large infrastructure projects are awarded through direct award within the Programme.

Large infrastructure projects are<sup>24</sup> those 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 purpose of implementing investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2.5 million is allocated to acquisition of infrastructure.

The Large infrastructure projects have been selected by the participant countries following a complex consultation process, involving relevant actors at central and regional level, while taking into consideration the criteria set by art.40 of the ENI CBC Implementing Regulation (EU) 897/2014 concerning direct award:

- a) the body to which a project is awarded enjoys a de jure or de facto monopoly;
- b) the project relates to actions with specific characteristics that require a particular type of body based on its technical competence, high degree of specialisation or administrative power.

The list of the large infrastructure projects selected by the Programme, together with an individual fiche containing relevant information such as: budget of infrastructure component, demonstration of CBC impact, main activities and their location, justification on compliance with the requirements for direct award etc., are presented in Annex II

The indicative timetable for selection, contracting and implementation of Large Infrastructure Projects is presented in the chapter 5.2 on programme implementation.

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<sup>23</sup> Art. 40 of ENI CBC Implementing Regulation (EU) 897/2014

<sup>24</sup> Art 2, (p) of ENI CBC Implementing Regulation (EU) 897/2014

## **6.4. DESCRIPTION OF THE MONITORING AND EVALUATION SYSTEM**

The monitoring and evaluation (M&E) activities will play an important role in the programme implementation. The objective is to put in place a proper risk management by project partners, Programme bodies and the EC. In addition, the M&E system will enable learning to take place during project and programme implementation as well as safeguarding accountability. In order to meet these objectives, the following activities will be carried out: monitoring at project level, monitoring at programme level and evaluation. See full details in Annex I. The Joint Monitoring Committee will observe the monitoring of the Programme implementation and ensure the achievement of the Programme objectives through a rational use of the allocated resources.

### **Monitoring activities at project level**

At the project level the monitoring will be performed internally (by the project partners, under the coordination of the lead beneficiary) and externally (by the programme bodies). The purpose of the project-level monitoring is to track progress in project implementation process in order that project results and impact to be delivered within the assumed timetable, to take remedial action where necessary, as soon as possible, as well as to update action plans.

Project beneficiaries (lead partners) will be responsible for project-level monitoring. In case of substantial risks, the lead beneficiary should inform the MA immediately. In all other cases, it will report to the MA periodically, in accordance with the grant contract provisions.

The day to day monitoring activities performed by the MA and JTS will consist of:

- Revision of progress reports prepared by the beneficiaries;
- regular contact with the lead beneficiaries by e-mail and telephone,
- feed-back requested from project partners (non -lead beneficiaries)
- attending key project events (where possible);
- on-the-spot visits (the MA or JTS staff will visit each project at least once during its implementation).

The project applications forms will include the measurement of programme output indicators (at least one), alongside project-specific output indicators. This aspect will be further detailed within the call for proposals documentation.

The Programme will also carry out an internal Result-Oriented Monitoring (ROM) plan, and it will review the performance of projects funded with a focus on the results to be achieved and the need for remedial actions. ROM reports will also make recommendations to lead beneficiaries and beneficiaries in order to improve project implementation and they will be used for other JMC decisions if it will be the case.

### **Monitoring at programme level**

Day-to-day activities will focus primarily on progress in implementation of the programme in terms of financial and output indicators, as well as in terms of risks and assumptions. The basis for data collection will be mainly project reports. Aggregation will be carried out in the framework of the Management and Information System (MIS), where data on progress in terms of launching calls, applications received, the assessment of their quality, contracts signed and project-level on-the-spot visits and audits is also available.

In addition, there will be a need for additional data collection in order to measure the results at programme level. This will include surveys among reference groups, consisting of a sample of relevant organisations (see a summary of methodology for measuring the result indicators in Annex IV).

The MA shall submit an annual report approved by the JMC to the EC by 15 February each year. That annual report shall include one technical and one financial part covering the preceding accounting year. The programme will also provide input to the KEEP database on, amongst others, common output indicators, projects contracted, status of beneficiaries and budget allocations per partner.

## Evaluation

In terms of evaluation, by the end of 2017 the EC will commission a mid-term evaluation at instrument-level, which will generate conclusions and recommendations that are relevant for the programme as well. The MA will inform the JMC about the mid-term evaluation findings to the extent they are relevant for the programme. In addition, the programme may commission a programme-specific evaluation (which is likely to take place in 2020), building on the EU-level mid-term evaluation and used as a basis for future programming, or possibly serving as a basis for reallocation of funds and/or revision of indicators target values.

## Indicative Monitoring and Evaluation Plan

The M&E plan (attached in Annex 1) is used to systematically plan the collection of data to assess and demonstrate progress made in achieving expected results. It highlights mechanisms or modalities for monitoring the achievement of outputs and contribution towards achievement of expected results. The M&E plan incorporates the programme indicators, baselines targets and their means of verification. It contains detailed definitions for the programme indicators, rationale for their selection, sources of information and verification, baselines and targets, methods and tools to collect data, where necessary calculation formulas for result indicators, and milestones to measure and report on progress in terms of output indicators. The plan also presents the frequency of data collection. An indicative list of evaluations to be undertaken, together with their subject and rationale is also included.

## 6.5. TECHNICAL ASSISTANCE

Technical Assistance will be used to cover the preparation, management, implementation, monitoring, audit and control activities related to the implementation of the Programme as well as studies, seminars, translation, information dissemination, evaluation and publicity measures. Collectively, the funds allocated to support activities under Technical Assistance, are limited to a maximum of 10% of the global EU's contribution to the Programme.

The aim of Technical Assistance is to achieve effective and efficient implementation of the Programme by enhanced preparatory, monitoring, administrative and technical support, and by ensuring the widest participation possible amongst the public.

The technical assistance will consist of two main components:

- Programme management and implementation
- Information and communication

The main indicative activities planned to be implemented from the technical assistance budget are described below:

- Support to the programme's bodies (JMC, MA, NAs, AA & GoAs, CCP and PSC) for fulfilling their tasks related to the management, implementation, monitoring, evaluation, audit and control of the programme;
- Establishment and functioning of the Joint Technical Secretariat and its branch offices;
- Supporting partner search initiatives and the enhancement of the potential applicants' capacity to submit relevant project applications, contributing to the programme objectives and expected results;
- Strengthening beneficiaries' capacity for an efficient and effective management of the projects;
- Supporting the activities related to information and promotion of the programme and capitalization of its results, as they are presented in the Communication Strategy.

The TA activities will be implemented by the MA, JTS and AA and the related contracts shall be awarded according with the relevant national legislation of Romania, the country hosting the MA, JTS and AA, which is in line with EU requirements, or following PRAG rules. In case procurements will be needed under the service

contracts to be concluded with the organizations hosting the BOs, the national legislation in force shall be applied provided that principles set forth in PRAG are correctly followed.

However, if during the programme implementation, the circumstances will require the implementation of TA activities by other programme bodies, the procurement procedures applicable shall be those described in art. 37 of the Regulation (EU) No. 897/2014.

Eligibility requirements set out in Article 48 of the Regulation (EU) No.897/2014 apply mutatis mutandis to technical assistance costs.

Costs referred to in Article 49 of the Regulation (EU) No.897/2014 shall not be considered eligible as technical assistance costs.

Costs for preparatory actions referred to in Article 16 of the Regulation (EU) No.897/2014 shall be eligible upon submission of the programme to the Commission, provided the programme is approved by the Commission pursuant to Article 5 of the Regulation (EU) No.897/2014. Costs for preparatory actions contracted from 01/07/2015 will be exclusively covered by the TA budget 2014-2020.

The overall indicative TA budget is presented below.

Changes within the TA budget (transfers between chapters, management structures, etc) do not constitute an adjustment of the programme and may be made as necessary to ensure the proper implementation of the programme as long as it is in accordance with the Article 6 of the ENI CBC Implementing Rules.

#### Indicative Technical Assistance budget

Budget categories		MA	JTS	Audit Authority	First Level Control <sup>25</sup>	National Authority <sup>26</sup>	%
Total							100%
1	<b>Staff costs</b>	<b>0</b>	<b>2.204.700</b>	<b>0</b>	<b>0</b>	<b>151.800</b>	<b>36,7%</b>
2	<b>Travel costs</b>	<b>342.730</b>	<b>424.000</b>	<b>141.740</b>	<b>92.279</b>	<b>0</b>	<b>16,7%</b>
3	<b>Equipment &amp; supplies</b>	<b>180.400</b>	<b>138.580</b>	<b>15.000</b>	<b>28.500</b>	<b>10.000</b>	<b>6%</b>
4	<b>Administrative costs</b>	<b>72.000</b>	<b>325.320</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,6%</b>
5	<b>Subcontracted services</b>	<b>816.000</b>	<b>901,845</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,3%</b>
	<i>Information and</i>	<i>169.000</i>	<i>450.000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>10,3%</i>

<sup>25</sup> First level control allocation refers to the first level control in Romania. The MA will include the allocation estimated for First Level Control in Romania in its own budget.

<sup>26</sup> The financial allocation for the National Authority foresees also funds for the Control Contact Point in Ukraine and is included in the JTS budget as subcontracted services.

	<i>Communication</i>						
	<i>Branch Offices</i>	0	360.000	0	0	0	6%
	<i>Other subcontracted services (meetings, consultancy, courier, telephony, translation, etc)</i>	647.000	91.845	0	0	0	15%
6	<b>Other costs (bank fees, etc.)</b>	6.994	6.300	0	0	0	0,2%
7	<b>Contingent Expenses<sup>27</sup></b>	141.812	0	0	0	0	2,4%
	<b>Total per structure</b>	<b>1.559.936</b>	<b>4.162.545</b>	<b>156.740</b>	<b>120.779</b>	<b>161.800</b>	<b>100%</b>

Table 16: Technical Assistance budget

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<sup>27</sup> This may include any expenses needed for Programme Implementation, with due respect to article 36 of the Implementing Rules.

## **Programme management and implementation**

The activities supported from TA will aim at strengthening the capacity of beneficiaries to prepare and implement projects, supporting the coordination, management and control of the Programme, and increasing efficiency of the human resources involved in the coordination, management and control of the Programme.

In particular, the TA will financially support the management structures in performing their tasks related to selection of projects, monitoring of projects, verification of expenditures, authorising and payments, audits, programme evaluation, including by ensuring the necessary logistics (IT, office equipment, consumables) and by covering the travel costs and costs of meetings.

The TA allocation of the Programme will be managed by the MA. The use of TA will be annually set through an annual strategy, proposed to the JMC for approval by the MA.

At the beginning of the implementation of the Programme, the MA will conclude a framework agreement with the Regional Office for CBC Suceava, the hosting organisation for JTS, setting the main tasks delegated to the JTS, covering the whole implementation period of the Programme. The MA will further conclude multi-annual (covering two or three years) financing contracts, setting specific tasks required by a particular stage of programme implementation.

The RO CBC Suceava will conclude subsequent service contracts with two organisations designated by Ukraine as JTS Branch Offices. The JTS branch offices will work under the coordination of JTS and will act as local contact points that shall mainly assist potential applicants with information. The role of the JTS branch offices will be of publicising the programmes, of assisting in project development, partner search and advising partners on the implementation of projects. JTS branch offices will also provide support to JTS in fulfilling its tasks related to project monitoring (may be involved in on the spot checks particularly in organising the site visits to the projects partners located in their interest area).

In order to support in the day to day activity related to the Programme of the National Authority of Ukraine and Control Contact Point, part of the staff (two persons) of the JTS Branch Offices will work in Kiev, within the Ministry of Economic Development and Trade and Ministry of Finance. Specific job description, related to this support activity, will be developed. The costs of this staff will be covered from the budget of the JTS, JTS Branch Office respectively.

The Technical Assistance of the Programme will finance the activity of the Control Contact Point and of national controllers from Romania, by supporting the cost of necessary office equipment, site visits, participation to the meetings of controllers, trainings, etc.

The Control Contact Point and the selected auditors (controllers) from Ukraine will benefit of trainings organised by JMA/JTS with the support of NA. The costs required by the activity of CCP (e.g. for on-site visits, meeting of the controllers, trainings, etc) will be covered by the TA, through the MA/JTS budget. The cost of Ukrainian auditors/controllers for performing the verification of expenditures will be covered individually by each project, from its own budget.

The TA will also finance the audit activities performed by Audit Authority and Group of Auditors as described in chapter 4 of this Programme.

Indicative activities that may be funded include:

- Joint Monitoring Committee functioning;
- Managing Authority functioning;
- Establishment and operation of the Joint Technical Secretariat and its branch offices;

- Project selection;
- Support to the MA, for studies and experts consultancy on themes relevant for the Programme implementation;
- Programme auditing and evaluation;
- Trainings and professional development of staff.

## **Information and Communication**

This component of Technical Assistance will support activities that promote and publicise the Programme together with the results and achievements accomplished. It will also organise activities that seek to increase the awareness of, and information amongst, potential project partners and beneficiaries in order to ensure the widest participation possible from the public and private sector. To this end, an information and publicity plan will also be included in the Programme setting out the aims and target groups and the strategy of the actions.

Conferences, workshops, training for beneficiaries, networking, awareness-raising and co-operation exchange of experience are also necessary activities.

Indicative activities that may be funded include:

- Development of an information system of the Programme content for all interested actors, preparation and dissemination of information and publicity materials (official Programme documents, manuals of procedures, bulletins, brochures, posters, objects with EU logo, Programme logo);
- Organizing conferences, seminars, workshops, training for beneficiaries, networking, awareness-raising and cooperation/ exchange of experience;
- Develop on-line communication tools as website, internet or intranet platforms;
- Creation, dissemination broadcasting of audio and video materials.

## **6.6. COMMUNICATION STRATEGY**

Communication and information dissemination are essential for the successful implementation of the Programme. General public, potential beneficiaries, beneficiaries of the JOP RO-UA-MD 2007-2013, larger target groups must be informed and kept inform throughout the implementation of the Programme. The capitalisation of the result must be ensured and impact dispersed.

The ENI CBC Implementing Regulation stipulates that information on the communication strategy for the whole programme period, and an indicative information and communication plan for the first year should be included in the programme.

The strategy addresses information and communication needs for the different target groups identified:

- internal public, having responsibilities within programme implementation: programme management bodies, EC, controllers;
- external public: potential applicants, beneficiaries of the financing, programme information network, other donors;
- general public.

The general objective of the communication strategy is to support achievement of the programme objectives through effective, transparent and relevant communication, in order to ensure transparency and to increase the awareness of all interested factors as regards the opportunities provided by the programme.

General awareness of the Programme is important especially to increase confidence in the Programme among citizens and for building functional partnerships between different types of beneficiaries.

See ANNEX III for the communication strategy and the Annual Information and Communication Plan for 2016.

## **6.7. STRATEGIC ENVIRONMENTAL ASSESSMENT**

The ENI Implementing Regulation requires that "*information on fulfilment of regulatory requirements laid down in Directive 2011/42/EC of the European Parliament and of the Council*" shall be included in the Programme as part of the programme implementation description.

As the SEA Directive does not specifically address the issue of cross-border cooperation with countries that are not members of the EU, a "Guidance Note on Strategic Environment Assessment in the context of ENI CBC" has been developed by INTERACT ENPI and validated by the relevant directorates of the EC. The note provides MAs with an interpretation of the SEA Directive in the context of ENI CBC, including the necessary legal steps to conduct the SEA process and the actors to be involved. The note states that the member State hosting the MA is responsible for determining whether a SEA is required or not, according to its legislation, and also to involve and consult the partner countries concerned at the appropriate level.

In order to comply with the requirements of the ENI Implementing Regulation, the Romania-Ukraine Programme has gone through the necessary steps in compliance with Directive 2011/42/EC of the European Parliament and of the Council.

The main elements recommended to be followed in such environmental assessments are as follows:

- Description of key environmental aspects to be addressed;
- Description of the reference range of environmental values to be submitted for analysis in the SEA report;
- Ways to identify the environmental impact of the Plan/Programme implementation;
- Assessment of capacities to address the challenges, risks and their prevention on the environment.

In Romania the main regulations in force for the development of SEA for the cross-border cooperation Programmes, are:

- Directive 2001/42/EC (SEA Directive) of the European Parliament and of the Council of 27 June 2001 on the assessment of effects of certain plans and Programmes on the environment;
- SEA Protocol - Protocol on Strategic Environmental Assessment to the Convention on Environmental Impact Assessment in a trans-boundary context.

Currently Ukraine is in the process of harmonization of the national legislation with EU regulations. No specific legislation for SEA is in force, but only for assessment of the environmental impact of activities, namely:

- *Law on urban development regulations*, adopted in 2011, contains elements of environmental impact assessment, but they are not quite in line with the EIA Directive;

- *Law on Ecological Expertise*, of 9 February 1995, which is still in force and contains more or less the requirements of the Aarhus Convention (Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, 28 June 1998) and of the EIA Directive

Moreover, the Law regarding the strategic environmental assessment is currently in public debate, not in force at the date of Programme preparation.

An ***Inception Report*** was made in order to identify the environmental relevant legislation and the Environmental Authorities from partner countries and to describe the methodology proposed by the Commission. The report included also an indicative calendar on how to develop the SEA procedure. The relevant environmental authorities were identified: for Romania, the Ministry of Environment, Waters and Forests (MEWF) and for Ukraine, the Ministry of Ecology and Natural Resources (MERN).

On February 2<sup>nd</sup>, 2015 the Management Authority (MRDPA) from Romania submitted the ***Inception Report to*** the Joint Programming Committee.

This ***Inception Report*** was approved by Joint Programming Committee (JPC).

#### 6.7.1. **SEA PROCEDURE**

The SEA procedure for the Romania-Ukraine Programme was guided by the **Ministry of Environment, Waters and Forests** from Romania (MEWF) based on the SEA Directive and the Romanian Government Decision on the environmental assessment of plans and Programmes.

According to the SEA Directive an environmental assessment should be carried out for a Programme as follows:

- It is automatically required if the relevant Programme sets the framework for projects with works component as listed in Annex I or II of the EIA Directive (87/337/EEC), or which in view of the likely effects on sites, have been determined to require an assessment pursuant to art. 6/7 of the Habitat Directive (92/43/EEC).
- The need for an environmental assessment is determined following a screening process to determine whether or not the Programme sets the framework for project that are likely to have a significant effect on the environment.

##### Decision regarding the screening procedure

The **Ministry of Regional Development and Public Administration** (MRDPA) from Romania, the Managing Authority for the Programme, notified the **Ministry of Environment, Water and Forest** (MEWF) on February 11<sup>th</sup>, 2015 about the first draft of the Programme Ro-Ua and requested the starting of the environmental assessment according to the Directive 2001/42/EC. The current practice in Romania for the environmental assessment of such Programmes is to publish twice an announcement in mass-media. This was made in a newspaper of national level, ***Evenimentul zilei***, first time on February 11<sup>th</sup>, 2015 and the second time after 3 days on February 14<sup>th</sup>, 2015.

The MEWF Romania communicated its decision regarding the SEA procedure for the Programme to the MA on March 5<sup>th</sup>. Taking into consideration the information found in the first draft of the Programme Romania-Ukraine, the MEWF decided that:

- The Programme defines the framework for the implementation of projects that are mentioned in Annex I and II of the Directive 2001/42/EC (EIA) and must be evaluated under SEA procedure;
- Because the Programme also will finance Large Infrastructure Projects is mandatory to have a full SEA Procedure and is no need to do a **Screening Report**.

Following this decision, according to the SEA Directive the procedure has two phases:

- The completion of the Programme draft and the drafting of the Environmental Report;
- The analysis of the quality of the Environmental Report;

The MEWF decided, based on Article 6 (3) of the Directive, that a Working Group should be established in Romania in order to analyse and finalize the Environmental Report. The MEWF Romania communicated to the MA the composition of the Working Group set in accordance to the specific activities of the Programme as follows: *Ministry of Health, Ministry of Internal Affairs, General Inspectorate for Emergency Situations, Ministry of European Funds, Ministry of Agriculture and Rural Development, Ministry of Transport, Ministry of Culture, Ministry of Education and Scientific Research, Ministry for Information Society, Ministry of Environment, Water and Forest (through General Directorate of Impact Assessment and Pollution Control – Service of Air Protection and Pollution Control, General Directorate of Climate Change, Directorate of Biodiversity, General Directorate of Waste, Contamination Sites and Hazardous Substances, General Directorate of Water and General Directorate of Forest, National Administration of Romanian Waters), County Councils from Programme area.*

### **The development of the Environmental Report**

In order to develop the SEA procedure, the Preliminary Environmental Report was drafted and sent for consultation to the Working Group in Romania and to the National Authority and MERN in Ukraine. In Romania, according to the working procedures of the MEWF setting the scope of the SEA is part of the procedure of drafting the environmental report. As a request of the National Authority and with the scope of facilitating the SEA procedure in Ukraine a Scoping Report was also drafted and sent, together with the Preliminary Environmental Report to the relevant authorities from Ukraine.

The Working Group in Romania and the MERN in Ukraine analysed the **Preliminary Environmental Report** in order to point out the environmental aspects that can be influenced by the possible future projects financed by the Programme Ro-Ua together with the measures to be taken in order to minimise their impact.

On April 30<sup>th</sup>, 2015 MERN submitted its comments on the documents received. According to the official letter sent by the Ukrainian counterpart, Ukraine didn't ratify the SEA Protocol of 2003 and doesn't have national legislation for the environmental assessment of Programmes and plans as this legislation was still under public consultation at the time of the SEA procedure. The existing relevant legislation only refers to projects and is not applicable to plans and programmes. MERN Ukraine nominated a representative to participate in the consultation for SEA procedure.

Three meetings of the **Working Group** have been organised in Romania in order to discuss the impact of each indicative activity of the thematic objectives proposed by the Programme on the relevant environmental aspects and how this impact should be monitored during the implementation period:

- **Working Group 1**, March 30<sup>th</sup>, 2015: Programme presentation, SEA methodology, key aspects of assessment and timetable for progress;
- **Working Group 2**, April 21<sup>st</sup>, 2015: Presentation and discussion of the *Preliminary Environmental Report*, environmental issues presented, including comments/observations/recommendations;
- **Working Group 3**, May 11<sup>th</sup>, 2015: Presentation of *Final Environmental Report* including all comments/observations/recommendations of the authorities and the decision of disclosure of the Report for the public consultation.

The *Final Environmental Report* prepared in accordance with Annex I of the SEA Directive and including all the views of the relevant authorities was submitted to the MEWF from Romania and to National Authority from Ukraine on May 18<sup>th</sup>, 2015 and made available for the public on the websites of the Managing Authority, JTS, Ro-Ua-Md Programme and MEWF.

Following the closure of the SEA procedure the Ministry of Environment, Waters and Forests from Romania issued, in 29<sup>th</sup> of June 2015, the official opinion regarding the fulfilment of the requirements of SEA procedure by the Joint Operational Programme Romania-Ukraine 2014-2020, and approved the Programme. The indicators proposed for monitoring the effects of the Programme on the environment are included in the official opinion of MEWF, as well as in the Environmental Report and its Non-technical summary.

#### 6.7.2. PUBLIC CONSULTATION

##### ROMANIA

Following the notification of the MA, the MEWF Romania published the draft of the Programme on its website: <http://www.mmediu.ro/categorie/evaluare-de-mediul-pentru-strategii-planuri-programmee/60>). The Managing Authority also announced on their website [www.mdrap.ro](http://www.mdrap.ro) and on the Programme website [www.ro-ua-md.net](http://www.ro-ua-md.net) that the SEA procedure started.

Also, **the Working Group decided in its third meeting** to make available the *Environmental Report* for the public consultation for 30 days, starting on March 18<sup>th</sup>, 2015. The *Environmental Report* and the **Programme** were published on the websites of the Managing Authority, JTS, Ro-Ua-Md Programme and MEWF.

##### UKRAINE

The *Final Environmental Report* was sent to the National Authority of Ukraine at the same time it was made available for the public in Romania in order to allow the Ukrainian side to carry on its own procedures. In order to facilitate the consultations in Ukraine the report was also translated and made available in Ukrainian language.

Moreover, on May 27<sup>th</sup>, 2015 a public consultation was organized in Chernivtsi, Ukraine where a presentation of the *Final Environment Report* was made in front of relevant local authorities from Ukraine.

### **6.7.3. HOW ENVIRONMENTAL CONSIDERATIONS AND THE OPINIONS EXPRESSED HAVE BEEN TAKEN INTO ACCOUNT**

During the meetings of the Working Group it was received comments/observation and recommendations from the relevant authorities regarding the description of the existing quality of the water inside of the Programme area, the other relevant strategies and plans, the assessment of impact for some indicative activities of the thematic objectives on the relevant environmental aspects and on environmental monitoring indicators.

The authorities which proposed modifications and completion, that were taken into consideration and integrated into the Final Environmental Report were the following: *MEWF (through the General Direction of Impact Assessment and Pollution Control – Service of Air Protection and Pollution Control, General Direction of Climate Change, Direction of Biodiversity, General Direction of Waste, Contamination Sites and Hazardous Substances, National Administration Romanian Water ), Ministry of Health, Ministry of Culture, Ministry of European Funds, Ministry of Agriculture and Rural Development and Botosani County Council.*

### **6.7.4. MONITORING MEASURES**

In order to monitor the Programme impact on the environment, the following principles should be considered:

- Contribution to energy efficiency, the reduced usage of raw materials or hazardous substances;
- Contribution to the development of green infrastructure, including management of protected areas;
- Contribution to the surface/ ground water proper management;
- Contribution to an adequate management of the use of ground and underground waters;
- Contribution to sustainable mobility and multimodal transport;
- Contribution to an effective waste management, recycling and reuse;
- Contribution to risk prevention/natural disasters and climate change mitigation;
- Application of the principle of green public procurement

According to Article 10 of SEA Directive the significant effects on the environment of the implementation of the Programme have to be monitored.

The monitoring indicators recommended for the indicative activities of the Programme, under which there can be a possibility to finance projects having an impact on the environment were established through the following steps:

- Some of these indicators are the same as those monitoring the implementation of the Programme, and as such they can also monitor the impact on the environment;
- For certain indicative activities under some priorities and LIPs, specific environmental indicators were recommended;
- Other Programme indicators were modified as to reflect also the impact on the environment.

## 6.8. INDICATIVE FINANCIAL PLAN

### 6.8.1. FINANCIAL TABLE: YEARLY PROVISIONAL FINANCIAL APPROPRIATIONS FOR COMMITMENTS AND PAYMENTS ENVISAGED FOR THE SUPPORT FROM THE EU

	A	B	C	D
	INDICATIVE PROVISIONAL COMMITMENTS BY THE EC	CO-FINANCING	PROGRAMME'S INDICATIVE PROVISIONAL COMMITMENTS - EC funding -	PROGRAMME'S INDICATIVE PROVISIONAL PAYMENTS - EC funding -
<b>2015</b>				
Projects	6,877,652	0	0	0
TA		0	0	0
<b>TOTAL 2015</b>			0	0
<b>2016</b>				
Projects	7,924,764		0	0
TA			3,300,000	900,000
<b>TOTAL 2016</b>			3,300,000	900,000
<b>2017</b>				
Projects	12,101,827	666,667	48,000,000	6,000,000
TA			500,000	1,130,000
<b>TOTAL 2017</b>		666,667	48,500,000	7,130,000
<b>2018</b>				
Projects	10,414,114	1,111,111	0	10,000,000

TA			300,000	930,000
TOTAL 2018		1,111,111	300,000	10,930,000
2019				
Projects	11,247,818	2,488,889	6,000,000	22,400,000
TA			1,300,000	880,000
TOTAL 2019		2,488,889	7,300,000	23,280,000
2020				
Projects	11,433,826	888,889	0	8,000,000
TA			200,000	680,000
TOTAL 2020		888,889	200,000	8,680,000
2021				
Projects		533,333	0	4,800,000
TA			200,000	680,000
TOTAL 2021		533,333	200,000	5,480,000
2022				
Projects		311,111	0	2,800,000
TA			100,000	580,000
TOTAL 2022		311,111	100,000	3,380,000
2023				
Projects			0	0

TA			100,000	170,000
<b>TOTAL 2023</b>			<b>100,000</b>	<b>170,000</b>
<b>2024</b>				
<b>Projects</b>			<b>0</b>	<b>0</b>
			<b>0</b>	<b>50,000</b>
<b>TOTAL 2024</b>			<b>0</b>	<b>50,000</b>
<b>X</b>		<b>X</b>		
<b>TOTAL 2015-2024</b>	<b>60,000,001</b>	<b>6,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>
<b>TOTAL COFINANCING RATE</b>			<b>%</b>	<b>%</b>

Table 17: Financial table: yearly provisional financial appropriations for commitments and payments envisaged for the support from the EU

6.8.2. PROVISIONAL AMOUNTS OF THE FINANCIAL APPROPRIATIONS OF THE SUPPORT FROM THE UNION AND CO-FINANCING FOR THE WHOLE PROGRAMMING PERIOD FOR EACH TO and TA

<b>Indicative financing plan of the ENI CBC Romania-Ukraine Programme,</b> Providing the EU Contribution and the co-financing if known for the whole programming period for each thematic objective and for Technical Assistance				
<b><i>Thematic objectives by source of funding (in euros):</i></b>				
	<b>EC Funding (a) *</b>	<b>Co-financing (b)</b>	<b>Co-financing rate (in %) (c) **</b>	<b>Total funding (d) = (a)+(b)</b>
<b>Thematic objective 2</b>	3,600,000	400,000	11.11%	4,000,000
<b>Thematic objective 3</b>	6,000,000	666,667	11.11%	6,666,667
<b>Thematic objective 7</b>	16,200,000	1,800,000	11.11%	18,000,000
<b>Thematic objective 8</b>	28,200,000	3,133,333	11.11%	31,333,333
<b>Technical Assistance</b>	6,000,000	0	0%	6,000,000
<b>Total</b>	60,000,000	6,000,000		66,000,000

Table 18: Indicative financing plan providing the EU contribution and the minimum co-financing for the whole programming period for each thematic objective and for Technical Assistance

\* *In accordance with the Strategy Paper.*

\*\* This is the minimum co-financing rate that shall come from sources other than the Union. The minimum co-financing has been calculated on the basis of the Community contribution to the joint operational programme, in accordance with articles 12, 13 and 14 of the Implementing Regulation (EU) No 897/2014 of 18 August. During the implementation, Programme may decide on increasing the level of co-financing.

## 6.9. RULES ON ELIGIBILITY OF EXPENDITURE

### No profit principle

Grants shall not have the purpose or effect of producing a profit within the framework of the project; Where a profit is made, the Managing Authority shall be entitled to recover the share of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the project;

For this purpose, profit shall be defined as a surplus of the receipts over the eligible costs incurred by the beneficiaries (Lead Beneficiary and partners), when the request is made for payment of the balance.

Forms of grant will be defined in the guidelines for applicants and grant contracts, in accordance with article 47 of the ENI-CBC Implementing Rules.

### Eligibility of costs

Grants shall not exceed an overall ceiling expressed as a percentage and an absolute value which is to be established on the basis of estimated eligible costs. Grants shall not exceed the eligible costs.

The eligible costs will be defined in detail in the Guidelines for Applicants and in the Grant Contract, in line with articles 48, 49, 50 and 51 of ENI-CBC Implementing Rules.

Eligible costs are costs actually incurred by the beneficiary which meet all of the following criteria:

(a) they are incurred during the implementation period of the project. In particular:

(i) costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred;

(ii) costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;

(iii) an exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project;

(iv) procedures to award contracts, as referred to in Article 52 of ENI-CBC Implementing Regulation and following, may have been initiated and contracts may be concluded by the beneficiary(ies) before the start of the implementation period of the project, provided the provisions of Article 52 and following have been respected;

(b) they are indicated in the project's estimated overall budget;

(c) they are necessary for the project implementation;

(d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;

(e) they comply with the requirements of applicable tax and social legislation;

(f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;

(g) they are supported by invoices or documents of equivalent probative value;

Subject to the conditions above, the following direct costs of the beneficiary shall be eligible:

(a) the costs of staff assigned to the project under the following cumulative conditions:

- they relate to the costs of activities which the beneficiary would not carry out if the project was not undertaken,
- they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project,
- they relate to actual gross salaries including social security charges and other remuneration-related costs;

(b) travel and subsistence costs of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the Commission at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;

(c) purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;

(d) the cost of consumables specifically purchased for the project;

(e) costs entailed by contracts awarded by the beneficiaries for the purposes of the project;

(f) costs deriving directly from requirements imposed by ENI-CBC Implementing Regulation and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

The following costs relating to the implementation of the project shall not be considered eligible:

(a) debts and debt service charges (interest);

(b) provisions for losses or liabilities;

(c) costs declared by the beneficiary and already financed by the Union budget;

(d) purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the project concerned;

(e) exchange-rate losses;

(f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;

- (g) loans to third parties;
- (h) fines, financial penalties and expenses of litigation;
- (i) contributions in kind as defined in Article 14(1) of ENI-CBC Implementing Regulation.
- (j) financing of political activities and political parties

No grant may be awarded retroactively for projects already completed.

## **State aid**

Any measure likely to constitute State aid will be implemented only with full observance of the applicable Union rules on State aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union and – where applicable - with State aid provisions of any bilateral agreements between the participating countries and the EU, in particular chapter 10 of Title V of the Association Agreement between the EU and Ukraine.

### **6.10. USE OF EURO**

The expenditure incurred in other currency than the euro will be converted into euro by the Managing Authority and by the beneficiaries using the monthly accounting exchange rate of the Commission of the month during which the expenditure was submitted for examination in accordance with Article 32 (1) of the ENI CBC Implementing Rules.

### **6.11. THE APPORTIONMENT OF LIABILITIES AMONG THE PARTICIPATING COUNTRIES**

According to the article 74 of the ENI-CBC Implementing Rules, the Managing Authority shall be responsible for pursuing the recovery of amounts unduly paid.

Where the recovery relates to a claim against a beneficiary established in Romania and the Managing Authority is unable to recover the debt, the Member State shall pay the due amount to the Managing Authority and claim it back from the beneficiary.

Where the recovery relates to a claim against a beneficiary established in Ukraine and the Managing Authority is unable to recover the debt, the level of responsibility of the CBC partner country shall be such as it is laid down in the Financing Agreement referred to in Articles 8 and 9 of the ENI CBC Implementing Rules.

In accordance with article 72 of the ENI-CBC Implementing Rules, “the Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and effecting recovery from the Managing Authority in order to exclude from Union financing expenditure which is in breach of applicable law or related to deficiencies in the programme management and control systems which have been detected by the Commission or the European Court of Auditors”.

In accordance with article 74 of the ENI-CBC Implementing Rules, “where the recovery relates to systemic deficiencies in the programme management and control systems, the Managing Authority shall be responsible for reimbursing the amounts concerned to the Commission in accordance with the apportionment of liabilities among the participating countries as laid down in the programme”.

The criteria for apportionment shall be the following:

- If the systemic deficiency concerns one specific country, this country shall be responsible for reimbursing to the Programme accounts the amount identified as a result of the financial correction;

- If the systemic deficiency concerns the whole system, each country shall be responsible for reimbursing to the Programme accounts the amount representing the percentage of the financial correction applied to the expenditure incurred by the beneficiaries of the respective country and declared by the MA to the European Commission at the date of the decision to apply the financial correction.
- If the systemic deficiency concerns the whole system, the programme participating countries shall be responsible according to the proportion of expenditures incurred by the beneficiaries located in their respective territory and declared to the Managing Authority on the date of the decision to apply the financial correction.

## 6.12. RULES OF USE AND MONITORING OF CO-FINANCING

The minimum level of co-financing at programme level, calculated in accordance with the Article 12 of the ENI CBC Implementing Rules, in addition to the EU contribution, is of 6 million Euro. The amount will be distributed in a balanced way throughout the duration of the programme and will be provided by the lead beneficiaries. The Technical assistance of the programme shall not be co-financed by the participating countries.

The call for proposals and the procedures for direct award (in the case of LIPs), will set a minimum percent of the project budget to be ensured, as co-financing by beneficiaries.

Each participating country may decide to cover, from national sources, a portion of the co-financing required for project implementation.

### Use and monitoring of co-financing

The lead beneficiary and partners will be free to decide over the distribution of co-financing among the partnership members.

The grant contract shall include the sources of the co-financing by the project beneficiaries. The co-financing will be monitored and included in the programme accounting through the declaration on expenditure and receipts prepared by the beneficiaries, verified by a controller, which will be part of the requests for payment of the grant.

## 6.13. IT SYSTEMS FOR REPORTING

A description of the IT systems for the reporting and exchange of computerised data between the Managing Authority and the European Commission (unit C2, DG NEAR) is required under the ENI CBC Implementing Rules (Art 4.5, (m)). This communication will be done via KEEP, a comprehensive online database of Territorial Cooperation projects, project partners and programmes ([www.territorialcooperation.eu/keep/](http://www.territorialcooperation.eu/keep/)) which has been operational for the 2007-2013 programming period. Although most statistics needed by the European Commission are already included in KEEP, a new KEEP template is being developed for the 2014-2020 programme period. It is anticipated that most data required by the European Commission will be kept in the KEEP database rather than being available only via programme reports. As well as being a tool for programmes to share data with the European Commission, KEEP will also allow for the sharing of data between programmes.

## 6.14. LANGUAGE OF THE PROGRAMME

The official language used in the Programme is English.

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