

Neighbourhood Programme Romania - Ukraine 2004 – 2006
2005 project fiche for Multi-Annual Programme for
PROJECT 1 SINGLE CALL FOR PROPOSALS ADDRESSING JPD PRIORITY 1
SOCIAL & ECONOMIC DEVELOPMENT) & 2 (CROSS BORDER INFRASTRUCTURE)
GRANT PROGRAMME

1. Basic Information

1.1 CRIS Number: 2005/017-539.01.01

1.2 Title:

Promoting Local Socio-Economic Development and Cross Border Integrated Infrastructure Systems of Romanian and Ukrainian Border Regions

1.3 Sector: 43040

1.4 Location:

Eligible regions of the Neighbourhood Programme Romania-Ukraine:
Romanian Judets of Maramures, Satu Mare, Suceava, Botosani and Tulcea;
Ukrainian Oblasts of Zakarpatska, Ivano-Frankivska, Chernivetska and Odessa

1.5. Duration:

This multi-annual project covers the three annual Neighbourhood Programme cycles for years 2004, 2005, 2006. **This particular fiche refers to the 2005 Budget cycle.**

2. Objectives

2.1 Overall Objective(s):

Improve cross border integration between boundary regions by posing good bases for sustainable economic development.

2.2 Project purpose:

The purpose of the project is to promote cross border development between RO and UA through two priorities:

- Priority 1: Promoting Local Socio-Economic Development
- Priority 2: Developing cross border integrated infrastructure systems

Objectives of the priorities are:

Priority 1: Strengthening existing common assets of border regions to ignite a new integrated cycle of sustainable development

Priority 2: Supporting a new cycle of sustainable development with key cross-border infrastructures

Priority 1 will be implemented through 2 Measures:

Measure 1.1 Expand and Strengthen Tourism.

Measure 1.2 Cross Border Economic Cooperation

Priority 2 will be implemented through 2 Measures

Measure 2.1 - Develop cross-border transport and border infrastructure

Measure 2.2 - Improve cross-border environmental management

2.3 Accession Partnership (AP) and NPAA priority

Accession Partnership

The project has the potential to contribute to the fulfilment of the priorities identified in the following chapters of the Accession Partnership:

Employment Policy Chapter

- Improve labour market functioning at the local level, especially by developing co-operation between local employment services (supply side) and enterprises requirements (demand side). The program has a transversal employment policy aimed at upgrading specific skills in key sectors for cross border development.

Regional Policy and Coordination of Structural Instruments Chapter

- Strengthen the institutional and administrative capacity of the bodies in charge of programming and managing funds for cross-border co-operation in line with the Structural Funds approach.
- Develop the capacity to select, discuss and clarify development priorities at regional levels, and to identify, plan and prepare projects

NPAA

The multi-annual approach for the CBC programme should be consistent with the following permanent objectives identified in the NPAA (2002) for programming regional development in 2002-5:

- Preparation of the institutional and legal framework for coordination and implementation of the Structural Instruments
- Implementation of the national regional development strategy

CBC administrative capacity development

According with the Government Decision no 2005/2004 establishing the institutional framework for co-ordinating, implementing and managing the Interreg Programmes and the Neighbourhood Instrument, CBC Directorate has been appointed to undertake tasks of National Supporting Unit for Interreg Programmes (NSU) and of Managing Authority of the Neighbourhood Instrument. Starting with 2005 the new structures with specific responsibilities will be developed within the CBC Directorate, also ensuring the transfer of expertise from the pre-accession period.

The Managing Authority/National Authority (within CBC Directorate) will delegate a certain part of its responsibilities and attributions related to programming, project implementation, monitoring and evaluation to an Intermediate Body, located in the border area. For undertaking tasks involved with the Neighbourhood Programme (NP) Romania-Ukraine the Regional Development Authorities ('RDA's) which have counties in the border eligible area have associated for establishing a regional CBC Office (with legal status) to be based in Suceava; This concerns the RDA North East, RDA North West and RDA South East.

2.4 Contribution to National Development Plan (and/or Structural Funds Development Plan/SPD)

The overall project purpose and project objectives will contribute to the implementation of the NDP (2004-6) priorities. Promoting cross-border relations and good co-operation between the RO and UA border regions is a tool for fostering economic development in bordering areas which corresponds to less-developed regions in most of Eastern and Central Europe.

Regional competitiveness will be reinforced by efficient cross-border cooperation in a range of fields including infrastructure, environmental protection and management, business development, tourism promotion and local development. In addition, human resource development in the border area will benefit from the international collaboration in education, training and labour market activities.

Efficient management of the environment in the border area requires good co-operation in working areas such as environment protection and regional infrastructure. Therefore, a linkage and complementarity between the regional development strategy and the cross-border co-operation strategy will be ensured, since the cross-border co-operation contributes to the integrated development of the border region. This can be described in more detail according to the current project priorities:

Priority 1: Strengthening existing common assets of border regions to ignite a new integrated cycle of sustainable development will contribute to fulfil the following NDP policies and priorities:

- First NDP Priority: Improving the competitiveness of the productive sector
- Third NDP Priority: Human resources development, increasing employability and, fighting social exclusion
- Fifth NDP Priority: Promoting a balanced participation of all Romania's regions to the socio-economic development process

Priority 2: Supporting a new cycle of sustainable development with key cross-border infrastructures will contribute to parts of the following NDP priorities:

- The environmental element of this priority will contribute to the achievement of the second NDP priority objective: "Improving and developing transport and energy infrastructure and ensuring environmental protection".
- The integrity of Priority 2 of this project will also contribute to fulfilment of one of the overall NDP objectives: "Improvement and Development of Infrastructure".

2.5 Cross Border Impact

The impact of the priorities to promote local socio-economic development and to develop cross border integrated infrastructure systems will further stimulate the overall economic regional development in the eligible area.

The measures under **priority 1** – related to tourism development and economic development – are directly supportive to the level and nature of economic activities in the region. A crucial element in this measures is the notion that it is not so much investments in the "hardware" ("bricks and mortar") are required, but in the "software" (training people, strengthen management capacities, institution building) in a way that truly contributes to strengthening organisational cross border relations. As a result the level of regional economic activity (cross border tourism, regional exports) is expected to rise, as well as vocational skills and the level and cross-border regional focus of services delivered by support organisations (tourist information offices, business support centres etc.).

Also the measures under **priority 2** – related to a better infrastructure for environment protection and the development of cross-border transport and border infrastructures very much value the human capital component, by focusing on human resource development, strengthening management capacity and, organisational cross border cooperation. As a result the performance of all kinds of activities that require proper cross border management (from national parks to border check points) will improve. It is expected however that the component of investments under this priority will be higher than under the first priority. Due to its infrastructural nature these investments also form an important contribution to the development of tourism and the economy in general under priority 1. That is why it is so important to have proper proof up-front as to the real need and effect of these investments, in the form of good feasibility studies.

3. Description

3.1 Background and justification

The first phase (2004-2006) of the Neighbourhood Programme is aimed at the more co-ordinated use of the existing instruments, PHARE CBC and TACIS. It is agreed that the preparation and implementation of Neighbourhood Programmes will permit a single application process, including a single call for proposals covering both sides of the border, and will have a joint selection process for projects. The funding for the NP will come from allocations already earmarked for existing programmes, and the formal decision processes would remain as at present.

EC interventions supporting cross border co-operation between Romania and Ukraine are in their early stages of elaboration.

The second phase (2007) would imply a fully-fledged Neighbourhood Instrument. This would completely integrate the use of internal and external European Union funding to ensure an integrated approach to cross-border and interregional co-operation.

All applicants have to justify their project proposals in terms of relevance to the common development priorities and measures detailed in the Joint Programming Document.

3.2 Sector rationale

The General Objective of this program is to *improve cross border integration between boundary regions while creating a good basis for sustainable economic development*. Starting from an analysis focused on key factors uniting the border regions of Ukraine and Romania, it is recognized that a number of key socio-economic areas are essential and of high value in order to obtain the general objective stated above. These can be translated in local development opportunities to take advantage of:

- The opportunity of expanding rural tourism in regions particularly rich and competitively advantaged for long-term development in this sector, provided that the biological equilibrium will be protected in the short and long term
- The development of existing human resources operating in competitive sectors
- The opportunity to support the development SMEs specialized in economic sectors that contribute to the local development
- The opportunity of preserving and promoting the common historical heritage and natural treasures of extremely high value at the regional, national and international level.
- The need to strengthen the organisational cross border cooperation as a prerequisite for e.g. cross-border tourism, regional fairs, jointly managed cross-border areas etc.

These opportunities, and the strategy rationale built upon them, have been identified through workshops and consultations involving Task Forces from both Romanian and Ukrainian sides. The strategy, as presented in the Joint Programming Document 2004-2006 has been approved by the NP's Joint Cooperation Committee.

3.2.1. Identification of projects

The priorities and measures in this program have been identified together with local, regional and national stakeholders (Romanian and Ukrainian) in cross-border cooperation in the eligible area.

The programme will be implemented through a single grant scheme with four windows (components) for potential applicants. Each window (component) corresponds to a measure of the programme. The grant scheme will be implemented after a joint call for proposal. Apart from the fact that project proposals should of course be in line with regional and national policies, it is crucial that the proposed projects truly reflect a joint approach.

In the meaning of the Neighbourhood Programme, "joint projects" can be:

- (a) Simple projects with a cross-border effect taking place mostly or exclusively on one side of the border but for the benefit of both partners;
- (b) Complementary projects where an activity on one side of the border is accompanied by a similar activity on the other side;
- (c) Integrated projects where partners on either side of the border contribute different elements to a single project.

Only projects falling into one of these categories should be considered eligible to the Neighbourhood Programme.

3.2.2 Sequencing

The grant scheme will in principle be implemented with a single call for proposals for actions to be co-financed by PHARE and National fund on Romanian side, and by TACIS on Ukrainian side.

3.3 Results

The following key results are expected for all components of this programme:

- Increase in income and employment of targeted sectors of eligible areas according to calls for proposal outcomes.
- Improved trends in eligible regions for: Tourists presence, Local sectors trade volume, Local products export
- Improved trends for cross-border trade volume of eligible regions
- Improved trends for population of protected animals of eligible regions

3.3.1 Measure 1.1 Expand and Strengthen Tourism.

The tourism sector - especially rural, mountain, cultural, religious and environmental tourism - shows both a competitive advantage and a high growth potential for all eligible Romanian and Ukrainian border regions. It is commonly accepted that regions like Chernivetska region, the Delta Danube, Maramures and the Carpathians, are already in an early stage of tourism development.

There is also scope for co-operation in this sector due to the regional homogeneity across the border in four spatial contexts with high cross-border tourism potential:

- The Transcarpathians plains context (Northwestern border of Romania)
- The Carpathian Mountains context (Northeastern border of Romania)
- The river basins contexts of Upper Prut and Tisza
- The Danube Delta-wetland context (southeastern border of Romania).

3.3.1.1 Purpose

The measure aims at expanding and upgrading the existing local supply of tourism services. Projects should be sustainable and designed to help local economies also in sectors linked to tourism (local artisan food processing, art and craft, etc.).

3.3.1.2 Results

- Tourism supply development with a cross-border perspective
- Quality improvement of cross-border tourism services
- Integration of tourism activity with local industries and agriculture-food processing sector

3.3.1.3 Activities

The project will be implemented through a grant scheme corresponding to the results described under 3.3.1.2.

Eligible activities are the following:

- Support activities for a harmonised development of cross-border tourism on both territories (joint marketing, joint booking network development, tourism education programmes, tourism management training; ethnic food marketing programmes)
- Small-scale investments for developing cultural, natural assets for developing cross-border tourism (e.g. forest path rehabilitation)

Organisations eligible for support are a.o:

- NGOs active in the field of related to tourism
- Chambers of Commerce
- Tourism Boards and Agencies

- Local and regional councils and municipalities

General criteria for eligibility:

- Applicants must have legal registration and/or operating branches in eligible regions
- The activities must be coherent with national policies
- Projects are joint in the meaning of the Neighbourhood Programme (cf. § 3.2.1 above)
- The activities should clearly demonstrate a cross border character via the involvement of a partner institution in the eligible area of the other country and be implemented in that area
- Investments for commercial activities are excluded, even if the beneficiaries are non-commercial organisations
- Investments should directly support jointly agreed action plans in the tourism sector.
- Since tourism development has been identified as a separate measure, this means that all activities under this measure must be strictly related to tourism, and not to other measures. On the other hand however feasibility studies on tourism are excluded, because for feasibility studies there is a separate measure.

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Required documentation:

The Application form in the Call for proposal will specify the basic information (applicants' identification and contact details) and project details required.

Projects details should include at least:

- Background, purpose and description of proposed intervention
- Contribution to JPD objectives and strategy (and by definition to National-regional policies linked to JPD)
- Description of CBC value added by the project
- Required human/capital resources and intermediate inputs to implement the project
- Project management plan both for investment and running phases
- For investments, a feasibility report detailed according to the size and impact of the project
- Time-table and budgeting for preparation and implementation phases

General selection criteria:

Selection guidelines should be designed to implement projects that:

- Are designed with environmental friendly concepts;
- Have a good level of integration with tourism-related economic sectors of both sides (for instance in the same homogeneous territorial area);
- Tend to reduce or limit the environment impact of tourism presence, especially in biologically sensible areas such as the Danube Delta.
- Harmonize cross-border supply management (i.e. common reservation network, traveling packages, etc.), especially to meet increasing qualified demand.
- Have a demand-driven approach
- If infrastructure, show good cost benefits results
- Have high local/regional CBC value (for instance projects concerning the same homogeneous territorial area as defined in the strategy section);
- Support improvement of local business management practices
- Support local products economic expansion both in quality and quantity terms
- Are designed with environmental friendly concepts and their dissemination
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3.3.2 Measure 1.2 Cross Border Economic Cooperation

This measure is designed for actions promoting a joint institutional infrastructure. The priority is for proposals enabling the cross-border development process. Projects related to local developing sectors and the cross-regional development strategy in general are of highest priority.

Human resources development actions are a fundamental tool to ensure a steady upgrade of specific professional and generic skills alike, provided that they are consistent with the underlying development strategy of the program.

3.3.2.1 Purpose

The Measure aims at increasing cross-border economic ties and at developing the existing Human Resources for those activities that are linked to the local economy and the CBC-program. Hence, the development of professional skills in SME management, trade, tourism, and tourism related sectors (including food processing, art and craft, agriculture, fishing, etc.) is crucial.

3.3.2.2 Results

- Help the cross-border economic development process.
- Improve the cross-border business environment
- Development of human resources in the field of cross border economic development
- Improve labour market functioning conditions both for supply and demand side

3.3.2.3 Activities:

The project will be implemented through a grant scheme corresponding to the results described under 3.3.2.2.

Eligible activities are the following:

- Human resource development in organisations through training and advice (focus: SMEs, key local sectors with a good cross-border integration perspective);
- Joint business training in education
- Joint business supporting institution capacity building

Organisations eligible for support are a.o:

- Employment agencies
- Chamber of Commerce
- Producers Associations
- Labor Unions
- Regional Development Agencies
- Business Support Centres
- Employment agencies

General criteria for eligibility:

- Applicants must have legal registration and/or operating branches in eligible regions
- Activities must be coherent with national policies
- Projects are joint in the meaning of the Neighbourhood Programme (cf. § 3.2.1 above)
- Activities should clearly demonstrate a cross border character via the involvement of a partner institution in the eligible area of the other country and be implemented in that area

- The CBC character of any proposed training or advisory activities should be clearly identified.
- Small scale investments are allowed in as far as they support directly the delivery of such training or advisory activities
- Activities under this measure should not interfere with other measures and should not deal with tourism development. Feasibility studies on economic cross border cooperation (e.g. for the creation of a business centre) are excluded, because they are addressed through a separate measure.

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Required documentation:

The Application form in the Call for proposal will specify the basic information (applicants' identification and contact details) and project details required.

Projects details should include at least:

- Background, purpose and description of proposed intervention
- Contribution to JPD objectives and strategy (and by definition to National-regional policies linked to JPD)
- Description of CBC value added by the project
- Required human/capital resources and intermediate inputs to implement the project
- Project management plan both for investment and running phases
- For investments, a feasibility report detailed according to the size and impact of the project
- Possibly, an impact forecast
- Time-table and budgeting for preparation and implementation phases

General selection criteria:

Selection guidelines should to be designed to implement projects that:

- Have a demand-driven approach
- If infrastructure, show good cost benefits results
- Do not overlap with the tourism sector
- Have high local/regional CBC value (for instance projects concerning the same homogeneous territorial area as defined in the strategy section);
- Harmonize cross-border supply management
- Support improvement of local business management practices
- Support local products economic expansion both in quality and quantity terms
- Are designed with environmental friendly concepts
- Tend to reduce or limit the environment impact in biologically sensible areas such as the Danube Delta, Forests, etc.

3.3.3 Measure 2.1 - Develop cross-border transport and border infrastructure

Cross-border transport and border infrastructure are crucial to support the whole development process of cross-border regions. The measure is designed to improve correct planning and preparation phase projects for large infrastructure to be constructed in the longer term through the second generation of CBC programming between Ukraine and Romania. Also small-scale transport infrastructures are admitted where high cross-border value is evident and where there is no overlap with other programs.

3.3.3.1 Purpose

The aim of this measure is

- To start a development process for an integrated infrastructure system through appropriate plans for infrastructure development and for project preparation phase activities
- To construct/improve small scale transport and border infrastructure to improve border accessibility.

The measure is intended also as a support for proper feasibility studies and implementation steps of on-going initiatives.

3.3.3.2 Results

- Develop plans/studies for cross-border infrastructures, notably in the transport field
- Improve cross border management
- Implement mature projects for small cross-border transport and border infrastructure

3.3.3.3 Activities:

The project will be implemented through a grant scheme corresponding to the results described under 3.3.3.2.

Eligible activities are the following:

- Joint Institution capacity building projects
- Training programmes to allow personnel to cope with smuggling, trafficking, organized crime (including terrorist threats) and illegal immigration (including transit migration)
- Project preparation support (transport market data collection, transport analysis and planning documents, a study on future trends in transport etc.) excluding feasibility studies
- Complementary actions to other programs involved in border infrastructure development and management (for instance customs management projects);
- Small scale transport and border infrastructures.

Organisations eligible for support are:

- Local and Regional authorities
- Transport Development and Management Bodies
- Customs Authorities
- Regional and Local Administrations.

General criteria for eligibility:

- Applicants must have legal registration and/or operating branches in eligible regions
- Activities must be coherent with national policies
- Projects are joint in the meaning of the Neighbourhood Programme (cf. § 3.2.1 above)
- Activities should clearly demonstrate a cross border character via the involvement of a partner institution in the eligible area of the other country and be implemented in that area
- Activities must contribute to a better managed and safer border
- Activities under this measure should not interfere with other measures. Feasibility studies related to infrastructure (or cost benefit analysis or utility rate estimates for infrastructure facility) are excluded, because for feasibility studies there is a separate measure.

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Required documentation:

The Application form in the Call for proposal will specify the basic information (applicants' identification and contact details) and project details required. Projects details should include at least:

- Background, purpose and description of proposed intervention
- Contribution to JPD objectives and strategy (and by definition to National-regional policies linked to JPD)
- Description of CBC value added by the project
- Required human/capital resources and intermediate inputs to implement the project
- Project management plan both for investment and running phases
- For investments, a feasibility report detailed according to the size and impact of the project
- Possibly, an impact forecast
- Time-table and budgeting for preparation and implementation phases

General selection criteria:

Selection guidelines should to be designed to implement projects that:

- Have a demand-driven approach
- If infrastructure, show correct cost benefits results
- Do not overlap with the tourism sector
- Have high local/regional CBC value (for instance projects concerning the same homogeneous territorial area as defined in the strategy section);
- Have high value in harmonizing cross-border infrastructure systems
- Support local cross-border development
- Enhance environmental friendly concepts in designing infrastructure
- Tend to reduce or limit the environment impact in biologically sensible areas such as the Danube Delta, Forests, etc.

3.3.4 Measure 2.2 - Improve cross-border environmental management

To ensure a sustainable development in the bordering regions of Romania and Ukraine, the environmental infrastructure gap has yet to be filled. In particular the environmental monitoring system needs improvement in various sectors (water, air, waste, biodiversity) and with a cross-border perspective. Especially in river basins, wetlands and forests, a cross-border cooperation in monitoring is of high priority.

Other types of environmental protection infrastructure such as water and waste management devices (depurators, waste sorting/collecting centres, etc.) should be provided, enlarged or improved. In order to make these investments, which are partially financed by other programs, the development of a joint monitoring system is crucial and a prerequisite for a truly cross-border environmental protection and management of these areas.

3.3.4.1 Purpose

Improve environmental protection and environment management in bordering areas with a need for joint-management and monitoring, thereby reducing pollution, the probability of environmental disasters, protecting endangered species populations and ensuring the sustainability of development.

3.3.4.2 Results

- Reduce the probability of pollution accident
- Develop/Improve the monitoring of environment (air, water, endangered /protected species)
- Improve the management of protected areas
- Develop human resources in the field of environment and develop awareness in local population

3.3.4.3 Activities:

The project will be implemented through a grant scheme corresponding to the results described under 3.3.4.2.

Eligible activities are the following:

- Set up and/or reinstall of joint monitoring networks for air and water quality in bordering regions;
- Joint natural park management,
- Local environment education programs

Organisations eligible for support are:

- Environment management authorities (including administration of natural areas, parks)
- NGOs in the environmental field
- Universities and Research Institutions
- Local and Regional Administrations.

General criteria for eligibility:

- Applicants must have legal registration and/or operating branches in eligible regions
- Activities must be coherent with national policies
- Projects are joint in the meaning of the Neighbourhood Programme (cf. § 3.2.1 above)
- Activities should clearly demonstrate a cross border character via the involvement of a partner institution in the eligible area of the other country and be implemented in that area
- In the solid waste sector, only institution building integrated joint projects (jointly presented by partners from both side of the border) are eligible
- Activities must contribute to better environmental management
- Small scale investments are allowed in as far as they support directly this improvement in cross-border environmental management
- Activities under this measure should not interfere with other measures. Feasibility studies related to the environment are excluded because for feasibility study there is a separate measure.

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Required documentation:

The Application form in the Call for proposal will specify the basic information (applicants' identification and contact details) and project details required.

Projects details should include at least:

- Background, purpose and description of proposed intervention
- Contribution to JPD objectives and strategy (and by definition to National-regional policies linked to JPD)
- Description of CBC value added by the project
- Required human/capital resources and intermediate inputs to implement the project
- Project management plan both for investment and running phases
- For investments, a feasibility report detailed according to the size and impact of the project
- Possibly, an impact forecast
- Time-table and budgeting for preparation and implementation phases

General selection criteria:

Selection guidelines should to be designed to implement projects that:

- Have a demand-driven approach
- If infrastructure, show correct cost benefits results
- Do not overlap with the tourism sector
- Have high local/regional CBC value (for instance projects concerning the same homogeneous territorial area as defined in the strategy section);
- Have high value in harmonizing cross-border infrastructure systems
- Support local cross-border environment protection and promotion

- Enhance and disseminate environmental friendly concepts
- Tend to reduce or limit the environment impact in biologically sensible areas such as the Danube Delta, Forests, etc.
- Propose innovative solutions
- Include innovative methodologies

3.4 Indicative* allocation of funds

3.4.1 Indicative* allocation per measure - 2005

The following table summarises the indicative* allocation per measure for both Phare and Tacis contribution for 2005 :

- MEUR-

YEAR 2005	Total Support Phare/ Tacis + national	Romania		Ukraine			
PRIORITIES		EC Co-financing	National Co-financing	Total (RO)	Total (UA)	EC Co-financing	National Co-financing
Priorities 1&2							
Total	11.97	7.695	2.565	10.260	1.71	1.71	0.00
<i>Measure 1.1</i>		<i>1.924</i>	<i>0.641</i>	<i>2.565</i>			<i>0.00</i>
<i>Measure 1.2</i>		<i>1.924</i>	<i>0.641</i>	<i>2.565</i>			<i>0.00</i>
<i>Measure 2.1</i>		<i>1.924</i>	<i>0.641</i>	<i>2.565</i>			<i>0.00</i>
<i>Measure 2.2</i>		<i>1.924</i>	<i>0.641</i>	<i>2.565</i>			<i>0.00</i>

* This allocation between measures is only indicative and does not constitute a commitment by or on the Commission or Implementing Agency.

3.4.2 Indicative multi-annual budget PHARE

Component	Phare Support			National Co-financing	TOTAL Public support	Beneficiaries contribution	Total project value
1. Econ/Soc Dev	Investment	Institution Building	Total Phare	$NB \geq INV/3$		$BEN \geq 0.1 * TPS/0.9$	$TPV = TPS + BEN$
	INV	IB	PH	NB	TPS	BEN	TPV
2004	5,13	0.00	5,13	1,71	6,84	0,76	7,60
2005	7,695	0,00	7,695	2,565	10,260	1,140	11,400
2006 (indicative)²	11,97	0,00	11,97	3,99	15,96	1,77	17,73
2004-2006	24,80	0,00	24,80	8,27	33,07	3,67	36,74

²All references to Phare funding for 2006, or to final total for 2004-6 are purely indicative and do not in any case constitute a commitment on the part of the Commission.

3.5 Linked activities

EC funded

Linked activities to the CBC programs include:

- Support for the private sector and economic development;
- Projects in the environment sector, which include trans-boundary water management, bio-diversity and regional national parks, and rural development projects;
- CREDO Programme 1997-2000 in which area of co-operation included: Economic development, Socio-cultural co-operation, Urban and regional services, Human Resources, Environment and energy, Local and regional government development;
- TACIS CBC Micro Project Facility, which address a wide range of priorities, including economic development, environment and social issues and institutional building.

In many cases cross-border cooperation activities are provided under the frame of Euro regions. As Strategy Paper and Indicative Programme 2004-2006 states¹ in general, the Euro regions play an important role in bringing together partners from both sides of the border. However, their activities on the Eastern border tend to suffer from a lack of both financial and human resources and in certain cases from limited support from the national authorities concerned

World Bank

There are a number of on-going projects in Romania financed by the World Bank that go well with the eligible activities described above, especially in the biodiversity and forest management sectors.

Specifically, for the Local Development Sector (relevant to Measures 1.1 and 1.2):

- The GEF Efficiency Financing Facility Project Grant– US\$ 5.0 m – Under preparation
- Capacity Building for Economic Communications Grant – US\$ 0.4 m – Effective since Feb 1999

For the Environment sector, (relevant to Measure 2.2) there are the following World Bank projects under implementation/preparation:

- Biodiversity Conservation Management Grant – US\$ 5.5 m – Effective since Oct 1999
- Forestry Development Project Preparation Grant - US\$ 0.42 m – Effective since Aug 2000
- Agricultural Pollution Control Grant - US\$ 0.42 m – Effective since Jan 2002
- Forest Development Project Loan – US\$ 25.00 m – Not Yet Effective
- Hazard Risk Mitigation – Loan – Under preparation

3.6 Lessons learnt

The EC has made quite some efforts to promote and implement cross border cooperation as such, as well as programmes with a positive cross-border impact as a spin-off (like improved infrastructure).

Examples are:

1. The Euro Regions initiative on the Ukrainian side;
2. The Tacis planning for border regions;
1. National EC Phare program for the Romanian side. The Euro regions close to Romanian-Ukrainian borders are: Upper Prut, Lower Danube and Transcarpathia. Upper Prut and Lower Danube have been preparing planning documents intended to enhance CBC opportunities. Existing planning documents, however, have not yet been designed with a truly strategic perspective and constitute a general agenda.
2. The Phare CREDO programme, a multi-country grant scheme for cross-border cooperation projects between Central & Eastern European countries.

There are several lessons learnt from past CBC experience:

- The mechanism of a grant scheme - projects are not offered to potential beneficiaries, but potential beneficiaries are invited to come up with proposals themselves, is a good tool for local involvement and commitment.
Lesson: a grant scheme is a good instrument for a demand-driven and bottom-up approach

¹ Tacis Cross-Border Cooperation: Strategy Paper and Indicative Programme 2004-2006

- But this demand driven approach may result in projects that local beneficiaries want and does not necessarily reflect what local communities or border regions need.
Lesson: To avoid projects that are not needed, an infrastructure project proposal should be of a substantial minimum size (>50.000 Euro) and requests for investments in such proposals must include contain the mechanism for proof of its feasibility. Our programme therefore should offer the possibility to carry out feasibility studies.
- It moreover offers opportunities to the most active and well-connected potential beneficiaries, not necessarily the most needy ones.
Lesson: a call for proposal should be based on a solid PR or advertisement campaign consisting of a variety of instruments, whereby ALL potential beneficiaries are being reached.
- In the whole process of program tendering, proposal selection and project implementation, the attention of the contracting authorities tends to be focused on tendering and selection. The result of this may be: well selected projects, but with sometimes disappointing results
Lesson: The project management capacity of the beneficiary should be part of the proposal selection process and the Joint Steering Committee / Technical Secretariat has an important role in monitoring project progress and performance.
- The capacity of potential beneficiaries to develop good and mature project proposals is usually limited and previous CBC financed PPF activities often failed to deliver the expected outputs in terms of preparing a mature project pipeline based on a bottom-up approach.
Lesson: Separate funding for project preparation (feasibility studies, business plans) should be made available, resulting in better project proposals and in projects that meet the objectives.
- The bottom-approach may lead to a situation where individual projects are being awarded, but that the overall ("top-down") picture of how the total amount of money has been spent (including that from other donors) gets lost little bit.
Lesson: A flexible mechanism should be built in to secure that the overall spending of money reflects the importance of all measures, while at the same time respecting the fact that this is a demand-driven approach. We propose to formulate a financial min/max bandwidth for every measure in the grant scheme. In addition there always remains an important task here for the Joint CO-operation Committee to oversee whether the total sum of money is being spent in the right proportions to all measures and whether it is spent in the right way.
- Joint effort (joint programming, a single joint call for proposals, joint projects, and joint committees), requires first and foremost a shared vision on co-operation, mutual institutional understanding and good personal relations.
Lesson: Also after this project for preparing this JPD and some Project Fiches, the responsible Romanian and Ukrainian authorities should keep investing in keeping in touch with each other, and a formal and especially also informal basis.

And finally, previous and ongoing Phare projects in general are seen as relevant implementation models for the current project in terms of type (infrastructure mainly, including environment), size, contract conditions and implementation arrangements (local implementing authorities). The conclusions of the ex-post monitoring report and evaluation report for this and similar projects and programmes have been taken into consideration in the preparation of this project fiche. The lessons learnt can be summarized as follows:

- Assistance should be provided to the Management Agency, and ultimately to the beneficiary, for successful management in line with Phare requirements (documentary evidence, transparency, accountability etc.);
- The need for a tight match between the final product (completed project) and the original needs assessment and project preparation studies;
- Take into consideration the needs of all stakeholders;
- Project selection and implementation should be based on creating value for money, be grounded on a multi-criteria methodology and avoid as much as possible conflicts of interests.
- The JSC should prepare selection guidelines and present them to all stakeholders prior to selection proceedings
- Adequate performance indicators are needed at the project planning stage as a benchmark for evaluation later on; indicators of achievement should be detailed after proposals have been approved
- Acknowledgement of Phare contributions at the project site;

- Attention to Environmental Impact Assessment requirements, especially for infrastructure proposals;
- Adequate timing of project construction of the selected size
- Sustainability of projects can be improved with adequate selection and admission criteria in Grant Schemes Call for proposals proceedings. Three dimensions should be taken into account in selection criteria design: environment, management including economic-financial, social-equal opportunity.
- Especially investment and institution building requirements should be based on a feasibility study, showing the need for the nature and size of the facilities requested.

Although the Neighbourhood Programme 2004-2006 is the first operation of a new initiative, the experiences of previous PHARE CBC projects in this field were taken into consideration during the preparation of this document.

According to the Interim Evaluation Report no R/RO/CBC/03037 issued by EMS Romania in July 2003 regarding CBC programmes and JSPF, the capacity of beneficiaries to prepare project proposals was overestimated and preparatory training activities (under a parallel Phare programme) did not significantly improve the quality of the proposals. Co-financing was conditional and beneficiaries encountered no problems.

The efficiency was adversely influenced by poor cooperation and coordination between all partners involved. Skilled assistance is required and effective communications are expected. The effectiveness of the People-to-People actions is largely dependent on the success of the individual projects supported. As a whole the programme was welcomed by the beneficiaries as it facilitates activities that otherwise would be difficult to fund. The prospects for sustainability of the People-to-People programmes are evaluated as good.

The partnership and networking supported by the projects should endure as long as the relationship remains productive. The activities undertaken by the organizations should raise their profile and therefore should help secure further support both internally through recruitment and externally by attracting donors.

The following lesson can be learnt from past experience:

- The mechanism of a JSPF - projects are not offered to potential beneficiaries, but potential beneficiaries are invited to come up with proposals themselves, is a good tool for local involvement and commitment.

Lesson: a JSPF is a good instrument for a demand-driven and bottom-up approach

The recommendations of the 2003 EMS Report Final Assessment for lessons learned can be summarised as follows:

- Increase Institutional capacity at central level
- Extended Priority 4/technical assistance for entire project control and management at local and central level
- As revealed during the implementation phase, international Priority 4/technical assistance needs to be provided to increase the design skills and the quality of the tender documents produced by local designers and to ensure that the preparation of design and tender documents meets international practice to eliminate poor programme preparation with design
- Feasibility studies to EC standards to be included in the project proposals and assistance provided

4. Institutional Framework

Romania

- **IA (Implementing Agency):** Retains full responsibility for programme implementation, Act as Contracting Authority for Phare funds
- **PAO (Programme Authorising Officer):** Professional leader of the Implementing Agency, responsible for the programme implementation.

Ukraine

- **PCU (Programme Co-ordination Unit):** is the national authority responsible for coordinating Ukraine participation in the NP
- **EC Delegation (Kiev):** acts as the Contracting Authority for Tacis funds.

The Joint Co-operation Committee (JCC)

The JCC is the strategic body of the NP. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operation of the NP. The JCC includes an appropriate representation of the European Commission.

The Joint Steering Committee (JSC)

The JSC is the operational body of the NP. Its main role is to draft the project fiches (bottom-up approach) and to oversee the project selection process and the project implementation. It will consist of members from national, regional and local authorities.

JSC includes an appropriate representation of the European Commission which acts as observers.

Joint Technical Secretariat (JTS)

The JTS is located on the eligible area of the Romanian side of the border, and includes staff from Ukraine. The JTS will be responsible for the day-to-day management tasks related to the NP, with due account of the roles and responsibilities of the IA and PCU.

Rules, procedures and formats: The implementation of this project fiche will be carried out according to the "NP Implementing Guidelines for Phare CBC/Tacis and Phare CBC/Cards borders", issued by the Commission on 15 July 2004, and the Grant section of the Commission Practical Guide (see details in **Annex 7: Template for the Institutional framework/implementation arrangements in case of grant schemes**)

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Also, the Managing Authority and subordinate agencies shall take particular care to ensure that all actions under this programme shall be recorded, for example in PERSEUS, in such away as to make readily identifiable the specific sub-measure and budget year under which they are contracted.

Moreover, that specific registration shall be organised in such a way as to facilitate a readily traceable connection with the results of each contract, including notably the demonstration in terms of results of the abovementioned additionality.

5. Budget 2005 In M€

	Phare Instrument support	Co-financing			Total Cost
Year 2005 - Investment support jointly co funded		National Public Funds	Other Sources Benef'y Contr'n	Total Co-financing of Project	
Project 1 JPD Priorities 1 & 2 ESD & Small CBC Infrastructure	7.695	2.565	1.140	3.705	11.400
Total project 2005	7.695	2.565	1.140	3.705	11.400

5.2 Co-financing

In accordance with the Phare Guidelines, all investment projects supported by Phare must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing. Co-financing for Institution Building projects is provided by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance.

The projects selected through the grant schemes (investments and institution building) will be jointly co-financed between Phare, the beneficiary and government resources. The beneficiary has to provide at least 10 % of the total costs. The Beneficiary Contribution minimum shall be calculated as total of Phare and national co-finance, divided by 9.

The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs.

6. Implementation Arrangements

6.1 Implementing Agency

Romania	Ukraine
For PHARE CBC Romania: Implementing Agency (IA) and Contracting Authority Ministry for European Integration (MIE) Cross Border Co-operation Directorate 12 Libertatii Blvd. Bucharest 5, ROMANIA Dr. Daniela Dumetrescu, Director Tel: +40 21 3355374 E-mail: daniela.chisiu@dr.mie.ro	For Ukraine: Programme Co-ordination Unit (PCU) Ministry of Economy and European Integration 12 - 2, Grushevskovo Street 01008 Kiev Ukraine Mrs. Larissa Pekarska Deputy NCU Director Tel: +380 44 2969895 e-mail: pekarska@ncu.kiev.ua For TACIS Ukraine: Contracting Authority (CA) EC Delegation 10-Kruhlo-Universitetska st. 01024 Kiev Ukraine Mr. Miguel Magro Tel: +380 44 4620010 e-mail: miguel.magro@cec.eu.int

6.2 Twinning

Not applicable

6.3 Non-standard aspects

There are no non-standard contracts or tender procedures envisaged within this project. The "NP Implementing Guidelines for Phare CBC/Tacis and Phare CBC/Cards borders" and the "Practical Guide to contract procedures financed from the general Budget of the European Communities in the context of external actions (PRAG)" will be strictly followed.

6.4 Contracts

The Grant Scheme will be implemented through a single call for project proposals according to the stipulations of the NP Implementing Guidelines and the PRAG. For Projects co-financed by Phare funds, beneficiaries will sign Grant Contracts with the PAO laying down the rules of the project implementation based on the list of supported projects approved by the IA and endorsed by the EC Delegation. Tendering and contracting of the required services, works and supplies will comply with the PRAG manual.

7. Implementation Schedule

7.1 Start tendering/call for proposals

March 2006

7.2 Start of project activity

September 2006

7.3 Project completion

Depending upon proposals planned completion. The disbursement deadline will be extended to 2009 (see Financing proposal).

8. Equal opportunity

The implementation of this project does not support discrimination based on gender or any other kind. Equal opportunity principal and practices in ensuring equitable gender participation in the projects supported by the programme will be ensured. At the same time the project implementation procedures will ensure that the project brings benefits to both men and women, and other categories as well to ethnic groups, involving them to the same extend in the project activities

9. Environment

Only projects complying with the environmental regulations of the EU will be eligible. Environmental aspects will be assessed individually for each of the proposed projects. Particularly for environmental sensible areas (parks, protected areas, UNESCO patrimony of humanity), admission and selection criteria should be strictly defined before the implementation of the Call for proposal. Projects supporting activities in the fields of environment protection, using or developing environmentally friendly technologies or products will be preferred during the whole selection process.

In the field of environmental impact assessment the Romanian legislation is in full conformity with related EC legislation (Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment as amended by Council Directive 97/11/EC). Only investment projects already having all necessary permits and authorisations are eligible for support under the grant scheme.

The environment protection is one of the top priorities and adequate support will be required under all EC support. The measures implemented under the project will therefore be complementary to the measures implemented with EC pre and actual structural instruments. Phare will only co-finance works when responding to EU environment standards.

10. Rates of return

The individual project applications submitted for grants shall determine the rate of return of individual investments in the form of indicators.

11. Investment criteria

11.1 Catalytic effect

The Phare funding will contribute to the development of cross border economy, infrastructure quality and safety, and human resources development. The effect will be an increased quality of life in the region and a good social and economic integration of the Romanian-Ukrainian cross border area.

11.2 Co-financing

The grant scheme will be jointly co-financed by Phare (for activities on Romanian side) and Tacis (for activities on Ukrainian side).

Regarding Phare co-financing: the grant scheme will be jointly co-financed between Phare and Romanian government's resources. The rate of Phare support will be 75% of the grant total, while the Romanian government will contribute with 25 %. The rate of the generally available maximum support (Phare and national co-financing) is 90% of the total eligible cost of the projects to be supported, and at least 10 % of the total has to be provided by the beneficiaries.

11.3 Additionality

The grants awarded under this grant scheme will not displace any other financial sources. **Moreover, all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes**

11.4 Project readiness and size

A draft of the Co-operation Agreement, Call for Proposal, Application form, Guidelines for applicants and Grant Contracts will be elaborated by all organisations concerned by the time of signing of the Financing Memorandum. All documents shall be prepared according to the PRAG template and submitted to the Delegation for endorsement prior to the launch of the Call for proposals.

Size of project grants

As project financing is concerned, a project consists of a grant (partly financed by the EC, partly by national funds) plus co-financing by the beneficiary. The figures below apply to grants, so excluding the required contribution by the beneficiary. The minimum and maximum for grants are:

- Grant Minimum of 50.000 Euro and
- Grant Maximum of
 - 500.000 Euro for Priority 1 ("Promoting local socio-economic development" with the measures "expand and strengthen tourism" and "cross border economic cooperation".)
 - 800.000 Euro for Priority 2 ("Developing cross border integrated infrastructure systems" with the measures "develop cross border transport and border infrastructure" and "improve cross-border environmental management")

Of course PROJECT budgets can be bigger than the maxima mentioned, as long as the beneficiary pays for the difference between the project costs and the grant.

11.5 Sustainability

All projects and infrastructures built through the grant scheme will be operated by the beneficiaries. The beneficiaries will be responsible for the sustainability of the project and will provide the administrative staff and the necessary funds for the operational costs. The ability of the applicant to finance the long-term operation and maintenance of the project equipments and infrastructural instalments shall be proved in the application and checked at the project selection phase. Project sustainability and operational management capacity will be one of the evaluation criteria for the projects (the Evaluation Grid will be part of the Guidelines for Applicants).

In general, the sustainability of projects can be improved with adequate selection and admission criteria in the Grant Schemes' Call for Proposals proceedings. Three dimensions should be taken into account in

the design of selection criteria: environment, management including economic-financial, social-equal opportunity.

11.6 Compliance with state aids provisions

All actions financed by Phare will respect the state aid and competition provisions of the European Agreement.

12. Conditionality and sequencing

There are four main assumptions to be considered:

- IA capacity is adequate to the considerable task of coping with a multi-measure Grant Scheme involving co-operation with a country (Ukraine) having low decentralization experience
- Average quality of proposals is adequate and adherent to JDP objectives
- TA provision is adequate to fill possible IA capacity gaps
- Selection process is fair, without conflict of interest and efficient compared to budget and time constraints.

For optimal conditions, see paragraph 3.6 on “lesson learnt”

In the event that agreed commitments are not met for reasons which are within the control of the Government of Romania, the Commission may review the programme with a view, at the Commission’s discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Phare programme.

Prior to any grant scheme contract being signed, the Regional Office for CBC Management, Implementation and Monitoring foreseen by the Implementing Agency for the CBC with Ukraine must be operational.

ANNEXES TO PROJECT FICHE

ANNEX 1 - Logical framework matrix in standard format

ANNEX 2 - Detailed implementation chart

ANNEX 3 - Contracting and Project Completion schedule by quarter for full duration of programme including Project Completion period)

ANNEX 4 - Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached (*not applicable*)

ANNEX 5 - List of relevant Laws and Regulations

ANNEX 6 - Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc) (*not applicable*)

ANNEX 7 - Template for the institutional framework/implementation arrangements in case of grant schemes.

ANNEX 1 LOGFRAME PLANNING MATRIX for all priorities (1, 2, 3 and 4)

ANNEX 1 LOGFRAME PLANNING MATRIX for Priority 1 and 2		Programme name and number	Implementation
Promoting Local Socio-Economic Development and Cross Border Integrated Infrastructure Systems of Romanian and Ukrainian Border Regions.		Contracting period for 2005 phase expires: 30 November 2007	Disbursement period for 2005 phase expires: 30 November 2009
		Total Phare budget: 24.795 MEuro	Phare budget: 7.695 M Euro
Overall Objective	Impact Objectively Verifiable Indicators (1)	Sources of Verification	
Improve cross border integration between boundary regions while posing good bases for sustainable economic development.	<ul style="list-style-type: none"> - Improved trends in eligible regions for: <ul style="list-style-type: none"> Cross-border trade volume (+0.8%) Income (+0.5%) Employment (+0.4% Ro and +0.1% UA) Population of protected animals (stable) 	National Statistic RO and UA	<ul style="list-style-type: none"> - IA capacity is adequate to the considerable task of coping with a multi-measure Grant Scheme involving co-operation with a country (Ukraine) having low decentralization experience - Average quality of proposals is adequate and adherent to JDP objectives - TA provision is adequate to fill possible IA capacity gaps - Selection process is fair, without conflict of interest and efficient compared to budget and time constraints.
Results	Achievement indicators	Sources of Verification	Assumptions
Tourism supply development with a cross-border perspective Quality improvement of cross-border tourism services Integration of tourism activity with local industries and agriculture-food processing sector .	<ul style="list-style-type: none"> - Improved trends in eligible regions for: <ul style="list-style-type: none"> Tourists presences (+2%) 	National and Regional Statistic RO and UA Implementing	<ul style="list-style-type: none"> - IA capacity is adequate to the considerable task of coping with a multi-measure Grant Scheme involving co-operation with a country

ANNEX 1 LOGFRAME PLANNING MATRIX for Priority 1 and 2		Programme name and number	Implementation
<p>Help the cross-border economic development process. Improve the cross-border business environment Development of human resources in the field of cross border economic development Improve labour market functioning conditions both for supply and demand side . Develop plans/studies for cross-border infrastructures, notably in the transport field Improve cross border management Implement mature projects for small cross-border transport infrastructure. . Reduce the probability of pollution accident Develop/Improve the monitoring of environment (air, water, endangered /protected species) Improve the management of protected areas Develop human resources in the field of environment and develop awareness in local population</p>	<p>- Number of new cross-cultural events and studies (50) - Number of fair expositors (presences) in new fairs (150) - Number of newly monitored animal/vegetal species (10) - Number of new/rehabilitated environment monitoring stations (20) - Number of successful training programs (50)</p>	authorities	<p>(Ukraine) having low decentralization experience - Average quality of proposals is adequate and adherent to JDP objectives - TA provision is adequate to fill possible IA capacity gaps - Selection process is fair, without conflict of interest and efficient compared to budget and time constraints.</p>

Logframe Planning matrix for		Programme name and number	Implementation
PRIORITY 1 and 2			
Promoting Local Socio-Economic Development and Cross Border Integrated Infrastructure Systems of Romanian and Ukrainian Border Regions.		Contracting period for 2005 phase expires: 30 November 2007	Disbursement period for 2005 phase expires: 30 November 2009
		Total Phare budget: 24.795 MEuro	2005 Phare budget: 7.695 MEuro
Overall Objective	Impact Objectively Verifiable Indicators (1)	Sources of Verification	
Improve cross border integration between boundary regions while posing good bases for sustainable economic development.	<ul style="list-style-type: none"> - Improved trends in eligible regions for: Cross-border trade volume (+0.8%) Income (+0.5%) Employment (+0.4% Ro and +0.1% UA) Population of protected animals (stable) 	National Statistic RO and UA	<ul style="list-style-type: none"> - IA capacity is adequate to the considerable task of coping with a multi-measure Grant Scheme involving co-operation with a country (Ukraine) having low decentralization experience - Average quality of proposals is adequate and adherent to JDP objectives - TA provision is adequate to fill possible IA capacity gaps - Selection process is fair, without conflict of interest and efficient compared to budget and time constraints.
Project purpose	Result Objectively Verifiable Indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> - Strengthening existing common assets of border regions to ignite a new integrated cycle of sustainable development - Supporting a new cycle of sustainable development with key cross-border infrastructures 	<ul style="list-style-type: none"> - Increase in income and employment of targeted sectors in eligible areas (choice and quantity of 	National Statistic RO and UA	<ul style="list-style-type: none"> - IA capacity is adequate to the considerable task of coping with a multi-measure Grant Scheme involving co-operation with a country (Ukraine)

Logframe Planning matrix for PRIORITY 1 and 2		Programme name and number	Implementation
	<p>targeted sectors will depend on accepted proposals) in general:</p> <p>Local product export (+0.5%)</p> <p>- Number of actions for protected animal/vegetal species (50)</p>		<p>having low decentralization experience</p> <p>- Average quality of proposals is adequate and adherent to JDP objectives</p> <p>- TA provision is adequate to fill possible IA capacity gaps</p> <p>- Selection process is fair, without conflict of interest and efficient compared to budget and time constraints.</p>
Results	Achievement indicators	Sources of Verification	Assumptions
<p>Tourism supply development with a cross-border perspective</p> <p>Quality improvement of cross-border tourism services</p> <p>Integration of tourism activity with local industries and agriculture-food processing sector</p> <p>.</p> <p>Help the cross-border economic development process</p> <p>Improve the cross-border business environment</p> <p>Development of human resources in the field of cross border economic development</p> <p>Improve labour market functioning conditions both for supply and demand side</p> <p>.</p> <p>Develop plans/studies for cross-border infrastructures, notably in the transport field</p> <p>Improve cross border management</p> <p>Implement mature projects for small cross-border transport infrastructure.</p> <p>.</p> <p>Reduce the probability of pollution accident</p> <p>Develop/Improve the monitoring of environment (air, water,</p>	<p>- Improved trends in eligible regions for:</p> <p>Tourists presences (+2%)</p> <p>- Number of new cross-cultural events and studies (50)</p> <p>- Number of fair expositors (presences) in new fairs (150)</p> <p>- Number of newly monitored animal/vegetal species (10)</p> <p>- Number of new/rehabilitated environment monitoring stations (20)</p>	<p>National and Regional Statistic RO and UA</p> <p>Implementing authorities</p>	<p>- IA capacity is adequate to the considerable task of coping with a multi-measure Grant Scheme involving co-operation with a country (Ukraine) having low decentralization experience</p> <p>- Average quality of proposals is adequate and adherent to JDP objectives</p> <p>- TA provision is adequate to fill possible IA capacity gaps</p> <p>- Selection process is fair, without conflict of interest and efficient compared to budget and time constraints.</p>

Logframe Planning matrix for		Programme name and number	Implementation
PRIORITY 1 and 2			
<p>endangered /protected species)</p> <p>Improve the management of protected areas</p> <p>Develop human resources in the field of environment and develop awareness in local population</p>	- Number of successful training programs (50)		
Activities	Means		Assumptions
<p>Support activities for an harmonised development of cross-border tourism on both territories (joint marketing, joint booking network development, tourism education programmes, tourism management training; ethnic food marketing programmes)</p> <p>Small-scale investments for developing cultural, natural assets for developing cross-border tourism (forest path rehabilitation)</p> <p>Joint Institution capacity building projects</p> <p>Training programmes to allow personnel to cope with smuggling, trafficking, organized crime (including terrorist threats) and illegal immigration (including transit migration)</p> <p>Project preparation support (transport market data collection, transport analysis and planning documents, a study on future trends in transport etc.) including feasibility studies</p> <p>Complementary actions to other programs involved in border infrastructure development and management (for instance customs management projects);</p> <p>Small scale transport infrastructures.</p> <p>Joint Institution capacity building projects</p> <p>Training programmes to allow personnel to cope with smuggling, trafficking, organized crime (including terrorist threats) and illegal immigration (including transit migration)</p> <p>Project preparation support (transport market data collection, transport analysis and planning documents, a study on future trends in transport etc.) including feasibility studies</p> <p>Complementary actions to other programs involved in border infrastructure development and management (for instance customs</p>	<p>24.795 MEuro Phare)</p> <p>-Selected beneficiary institutions submitting successful project grant scheme applications</p> <p>-Joint Steering Committee selection processes</p> <p>Joint Technical Secretariat providing day-to-day NP Programme management</p> <p>- Local authorities and institutions supported by TA and Joint Technical Secretariat</p>		<p>- IA capacity is adequate to the considerable task of coping with a multi-measure Grant Scheme involving co-operation with a country (Ukraine) having low decentralization experience</p> <p>- Average quality of proposals is adequate and adherent to JDP objectives</p> <p>- TA provision is adequate to fill possible IA capacity gaps</p> <p>- Selection process is fair, without conflict of interest and efficient compared to budget and time constraints.</p>

Logframe Planning matrix for		Programme name and number	Implementation
PRIORITY 1 and 2			
management projects); Small scale transport infrastructures.			
Set up and/or reinstall of joint monitoring networks for air and water quality in bordering regions; Joint natural park management, Local environment education programs			

(1) Quantitative objective should be carefully fine-tuned according with sector trend analyses (between brackets, suggested quantitative ex-ante objective to be confirmed)

ANNEX 2: IMPLEMENTATION SCHEDULE/ PRIORITIES 1 and 2

D= Design C= Contracting I= Implementation R= Review/evaluation

This schedule is fixed for the 2005 programme.

Priority 1																
	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
RO	D	D/C	C	C/I	I	I	I	I	I	I	I	I	R	R	R	R
Priority 2																
	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
RO	D	D/C	C	C/I	I	I	I	I	I	I	I	I	R	R	R	R

ANNEX 3: CONTRACTING AND PROJECT COMPLETION SCHEDULES

Cumulative contracting and disbursement schedule for Priority 1 and Priority 2 by quarter (2005 Phare budget only)

Components	in MEUR (planned)															
	2005		2006				2007				2008				2009	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Total contracted					7.7	7.7	7.7	7.7	7.7	7.7						
Total disbursed						1.54	1.54	1.54	1.54	6.93	6.93	6.93	6.93	6.93	7.7	7.7

Annex 4 Reference lists of feasibility/pre-feasibility studies, in depth ex ante evaluations or other forms of preparatory work

Not applicable

Annex 5 Reference list of relevant laws and regulations

- *Infrastructure related regulations and directives*

EU DIRECTIVES AND ROMANIAN LEGISLATION

No	EU Directives	Respective Romanian Legislation
1	EC Directive 96/53/EC on Weights and Dimensions	
2	Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network	Law no. 203/16.05.2003 (MO no. 361/27.05.2003) on establishing, developing and modernising the transport network of national and European interest
3	Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of heavy goods vehicles for the use of certain infrastructures	Law no. 424/2002 (published in MO no. 468/01.07.2002) for the approval of the Government Ordinance no.15/24.01.2002 on introducing some charges for the use of road infrastructure. Order no. 284 (published on 25 March 2003) for the approval of the lists containing the public roads with the maximum authorised weights limits for road freight vehicles, MOF 188

- *Environment related regulations and directives* **EU DIRECTIVES AND ROMANIAN LEGISLATION**

No	EU Directives	Respective Romanian Legislation
1	Council Directive 90/313/EEC on Access to Environmental Information	Governmental Ordinance 115/2002 on free access to Environmental information
2	Council Directive 85/337 concerning Environmental Impact amended by Commission Directive 97/11	Governmental Ordinance 91/2002, Governmental Ordinance 918/2002. Law 22/2001 concerning Cross-border EIA
3	Council Directive 2000/60 on water management at river basin level –Water Framework Directive	Water Law 107/1996 Law 404/2003 approving GO 107/2002 on the National Water Management

		Company MWEF Order 1146/2002 on surface water quality
4	Council Directive 91/271 concerning urban wastewater treatment as amended by Commission Directive 98/15 and Decision 93/481	Governmental Ordinance 188/2002 on wastewater discharge criteria (NTPA 001 and NTPA 002)
5	Council Directive 91/676 on the protection of waters against pollution caused by nitrates from agricultural sources	
6	Council Directive 80/69 on the protection of groundwater against pollution caused by certain dangerous substances	Governmental ordinance 119/2002 on Water Pollution Prevention by Several Dangerous Substances and Its Control
7	Council Directive 76/464 on discharge of dangerous substances and 7 daughter directives	Governmental Ordinance 118/2002
		Governmental Ordinance 87/2001 on public services for sanitation, approved by Law 139/2002;
8	Council Directive 98/83 on the quality of water intended for human consumption	Drinking water Law 458/2002
9	Council Directive 75/442 on waste, as amended by Council Directive 91/156/EEC	Waste regime Law 426/2001 consolidating Governmental Ordinance 78/2000
11	Council Directive 99/31 on the landfill of waste	Governmental Ordinance 162/2002 on Waste disposal MWEF Orders 1147/2002 and 867/2002
12	Council Directive 89/369 - Municipal waste incineration	Governmental Ordinance 128/2002 on Waste incineration
		Governmental Ordinance 21/2002 on management of urban and rural localities
13	Council Directive 96/62 - Air quality framework	Law 655/2001 and GO 243/2000 on Atmosphere Protection MWEF Order on Air pollution hot-spot areas
		MoWEP Order 114/2002 on permitting and licensing in water management
		MoWEP Order on accidental pollution prevention and control
14	Council Decision of 99/847/EC establishing a Community action programme in the field of civil protection (OJL 327,21.12.1999) and Council Decision 98/22/EC establishing a Community action programme in the field of civil protection	

- **Economic Development ROMANIAN LEGISLATION**

1. Law 31/1990 regarding commercial companies;
2. Commercial Code;
3. Law 571/2003 regarding the Fiscal Code;
4. Law 53/2003 regarding Labour Code;
5. Law 509/2002 regarding commercial agents;
6. Governmental Ordinance 51/1997 regarding leasing operations;

7. Governmental Ordinance 130/2000 regarding the legal status of long – distance contracts;
8. Law 193/2000 regarding abusive provisions concluded between traders and consumers;
9. Governmental Ordinance 21/1992 regarding consumer protection;
10. Law 84/1992 regarding free zones;
11. Governmental Decision 449/1999 regarding the setting – up of Free Zone Curtici-Arad and RA „Administration of Free Zone Curtici-Arad”;
12. Governmental Decision 682/1994 regarding the approval of the Methodology for land and building concessions in the free zone;
13. Order 1431/2002 for the approval of the Instructions regarding the granting of work licences and access permits in the Free Zone;
14. Governmental Ordinance 24/1998 regarding the disadvantaged areas;
15. Governmental Ordinance 65/2001 regarding the setting up and functioning of the industrial parks;
16. Law 21/1996 regarding competition;
17. Law 11/1991 regarding the unfair competition;
18. Law 141/1997 regarding Customs Code;
19. Governmental Decision 1114/2001 regarding the approval of the Rules regarding the implementation of the Customs Code;
20. Methodology regarding the exemption from the obligation to guarantee the customs duty– Official Gazette 392/1998 - amended by Order 705/2002 and Order 142/2002;
21. Decision 471/2002 regarding the implementation of the common transit on the Romanian territory;
22. Methodological Norm regarding the implementation of the suspension of the VAT duty in customs for equipment, installations, industrial and agricultural machines, that are imported for the purpose of carrying out investments (M.O. 327/1997);
23. Law 64/1995 regarding judicial reorganisation and bankruptcy;
24. Memorandum regarding economic policies – Official Gazette 422/1990 amended by Memorandum of 16 May 2000;
25. Law 32/1994 regarding sponsorship;
26. Governmental Ordinance 80/1999 regarding the amendment of Law 56/1990 regarding the border of Romania;

Annex 6 Reference list of relevant strategic plans and studies

Not applicable

Annex 7 Template for the institutional framework/implementation arrangements for Grant Scheme implementation

The Neighbourhood Programme (NP) will operate on the basis of single calls for proposals and single selection process covering both sides of the border. Under this approach, individual projects to be financed are identified through the grant scheme mechanism.

The following should be considered as joint projects:

- Simple projects with a cross-border effect taking place mostly or exclusively on one side of the border but for the benefit of both partners;
- Complementary projects where an activity on one side of the border is accompanied by a similar activity on the other side;
- Integrated projects where partners on either side of the border contribute different elements to a single project

Hence, only the projects falling into one of these categories should be considered eligible to the NP.

Once the Commission has adopted the yearly Financing Memorandum, the relevant project fiches will be implemented through calls for proposals. The grant scheme objectives and core eligibility/selection criteria will be defined in the Financing Memoranda, whereas detailed eligibility and selection criteria, evaluation procedures and implementation arrangements are laid down in the project fiches.

The Commission developed specific Neighbourhood Programmes Implementing Guidelines in order to harmonise the Phare and Tacis award procedures of the PRAG. **These Implementing Guidelines, in conjunction with the PRAG, shall govern the implementation of the Neighbourhood Programme.**

The standard and basic selection, implementation and monitoring process will be as follows:

Except when stated differently, the award procedures provided in the PRAG will be implemented, as amended by the Neighbourhood Programme Implementing Guidelines Phare CBC/Tacis

1. PREPARATION OF THE PACKAGE OF CALL FOR PROPOSAL, GUIDELINES FOR APPLICANTS AND APPLICATION FORM ACCORDING TO THE PRACTICAL GUIDE

- The JTS, under the supervision of the JSC, will draft the call for proposals and the Application Pack;
- The IA and PCU submit the Application Pack to the respective Commission Delegations for approval prior to publication.

2. PUBLICATION OF THE CALL FOR PROPOSAL

The IA and the PCU, with the assistance of the JTS, take all appropriate measures to ensure that the nationally and regionally publicised call for proposals reaches the target groups.

In certain circumstances, a Call for proposals might be launched with suspensive clause, if the EC funding is not yet available (e.g. prior to Commission Decision approving the Financing Proposal).

The IA and the PCU should ensure adequate publicity of call for proposals to attract as many as possible qualified proposals from potential beneficiaries and trying to ensure proposals quality.

Potential eligible beneficiaries will submit project proposals according to project fiches settings, i.e. eligible actions, co-financing rules and budgets. Projects application will have to indicate for what specific measure is competing.

The JTS will be responsible for answering questions from potential applicants. JTS will provide advice to potential project applicants in understanding and formulating correct application forms.

3. PROJECT SELECTION PROCESS

- The JTS collects and registers incoming project proposals.
- The Romanian IA and the Ukrainian PCU designate a joint Evaluation Committee for the assessment of administrative compliance and eligibility and the technical and financial quality of proposals. In its tasks, the Evaluation Committee is assisted by the JTS.
- Members of the joint Evaluation Committee come from both countries. A balanced membership from either side of the border is required. Members of the Evaluation Committee are designated exclusively on the basis of technical and professional expertise in the relevant area.
- The composition of the Evaluation Committee must be submitted for prior approval to the EC Delegations. EC Delegations' representatives will participate as observer in the proceedings of the Evaluation Committee. Prior approval is needed from EC Delegations for the participation of other observers.
- The Evaluation Committee will adopt its rules of procedure.
- If necessary, the Evaluation Committee could be assisted by Assessors designated by the RO IA and the UA PCU and endorsed by the Commission.
- The joint Evaluation Committee (with the support of Assessors, as appropriate), will assess each proposal on the basis of the published evaluation grid (approved by EC Delegations as part of the Application Pack), draws up its recommendations and decisions in the form of an evaluation report and transmit it to the Joint Steering Committee.
- Proposals will be processed ensuring, inter alia:
 - Eligible beneficiaries source
 - Eligible regions source
 - Coherence and relevance with overall program and targeted measure
 - Programme-measure-fiche budget constraints
 - Other budget constraints and co-financing requirements
 - Eligible planned actions according to targeted measure.
- The application format should allow:
 - An easy and timely admission-selection process
 - Readability for potential applicants
- The Evaluation body will have to use an appropriate evaluation methodology ensuring:
 - Independent and objective evaluation
 - High efficiency and timing
 - Readability of outcomes also for non-experts.

- . The Joint Steering Committee formally ratifies the Evaluation Report and the award proposals and transmits them, with recommendations, as appropriate, to the RO IA and UA PCU for submission to the EC Delegations. Under no circumstances the JSC is entitled to change the Evaluation Committee's scores or recommendation and must not alter the evaluation grids completed by the evaluators.
- . The EC Delegations approve the Evaluation Report and the final list of grants to be awarded.

4. CONTRACTING

Given the different financial rules applicable to each side of the border (decentralised versus centralised), the contracting procedures will be different for the projects (or part of them) co-financed by Phare CBC or Tacis:

In Romania:

- . The EC Delegation only approves the evaluation report, the list of proposed projects (budget, duration, beneficiaries etc as per Practical Guide), and the standard contract format, not the contracts themselves irrespective of their budget.
- The IA signs the grant contracts with the selected beneficiaries based on the final list of Phare CBC grants approved by the EC Delegation. The language of the grant contract is English.
- The grant contracts should normally be issued within 3 months of the decision of the Joint Steering Committee.

In Ukraine

- . The EC Delegation formally confirms the decision of the Joint Steering Committee/PCU. In all cases, the Delegation will retain the right of final approval of projects (or part of projects) co-financed by Tacis. In doing so, it will ascertain that the conditions for Community financing are met
- . The EC Delegation issues the grant contracts with the selected beneficiaries, normally within 3 months of the decision of the Joint Steering Committee.

The JTS will notify in writing the successful and unsuccessful applicants of the result of the call for proposals.

The implementation of selected projects by final beneficiaries through the procurement of works, supplies and services, shall be subject to EC external aid procurement rules or as otherwise defined in the Financing Memorandum.

5. MONITORING AND CONTROL OF THE SELECTED PROJECTS

Project implementation will be monitored through the Joint Steering Committee. The project monitoring and reporting process will be harmonised so that all projects will be monitored according to standard procedures. Project monitoring and evaluation will be based on periodic assessment of progress on delivery of specified

project results and towards achievement of project objectives. All reporting and evaluation must differentiate between Phare CBC and Tacis expenditure, although in the framework of a single reporting structure. Monitoring reports are submitted to the Joint Co-operation Committee.

The JTS will collect and verify the technical reports and requests for payments from the beneficiaries and forward them to the relevant Contracting Authority for payments.

The EC Delegations reserve the right to organise field visits and to monitor on a case-by-case basis the projects selected.

6. ELIGIBILITY OF PROPOSALS

6.1 Eligibility of Applicants

The list of eligible applicants should be established in the Application Pack (Guidelines for Applicants) according to circumstances (objective of the Call for proposal, local administrative structure, etc.). It should generally include: national, regional, local public authorities; regional and local public organisations; municipalities and communities within the defined border area; professional associations; chambers of commerce; regional associations; non-governmental bodies; trade unions; etc.

The grant cannot have the purpose or effect of producing a profit for the beneficiary. In order to implement the project, grant beneficiaries may need to procure services, supplies or works. To this effect, private companies may be sub-contracted.

Participation from third countries is also possible as project partners on the basis of own funds contributions and as subcontractors, in line with the terms of the legal requirements stipulated in the legal bases of the EC external funding.

6.2 Size of projects (Community Contribution)

- For people-to people projects: up to 50.000 Euro
- For other projects (selected through Call for proposal): no less than 50.000 Euro.

In keeping with the above limits, min-max threshold of projects selected through call for proposals will be indicated in the Application Pack in conformity with the Project Fiche, on a case-by-case basis, according to circumstances (objectives of the measure, etc.). Within the same measure, min-max threshold could be differentiated according to the Phare and Tacis side of the border to take account of specific circumstances (e.g. differences between Phare CBC and Tacis available funds).

For any scheme, and particularly with regards to people-to-people, it will be important to set the min-max thresholds so as to keep the overall number of projects manageable.

6.3 Co-financing rules

Different co-financing rules apply for Phare CBC and Tacis.
Minimum requirements are as follows:

Phare CBC:

- people-to people projects: 10 % co-financing by the beneficiary;
- institution building projects: as a general rule, 10% co-financing by the beneficiary and/or public funds
- Investment projects: at least 25% co-financing from public funds.

Additionally, in the context of the NP Romania-Ukraine, the following rules will apply:

The grant schemes will be jointly co-financed between Phare and government resources. The rate of Phare support within the total support will be 75%, while the Romanian government will contribute 25 %. The ratio between the Phare and the national amount is binding and has to be applied to the “final contract price”. The rate of the generally available maximum support (Phare and national co-financing) is 90 % of the total cost of the projects to be supported, and at least 10 % has to be provided as own resources by the beneficiaries.

Tacis*

- Individual projects financed under the People-to-People / JSPF Grant Scheme (priority 3) projects: min 5% co-financing by the beneficiary
- Individual projects financed under the main (ESD) Grant Scheme (priority 1&2)
 - projects from 50,000 to 300,000 Euro: min 10% co-financing by the beneficiary
 - projects over 300,000 Euro: min 25% co-financing by the beneficiary

* Clarification pending

6.4 Length of Projects

The average duration of projects is expected to be between 12-24 months, depending on the overall size and objectives of the project.