



# Ex-post Evaluation of 2007-2013 ENPI CBC Programmes

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*Evaluation carried out on behalf of the European Commission*



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## Ex-post Evaluation of 2007-2013 ENPI CBC Programmes

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## FINAL REPORT COVER PAGE

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**The report consists of three volumes:**

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## LIST OF ABBREVIATIONS AND ACRONYMS

AIR	Annual implementation report
BCP	Border Crossing Point
BSB	Baltic Sea Region CBC programme
BSC	Black Sea Convention
BSR	Black Sea Basin CBC programme
CBC	Cross-Border Cooperation
CfP	Call for Proposals
CSO	Civil Society Organisation
DG DEVCO	Directorate-General for International Cooperation and Development, European Commission
DG NEAR	European Neighbourhood Policy and Enlargement Negotiations
DG REGIO	Directorate-General for Regional and Urban Policy, European Commission
EaPTC	Eastern Partnership Territorial Cooperation
EC	European Commission
EEAS	European External Action Service
EE-LV-RU	Estonia-Latvia-Russia CBC programme
EE-RU	Estonia-Russia CBC programme
EGTC	European Grouping of Territorial Cooperation
EQ	Evaluation Question
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood Partnership Instrument
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Funds
EUD	European Union Delegation
EU	European Union
FA	Financing Agreement
FPI	Foreign Policy Instrument
HU-SK-RO-UA	Hungary-Slovakia-Romania-Ukraine CBC Programme
ICZM	Integrated Coastal Zone Management
IPA	Instrument for Pre-accession Assistance
IPCC	Intergovernmental Panel for Climate Change
IR	Implementing Rules
ISG	Inter-service Steering Group
IT-TN	Italy-Tunisia CBC Programme
JMA	Joint Managing Authority/ies
JMC	Joint Monitoring Committee
JSC	Joint Selection Committee



JTS	Joint Technical Secretariat
KAR	Karelia CBC Programme
KOL	Kolartic CBC Programme
LIP	Large infrastructure project
LSP	Large-scale project
LT-PL-RU	Latvia-Lithuania-Russia CBC Programme
LT-RU	Lithuania-Russia CBC Programme
LV-LT-BY	Lithuania-Poland-Russia CBC Programme
MAP	Mediterranean Action Plan
M&E	Monitoring and evaluation
MED	Mediterranean Sea Basin CBC Programme
MEL	Monitoring, Evaluation and Learning
MS	Member State
NGO	Non-governmental Organisation
NIP	Neighbourhood Investment Platform
OVI	Objectively verifiable indicator
PL-BY-UA	Poland-Belarus-Ukraine CBC Programme
PL-RU	Poland-Russia CBC Programme
PSC	Project Selection Committee
PPF	Project Preparation Facility
RAG	Regional Assessors Group
RCBI	Regional Capacity Building Initiative
REEFs	Research and Restoration of the Essential Filters of the Sea
ROM	Results-oriented Monitoring
RO-UA-MD	Romania-Ukraine-Moldova CBC Programme
RO-UA	Romania-Ukraine CBC Programme
RO-MD	Romania-Moldova CBC Programme
SEFR	South-East Finland-Russia CBC Programme
SO	Specific objective
SP	Strategic project
ToC	Theory of Change
UfM	Union for the Mediterranean
TESIM	Technical Support to the Implementation and Management of ENI CBC programmes
ToR	Terms of Reference



# 1 EXECUTIVE SUMMARY

The aim of this evaluation is to assess the performance of Cross-Border Cooperation (CBC) in the EU neighbourhood funded in the framework of the European Neighbourhood and Partnership Instrument (ENPI) 2007-2013, in order to draw lessons for the new generations of neighbourhood cross-border cooperation programmes, currently implemented under the European Neighbourhood Instrument (ENI) 2014-2020<sup>1</sup>. The evaluation was carried out on the basis of four OECD/DAC criteria (effectiveness, efficiency, impact, sustainability)<sup>2</sup> plus the EC criteria of coherence and complementarity, EU value added, and lessons learned. It consisted of 8 evaluation questions agreed in the Inception Report.

In addition to this Executive Summary (**Section 1**), the Final Evaluation Report consists of an introduction presenting the objectives, scope and stages of the evaluation (**Section 2**), a background section contrasting the ENPI CBC original vision and assumptions with the context and reality of implementation (**Section 3**), an overview of projects funded under the 13 programmes (**Section 4**), an assessment of ENPI CBC performance frameworks (**Section 5**), the replies to the evaluation questions assessing the performance of ENPI CBC 2007-2013 against the evaluation criteria (**Section 6**) and a set of 7 recommendations to improve the effectiveness, efficiency, impact, sustainability and coherence of ongoing and future cross-border cooperation (**Section 7**). The Final Report is supplemented with 16 Annexes compiling and summarising information about ENPI and ENI CBC, including three case studies on the results and impact of ENPI CBC on specific borders and sectors (tourism development, marine environment and border management).

## 1.1 Context and overall achievements

The European Neighbourhood Policy (ENP) was launched in 2004, with its core aim to support and foster stability, security and prosperity across the EU Neighbourhood. In 2007, the European Commission introduced a new financial instrument (ENPI) to contribute to the implementation of ENP, in particular through cross-border and regional cooperation. In this context, the ENPI CBC Strategy Paper (2007), laid down the four key (strategic) objectives of ENPI CBC, which were the foundation of ENPI CBC programmes.

The financial resources allocated to the ENPI CBC 2007-2013 amounted to € 947.2 million combining funds from ENPI, ERDF and IPA. The contribution from participating countries and/or project beneficiaries brought the total allocation to € 1.2 billion.

The 13 ENPI CBC programmes implemented during the period covered nine EU land borders, three sea basins and one sea crossing. The programmes involved 34 countries, 19 EU member states and 12 of the 16 ENP partner countries plus Norway, Russia and Turkey.

Altogether, the programmes funded 941 projects over the period for a total contracted amount of €910 million (April 2017), out of which 38% was channelled to projects promoting economic development, 32% to environment, 19% for social development and 11% for security issues. The bulk of EC funding (70%) was channelled through standard projects selected through calls for proposals. Large-scale projects (LSPs) represented 22% of the total EU funding contracted (approximately €195 million), while strategic projects covered a minor share (8% of the total EU funding contracted). In total, there were 867 standard projects, 51 LSPs and 23 strategic projects. The participation in calls for proposals has been very high (in total, more than 7,000 applications were submitted across all programmes), attesting the appeal of CBC among stakeholders in the

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<sup>1</sup> In the present report, ENPI CBC means CBC programmes implemented under the European Neighbourhood and Partnership Instrument (2007-2013) while ENI CBC means the next generation of CBC programmes implemented under the European Neighbourhood Instrument (2014-20).

<sup>2</sup> The relevance of ENPI CBC programmes was assessed by the Mid-Term Evaluation carried out in 2013. The evaluation concluded to “a high degree of relevance of the ENPI CBC programme priorities both in terms of correspondence with the ENPI CBC strategy objectives and the needs of the programme area”.



eligible areas. In total, ENPI CBC involved 4,569 organisations from 36 different countries, out of which 2,106 were from partner countries.

As of April 2017, contracting rates were close to 100% of the funding allocated for all programmes. Overall, 85% of the EU allocations to projects had been disbursed (€732.3 million). These figures, however, are not final since 146 projects were still ongoing in April 2017. The amount of project expenditures approved by JMAs stood at 75% (€645.9 million) of the allocation to projects in April 2017.

## 1.2 Performance assessment of ENPI CBC 2007-2013

The evaluation questions addressed in the Inception Report provide the foundation for assessing ENPI CBC 2007-2013's performance against the evaluation criteria in the ToR:

**Effectiveness:** ENPI CBC resulted in an impressive number and variety of cross-cooperation projects with a high participation from partner countries. Compared to the previous period, ENPI CBC brought a higher degree of cooperation between EU and partner countries, which contributed to the development of more genuine and sustainable partnerships. In that sense, the ENPI CBC added an important territorial dimension to the ENP extending the principles of territorial cooperation developed in the context of the EU Cohesion Policy to the external borders of the EU. One of the major outcomes of ENPI CBC is the strengthening of capacities of CBC stakeholders across the neighbourhood. There is at present a much more solid basis for cooperation compared to the previous period, with well-established programme authorities, more experienced beneficiaries and a high degree of trust and commitment among officials from EU and partner countries. While the effectiveness of projects (and ultimately programmes) was affected by complex legal and regulatory frameworks and geo-political instabilities, there are many examples of successful cooperation delivering worthwhile outputs and results. Unfortunately, there is an absence of reliable, hard evidence to construct a comprehensive picture of programme effectiveness, due to weaknesses in the performance frameworks at programme level (shortcomings in both the intervention logic and the indicators) and the disconnect with the project level.

**Efficiency:** The fact that all 13 programmes managed to complete the ENPI implementation cycle with very high contracting rates is an achievement worth emphasising, especially bearing in mind that some programmes did not exist before ENPI or were launched under a new set-up. There were of course variations in the level of performance from one programme to another which are reflected in the effective use of funds.

The implementation delays experienced across almost all programmes, and the need for extending implementation deadlines, reflect the late start of the programmes, the long selection and contracting stages and the difficulties encountered during implementation. A major challenge for all CBC stakeholders was to learn how to implement programme/project activities in line with EU requirements while, at the same time, ensuring compliance with national regulatory frameworks. The efficiency of many projects was also affected by the political and economic instabilities experienced during the programming period. At project level, the JTSs and their branch offices played a crucial role in managing contracts and supporting beneficiaries to overcome the difficulties of implementation.

When successful, large-scale projects brought tangible benefits for the local economy and had a high visibility. However, their selection was not always based on strong strategic and cost-effectiveness considerations and their implementation often took up considerable time and capacities from the management structures to resolve legal and administrative issues connected to their implementation.

A major weakness in the management of ENPI CBC was related to monitoring and evaluation activities. At project level, many beneficiaries had a weak understanding of project intervention logic and paid insufficient attention to the design and monitoring of indicators of achievement.



There was a lack of connection between programme and project performance frameworks which made it difficult for managing authorities to measure the progress towards programme objectives.

The EC technical assistance (TA) projects<sup>3</sup> contributed positively to the effective functioning of the programmes but the fact that there were two different projects implemented according to different calendars created some confusion among stakeholders and reduced efficiency. In their supportive role, the TA projects were not always able to provide accurate and timely clarifications and instructions to programme management structures and final beneficiaries, which occasionally affected programme implementation.

Support and guidance from the EC was always highly valued by CBC stakeholders. However, the EC faced considerable challenges in overseeing and coordinating the parallel implementation of 13 programmes with its limited human resources and frequent staff turnover, which reduced its capacity to provide definitive and timely guidance to CBC stakeholders.

**Impact:** The diversity of objectives and the broadly-formulated priorities diminished the overall impact of programmes. Even with greater focus, impact would be hard to measure, given the scale of the programmes, but was made harder due to insufficient performance data.

Notwithstanding these shortcomings, the impact of ENPI CBC must be viewed in the wider context of geo-political and economic developments. In normal circumstances, the ambitious objectives of ENPI CBC programmes would be difficult to reach given the modest amounts involved by the cooperation in relation to needs, but the political and economic instability experienced in the neighbourhood over the period rendered the original strategic aims of the respective CBC programmes even less achievable despite many examples within each programme of successful cooperation that had an impact on their specific area of intervention.

The level of cross-border cooperation reached thanks to ENPI CBC is, however, an achievement which should not be underestimated, especially in the current geo-political context. The programmes played – and continue to play - an extremely valuable role in developing and maintaining contacts and dialogue between people while promoting EU values and practices across the neighbourhood.

**Sustainability:** The durability of benefits derived from ENPI CBC is not easy to assess, due to a lack of data concerning the sustainability of results, the continuation of partnerships and the long-term impact of projects. Demand-driven projects with strong ownership, long-term partnership and links to regional/national levels had better prospects of sustainability. In the case of successful large-scale/strategic projects, the involvement of key state bodies usually guaranteed the long-term sustainability of results in both financial and institutional terms.

While there are examples of standard projects benefiting from the support of local and even national authorities, the mainstreaming of project results into national policies were an exception. Moreover, the continuation of project activities usually depended on the next calls for proposals.

Regarding the long-term prospects of CBC across the neighbourhood, the framework for cross-border cooperation is well established. This is not only true for the managing structures but also for many partnerships created under the ENPI CBC, which are being pursued in the new period.

**Coherence and complementarity:** ENPI CBC tended to be implemented in isolation of the rest of the Neighbourhood Policy. While the broadly formulated objectives and priorities of the ENPI CBC programmes ensured that the risk of contradiction with other interventions was relatively small, ENPI CBC was insufficiently articulated with other EU instruments and political initiatives. There were also limited connections with national and regional policies of participating countries. This disconnect has reduced the overall impact of the programmes. When synergies and complementarities were achieved, this was more the result of the projects themselves than programme incentives and/or mechanisms.

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<sup>3</sup> Regional Capacity Building Initiative (RCBI) and INTERACT ENPI



**EU added value:** ENPI CBC made a distinct contribution to regional/local development policies in the neighbourhood, fostering a greater involvement of local actors, promoting partnerships, and stimulating creative responses to common challenges. In the context of scarce public resources, the programmes represented an important source of funding without which local development goals would often not have been achieved. From the viewpoint of many beneficiaries, the added value of the programmes lies primarily in their capacity to mobilise partners across the border, overcoming the serious obstacles and barriers (physical and otherwise) that hinder the cooperation between the EU and its neighbourhood.

**Lessons learned:** The ENI programming and implementation environment has evolved markedly in five key areas from the ENPI framework: the strategic objectives of CBC have been streamlined with greater focus; the management, control and audit arrangements have been strengthened in all countries, but especially in partner countries; the rules on selecting projects, tendering and contracting are more appropriate to shared management including more detailed provisions for large infrastructure projects. Comparing the programming and implementation frameworks in the ENPI and ENI regulations, the latter has clearly taken on board lessons from the ENPI experience, and inevitably this has shaped the ENI CBC programmes. The decision to have only one technical assistance facility dedicated to ENI CBC was also well justified.

The relaxation of the ENPI requirement to apply the Practical Guide to Contract Procedures for EU External Actions (PRAG) to calls for proposals provides greater flexibility to link programme and project performance frameworks. The ENI CBC regulation puts also more emphasis on result-oriented programme and project monitoring. Overall, these changes should both improve, and make it easier to assess, efficiency, effectiveness, and impact, although the quality of performance frameworks continues to depend on the structure and suitability of objectives and indicators and the links established between programme and project levels.

### 1.3 Recommendations

The report concludes with seven sets of recommendations to enhance the efficiency, effectiveness and impact of ongoing and future ENI CBC programmes.

#### R1. Enhance focus and impact of ENI CBC

**R1.1** Continue ENI CBC beyond 2020, with an increased strategic focus to maximise impact in line with the 2015 Review of the European Neighbourhood Policy, especially for sea-basin programmes, and only minor changes to the regulatory framework to maintain momentum from 2014-2020.

**R1.2** Give more weight in project appraisal and greater attention at the selection stage to the impact and sustainability, including the cross-border dimension, and reflect these requirements in information and training for applicants and assessors.

#### R2. Seek more synergies with other EU instruments and policies

**R2.1** Integrate ENI CBC with other ENP instruments and EU external policies, and ensure closer linkages of CBC programmes with other strategies, programmes and initiatives at regional, national and EU levels.

**R2.2** Explore how to increase consistency between ENI CBC and Interreg regulatory frameworks, templates and tools .

**R2.3** Enhance DG NEAR capacities to provide guidance and analyse overall performance of ENI CBC, and coordinate with DG REGIO over CBC in all its forms.

**R2.4** Carry out a study of cross-border needs and obstacles to cooperation to identify bottlenecks and suggest measures to national authorities.

#### R3. Improve relevance and ownership of programmes

**R3.1** Achieve more balanced partnerships through commensurate contributions from partner countries



**R3.2** Towards the end of the current financial perspective, review the relative merits of bilateral and multi-country programmes (based on ENPI and ENI experience), with potentially new combinations of CBC countries to increase the homogeneity of programme areas.

#### **R4. Enhance the added-value of large-scale projects**

**R4.1** Broaden the perspective of large-scale projects to truly strategic operations (which might include infrastructure) and in the case of research projects, these should concern the application of innovation, and not basic research.

**R4.2** Expand the role of the Neighbourhood Investment Platform in securing funding for CBC infrastructure projects and support the development of the latter through a Project Preparation Facility for ENI CBC

#### **R5. Improve programme efficiency**

**R5.1** Ensure early adoption of the ENI CBC regulatory and financing framework post-2020 to avoid reduced programme and project implementation periods.

**R5.2** Consider introducing financial flexibility within the total ENI CBC allocation to support urgent projects that respond to opportunities or threats.

**R5.3** Increase the frequency and improve focus of calls for proposals to increase their impact, speed up project selection and contracting and simplify rules, procedures and templates.

**R5.4** Consider measures to speed up payment cycles to resolve cash flow problems in participating countries

**R5.5** Consider simplifying State aid requirements for CBC projects

**R5.6** Allow more flexibility in the use of savings from projects to improve the absorption and use of funds.

**R5.7** Require/reinforce the presence of management structures in the border regions through JTSs and branch offices.

#### **R6. Improve performance frameworks and monitoring and evaluation practices**

**R6.1** Strengthen the performance frameworks and their practical application through focused calls, project selection and implementation, enhancing the capacities of programme authorities and project beneficiaries, and allowing flexibility in post-2020 ENI to review and refine frameworks in response to evolving circumstances.

**R6.2** Improve IT tools for programme management, monitoring and evaluation, drawing from experience within Cohesion Policy and Interreg and enhance the capacities of programme authorities to analyse context (including use of statistics) and draw up evidence-based strategies.

**R6.3** Consider establishing a permanent Monitoring, Evaluation and Learning (MEL) Facility for ENI CBC to support CBC stakeholders, enhance results and impact and strengthen the learning process in view of future cycles

#### **R7. Strengthen the technical assistance and support to programmes**

**R7.1** Continue the EC TA to CBC programmes as valued support to programme authorities and the interface with the European Commission, with renewed emphasis on simplification, results-based management and capitalisation.

**R7.2** Ensure that the programmes' technical assistance budget reflect better the programme's actual need for technical assistance.



## 2 INTRODUCTION

### 2.1 Objectives of the evaluation

The objectives of this evaluation were:

- To assess in both qualitative and quantitative terms the **performance of ENPI CBC programmes (2007-2013)** particularly their effectiveness, efficiency, impact, sustainability and EU added value;
- To review/assess the existing practice in **programme implementation, monitoring and performance measurement** of ENPI CBC programmes, coming up with findings/conclusions on the pitfalls, drawbacks of the current systems and operational recommendations for improving the implementation, monitoring (including reporting) and evaluation of the ENI CBC programmes.

The results of the evaluation were intended to provide the EC with a set of **operational and useful recommendations** for the new generation of **ENI CBC programme implementation**.

The outputs of the evaluation are to be used to improve the capacity of the ENI CBC Programmes to achieve their objectives, among other regarding the possibility of:

- improving their **design** with special emphasis on monitoring and evaluation,
- improving the **implementation** of the programmes,
- improving the **impact** of the programmes,
- improving the **visibility** of the programmes.

### 2.2 Scope of the evaluation

**Preliminary remark:** *In the present report, ENPI CBC/ENI CBC means CBC programmes implemented under the European Neighbourhood and Partnership Instrument (ENPI 2007-2013) and the European Neighbourhood Instrument (ENI 2014-2020) respectively. Moreover, the term “ENPI/ENI CBC” should also be understood as covering CBC programmes with Russia although relationships between the EU and Russia are organised outside the European Neighbourhood Policy through a separate Partnership Agreement.*

The evaluation covered the 13 CBC programmes implemented under ENPI 2007-2013<sup>4</sup> (see Table 1 below) including 9 EU land borders and one sea crossing as well as three common sea basins<sup>5</sup>. Altogether, 34 countries participated in ENPI CBC including 19 EU member states and 12 of the 16 ENP partner countries<sup>6</sup> plus Norway, Russia and Turkey.

In order to draw the right conclusions and provide relevant and useful recommendations, it was also necessary to take into account the evolution of CBC under ENI 2014-2020. In particular, the evaluation examined whether the design of the new programmes reflected lessons learned from ENPI CBC.

<sup>4</sup> 15 ENPI CBC programmes were foreseen in the ENPI CBC Indicative Programme (2007). The CBC Spain-Morocco Programme and the CBC Atlantic Programme were never implemented and are therefore not part of this evaluation.

<sup>5</sup> 15 CBC programmes were originally foreseen but two programmes (CBC Spain-Morocco and CBC Atlantic Programme) were not established. The Russian Federation decided not to take part in the BSB and BSR.

<sup>6</sup> Belarus, Moldova, the Russian Federation, Ukraine, Armenia, Georgia, Tunisia, Egypt, Jordan, Israel, Palestine and Lebanon. Four ENPI partner countries did not take part in the cooperation (Algeria, Azerbaijan, Morocco, Libya and Syria). The 19 EU member states are: Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Spain and Sweden. Turkey participates in the Black Sea Basin (BSB) programme via funding from the Instrument for Pre-accession Assistance (IPA). Azerbaijan took part in the development of the BSB programme but did not participate in the implementation stage. Syria took part in the Mediterranean Sea Basin until the second half of 2011 when participation was suspended for political reasons.



Table : CBC programmes covered by the evaluation

ENPI 2007-2013		ENI 2014-2020	
ENPI CBC Programme	Acronym	ENI CBC Programme	Acronym
<b>LAND BORDER PROGRAMMES</b>			
Poland-Belarus-Ukraine	PL-BY-UA	Poland-Belarus-Ukraine	PL-BY-UA
Lithuania-Poland-Russia	LT-PL-RU	Lithuania-Russia	LT-RU
		Poland-Russia	PL-RU
Romania-Ukraine-Moldova	RO-UA-MD	Romania-Ukraine	RO-UA
		Romania- Moldova	RO-MD
Hungary-Slovakia-Romania-Ukraine	HU-SK-RO-UA	Hungary-Slovakia-Romania-Ukraine	HU-SK-RO-UA
Estonia-Latvia-Russia	EE-LV-RU	Estonia-Russia	EE-RU
		Latvia-Russia	LV-RU
Latvia-Lithuania-Belarus	LV-LT-BY	Latvia-Lithuania-Belarus	LV-LT-BY
South-East Finland-Russia	FI-RU	South-East Finland-Russia	FI-RU
Kolartic	KOL	Kolartic	KOL
Karelia	KAR	Karelia	KAR
<b>SEA CROSSING PROGRAMMES</b>			
Italy-Tunisia	IT-TN	Italy-Tunisia	IT-TN
<b>SEA BASIN PROGRAMMES</b>			
Mediterranean Sea Basin	MED	Mediterranean Sea Basin	MED
Baltic Sea Region	BSR	Baltic Sea Region	BSR
Black Sea Basin	BSB	Black Sea Basin	BSB

It should be noted that the Baltic Sea Region CBC programme (BSR CBC) is an Interreg programme, which includes an external component funded through ENPI/ENI to enable the participation of non-EU countries<sup>7</sup>. Given the specificity of the BSR CBC, the findings and conclusions of this report do not always apply to this programme.

CBC programmes under ENPI 2007-2013 were governed by the provisions of *EC regulation N° 1638/2006* establishing the European Neighbourhood and Partnership Instrument<sup>8</sup> and the detailed implementing rules laid down in *EC regulation N° 951/2007*<sup>9</sup>.

The establishment and implementation of CBC programmes under ENI 2014-2020 are governed by the following regulations: *EC regulation N°232/2014* (ENI regulation<sup>10</sup>), *EC regulation N°236/2014* (Common Implementing Rules<sup>11</sup>) and *EC regulation N°897/2014* (Implementing rules related to CBC programmes<sup>12</sup>).

## 2.3 Evaluation stages

The following paragraphs describe the main activities carried out during each of the four evaluation stages with references to other sections of the report and the annexes for specific outputs (See also Evaluation Milestones Annex 13).

<sup>7</sup> Namely, Belarus and Russia

<sup>8</sup> REGULATION (EC) No 1638/2006 of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership

<sup>9</sup> REGULATION (EC) No 951/2007 of 9 August 2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006

<sup>10</sup> REGULATION (EU) No 232/2014 of 11 March 2014 establishing a European Neighbourhood Instrument

<sup>11</sup> REGULATION (EU) No 236/2014 of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action

<sup>12</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



### 2.3.1 Inception phase (Feb-Apr 2017)

During the Inception Phase, the evaluation team organised the information and materials received from DG NEAR and TESIM or retrieved from the internet (See Annex 14). Responsibilities within the team were distributed with each expert being assigned specific programmes for the desk and field phases. The team started to familiarise itself with the context and the details of implementation by reviewing the available documentation (see Annex 14). Evaluation questions with judgement criteria and indicators were drafted in line with the ToR and discussed with the ISG (See Annex 4). The methodology for the evaluation was developed and described in the Inception Report including approaches and parameters for the desk review, the web survey, the case studies and the project sampling. DG NEAR also requested JMAs to update KEEP data to allow the evaluation team to set up an excel database containing the most recent programme and project data of ENPI CBC 2007-2013 (See Annex 16). The Inception Report was submitted on 20 March 2017 and approved on 24 April 2017.

### 2.3.2 Desk phase (Mar-Jul 2017)

The experts extracted basic data from the Joint Operational Programmes to create overviews<sup>13</sup> of ENPI CBC (Annex 5). Programming and implementation documentation related to the ENI period were also reviewed and synthesised during the Desk Phase (Annex 7)<sup>14</sup>.

The information from the database was organised and analysed to produce summary tables and charts both at the level of individual programmes and the whole instrument and covering launched calls for proposals, amounts allocated/contracted/dispensed/spent, number of projects per type<sup>15</sup> and per sector<sup>16</sup> and number and type of project partners<sup>17</sup>.

The evaluation team reviewed the implementation materials available for each programme including Guidelines for Applicants, Annual Implementation Reports (including audit reports and final reports when available), ROM reports, external evaluations and publicity and visibility materials available from the websites (See Annex 14). This information was summarised in 13 programme fiches (Annex 8) which served as a basis for answering the evaluation questions. The evaluation team presented the objectives and timetable of the evaluation to the CBC stakeholders participating in the TESIM networking event on the closure of ENPI CBC programmes (Brussels, May 10, 2017).

A one-month web survey was launched in early May 2017 to query the opinions of CBC stakeholders about the performance of ENPI CBC. A separate questionnaire was developed for each type of stakeholders: JMA, JTS, national authorities of partner countries and project beneficiaries (Annex 9). The questionnaires were organised around the evaluation criteria and covered the main issues raised in the evaluation questions. A total of 433 replies were received by the deadline: 16 from JMAs<sup>18</sup>, 21 from JTSs<sup>19</sup>, 23 from national authorities and 373 from project partners. The results of the web survey, which are summarised in Annex 9 of this report, informed the replies to the evaluation questions.

<sup>13</sup> Including ENPI CBC eligible areas, specific objectives, intervention logics, programme management structures and implementation timeframes.

<sup>14</sup> Including overviews of intervention logics, strategic objectives, specific objectives, thematic objectives and priorities and programme areas and an analysis of performance frameworks

<sup>15</sup> Standard, large-scale or strategic

<sup>16</sup> Each project in the database was assigned a theme and a sector to allow for comparison of results between programmes. The list of themes and sectors is available in Annex 10.

<sup>17</sup> Lead partner, country of origin

<sup>18</sup> There was no reply from LT-PL-RU

<sup>19</sup> There was only one reply per JMA but several per JTSs. All JTS sent replies except four (EE-LV-RU and BSB JTSs are not operational anymore. KAR, KOL and SEFR has no JTS. BSR sent common replies for JMA/JTS).



Interviews were also held with former representatives of the ENPI CBC TA facilities (see Annex 12), RCBI and Interact ENPI whose progress reports and main outputs were reviewed by the evaluation team (Annex 6).

The analyses carried out during the desk phase were synthesised in the Desk Report which included an overview of ENPI CBC, the results of the web survey, a presentation of the main features of ENI CBC with an analysis of the performance frameworks, and preliminary answers to the evaluation questions. The Report also presented the next evaluation steps including the detailed methodology for the case studies and the field phase<sup>20</sup>. The latter was discussed on the third ISG on 06 July 2017 and approved on 14 July 2017 (See Annex 11).

The Desk Report was submitted on 31 July 2017 and comments from the ISG were discussed on the fourth ISG on 24 August 2017.

### 2.3.3 Field phase (Sep-Oct 2017)

The evaluation team conducted field visits during September and October 2017. The field phase involved face-to-face interviews with 8 programme management structures<sup>21</sup>, 2 national authorities<sup>22</sup> and 16 project beneficiaries across 7 programmes<sup>23</sup>. The aim of the field phase was threefold: 1. to capture the opinions and views from CBC stakeholders on the topics raised in the evaluation questions, 2. to validate or invalidate the findings from the desk phase and 3. to inform the case studies.

Additional interviews were conducted by phone or skype with the remaining 5 programme management structures and a sample of national authorities. All interviews were based on semi-structured questionnaires which were developed during the desk phase. The list of meetings and interviews held during the field phase is presented in Annex 12.

Three case studies were carried out to understand how ENPI CBC contributed to solving identified cross-border issues in line with the programme objectives and priorities. Each case study focused on selected sectors and border areas to make it possible to analyse problems and draw meaningful conclusions:

1. Tourism development in the Carpathian Mountains
2. Marine environment in Sea-Basin programmes
3. Border management on the Southern Finnish-Russian border.

### 2.3.4 Synthesis phase (Nov-Dec 2017)

The evaluation team drafted project visit reports, minutes of interviews and finalised case study reports (Annexes 1, 2, 3). The answers to the evaluation questions prepared for the desk report were reviewed taking on board comments from the ISG, the feedback from the field phase and the lessons learned from the case studies. Preliminary findings and recommendations reflecting the synthesis of the desk and field phases were submitted to the EC end of October 2017 together with the minutes of interviews. Comments from the ISG were discussed in Brussels on 8 November. A last round of interviews took place with the EC and other Brussels' stakeholders<sup>24</sup> in early November 2017 (see Annex 12).

<sup>20</sup> Including programme and project sample, questionnaires for the interviews and report templates

<sup>21</sup> SEFR, HU-SK-RO-UA, PL-BY-UA, MED, IT-TN, EE-LV-RU, BSR and LV-LT-BY

<sup>22</sup> Russia and Tunisia

<sup>23</sup> See list of visited projects and beneficiaries in Annex 11 Field phase methodology

<sup>24</sup> DG NEAR, DG REGIO, DG MARE, European External Action Service, Committee of Regions, European Free Trade Area, Conference of Peripheral Maritime Regions



The preliminary findings and recommendations were revised and sent in advance to the participants of the ENI CBC Conference in Tallinn which included representatives of the JMAs, JTSs, Branch Offices, National Authorities and the EC. The evaluation team presented the evaluation results during the Tallinn conference on 29 and 30 November 2017. The presentations were followed by a discussion moderated by DG NEAR. CBC stakeholders were given two weeks to provide additional written comments based on which the evaluation team finalised the findings and recommendations <sup>25</sup> and drafted the Final Report which was submitted to the ISG on 28 December 2017.

## 2.4 Problems encountered, and solutions found

### 2.4.1 Data collection and web survey

The process of data collection, compilation and verification proved more time-consuming than expected as it was necessary to contact every JMA to clarify inconsistencies and/or close data gaps. Although the process started end of February, it was only effectively completed by the end of June 2017. There were also delays with the implementation of the web survey which was launched on 02/05/17 with a three-week deadline but which required an extension until 02/06/17 to improve response rates.

The EC agreed to postpone the submission of the desk report by one month until end of July 2017. This gave more time to the evaluation team to summarise and analyse data and information and draw preliminary conclusions. The postponement did not affect the timescale of the remaining evaluation activities.

### 2.4.2 Field phase interviews

A few selected project beneficiaries were not available on the dates proposed by the evaluation team for the field visits or could not be reached. Whenever feasible a skype interview was organised. Except for one case<sup>26</sup>, all projects in the sample were visited and interviews were held with the majority of selected beneficiaries (Annex 12).

It proved difficult to meet some of the identified Brussels' stakeholders despite the intervention of DG NEAR to facilitate contacts. As a result, it was not possible to get the views from e.g. the European Parliament and the Association of European Border Regions (AEBR).

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<sup>25</sup> Annex 15 gives an overview of comments received and actions taken

<sup>26</sup> ENPI CBC EE-LV-RU BCP Narva-Ivangorod. An interview was however held with the JMA by skype.



## 3 ENPI CBC 2007-2013 IN CONTEXT

### 3.1 Strategic Framework

The European Neighbourhood Policy (ENP) was launched in 2004, with its core aim to support and foster stability, security and prosperity across 16 partner countries bordering the EU to the east and the south<sup>27</sup>. The ENP is implemented by means of Action Plans<sup>28</sup> laying down strategic priorities for cooperation within the framework of bilateral agreements signed between the EU and the partner country (See Annex 5).

*The European Neighbourhood Policy's vision involves a ring of countries, sharing the EU's fundamental values and objectives, drawn into an increasingly close relationship, going beyond co-operation to involve a significant measure of economic and political integration. This will bring enormous gains to all involved in terms of increased stability, security and well-being.*

European Neighbourhood Policy, Strategy Paper, 2004

In 2007, the Commission introduced a new financial instrument (ENPI) to contribute to the implementation of ENP, in particular through cross-border and transnational cooperation.

An ENPI CBC Strategy Paper, adopted in 2007, reiterated the core policy objectives of CBC on the external borders of the EU paving the way for the development of 15 CBC programmes.

*The core objectives of this cross-border cooperation are to support sustainable development along both sides of the EU's external borders, to help decrease differences in living standards across these borders, and to address the challenges and opportunities following on EU enlargement or otherwise arising from the proximity between regions across our land and sea borders.*

*In particular, CBC is intended to help:*

- Promoting sustainable development in regions on both sides of common borders
- Working together through joint actions to address common challenges, in fields such as environment, public health, and the prevention of and fight against organised crime
- Ensuring efficient and secure common borders through joint actions
- Promoting local cross-border "people-to-people" type actions

ENPI CBC Strategy Paper, 2007

A mid-term review of ENPI 2007-2013 CBC was carried out in 2012. It assessed positively the relevance of programmes but recommended the reallocation of savings resulting from the smaller number of programmes than originally planned<sup>29</sup>.

### 3.2 ENPI CBC original strategic vision and assumptions

ENPI CBC programmes were designed in line with the principles of the European Neighbourhood Policy. The long-term goal was to strengthen the stability, security and prosperity of the Neighbourhood by establishing a mutually beneficial partnership between EU and partner countries. The rationale for such a policy was the acknowledgement shared by both sides that

<sup>27</sup> To the South: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine\*, Syria and Tunisia and to the East: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Russia is not a part of the ENP but has its own special relationship with the EU.

<sup>28</sup> or Association Agenda for Eastern partner countries

<sup>29</sup> The allocations of CBC Black Sea Basin and the CBC Mediterranean Sea Basin Programme were increased by €8.3m and €26.4m respectively.



the economies of the Neighbourhood were increasingly intertwined, that the 2004 EU enlargement created both opportunities and threats and that, in this context, thriving trading and economic relationships required special measures to mitigate the negative impact of the EU external border. Within this framework, the programmes sought to achieve four key outcomes in line with the ENPI CBC strategy: 1. more favourable conditions for socio-economic development in eligible areas, 2. major challenges that are common to both sides are successfully tackled through effective cooperation, 3. the efficiency and security of borders are reinforced and 4. local governance, democracy and mutual understanding are strengthened through intensified contacts and links among people and institutions across the border.

In line with the strategy, ENPI CBC funding would target cross-border initiatives likely to contribute to these outcomes such as SME development, tourism promotion, environmental protection, education, social inclusion, cultural exchanges, community development etc.

Political and economic stability in the Neighbourhood, continued commitment of participating countries to the objectives of the cooperation and a sufficient level of administrative and institutional capacity both within the management structures and among project applicants and beneficiaries were the main underlying assumptions for the success of the cooperation identified by all programmes.

The first of these assumptions clearly did not materialise. The world economic downturn triggered by the 2008 financial crisis put an end to years of expansion both in the EU and the Neighbourhood. Political upheavals both in the south and in the east further undermined the economies of partner countries while the EU experienced a serious and prolonged recession following the outbreak of the public debt and euro crises in 2010. The armed conflicts in Libya and Syria fueled an unprecedented migration crisis that affected both Europe and countries in the Neighbourhood. The Ukrainian crisis put the relationships between the EU and Russia under severe strain. The fundamental interest and willingness of partner countries to pursue their partnerships and implement joint CBC programmes remained, however, intact as evidenced by this evaluation (see Finding 3). The considerable number and wide range of projects funded across the Neighbourhood attests to the vitality of the cooperation and is also a testimony of the capacities built over time at both programme and project levels (see section 4 and Finding 2).

In the unfavourable economic and geo-political environment that characterised the period, the highly ambitious objectives of ENPI CBC became more difficult to reach even though there have been many examples of successful projects across all programmes contributing to the CBC priorities at their level (see Finding 4).

At the same time, the need for cooperation was thrown into sharper relief. The range and magnitude of common challenges that they face and the reality of physical and non-physical barriers that hinder contacts and exchanges call for continuing and vigorous actions and incentives to support and stimulate the cooperation between the EU and its neighbouring partner countries.

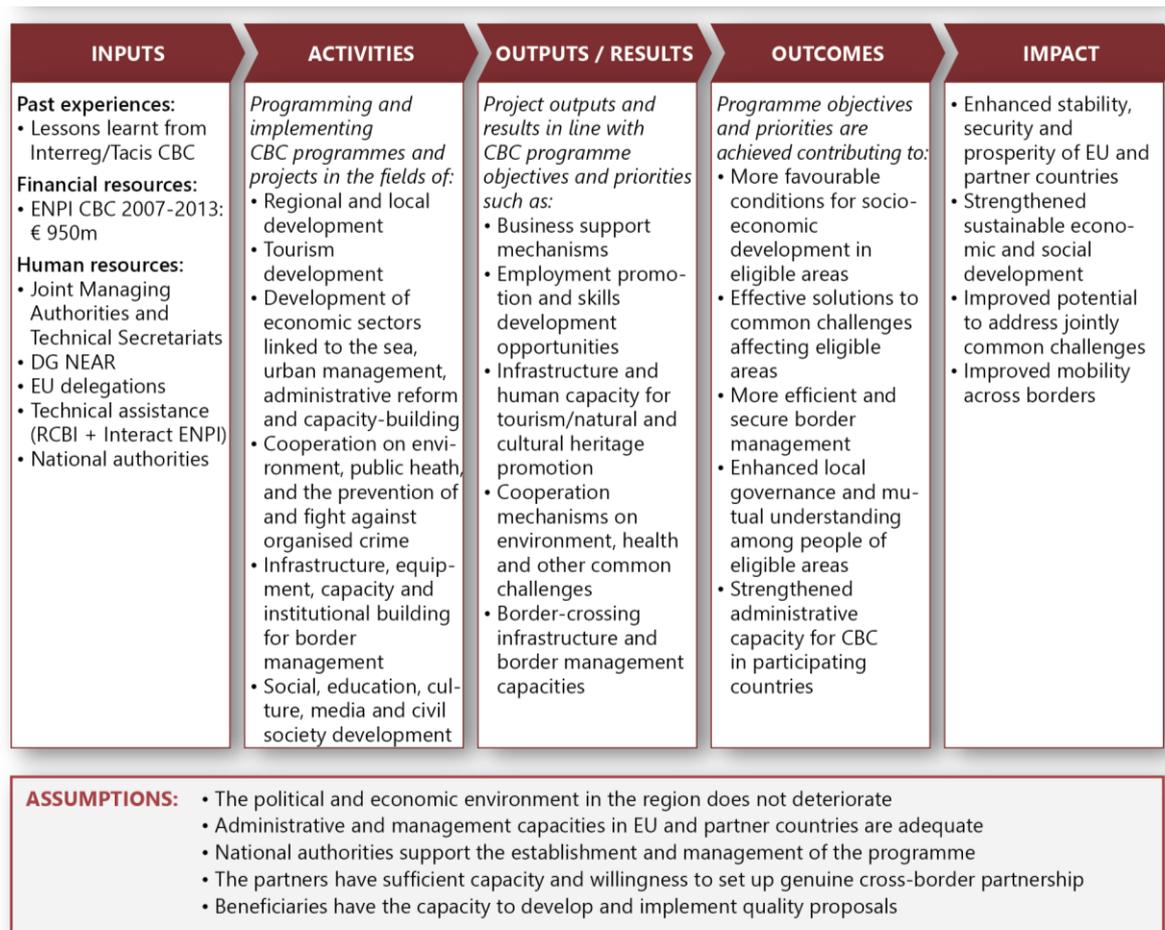
The ENPI CBC reconstructed intervention logic<sup>30</sup> is presented in the diagram overleaf.

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<sup>30</sup> *The intervention logic is the logical link between the problem that needs to be tackled (or the objective that needs to be pursued), the underlying drivers of the problem, and the available policy options (or the EU actions actually taken) to address the problem or achieve the objective. (EC Guidelines on Impact Assessment)*



Figure 1: ENPI CBC Reconstructed intervention logic

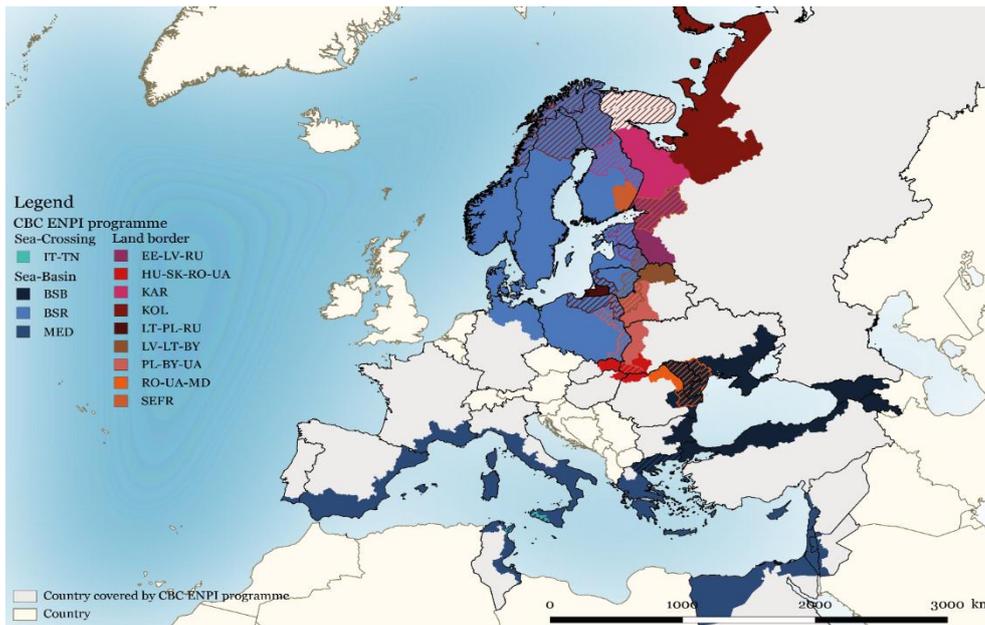


### 3.3 Geographical coverage

The ENPI CBC intervention areas stretched from the extreme North-East of Europe (Norway, Russia, Finland) to the Mediterranean South-East (Egypt, Israel and Lebanon). Eligible areas are summarised in Annex 5.



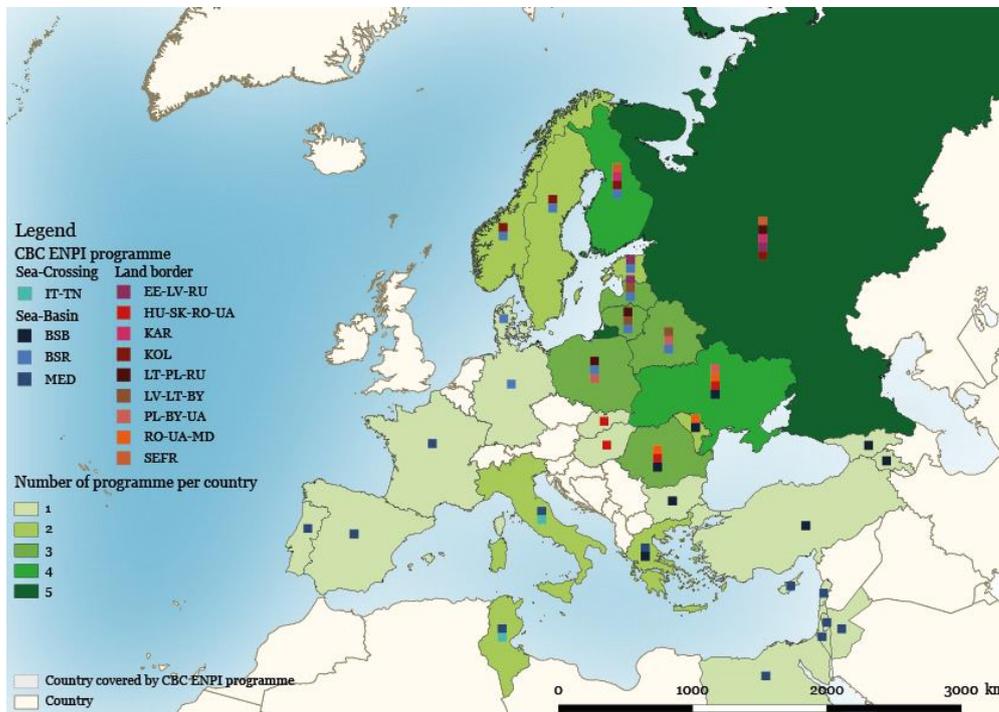
Map 1: ENPI CBC programme areas



Source: © EuroGeographics for the administrative boundaries and CBC ENPI programmes 2007-2013. Map created with QGIS (ETRS89); only participating countries.

Nineteen countries took part in only one programme (mostly the countries located in the south of the ENPI CBC area). At the same time, Russia was involved in five ENPI CBC programmes<sup>31</sup> and Ukraine four<sup>32</sup> (see Map 2: Number of ENPI CBC programmes per country).

Map 2: Number of ENPI CBC programmes per country



Source: © EuroGeographics for the administrative boundaries and CBC ENPI programmes 2007-2013. Map created with QGIS (ETRS89)

<sup>31</sup> LT-PL-RU, KOL, KAR, EE-LV-RU and SEFR

<sup>32</sup> HU-SK-RO-UA, PL-BY-UA, RO-UA-MD and BSB



## 4 ENPI CBC 2007-2013 IN FIGURES

### 4.1 Overall overview

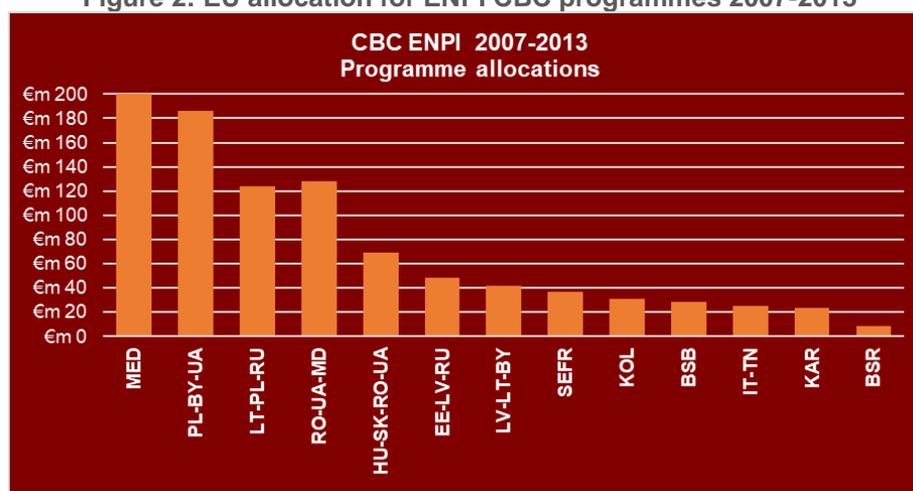
#### 4.1.1 EU allocations for ENPI CBC

The total allocation initially planned for the 15 ENPI CBC programmes was €1,118 m<sup>33</sup>. This total allocation was reduced following the non-participation of Russia into the ENPI CBC BSR programme and the cancellation of two sea crossing programmes<sup>34</sup>. BSB and MED saw their original allocations increased as a result<sup>35</sup> because of their geographical coverage and the potential for absorption of additional funds demonstrated by the high number of applications to the first call for proposals. A final adjustment occurred in April 2013 when some funding was reallocated from LT-PL-RU to KOL. The final total EU allocation to programmes amounted to € 947.2m<sup>36</sup>, out of which €861.2m for programme priorities and € 86m for the technical assistance priorities.

The allocation of four programmes exceeded €100 m. (MED, PL-BY-UA, LT-PL-RU and RO-UA-MD). The programme with the highest allocation was the MED, while BSR<sup>37</sup> and KAR had the smallest ENPI allocations of all 13 programmes.

Technical Assistance priorities accounted for approximately and not exceeding 10% of the total EC allocations as foreseen by the implementing rules<sup>38</sup>.

Figure 2: EU allocation for ENPI CBC programmes 2007-2013



Source: JMA programme data, April 2017

#### 4.1.2 Co-financing and contributions from partner countries

In line with the ENPI regulations<sup>39</sup>, the EU contribution was complemented by public/private funds such as national, regional, local or beneficiaries' contribution. The co-financing rate represented at least 10% of the EU contribution. A few participating countries added their own funding, either as a direct contribution to the programme's budget<sup>40</sup> or as a separate co-financing mechanism for

<sup>33</sup> Strategy paper - Indicative allocations per programme 2007-2010.

<sup>34</sup> Spain/Morocco and CBC Atlantic

<sup>35</sup> by €8.3m and €26.4m respectively following the mid-term review.

<sup>36</sup> JMA data, April 2017

<sup>37</sup> Excluding ERDF allocations for EU member states

<sup>38</sup> ENPI CBC IR 951/2007

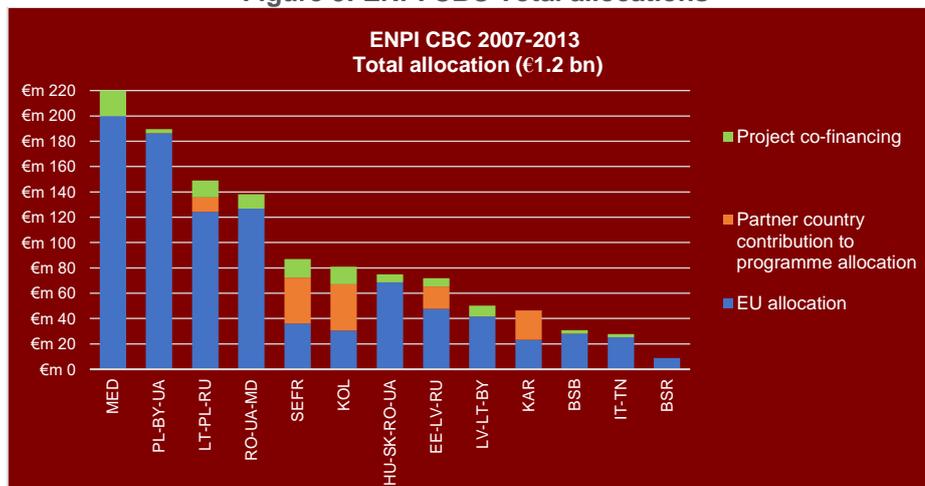
<sup>39</sup> Art. 4 ENPI 1638/2006 and Art. 20 ENPI CBC IR 951/2007

<sup>40</sup> Russia, Estonia, Finland



projects<sup>41</sup>. The total funding available to the 13 programmes amounted to €1.2bn as shown in the chart below.

Figure 3: ENPI CBC Total allocations



Source: ENPI CBC programmes + JMA data, April 2017

#### 4.1.3 Contracting, disbursement and spending rates (EU funding)

Overall, 100% of EU funding allocated to programmes (outside TA) were contracted i.e. €862.6m<sup>42</sup>. The disbursement rate stood at 85% of the ENPI CBC allocation to projects<sup>43</sup> was disbursed according to JMA programme data, April 2017 (€734.8m.). Six programmes had disbursement rates above 90%<sup>44</sup>, four others between 80% and 89%<sup>45</sup>, and only three programmes below 80%<sup>46</sup>. These figures, however, are not final since 146 projects were still ongoing in April 2017<sup>47</sup>. Only when all programmes will be closed, will it be possible to measure the real absorption of ENPI CBC funding to programme priorities. By April 2017, the amount of project expenditures approved by JMAs was standing at 75% (€643.4m.) of the allocation to projects.

<sup>41</sup> Norway, Sweden, Latvia, Italy, Greece, Hungary, Slovakia and Romania

<sup>42</sup> The amount contracted is €909.3 when adding the ERDF share of BSR contracts.

<sup>43</sup> €m 862.6

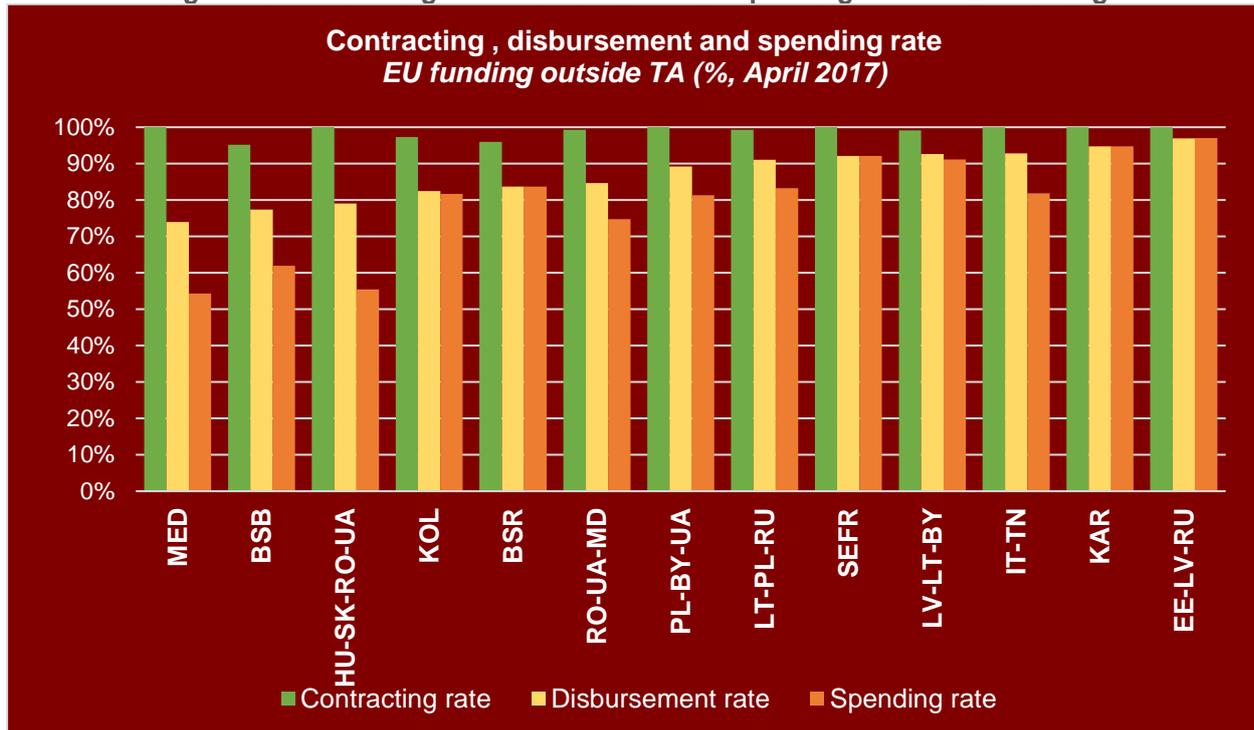
<sup>44</sup> EE-LV-RU (5 ongoing projects), KAR, LV-LT-BY, SEFR (1 ongoing project), LT-PL-RU (12 ongoing projects), IT-TN

<sup>45</sup> RO-UA-MD, BSR, KOL, PL-BY-UA

<sup>46</sup> MED (70%, 72 ongoing projects), HU-SK-RO-UA (79%, 28 ongoing projects) and BSB (22 ongoing projects)

<sup>47</sup> Three programmes will only be closed by the end of 2019: HU-SK-RO-UA, RO-UA-MD and PL-BY-UA



Figure 4: Contracting<sup>48</sup>, disbursement<sup>49</sup> and spending rates of EU funding

Source: JMA project and programme data, April 2017

In addition, the totality of the allocation to technical assistance priorities (€85m) had been contracted across all programmes and 72% disbursed by April 2017.

#### 4.1.4 Type of projects (contracted EU funding)

According to the evaluation database compiled with JMA project data, a total of 941 projects were contracted across the 13 programmes in April 2017 for a total EU funding contracted of € 909.5m<sup>50</sup>. Three different types of projects were implemented under ENPI CBC programmes: standard projects, LSP (large-scale projects) and strategic projects<sup>51</sup>. The bulk of EU funding (70%) was channelled through standard projects selected through calls for proposals as shown in the figure below.

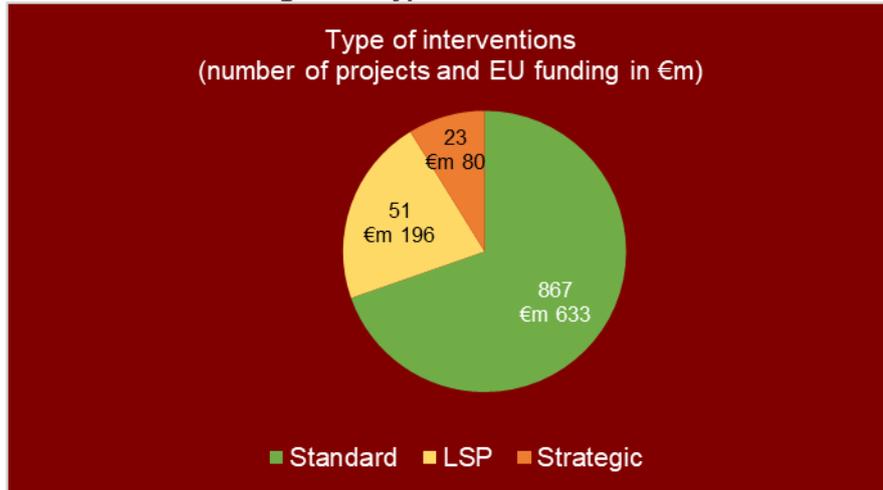
<sup>48</sup> Contracting corresponds to the value of projects contracted by the programme

<sup>49</sup> Disbursement means the amount paid by the JMAs to the projects.

<sup>50</sup> Including ERDF share of BSR contracts.

<sup>51</sup> Projects selected by the JMCs for their strategic importance to the border areas with strict eligibility conditions regarding nationality and type of partners (e.g. IT-TN: "The strategic projects aim at the implementation of concrete interventions in the territory, within the priorities identified previously by the Joint Monitoring Committee (CSC). These projects are based on the establishment of public-private partnerships, bringing together key actors of change around one of the major challenges of cross-border cooperation. The requirement is that each partnership is composed of a minimum of 4 and a maximum of 8 partners of which at least 2 are based in Italy and at least 2 in Tunisia, in the eligible territories. In addition, at least one of the partners must have a direct responsibility in developing public policies in the thematic areas selected by the Programme. Consequently, for each partnership, the participation of at least one Sicilian Regional Department and a Tunisian Ministry is compulsory. These projects, financed under the program, were selected through calls for proposals".

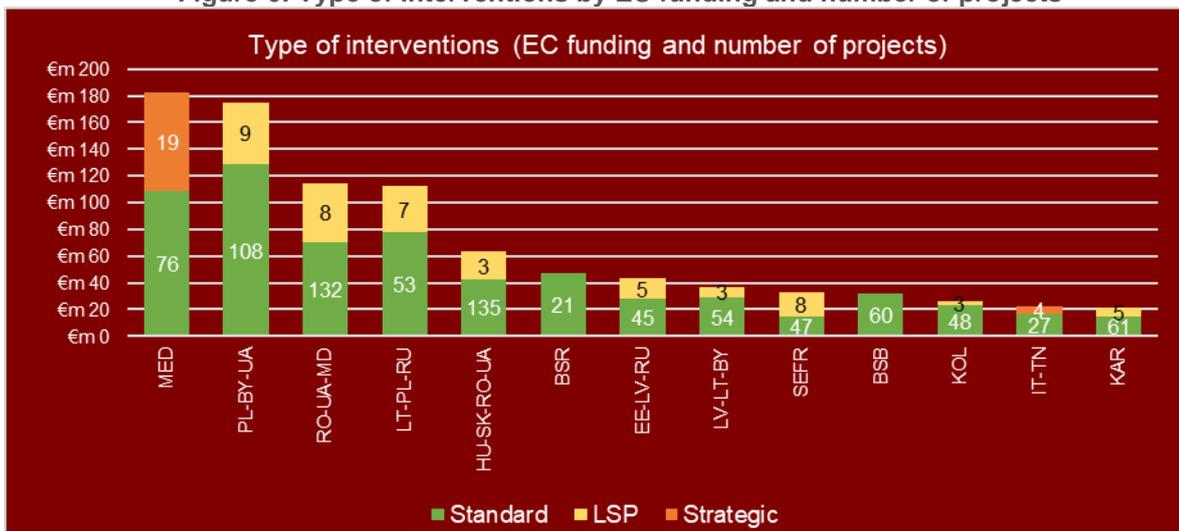
Figure 5: Type of interventions



Source: JMA project data, April 2017

Nine land border programmes implemented LSP for a total value of contracted EU funding of €196m. By contrast, MED and IT-TN implemented strategic projects.

Figure 6: Type of interventions by EU funding and number of projects<sup>52</sup>



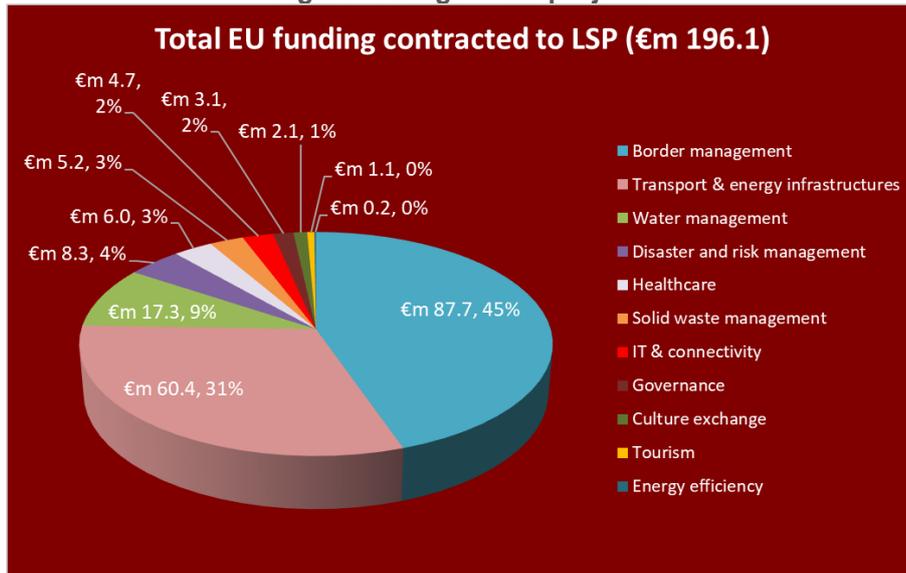
Source: JMA project data, April 2017

76% of EU contracted funding to LSP concerned border management, transport and energy infrastructure as shown in the figure below.

<sup>52</sup> For BSR, only projects involving ENPI partner countries (i.e. Belarus) are taken into account



Figure 7: Large scale projects



Source: JMA project data, April 2017

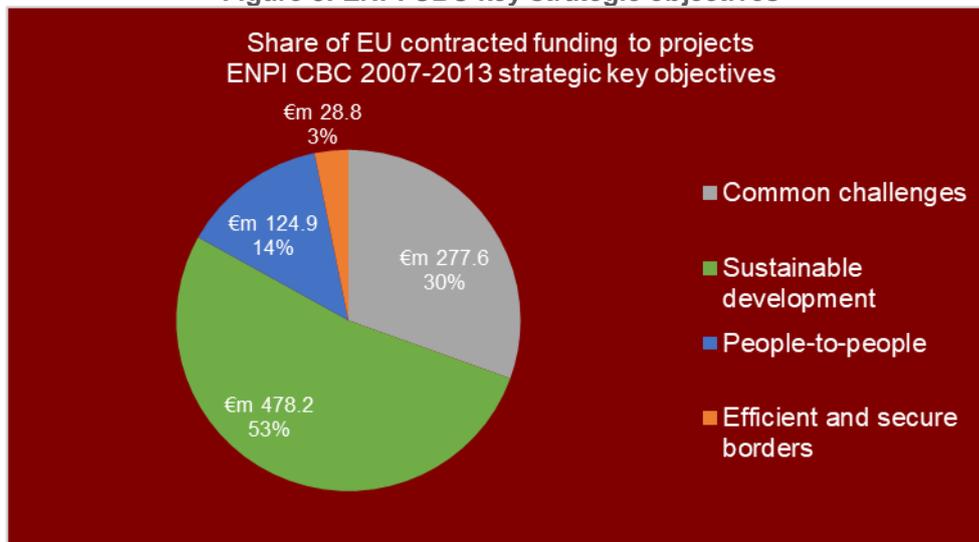
## 4.2 Sector Analysis

### 4.2.1 ENPI CBC strategy paper key objectives

The ENPI Strategy papers consisted of four key objectives<sup>53</sup>: 1. Sustainable development, 2. Common challenges, 3. Efficient and secure borders and 4. People-to-people.

Across the 13 ENPI CBC programmes, sustainable development accounted for 53% of the total funding contracted to projects followed by common challenges (30%) as shown in the figure below.

Figure 8: ENPI CBC key strategic objectives



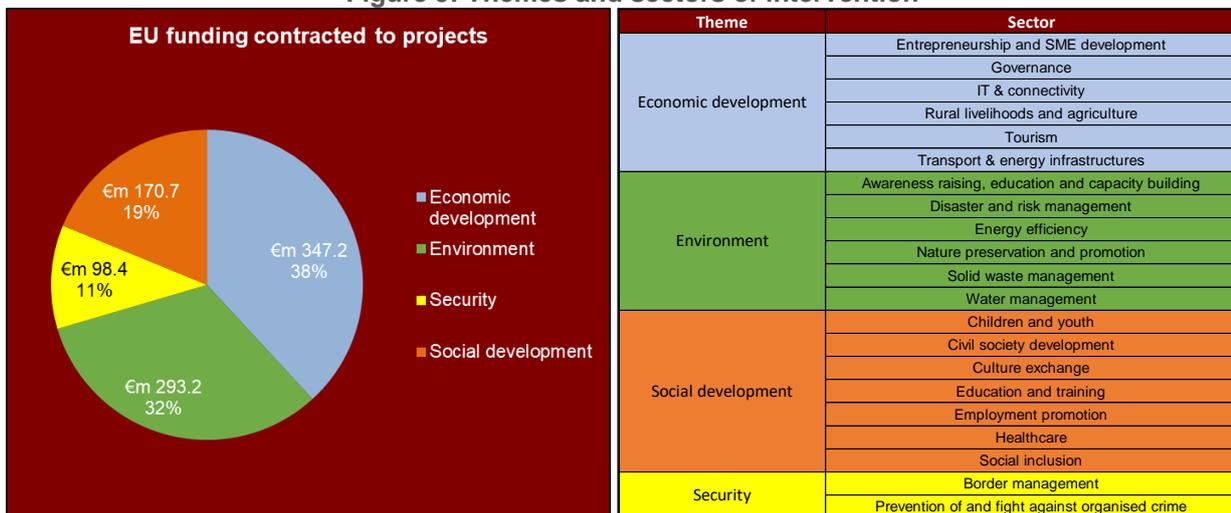
Source: JMA project data, April 2017

<sup>53</sup> 1. Promoting sustainable development in regions on both sides of common borders, 2. Working together through joint actions to address common challenges 3. Ensuring efficient and secure common borders through joint actions, 4. Promoting local cross-border "people-to-people" type actions

### 4.2.2 Projects per themes and sectors

To give a more accurate picture of the programmes' coverage (e.g., the objective 'people-to-people' can encompass many different types of projects), projects in the database were classified according to four themes (economic development, environment, security and social development), each being broken down into a total of 22 sectors as show in the figure below (see Annex 10 for the full definition of themes and sectors).

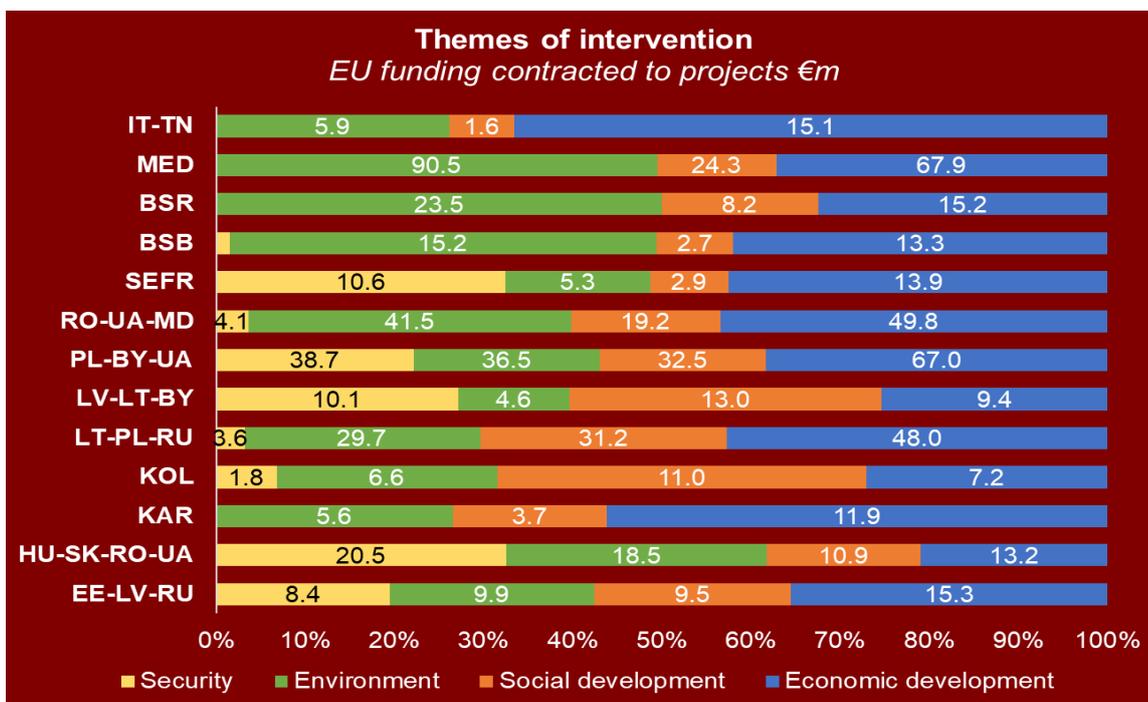
Figure 9: Themes and sectors of intervention



Source: JMA project data, April 2017

In funding terms, the most significant area of intervention of ENPI CBC was economic development (38%) followed by environment (32%), social development (19%) and security (11%). The figure below gives a more detailed breakdown per programme. Further analysis of ENPI CBC figures is presented in Annex 10.

Figure 10: ENPI CBC Themes of intervention



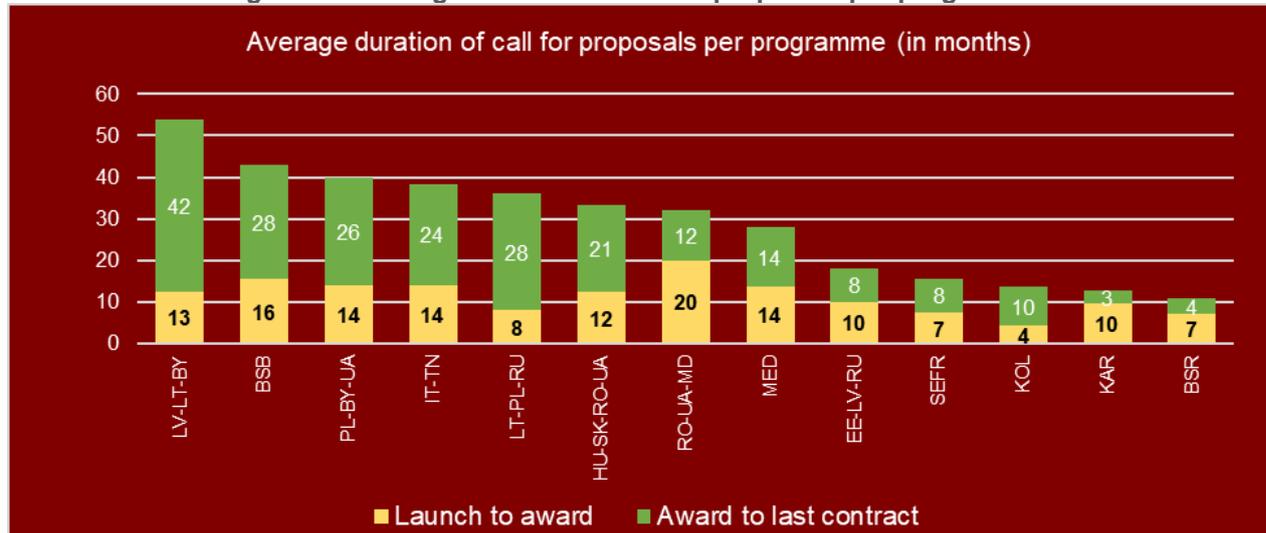
Source: JMA project data, April 2017



## 4.3 Timeline

The time lapse from the launch of the calls for proposal to the JMC award decisions is 11 months on average. The average duration between the JMC award decisions and the signature of the last contracted project is 17.5 months; ranging from 3 months (KAR) to 42 months (LV-LT-BY<sup>54</sup>).

Figure 11: Average duration of call for proposals per programme



The evaluation and contracting processes typically lasted over a year and a half with some programmes taking well over two years from the time that calls for proposals are launched to contracting all selected projects<sup>55</sup>.

## 4.4 Analysis of Participation

### 4.4.1 Levels of participation

The level of participation in the various Programmes was considerable. In total, 4,569 organisations from 36 different countries participated in ENPI CBC projects out of which 2,106 were from ENPI partner countries. More than 29,000 organisations took part in calls for proposals as partners, half of them located in ENPI partner countries<sup>56</sup>. The LSP involved 174 partners from 12 countries<sup>57</sup>.

In total, over 7,000 project proposals were submitted across the 13 programmes; The programme with the largest number of proposals was MED (almost 2,000 proposals submitted across the 3 calls for proposals); RO-UA-MD followed attracting around 1,500 proposals. By contrast, LT-PL-RU, and KAR programmes received less than 250 applications in total.

In the case of LT-PL-RU, HU-SK-RO-UA, EE-LV-RU, BSB, IT-TN and MED, most of the lead applicants were from EU Member States (between 75% and 85%).

The total financial value of the projects submitted was over €7bn<sup>58</sup>.

<sup>54</sup> In the case of Belarus, there was a separate approval process by Belorussian authorities.

<sup>55</sup> 21 months elapsed between the launch of the second call for proposals and the first contract under LV-LT-BY. Another 16 months were necessary to contract all projects selected under the second call for proposals. Similar durations are observed under MED, IT-TN, RO-UA-MD and LT-PL-RU. There were improvements in later calls.

<sup>56</sup> No information related to the number of submissions has been reported for MED, PL-BY-UA, KOL and SEFR programmes. According to the INTERACT ENPI State of Play, April 2014, 29,990 partner organisations applied with the 7,151 lead partner organisations.

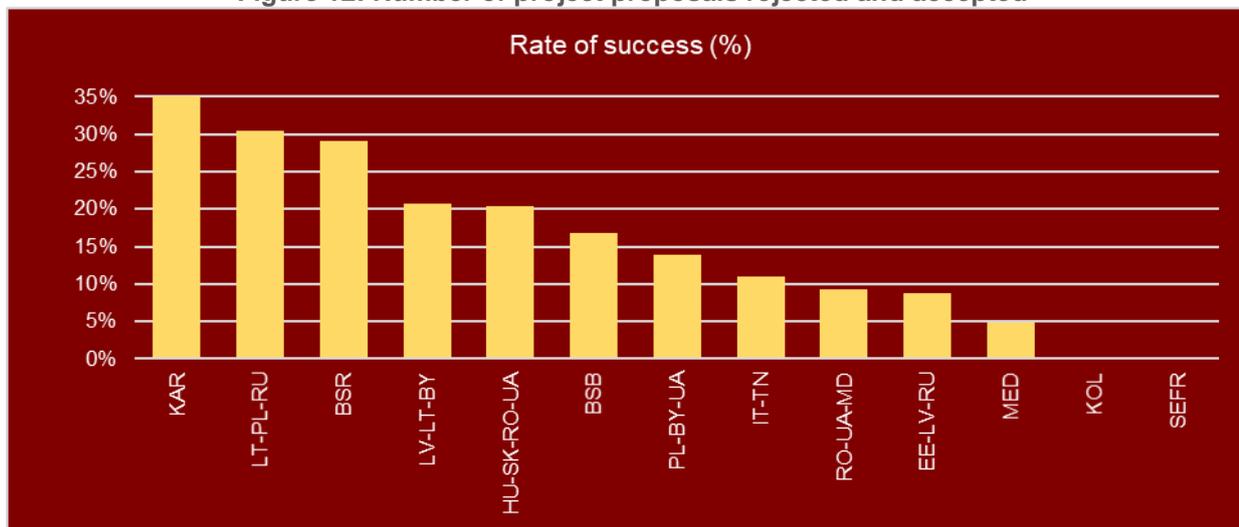
<sup>57</sup> EE, LT, LV, RU, FI, HU, SK, RO, UA, MD, PL, BY

<sup>58</sup> Interact ENPI State of Play, April 2014



The success rate<sup>59</sup> for grant applications varied from programme to programme due to different levels of participation. MED had the lowest success rate, with only 5% of proposals awarded. Four programmes had a success rate of around 10% (RO-UA-MD, EE-LV-RU, IT-TN and PL-BY-UA). The remaining programmes had a higher success rate, ranging from 20% to 35% (LT-PL-RU, HU-SK-RO-UA, BSR, BSB, LV-LT-BY and KAR)<sup>60</sup>.

Figure 12: Number of project proposals rejected and accepted



\*no data for KOL and SEFR programmes Source: JMA participation level data, April 2017

#### 4.4.1.1 Number of projects per country of lead applicant

As shown in Map 3, the analysis at country level shows that:

- Most lead partners are located in EU member states. RO-UA-MD has the highest share of lead partners from ENPI partner countries (39%). In other programmes, that share is closer to 25%-30% and sometimes much lower for a few programmes<sup>61</sup>.
- Romania, Poland and Ukraine are the three countries with the largest number of lead partners<sup>62</sup>. It is, however, important to highlight the fact that these countries participated in more than one ENPI CBC programme<sup>63</sup>.

<sup>59</sup> Number of awarded projects against total number of submitted projects

<sup>60</sup> No information reported for both KOL and SEFR programmes

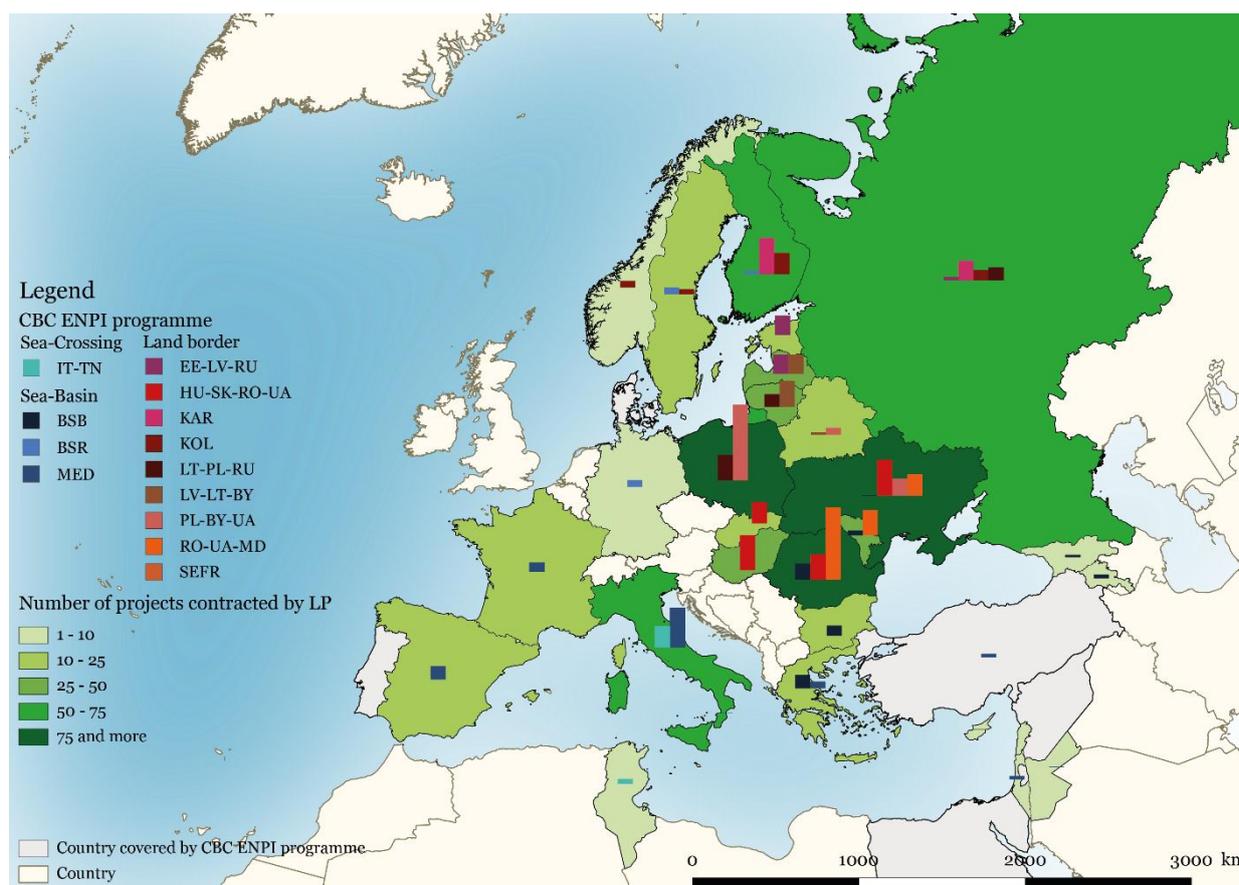
<sup>61</sup> MED (6%), LV-LT-BY (6%), EE-LV-RU (8%)

<sup>62</sup> 134 projects had lead partners from Romania, 119 projects had lead partners from Poland and 87 projects had lead partners from Ukraine

<sup>63</sup> , BSB, HU-SK-RO-UA, RO-UA-MD in the case of Romania, PL-LT-RU and PL-BY-UA in the case of Poland and BSB, HU-SK-RO-UA, RO-UA-MD, PL-BY-UA for Ukraine.



Map 3: Number of projects contracted per country and per programme



Source: © EuroGeographics for the administrative boundaries and CBC ENPI programmes 2007-2013. Map created with QGIS (ETRS89)

As shown in Map 4, there is a much more balanced participation when looking at the total number of partners with half of the partners (2,106) originating from partner countries:

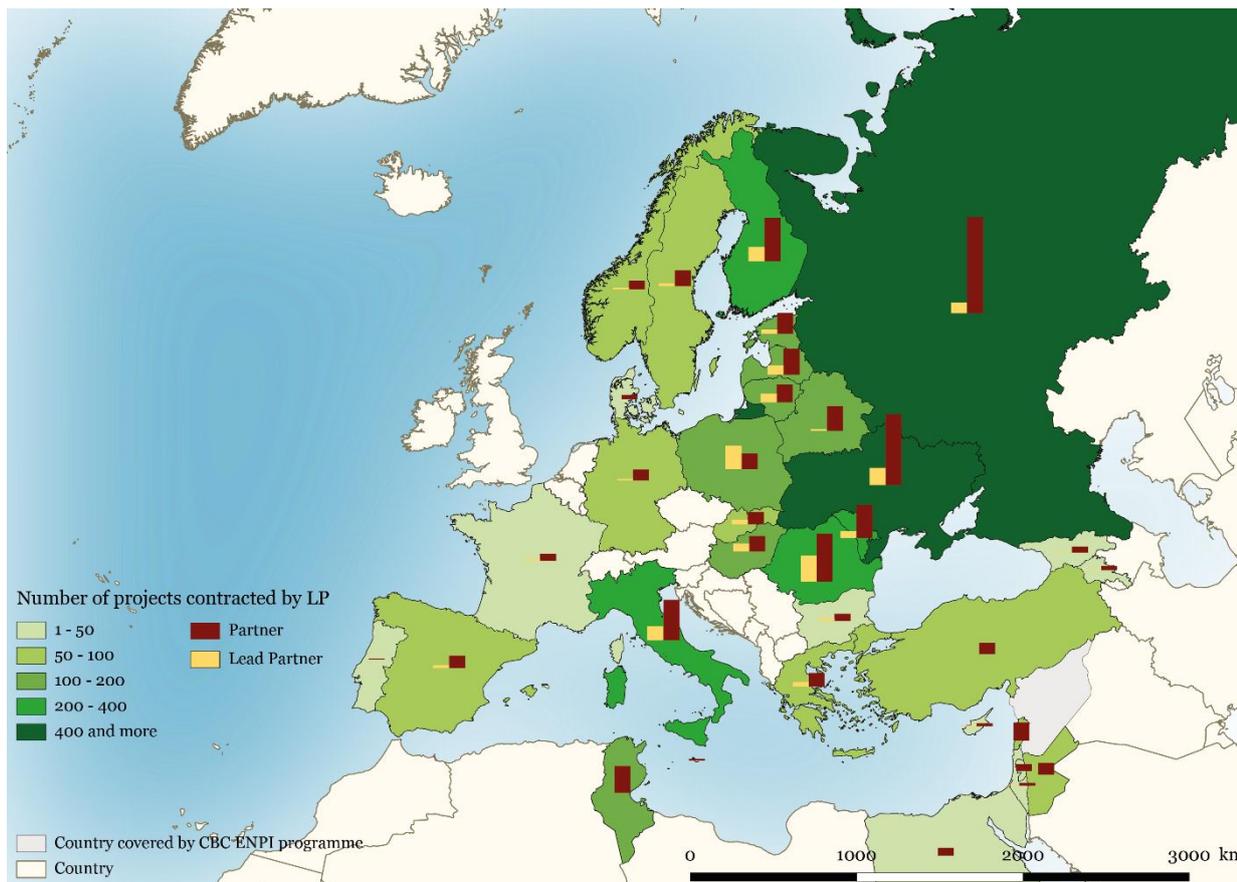
- Russia and Ukraine had more than 400 partners each (respectively 54 and 88 lead partners and 490 and 360 project partners), while Portugal, Malta and Israel had less than 20 partners involved in the ENPI CBC projects.
- Italy, Finland, Romania had more than 200 project partners involved in ENPI CBC projects (206, 221 and 246, respectively).
- Looking at the distribution of EU funding between partners from EU member states and ENPI partner countries, the picture is mixed. While funding is split almost equally between EU and ENPI partners for some programmes<sup>64</sup>, the share of ENPI partner countries in terms of EC contracted funding is much lower for other programmes. This is particularly evident in BSB where 66% of EU funding was contracted to EU project partners and 34% to ENPI project partners. Similarly, for KAR, the ratio is 63%/37% while it is 76%/24% for PL-BY-UA and 84%/15% for LT-PL-RU<sup>65</sup>.

<sup>64</sup> IT-TN, HU-SK-RO-UA, KOL, MED. IT-TN and MED reserved 50% of their allocations for ENPI partner countries.

<sup>65</sup> No data is available for SEFR



Map 4: Number of project partners (total) per country

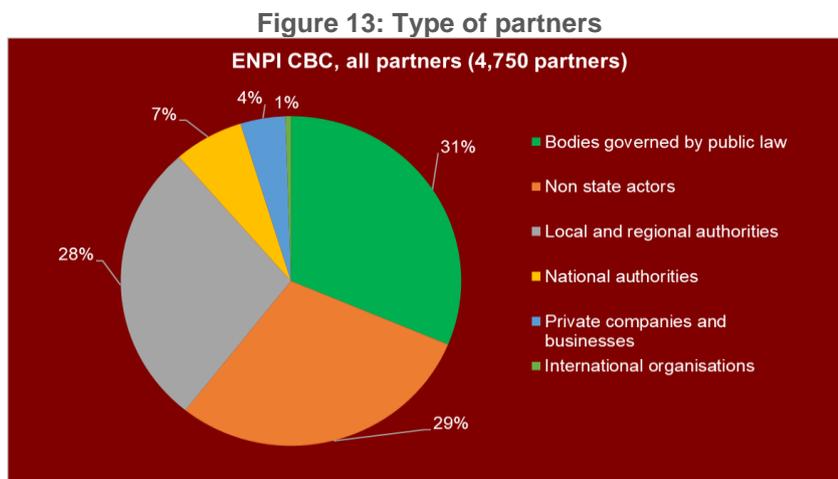


Source: © EuroGeographics for the administrative boundaries and CBC ENPI programmes 2007-2013. Map created with QGIS (ETRS89)

## 4.4.2 Type of organisation

### 4.4.2.1 Overall

The three main types of organisations participating in ENPI CBC projects were *bodies governed by public law*<sup>66</sup>, *non-state actors* and *local and regional authorities*. The distribution of organisations between lead partner and project partner is very similar.



Source: JMA project data, April 2017

<sup>66</sup> These are primarily national authorities and agencies of various kinds, but also universities and research centres.



## 5 Analysis of ENPI CBC performance frameworks

In the following paragraphs, we examine the legal obligations that ENPI CBC Programmes were required to fulfil with regard to performance frameworks (see 2.7.1 “The theory”) and the way performance frameworks were designed and implemented in practice (see 2.7.2 “The practice”).

### 5.1.1 The theory

At the programme level, the 2004 ENPI CBC Strategy Paper laid out four key objectives for ENPI CBC<sup>67</sup>, which set the framework for the strategic objectives, priorities and expected results in each programme<sup>68</sup>, and which are the basis for defining the performance indicators that are to be monitored<sup>69</sup>. This requirement was further clarified in the 2007-2013 Strategy Paper & 2007-2010 Indicative Programme, with illustrative examples of specific objectives / priorities and expected results for each key CBC objective. Furthermore, the Strategy Paper & Indicative Programme required programme partners “to set out in each programme the precise indicators relating to: a) the impact of the individual programme and its global objectives; b) the results from the selected priorities and their specific objectives; and c) the outputs from the types of projects to be supported under the operational objectives”<sup>70</sup>.

At the project level, ENPI calls for proposals were subject to the Practical Guide to Contract Procedures for EU External Actions (PRAG)<sup>71</sup>, and hence project applicants were expected to complete logical framework matrices with objectively verifiable indicators for their overall objectives, specific objectives and expected results<sup>72</sup>.

In this context, the programme partners were expected to elaborate a hierarchy of objectives (global, specific and operational) and indicators (impact, results and outputs) at the programme level, and during implementation, the project applicants would self-define their own overall and specific objectives, and related indicators.

This presented the programme management structures with two challenges:

1. To develop an intervention logic in the programme document that cascaded from higher to lower levels of objectives and indicators; and
2. To ensure that the projects selected would be consistent with this hierarchy and would contribute to achieving the objectives of the programme.

### 5.1.2 The practice

In the context of the ENPI CBC strategy guidance:

<sup>67</sup> Promoting sustainable development in regions on both sides of common borders; working together through joint actions to address common challenges, in fields such as environment, public health, and the prevention of and fight against organised crime; ensuring efficient and secure common borders through joint actions; and promoting local cross-border “people-to-people” type actions (2004 ENPI CBC Strategy Paper, originally set out in COM (2003)393 final, 1.7.03)

<sup>68</sup> ENPI Regulation, Article 9

<sup>69</sup> ENPI Regulation, Article 12(2)

<sup>70</sup> This was accompanied by guidance on the meaning of impact (“long-term focus on changes of structures, improved development, environmental standards and the like”), non-sector indicators (e.g. number of established partnerships, number of successfully implemented CBC projects) and examples of programme indicators related to the CBC key objectives (e.g. regional GDP per capita under ‘economic and social development’).

<sup>71</sup> See ENPI CBC Implementing Regulation (op. cit.), Article 23: “The procedures and related standard documents and contract templates to be used shall be those included in the Practical Guide to contract procedures for EC external actions with annexes in force at the time of the launching of procurement procedures or calls for proposals”.

<sup>72</sup> Expected results are defined as “the outputs envisaged to achieve the specific objective”



- All the programmes have an overall objective, which is often highly ambitious in the context of the available resources<sup>73</sup> or a reformulation of the generic ENPI CBC key strategic objectives<sup>74</sup>.
- The five programmes with specific objectives often rephrase the ENPI CBC key strategic objectives<sup>75</sup> or articulate them very broadly, without any degree of SMART-ness, so that they cannot easily be measured<sup>76</sup>. Three of the eight programmes without specific objectives formulate objectives under their priorities (thus inverting the usual hierarchy of 1. objectives and 2. Priorities)<sup>77</sup>.
- The level below the specific objectives is priorities<sup>78</sup>, but in many cases, these essentially correspond also to the ENPI CBC key strategic objectives and/or the specific objectives<sup>79</sup>. Even where the coverage is narrower, these priorities typically lack focus, which is necessary to make meaningful use of limited resources<sup>80</sup>.
- Below the priorities are individual measures<sup>81</sup>, which are the basis for inviting and selecting project applications.

The review of the programme documents shows that the programme partners have struggled with the programme intervention logic (see **Error! Reference source not found.5**). It should normally be possible to follow the path from overall objective to specific objective to priorities to measures to projects, and vice versa, and to see a clear picture - how the level below contributes to the level above and ultimately the overall objective (vertical logic) and how the combinations within each level (e.g. all the measures under priority X) complement each other (horizontal logic). In practice, however, the vertical logic often lacks causal relationships<sup>82</sup>, while the horizontal logic is not always synergistic (e.g. overlaps in SEFR's 'priority aims' 1.1<sup>83</sup> and 1.6<sup>84</sup>). In some cases, the objectives (or 'aims') appear at a level below the priorities.

The disjointed intervention logic has an inevitable knock-on effect on the set of indicators. This is compounded by flaws in the indicators themselves:

- Only few programmes have impact indicators, while the interpretation of impact varies considerably<sup>85</sup>. Taking the example of BSB, given total financing of EUR 27 million over 7

<sup>73</sup> **IT-TN overall objective:** "To promote the economic, social, institutional and cultural integration between Sicilian territories and Tunisian territories by supporting a joint sustainable development process around a cross-border cooperation pole"; **SEFR overall objective:** "To promote the position of the programme area as an integrated economic zone and a centre for transportation and logistics in order to strengthen its competitiveness and attractiveness to investors, and to improve the state of the environment and the standard of living and welfare of its citizens."; **KOL overall objective:** "To reduce the periphery of the countries' border regions and its related problems as well as to promote multilateral cross-border cooperation"

<sup>74</sup> **RO-UA-MD overall objective:** "To improve the economic, social and environmental situation in the Programme area, in the context of safe and secure borders, through increased contact of partners on both sides of the border"; **LT-PL-RU overall objectives:** "1. Promoting economic and social development on both sides of the common border 2. Working together to address common challenges and common problems, 3. Promoting people to people cooperation"

<sup>75</sup> **IT-TN specific objectives:** "1. Economic and social development, 2. Common challenges and 3. Cooperation people to people"; **BSB specific objectives:** "1. Promoting economic and social development in the Black Sea Basin area, 2. Working together to address common challenges, 3. Promoting local, people-to-people cooperation"

<sup>76</sup> **EE-LV-RU specific objective:** "Make the wider border area an attractive place for both its inhabitants and businesses through activities aimed at improving the living standards and investment climate"

<sup>77</sup> BSR, SFR and KAR.

<sup>78</sup> Programmes without specific objectives define a focus/aim/objective for each priority.

<sup>79</sup> **KOL priorities:** "1. Economic and social development, 2. Common Challenges, 3. People-to-People Cooperation and Identity Building"

<sup>80</sup> **BSB priorities:** "1. Cross border support to partnership for economic development based on combined resources, 2. Networking resources and competencies for environmental protection and conservation, 3. Cultural and educational initiatives for the establishment of a common cultural environment in the basin"

<sup>81</sup> apart from KAR, SEFR, KOL, which have "indicative actions"

<sup>82</sup> LT-PL-RU, LV-LT-BY, KAR

<sup>83</sup> "To foster socioeconomic development and to encourage business and entrepreneurship"

<sup>84</sup> "To promote the preconditions for effective entrepreneurship and the creation of various kinds of accompanying businesses in rural areas"

<sup>85</sup> In MED, for example, impact indicators include "number of cross-border projects realised" (target 250) and "quantitative and qualitative improvement of connections (goods, people)" (target 10%). No definition is provided for the latter, and it is effectively unmeasurable. By contrast, the BSB programme includes: "number of tourist arrivals" (baseline 13.3 million), "population having access to improved water infrastructure" (baseline 86%); and "enrolment rate in higher education institutions" (baseline 44%).



programme years, 10 countries and 7 measures, the contribution of ENPI CBC activities to the overall objective of the Programme<sup>86</sup> will be difficult to measure, and the indicators themselves will be heavily influenced by exogenous factors and unforeseen events, such as the Russian-Ukrainian conflict in this case. It is questionable whether programmes should include impact indicators for their global objectives. The measurements set out in the BSB programme, for example, would be better employed as context indicators.

- Only one programme (BSB) has indicators for its specific objectives. However, it could be argued that, as specific objectives hardly differ from the priorities, the most important question is whether indicators exist at one or other level.
- The result and output indicators themselves are often flawed - not clearly defined, lacking in focus, or confusing one with the other. In many cases, this is a by-product of the priority / measure being too broad in its scope. In general, result indicators included in ENPI CBC programmes measure outputs, rather than results (e.g. EE-LV-RU<sup>87</sup>). In some cases (e.g. LT-PL-RU, PL-BY-UA, KAR), programmes include only output indicators and lack targets to measure achievements. Some other programmes include result indicators, but do not provide for quantification of results (e.g. IT-TN). Just a few cases (e.g. MED, BSB, HU-SK-RO-UA, RO-UA-MD) contain a full set of impact, result and output indicators with corresponding targets but with no clear distinction between results and outputs, i.e. what is considered as being indicators of “result” at the level of priorities are in fact close to “output”.

Ultimately, the purpose of indicators is to learn lessons for current implementation and future programming. When included in the programmes, result indicators do not *appear* to have been measured throughout implementation, as evidenced by the Annual Implementation Reports, which do not include a section on effectiveness (and impact).

At the project level, log frames did not link to their programme intervention logic and indicators<sup>88</sup>. This would have required some written guidelines<sup>89</sup>, training events and ad hoc support to ensure that all applicants, all assessors and those beneficiaries whose projects are selected knew how to develop, evaluate and monitor (respectively) their objectives and indicators, in line with the programme’s hierarchy of objectives and indicators.

<sup>86</sup> “To achieve stronger regional partnerships and cooperation. By doing so, the programme aims to contribute to its key wider objective: “a stronger and more sustainable economic and social development of the regions of the Black Sea Basin””.

<sup>87</sup> Priority 1: “*To foster socio-economic development and to encourage business and entrepreneurship*” has a results indicator “*number of projects supporting business development and labour market development in the border area*”.

<sup>88</sup> The issue is partly linked to the PRAG templates which do not foresee such links. They were, however, some inconclusive attempts under the BSB and RO-UA-MD to adapt the application form to create such links.

<sup>89</sup> There was no such guidance in the individual guidelines for applicants or the RCBI project implementation manual



## 6 ANSWERS TO EVALUATION QUESTIONS

*Preliminary remark: The responsibility for ENPI CBC within the EC was transferred from DG DEVCO to DG NEAR during the ENPI period. References to DG NEAR in the text below apply to both DGs as appropriate.*

**EQ 1. How effective have the CBC programmes been in achieving their objectives and the outcomes and results envisaged in the target border communities and what have been the main factors affecting the programmes' ability to achieve these results?**

**Finding 1.** ENPI CBC offered an enabling framework for promoting socio-economic development of eligible areas adding an important territorial dimension to the European Neighbourhood Policy. Compared to the previous period, ENPI CBC brought a higher degree of cooperation between EU and partner countries, which contributed to the development of more genuine and sustainable partnerships.

Many participating countries had started cross-border cooperation before ENPI. However, compared to the ENPI period, the amounts available were modest and projects were funded by two different instruments: Interreg for EU member states<sup>90</sup> and TACIS for partner countries. The launch of ENPI CBC in 2006 represented major progress, since it created a single policy-driven instrument pooling resources allocated to CBC under both ERDF and ENPI.

The ENPI regulation introduced shared management which considerably simplified the administration of CBC programmes. At project level, this made partnerships more genuine and sustainable through the design and implementation of common activities through a single contract involving partners from both sides of the border with a single contracting authority<sup>91</sup>. The new instrument was based on a common strategy linked to the objectives of the European Neighbourhood Policy, which gave a clearer framework to participating countries to agree on the objectives and priorities of their cooperation taking into account the specific needs of their border areas.

The ENPI CBC added an important territorial dimension to the European Neighbourhood Policy extending the principles of territorial cooperation developed in the context of the EU Cohesion Policy to the external borders of the EU. Just like Interreg within the EU, ENPI CBC gave local actors an invaluable policy tool to achieve socio-economic development by overcoming border obstacles and tackling common problems by joint cross-border actions.

In contrast to ENPI bilateral and regional programmes where the EC steering role is more pronounced, ENPI CBC left the initiative to the participating countries to define and implement cooperation objectives and priorities. Within this framework, the programmes were instrumental in developing institutional capacities, raising ownership and fostering links among national and regional administrations of participating countries.

Another achievement linked to the specific nature of CBC was to forge enduring cross-border ties between partners despite different national frameworks and rules. This is clear from the number of ENPI partnerships which are being continued under ENI both in the East and in the South. In this context, the role of the CBC in stabilising the neighbourhood need to be considered from a long-term perspective just as the objectives of territorial cooperation within the EU are designed to be achieved over a long time-scale.

<sup>90</sup> Phare funded the participation of candidate countries before 2004

<sup>91</sup> The BSB is the only programme where projects with Turkish partners were still implemented by means of two contracts: one funded under IPA for Turkish partners and one under ENPI for all the other partners.



**Finding 2.** ENPI CBC resulted in an impressive number and variety of cross-cooperation projects with a high participation from partner countries. The fact that ENPI CBC achieved these results in a particularly unstable political and economic environment is a testimony to the interest and commitment of CBC stakeholders to pursue cooperation despite external challenges and obstacles, which nonetheless affected the ability of some projects to achieve their results (see Finding 12).

A total of €947.2 million was made available from the EU for funding ENPI CBC 2007-2013 across 13 programmes (see above section 4.1). By the end of 2008, the 13 out of the 15 programmes originally prepared had been officially adopted<sup>92</sup> and the first calls for proposals were launched in 2009/2010<sup>93</sup>. The most intensive phase spanned the years 2011-2014 with projects under implementation in all 13 programmes. Altogether, the programmes funded 941 projects<sup>94</sup> for a total contracted amount of €909.5 million covering a wide range of topics and issues and involving soft and hard investment (see above sections 4.2 and 4.3).

The participation in calls for proposals has been very high (in total, more than 7,000 applications were submitted across all programmes)<sup>95</sup>, attesting the appeal of CBC among stakeholders in eligible areas (see above section 4.4).

The political and economic context experienced during the ENPI period was particularly challenging. The Arab Spring slowed down the implementation of IT-TN and MED<sup>96</sup> while the conflict in Ukraine disrupted the implementation of programmes involving that country. There was however a strong determination on the part of all CBC stakeholders involved in these programmes to continue the cooperation. The managing authorities demonstrated a lot of pragmatism and creativity in helping project beneficiaries adapt to circumstances and reduce the negative impact of these external events, which nonetheless made it more difficult for projects to implement activities and achieve results.

Political tensions over Ukraine put the cooperation with Russia at risk. However, the programme authorities lobbied the EU for the CBC programmes involving Russia not to be affected by the EU sanctions, reflecting the importance participating countries attached to the cooperation.

**Finding 3.** One of the major outcomes of ENPI CBC is the strengthening of capacities of CBC stakeholders across the neighbourhood. There is at present a much more solid basis for cooperation compared to the previous period, with well-established programme authorities and more experienced beneficiaries. A high degree of trust and commitment has been achieved among officials from EU and partner countries participating in the cooperation. The interest in CBC remains high across the neighbourhood, despite the difficulties encountered during the ENPI period.

While there was some experience with CBC prior to 2006, the ENPI period achieved remarkable results in developing and strengthening the overall framework for cross-border cooperation with the neighbourhood. All 13 adopted programmes managed to set up management structures in a timely manner in line with the ENPI regulations and establishing effective partnerships among participating countries. Programme authorities acquired considerable experience in managing CBC programmes over the ENPI period, which is benefiting the current period and is likely to carry forward to the next financial perspective.

<sup>92</sup> The CBC Atlantic and Spain-Morocco programmes were not submitted to the EC.

<sup>93</sup> BSR launched its first call in late 2008

<sup>94</sup> To try and give a more accurate picture of the programmes' coverage, ENPI CBC projects were classified according to four themes (economic development, environment, security and social development), each being broken down into a total of 22 sectors (see Annex 10) for the definition of themes and sectors). Security includes border management projects and prevention of and fight against organised crime.

<sup>95</sup> RCBI, ENPI CBC State of Play, 30 April 2014

<sup>96</sup> The Syrian civil war barred that country from the cooperation and destabilised neighbourhood countries in the region



Understanding implementing rules as well as their own duties and developing mutual trust - an essential element for the success of the cooperation - was a learning process for all JMC members, which took longer for programmes with less experience of CBC and/or involving more participating countries. Programme authorities have developed long-lasting relationships which is facilitating the implementation of the new programmes.

Faced with the day-to-day challenges of programme and project implementation, the JMAs/JTs and their branch offices have become much more knowledgeable and experienced with the nitty-gritty of EU and national rules and the procedures on which the cooperation is based. Given that there is overall a good staff retention rate, JMAs/JTs are much better equipped than they were 10 years ago to administer and organise the cooperation.

A similar trend can also be observed at project level. Experience from ENPI has been beneficial to the organisations that took part in the cooperation. There are many examples of project partners applying to new calls for proposals – often taking up the leading role – after a first successful cooperation. The response to calls was on the increase throughout the ENPI period and the first indications of the new calls suggest that this trend is not reversed under ENI. More significantly, there are also signs that organisations from partner countries are now more confident to apply as lead partner than they were ten years ago<sup>97</sup>. ENPI CBC was instrumental in developing project management skills with the less experienced partners gaining from the exchange of information and practices which took place within the partnership.

Neither the difficulties sometimes encountered during implementation nor the political developments in the neighbourhood have diminished the fundamental willingness of participating countries to cooperate as attested by the smooth transition to ENI.

Geo-political realities, however, continue to weigh on some programmes: Russia and Azerbaijan are still not participating in the BSB programme and while Russia decided to participate in the BSR programme, Belarus has lost interest<sup>98</sup>. Morocco, Algeria and Turkey, which did not take part in ENPI CBC MED, or had a modest participation, are unlikely to participate in the new programme.

**Finding 4.** While the effectiveness of projects (and ultimately programmes) was affected by complex legal and regulatory frameworks, which was particularly challenging for less experienced partners, there are many examples of successful cooperation delivering worthwhile outputs and results. It can therefore be safely argued that all programmes have achieved some results in fostering economic development, addressing common issues and intensifying contacts across the border. Hence, the programmes appear to have achieved their own objectives to some degree, but the extent is difficult to gauge due to insufficient performance data.

Despite the improvements introduced by ENPI, the legal and regulatory frameworks in which projects were implemented remained complex and burdensome. Interpreting EU and national rules and understanding how to apply them in the context of the cross-border cooperation was a challenging task for all CBC stakeholders (see Finding 9). This complexity very often slowed down the implementation of programmes and projects and sometimes affected the achievement of results. The implementation of large-scale projects was particularly demanding and, in a few cases,, the bureaucratic processes involved proved too impractical and time-consuming to ensure the success of the cooperation.

<sup>97</sup> Information from MED MA and PL-BY-UA branch office in Lviv.

<sup>98</sup> The decision of Belarus not to join the new BSR programme is not related to geo-political factors strictly speaking. The increased responsibility of partner countries in terms of management and control systems introduced by ENI regulation is considered too onerous by Belarusian national authorities in relation to the budget available for the country. Belarus, however, is participating in the ENI LV-LT-BY and the PL-BY-UA programmes.



There is, however, substantial evidence of effectiveness at project level which can be garnered from monitoring/evaluation reports. A few examples are presented below:

- Under KOL, transport infrastructure was upgraded between Finland and Russia (*reconstruction of the road Kandalaksha-Alakurtti-Salla checkpoint*) and power and research capabilities developed in the wind energy sector (*North-West United Power Generation Company*); and cross-border networks developed in tourism and agriculture (*AgroPark Alakurtti*).
- Under LV-LT-BY, the results evidenced at project level include improvement of cross-border checking conditions (e.g. *“construction of Švendubrė seasonal river border crossing point and Bugieda berth”*), increased opportunities for innovation and stronger cross-border networks for exchanging information and building up partnerships (e.g. *“innovation networking for economic Development”*) and increased health care across border areas (e.g. *“Improving the system of volunteer care for vulnerable in Lithuania, Latvia and Belarus”*).
- Under BSR, the project *Amber Cost Logistics* was effective in identifying Belarus’ shortcomings regarding its accessibility for major BSR transport corridors. By establishing a fair diagnosis of Belarus’ transport and logistic networks and regulatory framework, the project helped promote Belarus’ potential as a transit country and provider of logistic services in the region.

Projects visited in the framework of the case studies carried out by this evaluation confirmed the effectiveness of the cooperation across several programmes and sectors:

The tourism development projects funded in the Carpathian Mountains under two different CBC programmes<sup>99</sup> achieved worthwhile results that benefited the target groups in the border area.

*The projects delivered their planned outcomes, thereby resulting in an improved promotion of the region, enhanced services offered to tourists, more diversified tourism products and enhanced qualifications of staff involved in the tourism sector. The effective cross-border partnerships enabled a broad range of Ukrainian partners to gain experience and strengthened their management capacities.*

**Case study on ENPI CBC and tourism development in the Carpathian Mountains**

Effective projects were also observed in the south, for example, in the sea food sector.

*The strategic project BIOVecQ (IT-TN) established a cross-border virtual laboratory which is fostering research cooperation between experts from Tunisia and Italy on sea food quality assurance. The Club Bleu Artisanal (IT-TN) contributed to integrate the fishing and tourism sectors by creating a value chain between local fishermen and the local hotel and catering industry with a quality label.*

**Case study on ENPI CBC and the environment<sup>100</sup>**

The border crossing infrastructure projects implemented in the framework of the SEFR have succeeded in strengthening capacities in line with the objectives of the partner countries involved:

*In general terms, the upgrade of the border control infrastructure has increased the capacity of the border crossing points to handle larger volumes of passenger and freight traffic more efficiently and safely. It has also increased the capabilities of the border management institutions to deal with such larger volumes.*

**Case study on ENPI-funded border crossing projects**

<sup>99</sup> PL-BY-UA and HU-SK-RO-UA

<sup>100</sup> Both Biovecq and Club bleu are classified as environment projects in the evaluation database. However, there were funded under the programme priorities *“Innovation and research”* (Biovecq) and *“Development and integration of economic systems”* (Club Bleu)



ROM reports derive conclusions at programme level from the projects' collective performance. For instance, ROM reports indicate that ENPI-CBC programmes are likely to achieve, or even exceed in some cases, their specific objectives and operational outcomes (e.g. LT-LV-BY). Both JMAs and project partners also have positive impressions of effectiveness. The web survey conducted as part of the desk analysis finds that over 80% of the JMAs consider that their ENPI CBC programmes fully or almost fully fulfilled their objectives, while all project partners involved in the survey consider that their project achieved its results as envisaged in the original plan. Unfortunately, however, there is an absence of reliable, hard evidence to support these impressions. It is difficult to construct a comprehensive picture of programme effectiveness, due to weaknesses in the performance frameworks at programme level (shortcomings in both the intervention logic and the indicators) and the disconnect with the project level (Finding 13).

**EQ 2. What has been the added value of the INTERACT ENPI and RCBI technical assistance projects to the effective functioning of the programmes?**

**Finding 5.** Both technical assistance facilities contributed positively to the effective functioning of the programmes as acknowledged by programme management structures. RCBI eased the transition from programming to implementation for management structures and made up for the lack of capacities and experience of some programmes. INTERACT ENPI facilitated a common understanding and interpretation of rules and procedures among programmes most of the time, and contributed to a more efficient communication with the EC and a better flow of information among ENPI CBC stakeholders at programme level.

Launched before the start of ENPI CBC, **RCBI** played a useful role during the programming process in training and advising officials from partner countries involved in developing the JOPs and setting up management structures. RCBI also provided crucial support during the preparation and launching phase of calls for proposals, training potential applicants and helping them identify partners and set up partnerships. This certainly contributed to improving the quality of projects submitted<sup>101</sup>. Awareness-raising and training activities carried out by the TA facility contributed also to the very high participation of applicants from partner countries in the calls for proposals. The assistance was flexible in responding to needs - programmes with low capacities, experiencing difficulties in disseminating information about upcoming calls and reaching out to potential applicants tended to use RCBI more often<sup>102</sup>. In this sense, RCBI contributed to making up for the lack of capacities which existed particularly with new programmes, and especially at the start of their implementation. Without such assistance, some management structures would have struggled to fulfil their basic obligations towards applicants and beneficiaries, particularly in the early days of implementation.

**INTERACT ENPI** project successfully built the network of programme management structures, organising one or two major conferences per year involving all programmes, as well as regular expert meetings, learning events and advisory services targeting specific programmes or topics. The TA projects set up and managed thematic networks and laboratory groups of programme authorities' staff and organised according to specific management themes (finance and audit, LSPs, procurement, monitoring and evaluation, management and control systems, communication and visibility), about which the TA project also developed working papers.

These activities facilitated a common understanding and interpretation of rules and procedures among programmes – although this sometimes proved difficult to achieve (see Finding 7) - and contributed to a more efficient communication with the EC and a better flow of information among ENPI CBC stakeholders. However, INTERACT ENPI did not always succeed in harmonising approaches among programmes as illustrated by the unsuccessful attempt to coordinate

<sup>101</sup> This is also the opinion of the majority of ENPI stakeholders who took part in the web survey or were interviewed during this evaluation.

<sup>102</sup> For example, BSB which started implementation without a JTS and relied a lot on the support from RCBI (and INTERACT ENPI) given its wide geographical scope.



derogation requests and adapt PRAG templates to CBC specificities. The possibility of sharing experiences and discussing common implementation issues with other programmes was underlined by all management structures as an extremely useful contribution of the INTERACT ENPI.

The project's experts participated in almost all JMC meetings, reviewing documents before their submission to JMC members for approval and providing ad hoc advice during discussions on steps to be followed or rules to be respected. Further assistance to JMAs included reviewing guidelines for applicants, advising managing authorities with request for derogations, drafting rules of procedures, training assessors/evaluation committees, observing evaluation meetings, etc. This support was flexible and demand-driven, prioritising programmes that were lagging in implementation and/or countries with specific capacity building needs. These activities certainly contributed to improving the effectiveness of programme implementation.

The networking activities were related to programme management and implementation. There was hardly any work done on the capitalisation of project/programme results and exchange of CBC best practices in this area. This is understandable given that the programmes were under implementation and there were few results. Moreover, the capacities of INTERACT ENPI after 2011 were mobilised to support the EC and participating countries in preparing for ENI 2014-2020. However, the facility compiled programme data to produce comprehensive overviews of ENPI CBC implementation ('ENPI CBC state of play'). It also connected ENPI CBC to Interact programme's Keep.eu database<sup>103</sup>. These efforts were instrumental in disseminating information about ENPI CBC activities and results. Visibility was also enhanced through a dedicated ENPI CBC web page within the Interact website and support with communication and visibility activities carried out by the programmes.

**Finding 6.** The rationale for having two strands of assistance – one supporting programmes in reaching out to stakeholders in partner countries (RCBI) and the other directed at coordination, networking, exchange of information and consistency of approaches among programme management structures (INTERACT ENPI) - appears justified, although the fact that the assistance was delivered by two different TA projects and according to different calendars created some confusion among stakeholders and reduced efficiency. The decision to have only one technical assistance facility responsible for both strands under ENI was well justified.

There were huge needs for assistance when ENPI CBC was launched in 2006. While the previous CBC programmes had developed some capacities in EU and partner countries, the introduction of shared management and single-contract project changed the nature of CBC. The EC rightly decided to prioritise CBC final beneficiaries in partner countries where capacities were weaker, as there were concerns about the level of their participation in calls for proposals. RCBI's scope of work also included support for participating countries to set up management structures and programme the cooperation. The second TA project (INTERACT ENPI) was designed to promote coordination, networking, exchange of information and consistency of approaches among management structures based on the experience of Interact, the facility for Interreg programmes.

The timing of both projects was not optimal. INTERACT ENPI networking activities would have been useful already during the ENPI programming process. This was remedied partly by RCBI ensuring coordination and providing support to JMAs on an individual basis during this phase, but no major networking event was organised before INTERACT ENPI started. That the new project clearly filled a gap in this respect is clear from the JMAs' appreciation of these events when they were first organised. However, INTERACT ENPI's late and somewhat difficult start<sup>104</sup> created

<sup>103</sup> keep.eu compiles data regarding projects and beneficiaries of EU cross-border, transnational and interregional cooperation programmes within the EU, and between Member States and neighbouring countries.

<sup>104</sup> The project got poor marks when it was evaluated by ROM in November 2011



confusion among stakeholders who did not always understand the scope of the new project and the division of responsibilities with RCBI. There were expectations that INTERACT ENPI would replicate RCBI support for final beneficiaries from EU countries<sup>105</sup>. Other stakeholders assumed that the project would be implementing activities based on the Interreg/ Interact model.

Over time coordination mechanisms were established and responsibilities clarified. Both EC TA projects maintained a high degree of communication to ensure there was no overlap and their respective resources were optimised for the benefit of programmes and their beneficiaries.

The closure of RCBI in 2012 when implementation of projects was in full swing may also have been premature, as the need for support was still apparent for some programmes with low capacities and/or wide programme area to cover. Almost all ROM reports identified the need for more assistance to project beneficiaries during implementation. Without RCBI, JTSs and their branch offices were left on their own to provide further support with project management, monitoring and reporting to their final beneficiaries. Considering that most beneficiaries in partner countries are not lead beneficiaries, the only support available to them was through the branch offices, which typically had limited responsibilities and capacities.

**Finding 7.** In their supportive role, the EC TA projects were not always able to provide accurate and timely clarifications and instructions to programme management structures and final beneficiaries, which occasionally affected programme implementation.

One of the main criticisms of the EC TA projects, as articulated by management structures and project beneficiaries, related to the timing of advice and support which did not always reach their target groups when needed. The late responses from the TA projects can be attributed to the fact that many problems became apparent only as the implementation progressed. Moreover, it was not always an easy task to clarify issues and provide consistent answers across so many programmes. Another problem was that the TA projects often required prior guidance and, in specific cases, approval from the EC or national authorities before sharing information and disseminating guidelines and tools among stakeholders<sup>106</sup>. Delays in obtaining such guidance/approval made it difficult for the TA projects to always respond timely to needs (see Finding 14). The ex-ante approval granted for some topics by the EC to INTERACT ENPI partly solved the problem.

**EQ 3. To what extent have the joint CBC programmes been implemented in a well-managed, cost-effective and timely manner?**

**Finding 8.** All programme management structures managed to organise their cooperation in line with the ENPI regulations and they all deserve praise for achieving high contracting rates. There are of course variations in the level of performance from one programme to another which are reflected in the effective use of funds. Land border bilateral programmes with already well-established cross-border links and previous experience of CBC under Interreg/TACIS encountered the least problems, while the implementation of new programmes and/or many participating countries was more complex and strenuous, putting the inexperienced management structures under considerable strain. The implementation delays experienced across almost all programmes, and the need for extending implementation deadlines, reflect the late start of programmes and the difficulties encountered during implementation.

The fact that all 13 programmes managed to complete the ENPI implementation cycle with very high contracting rates is an achievement, especially bearing in mind that some programmes did

<sup>105</sup> According to several JMAs, there was a need in this area which was never covered during the ENPI period

<sup>106</sup> For example, the dissemination of Guides on national procurement was delayed due to slow or lack of response from national authorities



not exist before ENPI and had to start from scratch (MED, BSB, IT-TN) or were launched under a new set-up (HU-SK-RO-UA<sup>107</sup>, EE-LV-RU, LT-LV-BY, KOL<sup>108</sup> and RO-UA-MD<sup>109</sup>). All programmes had to implement the cooperation under a new framework that was considerably different from the previous period. The process of setting up management structures<sup>110</sup> was easier for programmes with earlier experience of CBC but harder and more time-consuming for new programmes. There were delays in setting up some JTSs and branch offices which affected the efficiency of implementation in the early days. For example, the PL-BY-UA branch office in Lviv (Ukraine) and the LT-PL-RU branch offices in Olsztyn (Poland) and Vilnius (Lithuania) were not operating when the first call was launched, which reduced the participation of organisations from these partner countries. A few management structures remained fragile throughout the period, experiencing difficulties in handling the workload, particularly at the evaluation stage, and facing staffing and/or organisational issues that undermined their capacity to respond effectively to the challenges of programme implementation. This was the case of the BSB programme which functioned with a staffing level inadequate for such a large programme, incurred destabilising administrative reshuffles and never managed to maintain a permanent JTS.

In the case of BSB and MED, the national authorities played a much more active role than in land border programmes, acting *de facto* as programme branch offices<sup>111</sup> and often assisting applicants and beneficiaries with very specific management issues. The Turkish national authorities<sup>112</sup> played an important role during the implementation of BSB projects in Turkish eligible areas, monitoring projects and providing technical support to beneficiaries.

*According to the beneficiaries, the support from the programme authorities was good and effective, although certain partners considered necessary to increase staff in the Tunisian contact point, in particular having two people working full time only on financial and administrative tasks. The role of the National Authority in Tunisia was also considered very important to facilitate the contact among partners.*

#### Case study on ENPI CBC and the environment

Given that the ENPI Implementing Rules were adopted only in August 2007, the programme implementation phase did not start until late 2008 for the majority of programmes<sup>113</sup>. The late signing<sup>114</sup> and slow ratification of financing agreements (FAs) reduced further the implementation phase of many programmes given that no contract can be signed before the signing/ratification of the FA. For example, the year 2009 was lost to implementation for KAR, SEFR and KOL with the FA signature occurring only in late November<sup>115</sup>. Likewise, it took two years for Russia to ratify the FA for the EE-LV-RU programme, which delayed the first call for proposals until August 2010. One year was necessary for the signing of the IT-TN FA by Tunisia. The process under MED involving seven countries also stretched until the end of 2009.

Eight programmes had launched their first calls for proposal by the end of 2009<sup>116</sup> and the remaining five by August 2010<sup>117</sup>. The most intensive phase of project implementation spanned

<sup>107</sup> Romania was not part of the cooperation initiated by Hungary, Slovakia and Ukraine under the Interreg III Neighbourhood Programme 2004-2006

<sup>108</sup> KOL 2000-2006 was a sub-programme of Interreg III A North

<sup>109</sup> Interreg III Neighbourhood programmes with Estonia, Latvia and Romania were all bilateral programmes. While the participating countries in remain the same for ENPI CBC PL-BY-RU, LT-PL-RU and LV-LT compared to the Interreg III Neighbourhood Programmes, the eligible/adjacent areas changed. BSR also started under Interreg III but without the participation of Belarus.

<sup>110</sup> JMA, JMC, JSC, JTS, branch offices, national info points.

<sup>111</sup> Given the number of countries involved, it was not possible to open a BO in each of them.

<sup>112</sup> Ministry for EU Affairs and CFCU

<sup>113</sup> The execution period starts upon adoption of the programme by the EC. Most programmes were adopted in the second half of 2008.

<sup>114</sup> All FAs were signed within the deadline set in the regulation art. 10.2 i.e. within one year of the Commission decision adopting the joint operational programme (N+1 rule).

<sup>115</sup> The three FAs were signed on the EU-Russia Summit in Stockholm 18 November 2009

<sup>116</sup> MED, HU-SK-RO-UA, BSB, RO-UA-MD, IT-TN, PL-BY-UA, LT-LV-BY. BSR launched its first call in February 2008.

<sup>117</sup> KOL, SEFR, KAR, LT-PL-RU, EE-LV-RU.



the years 2011-2014 with projects under implementation in all 13 programmes<sup>118</sup>.

As at April 2017 (the most recent available data), contracting rates were close to 100% of the funding allocated for all programmes. Considering the complexity of CBC implementation and the geo-political instability that characterised the implementation period, such a result is no small feat. The situation is however more mixed when looking at disbursement rates<sup>119</sup> outside TA. Five programmes have disbursement rates above 90%<sup>120</sup>, six others between 80% and 85%<sup>121</sup>, and only two programmes below 75%<sup>122</sup>. Overall, 81% of the EU allocation to projects<sup>123</sup> had been disbursed by April 2017 (€703 million). These figures, however, are not final since 146 projects were still ongoing in April 2017<sup>124</sup>. Only when all programmes are closed will it be possible to measure the real absorption of ENPI CBC funding. Moreover, allowances should be made for currency fluctuations when looking at disbursement figures<sup>125</sup>.

By April 2017, the amount of project expenditures approved by JMAs stood at 75% (€645.9 million) of the allocation to projects. From this point of view, not all programmes managed to maximise the use of funds available to them although again these figures are not final. One issue which contributed to lower disbursement/spending rates<sup>126</sup> is the fact that it was not possible for programmes to reinvest the savings from projects after expiration of the contracting deadline for projects phase set in the regulation.

All programmes experienced implementation delays of varying degrees and nature, which motivated the EC to prolong the programme implementation phases. Except for BSR and KAR, the implementation phase for projects had to be extended by one year<sup>127</sup> for five programmes<sup>128</sup>, by two years for three programmes<sup>129</sup> and by three years for another three programmes<sup>130</sup>. The end of the execution period<sup>131</sup> was postponed by one year for two programmes<sup>132</sup> and by two years for three programmes<sup>133</sup>.

The next findings analyse some of the factors that slowed down the pace of implementation in addition to the late start of programmes already mentioned above.

**Finding 9.** A major challenge for all CBC stakeholders was to learn how to implement programme/project activities in line with EU requirements while, at the same time, ensuring compliance with national regulatory frameworks. At project level, the JTSs and their branch offices played a crucial role in managing contracts and supporting beneficiaries to overcome the difficulties of implementation.

The use of PRAG provided a clear framework for the implementation of the cooperation. However, in practice, it proved difficult for the management structures to adapt PRAG procedures and

<sup>118</sup> Project implementation before 2011 occurred only under three programmes: BSR (1<sup>st</sup> project starting on 01/01/09), HU-SK-RO-UA (1<sup>st</sup> project starting on 15/07/2010), KOL (1<sup>st</sup> project starting on 26/11/10). By the end of 2014, project activities were completed under three programmes only: BSR, EE-LV-RU and SEFR (the latter apart from one LSP).

<sup>119</sup> Calculated as the ratio of funding transferred to projects against original allocations based on data provided by JMAs in March/April 2017.

<sup>120</sup> EE-LV-RU (5 ongoing projects), KAR, LV-LT-BY, SEFR (1 ongoing project), LT-PL-RU (12 ongoing projects)

<sup>121</sup> RO-UA-MD, BSR, KOL, BSB, IT-TN, PL-BY-UA

<sup>122</sup> MED (72 ongoing projects), HU-SK-RO-UA (28 ongoing projects).

<sup>123</sup> €m 865.8

<sup>124</sup> Under seven programmes: BSB, EE-LV-RU, LT-PL-RU, MED, HU-SK-RO-UA, RO-UA-MD, PL-BY-UA

<sup>125</sup> Currency devaluation in some partner countries (e.g. Ukraine, Tunisia) decreased the disbursed amounts reported in EUR.

<sup>126</sup> Disbursement rate is the amount transferred to projects against original allocations while spending rate is the amount of authorised expenditures against original allocations.

<sup>127</sup> The end of implementation period for projects was originally 31/12/2014

<sup>128</sup> 31/12/15: KOL, SEFR, LT-LV-BY, EE-LV-RU, LT-PL-RU

<sup>129</sup> 31/12/16: MED, IT-TN, BSB

<sup>130</sup> 31/12/17: HU-SK-RO-UA, RO-UA-MD, PL-BY-UA. The extension concerns only LSPs.

<sup>131</sup> Originally set in the regulation on 31/12/2016

<sup>132</sup> From end of 2017 to end of 2018 (MED, IT-TN)

<sup>133</sup> Until the end of 2019 (HU-SK-RO-UA, RO-UA-MD, PL-BY-UA)



templates to the specificities of ENPI CBC. Major issues, for example, arose when drafting the grant contract special conditions which required frequent derogation requests to the EC to deviate from EU contract general conditions. INTERACT ENPI tried to facilitate the approval process and ensure consistency of approaches. The attempt to produce a common ENPI CBC contract<sup>134</sup> approved by the EC - so that there would be no more need to seek derogations programme by programme - was unsuccessful.

At project level, applicants and beneficiaries often complained about the complexity of implementation rules and procedures and their interpretation and application by managing authorities. It required time for less experienced projects to get familiar with ENPI CBC requirements, especially when they differed from their own national practices. One of the major challenges was linked to the submission of narrative and financial reports, which was very demanding and time-consuming for projects with less experienced partners and often created cash-flow difficulties for beneficiaries when there were delays in the approval process (either due to requests for clarifications from managing authorities<sup>135</sup> or because of under-capacitated management structures).

Compliance with the national framework of partner countries was also challenging. It took time for management structures to clarify national rules and seek solutions when they conflicted with EU project requirements. Guidance to beneficiaries on these topics was crucial for the success of projects, especially because many of these rules were bureaucratic and complicated the implementation of activities. In Ukraine but also in countries like Tunisia and Lebanon, for example, transferring part of the grant to partner public entities had to take place via the Treasury through a time-consuming procedure which delayed payments to final contractors.

*The project BIOVecQ (IT-TN) met difficulties in transferring funds from Tunisia to the other EU partners. A solution was found through an agreement with the central bank with the opening of an account in euro. Other issues pointed out by the Tunisian partners were the very low per diem, calculated according to national standards and insufficient to cover travel costs encountered in Europe, and the difficulty in obtaining VAT exemption forms from the customs office. In Ukraine, until recently funds allocated to public institutions were considered government-owned and held by the Ukrainian Treasury and project partners needed a permission from the Treasury to utilise the funds. The delay in granting this permission prompted the partners to request an extension of the project's duration, as was the case under "Geo-Carpathians – Creating a Polish-Ukrainian Tourist Route".*

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In programmes involving Russia and Finland, some Finnish partners had to make payments to the Russian contractors on behalf of the Russian partner, as the latter was unable to open an EUR account<sup>136</sup>. Different accounting practices often complicated the communication between partners from the EU and the partner countries during the preparation of the financial report.

In Belarus, the administrative environment was particularly challenging for project beneficiaries. Making bank transfers or securing VAT exemption involved complex procedures. The highly centralised and top-down decision-making process in the Belarusian administration affected the efficiency of projects involving state bodies which were most of the beneficiaries. The lack of clarity regarding the procurement rules to be applied complicated the implementation of activities in some instances. Different procurement procedures applied in Belarus and Ukraine depending on whether EU or co-financing money was being used to purchase goods or supplies.

<sup>134</sup> Initiated by the BSB programme. The BSB JMA also developed a template for expenditure verification consolidated report at project level which was integrated into PRAG (PRAG Annex VII).

<sup>135</sup> In some occasions, these requests were concerning trivial matters and unnecessarily delayed approvals of payments.

<sup>136</sup> A similar issue was experienced by some Estonian partners of border crossing projects



Finally, the cooperation was often undermined by administrative and physical barriers. Visa requirements and long border checks often limited the ability of partners to meet and organise joint activities within the short time-frame of projects (see also Finding 22).

JTSs played a crucial role in the management of contracts, checking that EU rules were well understood and applied, and processing requests for amendments. The latter activity brought a certain amount of flexibility to the management of projects, increasing their efficiency (provided the requests were submitted and processed on time) which was highly appreciated by the beneficiaries. Most addenda were about budget reallocation, change in partnership and/or staff and minor modifications to project activities.

Project beneficiaries highly valued the training organised by JTSs – often in cooperation with the RCBI – on key project management topics (financial management, procurement, reporting, monitoring, visibility, etc.). Ad hoc support and advice from JTSs was instrumental in overcoming the difficulties of implementation. Without this day-to-day assistance, many projects would have struggled in fulfilling their contractual obligations, particularly in partner countries where capacities were weaker. There were issues, however, where support from the JTS was considered insufficient by project beneficiaries, for example, in solving conflicts within partnerships<sup>137</sup>.

While their scope of intervention was restricted by the regulation, the branch offices provided useful support to applicants and beneficiaries of partner countries, which was crucial to ensure a balanced participation in calls for proposals. Given the low level of experience in EU project management, the presence of branch offices was often crucial for the success of projects, as they provided a useful bridge between the requirements of the programme and the day-to-day reality of project implementation in the partner country's environment. ROM praised, for example, the performance of Arkhangelsk's and Murmansk's branch offices under the KOL programme in reaching out to potential applicants and providing much needed support during implementation<sup>138</sup>.

Likewise, the PL-BY-UA branch office in Lviv visited during this evaluation was a well-established structure with experienced and motivated staff and a network of contacts in the region which can be activated during calls for proposals and partner searches.

**Finding 10.** The duration of evaluation, selection and contracting processes was often excessive, undermining the relevance of projects and weakening partnerships. There were, however, improvements in later calls for proposals. The time-consuming procedures to which additional steps were sometimes added, the high number of applications, which at times overwhelmed the capacities of programme management structures, as well as disagreement at the JMCs, explained delays experienced at this stage.

The time elapsing from the launch of a call for proposals to the start of the first projects was rarely below one year. The evaluation and contracting processes typically lasted over 18 months, with some programmes taking well over two years to conclude calls for proposals<sup>139</sup>.

The high participation generated by calls for proposals was often the cause of major delays as the capacities of the JMAs were overwhelmed by the number of proposals to be evaluated. The

<sup>137</sup> In one project visited during this evaluation (HU-SK-RO-UA Carpathian Tourist Road), the lead partner "recovered" part of the money due by one partner by not making the final payment to two other partners, who complained to the JTS but without any success.

<sup>138</sup> See also Final Report, KOL: "The Russian BO was actively involved in the consulting of potential applicants in order to improve their knowledge of the programming rules. For this purpose, 15 round table discussions were organized on the Russian side of the Programme area (409 participants). The Russian BO was a responsible organizer of 18 events (562 participants) on the Russian side such as RCBI training workshops, Project Cycle Management workshops, Joint Monitoring Committees, Joint Selection Committees, Joint Programming Committees, RAGs, ROM missions."

<sup>139</sup> 21 months elapsed between the launch of the second call for proposals and the first contract under LV-LT-BY. Another 16 months were necessary to contract all projects selected under the second call for proposals. Similar durations are observed under MED, IT-TN, RO-UA-MD and LT-PL-RU. At the other end of the scale, KOL and BSR required only 9 to 10 months from launch of call to signature of the first contract.



amount of proposals submitted represented more than five times the number of proposals selected in the case of eight programmes<sup>140</sup>. Only in rare cases (e.g. KAR) were the calls for proposals organised in two steps, with the guidelines for applicants setting a ceiling of concept notes to be evaluated (as a multiple of the call's total envelope).

The approach for evaluating projects was different from one programme to another: some used external assessors either recruited for specific call or for the entire programme duration (KAR), some set project selection committees (PSC) in addition to the JMC either to assess themselves proposals<sup>141</sup> or to review the work of assessors<sup>142</sup> before the JMC's final decision. An additional endorsement step by the EC, usually adding an extra month to the process, was not applied for some programmes<sup>143</sup>. In the special case of Belarus, a separate approval process by national authorities prevented successful Belarusian applicants to start project activities at the same time as their other partners.

The JMC's decision on the selection of projects was often difficult to reach especially at the beginning of the cooperation. In the case of LT-PL-RU, there were major disagreements which led some projects to be reassessed four times. It was only after a meeting initiated by the EC and gathering all national authorities to agree on a clear and binding decision that the projects selected by the Evaluation Committee, and previously hotly disputed, were approved for contracting and implementation. The programme decided not to implement the envisaged second call for proposals because it was feared there was no sufficient time to repeat the process.

The protracted selection and contracting processes had often negative effects on the cooperation, undermining the relevance of objectives and/or activities, weakening partnerships (as some partners lost interest and had to be replaced) or even shortening implementation time.

*Due to the lengthy evaluation process, the persons involved in the activities were not the ones who had designed the proposal as a result of staff turnover; and, on one occasion, one of the partners initially included in the proposal ceased to exist during the evaluation and contracting process. Tourism development projects were implemented by small NGOs for which the length of the process entails a major disruption of funding*

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There was, however, some improvement in the speed of calls for proposals as the management structures gained experience over time. Assessors became more skilful at scoring proposals, applying more judiciously the evaluation criteria (and thus reducing the number discrepancies in scoring that required the intervention of the PSC/JMC), the PSC/JMCs developed a stronger spirit of cooperation which facilitated discussions and decision-making and the JMA/JTS became more adept at steering the process.

**Finding 11.** There was a high interest in financing large-scale projects in land border programmes. When successful, these projects brought tangible benefits for the local economy and had a high visibility. However, their selection was not always based on strong strategic and cost-effectiveness considerations and their implementation often took up considerable time and capacities from the management structures to resolve legal and administrative issues connected to their implementation. In a few border infrastructure projects, the bureaucracy of participating countries collided with the demands of EU project management, resulting in sub-optimal results

<sup>140</sup> With MED evaluating almost 21 times more proposals than it selected projects and RO-UA-MD and EE-LV-RU more than 11 times each.

<sup>141</sup> EE-LV-RU

<sup>142</sup> HU-SK-RO-UA, MED

<sup>143</sup> BSR, BSB, EE-LV-RU, PL-BY-UA, MED, IT-TN



or even termination of contracts. In the south, IT-TN and MED funded no LSPs, but implemented strategic projects bringing key actors together around priority issues.

Given the scale of investment needs, the interest in large-scale projects was high among partner countries of land border programmes. They were also valued for their high impact and visibility they can potentially bring<sup>144</sup>. In total, 51 large-scale projects were funded under ENPI CBC (out of total of 941 projects) for a total amount of contracted EU funding of €196 million, representing a fifth of the total EU funding committed in the period. Partner countries (Russia, Belarus, Moldova and Ukraine) were particularly keen to use CBC resources for funding investment needs in their border areas. Responding to this interest, the EU allowed programmes to devote a higher share of allocation to this type of project than originally foreseen with often substantial co-financing from partner countries. In the case of SEFR, the JMC decided to allocate up to 50% of total programme funds to be used for large-scale projects, which allowed the implementation of eight border management projects including border crossing points, access roads and a bridge.

Large-scale projects and their beneficiaries were not selected by calls for proposals but agreed between the participating countries through a negotiating process where strategic and cost-effectiveness considerations were not always given due importance<sup>145</sup>. A direct award was signed with the identified partners after approval of the LSP application submitted to the EC. The fact that projects were not already identified and agreed during the programming process reduced the time available for implementation. The latter was particularly challenging for management structures. One of the reasons was that project partners were usually major state institutions with their own bureaucracy and limited knowledge of project management and EU requirements. In the case of several border crossing projects, the processes involved were so complex and time-consuming that the cooperation failed, especially when it was organised within an integrated project i.e. where each partner carried out a part of the activities of the joint border on its own territory.

This was the case of the three large-scale border infrastructure projects with Ukraine, funded under HU-SK-RO-UA. While the selection of the projects by the JMC was straightforward, there was disagreement within the partnerships how to distribute funding among partners, a weak understanding of EU rules and requirements on the part of the partners (particularly on the Ukrainian side) and a lack of commitment in fulfilling project obligations within deadlines. Institutional restructuring and administrative reshuffles in both EU member states and Ukraine considerably delayed the implementation. As a result, despite the extension of programme deadlines which allowed some of the works to be completed according to plan, the projects had unfortunately to be cancelled, and money lost for the programme (representing almost one third of the programme allocation, around €20 million). Thus the programme's effectiveness was seriously affected as far as its third specific objective is concerned (*"to increase efficiency of border management on the Ukrainian border"*).

The RO-UA-MD project to develop the infrastructure at two border crossing points between Romania and Ukraine (Krasnoilsk and Diakivtsi) is also likely to be terminated after consecutive extensions

Unsurprisingly, these failures may fragilise plans for future cooperation in this area and put into question the suitability of CBC funding mechanism for border crossing infrastructure.

There are counter-examples, however. The border crossing projects funded under SEFR and KAR were successfully completed, contributing to better border management with potentially

<sup>144</sup> *Large Scale Projects (LSPs) tend to be more tangible and sustainable, have longer lasting effects and reflect regional needs and priorities more closely*" (Final Report, KOL).

<sup>145</sup> Evaluation of CBC with Belarus, IBF, 2016



beneficial effects for the local economy<sup>146</sup>. This success was based on a strong partnership among responsible organisations on both sides of the border and a shared vision how to address the infrastructure needs to improve cross-border traffic. The fact that these projects were symmetrical projects rather than integrated ones also facilitated the implementation.

*In general terms, the development and design of the so-called “mirror projects” on both sides of the border seem to represent a good way to plan and manage large scale border crossing projects.*

#### **Case study on ENPI-funded border crossing projects**

There are other successful examples of LSPs. Under RO-UA-MD, the project ‘*Improvement Of The Response Capacity Of Mobile Emergency Service For Resuscitation And Extrication (SMURD)*’ developed integrated emergency services and medical care between Romania and Moldova and raised the capacities of competent authorities to fulfil their mission for the benefit of the population on both sides of the border. The project ‘*Fennoscandian Green Belt*’ funded under KAR established genuine cooperation between protected areas of the Karelia region spanning both sides of the border and raised the standards of nature-based tourism services provided by the region’s parks to international levels.

In the south, no LSPs were funded but calls for proposals were launched to select and implement strategic projects. While the latter approach is common practice under Interreg, the ENPI regulation did not foresee this happening explicitly. To be strategic, the projects had to fulfil several criteria such as minimum budget size, focus on priority sectors or themes, regional significance and impact, coherence with national and regional strategic frameworks, partnership of competent authorities and actors, etc. In total, 23 strategic projects were funded under IT-TN (4 projects) and MED (19 projects) for a total EU contracted amount of €80 million. According to the ex-post evaluation of IT-TN, strategic projects did not distinguish themselves from standard projects in terms of efficiency and effectiveness. However, the involvement of national and regional actors ensured better ownership and sustainability allowing for a wider dissemination and application of results.

**Finding 12.** The efficiency of many projects was affected by the political and economic instabilities experienced during the ENPI period. In the south, the Arab Spring and its subsequent developments was a source of temporary disruptions for projects under the Mediterranean Sea Basin programme and the cooperation between Italy and Tunisia. In the east, the conflict and economic crisis in Ukraine created considerable uncertainties after 2014, affecting the efficiency of projects involving that country.

The Arab Spring and the conflict in Syria created uncertainties that have occasionally disrupted and delayed but not derailed projects. In Tunisia, the protests and the subsequent regime change in the years 2011 and 2012 temporarily suspended project activities. In the medium-term, however, the events revitalised existing partnerships and were eventually beneficial to the cooperation<sup>147</sup>. The terror attacks in 2015 caused further disruption, reducing temporarily the willingness of stakeholders to travel and meet each other.

The 2014 political change in Ukraine opened a period of similar uncertainty for projects, most of which had just started. All the Ukrainian beneficiaries interviewed by this evaluation noted that the events in 2014 complicated the implementation of activities as the new government took office and the administration was reorganised. Many projects involving state institutions suffered delays resulting from the restructuring of entities responsible for implementation. The conflict in the Donbas region occasionally slowed down the cooperation as project partners postponed

<sup>146</sup> The projects’ completion coincided with an economic downturn and a reduction in cross-border traffic in the wake of EU sanctions on Russia.

<sup>147</sup> Ex-post evaluation Italy-Tunisia, June 2017



meetings and activities until the situation improved. Polish civil servants, for example, were barred from traveling to Ukraine at the peak of the conflict. The Crimea crisis put some BSB partnerships into question with partners having to be replaced. The economic crisis had also harmful consequences: several beneficiaries which had opened accounts in Ukrainian banks under liquidation could not access the money transferred by the JMA or the lead partner, while the devaluation of the Ukrainian hryvnia increased exchange rate risks. An unrelated event was the introduction of capital controls in Greece in 2015 which disrupted the implementation of a few BSB projects.

The management structures spent considerable time and efforts to minimise the effects of these external events on the implementation of projects. However, the problems encountered were real and often undermined the ability of project partners to achieve all the objectives of their cooperation.

**Finding 13.** A major weakness in the management of ENPI CBC is related to monitoring and evaluation activities. At project level, many beneficiaries had a weak understanding of project intervention logic and paid insufficient attention to the design and monitoring of indicators of achievement. There was a lack of connection between programme and project performance frameworks which made it difficult for managing authorities to measure the progress towards programme objectives. The problem was compounded by a shortage of adequate IT tools to collect and aggregate performance data although some programmes started to address the issue. Overall, too little effort was made to analyse the performance of programmes beyond the outputs level.

Shortcomings in M&E practices were observed both at programme and project levels.

**At the level of projects,** beneficiaries often lacked capacity to monitor the results and impact of their project. Weaknesses in projects' logframes, both in the intervention logic and the indicators, and the lack of basic skills and knowledge in this area among beneficiaries were repeatedly highlighted in ROM reports. These shortcomings made it difficult for monitors to assess project and programme performance. The projects visited during this evaluation confirm this diagnosis: the intervention logics were often flawed, and the indicators were not SMART and/or rarely measured properly.

**At the level of programmes,** managing authorities experienced difficulties in measuring programme performance with the available project monitoring data. The issue was not limited to weak measurement of indicators by project beneficiaries. When launching calls for proposals, insufficient attention was paid to linking project and programme indicators of achievements. The problem stemmed from the design of programme performance frameworks: ENPI CBC programmes had weak intervention logics, with unclear causal relationship between objectives, priorities and measures<sup>148</sup> and a lack of focus which made it nearly impossible to define SMART indicators and targets and to link programme and project performance frameworks.

This also reduced the benefits of ROM assessments<sup>149</sup> since ROM monitors could not measure the contribution of projects to programme results and objectives with any accuracy. Moreover, despite usually providing valuable information and advice to CBC stakeholders that contributed to the efficiency and effectiveness of implementation, ROM had its own limitations as a

<sup>148</sup> Not all programmes followed the same structure: some of them presented the objectives (or 'aims') at a level below the priorities. See Desk Report.

<sup>149</sup> ENPI programmes were monitored by the Results-oriented Monitoring (ROM) facility at regular intervals. During their field visits, ROM experts assessed the performance of a sample of projects giving recommendations to beneficiaries and management structures how to address identified shortcomings at project and programme levels. Individual project reports were supplemented by an assessment of the overall programme performance at the time of the mission with recommendations addressed to the JMAs and the EC.



management and learning tool. First, ROM evaluated different projects at different moments in time. As a rule, projects were monitored only once with no possibility for ROM to do a follow up and check how recommendations have been acted upon. Second, ROM monitors were recruited for specific missions from a pool of short-term experts who did not always assess the same programme(s) and for this reason needed time to get acquainted with the specific context and implementation details of the programme/projects they were visiting. There was also variation in the quality of assessment performed and a tendency to give average marks to projects in the absence of measurable indicators. As a result, ROM provided a very fragmented picture of programme implementation which could not be easily consolidated to reconstruct the overall programme performance.

The lack of reliable performance data at project and programme levels created similar obstacles for ex-post programme evaluations, which had to extrapolate the overall programme performance from a limited sample of projects.

Irrespective of the quality of performance data, programmes often lacked proper IT tools to collect and aggregate information although some of them started to develop original solutions under ENPI. The three programmes involving Finland set up a common electronic monitoring system (EMOS) as a management tool<sup>150</sup>. Worth mentioning, KOL also conducted an Internal Qualitative Projects Monitoring (IPQM) in 2013 and 2014 to promote results-oriented monitoring, improve project management and facilitate lessons learning<sup>151</sup>.

Given the weaknesses in their monitoring and evaluation systems, ENPI CBC managing authorities struggled to analyse the wider effects of their programme. Unsurprisingly, the information and analysis available from the Annual Implementation Reports (AIR) regarding programme results and progress made towards objectives rarely went beyond the output level.

**At the level of the instrument**, INTERACT ENPI compiled useful programme data regarding the selection process, the thematic coverage, the participation levels of countries and types of institutions as well as the performance with contracting and disbursement of funds. However, producing such overviews across 13 programmes required considerable efforts as it involved individual requests to each managing authority and painstaking verification and cross-checking by Interact ENPI and JMA experts<sup>152</sup>. There was no system in place that would have allowed the exercise to be performed on a regular basis through automatic data transfer. Moreover, only six programmes carried out ex-post evaluations<sup>153</sup> with differences in scope and methodologies making comparisons and aggregation of performance data difficult. The same can be said about the AIRs and Final Implementation Reports which presented different levels of information and statistics<sup>154</sup>. In these circumstances, it is difficult to produce comprehensive overviews of CBC showing the overall status of implementation and the combined results and impact of programmes.

<sup>150</sup> "EMOS is a web-based monitoring system serving the applicants and Programme authorities as well as cooperating bodies. Being a web-based system EMOS gave clear advantages to the project administration. The system was used during the whole implementation of the project, starting from the application and ending to the final report approval. Projects filled in interim and final reports to the system as well as updated and payment requests. When the authority had approved the reports, the approval was visible to the projects. Projects indicators were collected to EMOS in interim reports and the summary of the results can be print out of the system. Totally ca. 1500 active users were registered to the system. (Final Report KOL)

<sup>151</sup> "IPQM aim to help and advice projects to guarantee delivering planned results and successful outputs by improving design and implementation of projects; providing the systematic feedback to projects; constant interaction between the JMA and projects; stimulating thinking in results-oriented terms of the projects implementers; awareness of the projects implementers and the JMA on the progress of the projects...IPQM system was performed as an online Questionnaire (Webropol), which was framed within the five quality criteria. Each question in the Questionnaire included optional answers (a/b/c) for project implementer to choose the most applicable with the possibility to give short clarifications" (Final Report KOL)

<sup>152</sup> The data collected also fed into the KEEP database.

<sup>153</sup> IT-TN, SEFR, PBU, KOL, KAR and BSR

<sup>154</sup> Four Final Implementation Report were available to the evaluation team: BSR, KOL, KAR and LT-PL-RU



During the interviews conducted for this evaluation, most management structures acknowledged the shortcomings with the ENPI performance frameworks and monitoring and evaluation practices.

**Finding 14.** Support and guidance from DG NEAR was always highly valued by CBC stakeholders. However, DG NEAR faced considerable challenges in overseeing and coordinating the parallel implementation of 13 programmes with its limited human resources and frequent staff turnover, which reduced its capacity to provide definitive and timely guidance to CBC stakeholders.

In comparison with Interreg, considerable support was needed from the EC with management related issues at programme level due to the lack of experience and capacities of some managing authorities but also the complexity of the implementation environment under ENPI (Finding 4). In this context, all interviewed CBC stakeholders highlighted the importance of DG NEAR guidance and advice for the success of the cooperation. Several managing authorities praised the positive role played by their Brussels Desk Officer/Programme Manager in solving implementation issues or lending support at critical moments<sup>155</sup>.

However, DG NEAR faced considerable challenges in overseeing and coordinating the parallel implementation of 13 programmes with its limited human resources and frequent staff turnover. Some managing authorities complained that DG NEAR's guidance and/or approval was not always forthcoming or that the advice provided was sometimes inconclusive or inconsistent with instructions already given to other programmes. The lack of guidance contributed to slow down the pace of implementation and might have occasionally led managing authorities to take the wrong course of action. Moreover, little capacity was left for a more strategic guidance of the programmes.

As already mentioned (Finding 7), the technical assistance facilities were often at a loss on how to answer questions raised by managing authorities – particularly the most common of them regarding contractual and financial issues - when prior opinion/approval from the EC was required but not obtained.

**EQ 4. *What have been the macro impacts of the CBC programmes in achieving the strategic aims of the European Neighbourhood Policy?***

**Finding 15.** The objective of the European Neighbourhood Policy of creating a shared area of stability, security and prosperity with partner countries has experienced serious setbacks since the launch of ENPI CBC. Given the volatile geo-political context and adverse economic environment that characterised the period, it is doubtful that the ENPI CBC programmes have had a major impact on the socio-economic development of border areas or that they have contributed in a meaningful way to reduce differences in living standards across the border, as intended by the ENPI CBC Strategy.

The ENPI CBC instrument was intended to contribute to the strategic aims of the European Neighbourhood Policy, alongside other programmes and actions, as set out in the 2004 Strategy Paper and ENPI regulation. The European Neighbourhood Policy's vision involves “*a ring of countries, sharing the EU's fundamental values and objectives, drawn into an increasingly close relationship, going beyond co-operation to involve a significant measure of economic and political integration. This will bring enormous gains to all involved in terms of increased stability, security*”

<sup>155</sup> For example, EE-LV-RU JMA mentioned that “*the implementation of our large-scale projects would not have been possible without the support and advice of our Programme Officer in Brussels who clarified approval steps and requirements and provided the support we needed to complete the project within deadline*” (interview, Riga, 05/10/17)



and well-being". This vision informs the four key (strategic) objectives of ENPI CBC<sup>156</sup>, which are the foundation of the 13 CBC programmes.

The impact of ENPI CBC must be viewed in the wider context of geo-political and economic developments. Irrespective of the success or otherwise of the individual CBC programmes, exogenous factors can have an enormous influence on the strategic aims of the European Neighbourhood Policy. The Ukrainian crisis and the armed conflicts in Syria and Libya have had a dramatic effect on "stability, security and well-being" in the neighbourhood, to the detriment of socio-economic development and even de facto borders in the case of Ukraine and Russia.

*To date, there is rather little evidence to suggest that the selected projects have made much contribution to the socio-economic development of the Programme area. The building of the infrastructure itself contributed, of course, to local employment and generated multiplier effects in the local economy. These impacts are not insignificant. However, the larger expected benefits for trade, tourism and investment have not yet materialised. The reasons for this (the devaluation of the ruble, the financial crises, the sanctions, etc.) are all linked to unpredictable global events over which the Programme region had no control.*

#### Case study on ENPI-funded border crossing projects

In normal circumstances, the objectives of ENPI CBC programmes would be difficult to reach given the modest amounts involved by the cooperation in relation to needs, but the political and economic instability experienced in the neighbourhood over the period rendered the original strategic aims of the respective CBC programmes even less achievable.

*The visited projects had no obvious impact on socio-economic development, given the massive needs of the border areas, the external shocks that affected these regions in 2007-13 and the limited funding available. They produced some impact on cross-border contacts, however this impact is limited by persistent difficulties to cross the borders.*

#### Case study on ENPI CBC and tourism development in the Carpathian Mountains

Geo-political tensions manifested themselves also in the participation of countries from the start. Russia and Azerbaijan did not sign the FA for the BSB programme within the deadline and as a result, there was no project with Russian or Azeri partners. In the MED programme, Libya and Syria (due to political upheavals), as well as Algeria, Morocco, and Turkey did not take part, while cooperation of Israel with neighbouring Arab countries was limited to Jordan and Palestine. BSR was affected by the non-ratification of the Financing Agreement by the Russian Duma. As a result, the programme "lost" €13.8 million of ENPI funding which was reallocated to other ENPI CBC programmes<sup>157</sup>.

**Finding 16.** The level of cross-border cooperation reached, thanks to ENPI CBC, is an achievement which should not be underestimated. The programmes played – and continue to play - an extremely important role in developing and maintaining contacts and dialogue and promoting EU values across the neighbourhood. At programme level, ENPI CBC maintained a unique platform for exchanging views and discussing problems between the administrations of participating countries. In the context of the deteriorating geo-political environment, the CBC instrument is one of the very few modalities for continuing working-level relations between Russia and the EU.

<sup>156</sup> Promoting sustainable development in regions on both sides of common borders; Working together through joint actions to address common challenges, in fields such as environment, public health, and the prevention of and fight against organised crime; Ensuring efficient and secure common borders through joint actions; and Promoting local cross-border "people-to-people" type actions.

<sup>157</sup> 20 million euros from the LT-PL-RU were also reallocated by the Polish authorities to the Interreg Poland - Slovakia CBC Programme



ENPI CBC played an extremely important role in developing and strengthening ties across the border and in promoting EU values and practices through partnership-based development initiatives with the active participation of local stakeholders. *The projects turned ad hoc cooperation into more sustainable partnerships, as evidenced by the joint submission of proposals for ENI CBC projects and especially by the conclusion of agreements between municipalities across the border areas (e.g. between Ukrainian Truskavets and Polish Rymanów in the wake of the project “Cross-border cooperation for health tourism of Polish-Ukrainian borderland”). In addition, new partnerships developed as a result of the projects, e.g. between schools across the border areas.*

**Case study on ENPI CBC and tourism development in the Carpathian Mountains**

The ENPI period was instrumental in creating strong partnerships that became the basis for further cooperation within the framework of the ENI and/or other programmes and initiatives.

*Developing a cross-border partnership takes time. The BSB programme gave participants the opportunity to identify suitable partners and establish strong relationships during the implementation of joint activities. These partnerships and networks are maintained after project completion and facilitate further cooperation. For example, the partners of project BSB “Strengthening the regional capacity to support the sustainable management of the Black Sea Fisheries” are continuing their cooperation in the framework of the BlackSea4Fish financed by the FAO.*

**Case study on ENPI CBC and the environment**

CBC stakeholders from both Russia and Finland consider that the cooperation has gained even more importance since the imposition of economic sanctions on Russia, putting in relief the role played by the programmes in promoting dialogue and cooperation between Russian and its EU neighbours.

*All Finnish interviewees recognised the contribution of CBC to achieving long-term and constructive relations with Russia. Similarly, senior Russian officials at both federal and regional levels place a high value of the programmes, not only for the usefulness of the investments but also for the diplomatic and political benefits they offer. Several Russian interviewees described the programmes as the last remaining threads of official cooperation with the EU, which made them all the more valuable.*

**Case study on ENPI-funded border crossing projects**

**Finding 17.** There are examples within each programme of successful cooperation that had an impact on their specific areas of intervention. However, the broadly-formulated programme objectives and priorities of calls diminished the overall impact. Even with greater focus, impact would be hard to measure, given the scale of the programmes, but was made harder due to insufficient performance data.

Programme overall<sup>158</sup> and specific objectives<sup>159</sup> under ENPI CBC were highly ambitious in the context of the available resources, often reformulating the generic ENPI CBC key strategic objectives, without any degree of focus and SMART-ness (see Section 5 above). The wide scope of the programmes made it easier to meet the needs of the border areas but at the expense of the programme impact. In this context, it was clear from the beginning that the achievements of

<sup>158</sup> **RO-UA-MD overall objective:** “To improve the economic, social and environmental situation in the Programme area, in the context of safe and secure borders, through increased contact of partners on both sides of the border”, **LT-PL-RU overall objectives:** “1. Promoting economic and social development on both sides of the common border 2. Working together to address common challenges and common problems, 3. Promoting people to people cooperation”

<sup>159</sup> **IT-TN specific objectives:** “1. Economic and social development, 2. Common challenges and 3. Cooperation people to people”; **BSB specific objectives:** “1. Promoting economic and social development in the Black Sea Basin area, 2. Working together to address common challenges, 3. Promoting local, people-to-people cooperation”



individual projects would be too insignificant to make a difference at the level of the programme objectives and the measurement of such impact is therefore meaningless.

Moreover, opportunities to enhance impact during implementation were not seized. While guidelines for applicants were well-designed providing clear instructions to potential applicants, there was little attempt to focus calls for proposals whose priorities usually covered the whole scope of the programmes. KAR is the only programme that narrowed down the focus of priorities by launching thematic calls for proposals. Insufficient attention was also given to cross-border dimension and impact of projects when setting the parameters of the calls for proposals and evaluating proposals. As a result, selected projects were not always strong in terms of potential impact and contribution to cross-border links.

Programme evaluations can provide additional information about impact, yet just six programmes<sup>160</sup> have carried out external evaluations and these were conducted in the immediate aftermath of programme implementation, i.e. too early to be able to assess the long-term impact given that the full benefits of programme activities take time to emerge. The KAR evaluation indicates that overall, the programme has been able to cover the main objectives of its strategy even if more efforts have been produced on “*economic and development*” than on the “*quality of life*” priority. However, the lack of indicators measuring the results and impact limits the possibility of monitoring the overall effects at territorial level. For KOL, the evaluation assumes that projects contributed to ENPI CBC key goals of prosperity and stability in the border region and many examples of cross-border activities and partnerships initiated thanks to the programme would support this analysis. The evaluation of the SEFR programme identifies the transfer of know-how between Finland and Russia and improved logistics (especially on border-crossing points) as key impacts of the programme. The BSR evaluation indicates that, even though it has not sufficiently addressed accessibility to peripheral areas (Priority 2) and development of innovative products (priority 1), the programme has gathered stakeholders from around the Baltic Sea Region, developed and transferred knowledge, guided policy processes by providing analyses, and created strong platforms for longer-term action.

Given that many actions have only recently been completed or are still underway, it is too early to draw any definitive conclusions about their impact. However, there are already examples of successful cooperation under each programme that had an impact in their specific area of intervention. As already mentioned, general conclusions about the entire programme cannot be inferred from them.

*The project BIOVecQ (IT-TN) increased the capacity to carry out high-quality applied research within the country and contributed to stronger links with the economic sector (thirteen agreements with private firms were signed regarding the transfer of scientific results to the production sector and a specific cooperation between the food industry and fishermen). The project Jellyrisk (MED) improved regular monitoring activities of the national authorities in charge of environmental surveillance which adopted the tools and methodologies developed by the project. The project succeeded also in raising awareness and mobilising fishermen in monitoring jellyfish movements which benefited the tourism industry.*

#### Case study ENPI CBC and the environment

Regarding economic and social development of the border areas, the EE-LV-RU project “*economically and environmentally sustainable Lake Peipsi area*” has improved water quality and, by attracting summer residents, water craft users, fishermen and tourists, has enhanced the socio-economic potential of the Lake. Likewise, the project “*development of unique Narva-Ivangorod fortresses ensemble as a single cultural and tourist object*” helped develop tourism in the area, contributing to the local economy and fostered contacts between both sides of the

<sup>160</sup> BSR, KAR, KOL, PL-BY-RU, IT-TN and SEFR



border. As part of the IT-TN programme, the project DIVIN contributed to the socio-economic development of targeted areas by developing the mutual promotion of local products.

With regards to addressing common challenges, the BSB project “*innovative instruments for environmental analysis in North Western Black Sea Basin (Black Sea e-Eye)*” strengthened environment policies in participating countries by introducing the Water Quality Index approach for assessing the quality of the surface aquatic systems in the North Western Black Sea Basin. Under the RO-UA-MD programme, the project “*Not for Sale - Say Stop to the Human Trafficking*” contributed to reducing the risk of human trafficking in the border regions by developing a coordinated cross-border approach and raising awareness.

The external evaluation of the KOL programme also assumes that projects contributed to ENPI CBC’s key objective of efficient and secure common borders. For instance, the impact of the “*reconstruction of the road Kandalaksha-Alakurtti-Salla checkpoint*” on cargo and passenger flows and cross-border business links and opportunities was expected to be very high.

An overwhelming majority of respondents to the web survey indicate that ENPI CBC had an impact on people-to-people cooperation and good neighbourly relations.<sup>161</sup> Strong consultation amongst partners during programme design stage, networking between beneficiaries and between ENPI CBC regions were regarded as key factors in achieving this impact. External evaluations and ROM reports confirm the impact of ENPI CBC programmes on the intensification of cross-border cooperation. According to the ENPI CBC mid-term evaluation, people-to-people cooperation achieves the highest assessment of impact among all four ENPI objectives.

**EQ 5. How durable are the benefits deriving from the EU’s support to CBC programmes on both sides of the border?**

**Finding 18.** Insufficient attention was paid to sustainability, either at the selection stage or during implementation. However, there are examples of durable and tangible benefits generated by individual projects in each programme. Demand-driven projects with strong ownership, long-term partnership and links to regional/national levels had better prospects of sustainability. Regarding the long-term prospects, the framework for cross-border cooperation is well established across all participating countries.

Insufficient attention was paid to sustainability at the project selection stage with the assessors unable to verify the applicants’ statements regarding the expected sustainability of results. Moreover, ROM reports indicate that sustainability was also not a high priority during project implementation, as few projects had a well-developed exit strategy to ensure that project results continue after EC funding runs out.<sup>162</sup>

ROM assessments indicate good prospects for most interventions, although this is partly contradicted by mixed evidence of economic and financial viability. For many standard projects, the next call for proposals is often the main option available to projects to continue activities and sustain results. There are, nonetheless, examples of projects mentioned in ROM reports that were considered economically viable beyond project lifetime<sup>163</sup>.

<sup>161</sup> 100% of JMA and JTS and 96% of national authorities found that ENPI CBC had an impact on good neighbourly relations. For 88% of JTS, 92% of JMA and 91% of national authorities, this impact was considered high or major.

<sup>162</sup> There are counter-examples, e.g. the project “Fostering capacity for tourism development in Latgale-Utena-Vitebsk cross border region” (LV-LT-BY).

<sup>163</sup> For instance, in the LT-PL-RU project “The cross-border areas and cooperation development supported by the construction of sports infrastructure in Gorowo llaweckie and Bagrationovsk” partners are able to allocate the required financial means to ensure a proper operation of the activities/infrastructures after the completion of the project.



Projects with a strong degree of ownership<sup>164</sup> which are demand-driven and well-embedded in local structures had a better chance of achieving durability, be it in financial or policy terms. Likewise, projects envisioning long-term, rather than project-based, partnerships<sup>165</sup> obtained better sustainability results. Finally, the improvement of partners' capacities thanks to ENPI CBC is also considered an important factor in the durability of results and impact<sup>166</sup>.

In the case of successful large-scale/strategic projects, the involvement of key state bodies usually guaranteed the long-term sustainability of results in both financial and institutional terms.

*The projects were carried out by partners who are well embedded locally and developed a solid partnership during implementation. However, in the absence of exit strategies, many of them rely upon new ENI-CBC funding to maintain the durability of the projects' results.*

**Case study on CBC and tourism development in the Carpathian Mountains**

All management structures supported the introduction of sustainability-related conditionality in applications<sup>167</sup>. While there are examples of standard projects benefiting from the support of local and even national<sup>168</sup> authorities, ROM frequently calls for better mainstreaming of successful projects in national policies, a measure which is also favoured by programme authorities.

Moreover, in some cases the durability of results and impact may crucially hinge on external policy factors, for instance the development of transport connections and infrastructure for projects promoting tourism.

*There are, however, important obstacles to tourism development in the regions covered by the programmes. The weakness of both infrastructure and services (stemming from the lack of investment in the sector) is a major impediment to tourism development across the border areas. In both regions, tourist facilities are characterised by low quality standards; yet while the accommodation capacity<sup>169</sup> is insufficient to meet an increasing demand across the PL-BY-UA border, existing data shows that this capacity is underused across the HU-SK-RO-UA borders.*

**Case study on CBC and tourism development in the Carpathian Mountains**

At programme level, the durability of benefits derived from ENPI CBC<sup>170</sup> is not easy to assess, due to a lack of data concerning the sustainability of results, the continuation of partnerships and the long-term impact of projects. The monitoring and evaluation reports that were analysed during the desk phase have limitations in this regard.

Regarding the long-term prospects for cross-border cooperation, a sustainable framework is well established across all participating countries, with well-designed management structures and national contact points. The successful transition to ENI seems to suggest that the capacities developed under ENPI have been retained.

<sup>164</sup> For instance, in the BSB project "Industrial Symbiosis Network for Environment Protection and Sustainable Development – SYMNET", ROM reports that the beneficiary and the stakeholders were involved in each stage of the project development and all the project's components were designed to increase their sense of ownership.

<sup>165</sup> However, the external evaluation conducted for SEFR notes that "it would be useful to maintain cooperation networks also after the projects end. Project partners can't be forced to do that but it might be useful to prioritize project applications which seem to lead to more permanent cooperation structures" which seems to suggest that projects are not usually sustainable in this respect.

<sup>166</sup> For instance, the BSB project SYMNET made a substantial contribution to the institutional and management capacity of the project participants, as a result of which the project's partners are able to continue delivering the project's services after the completion of activities.

<sup>167</sup> Web survey, April 2017

<sup>168</sup> This is the case the project Cross border infrastructure (Communication infrastructure between Romania and the Republic of Moldova), as evidenced by discussions for a second phase of the project.

<sup>169</sup> As measured by the number of bed places: 117,000 for the PL-BY-UA border areas in 2005 and 75,000 for the HU-SK-RO-UA border areas. Source: Joint Operational Programmes.

<sup>170</sup> Benefits derived from ENPI CBC include outcomes and impacts, but also cross-border partnerships generated by projects.



**EQ 6. To what extent were the implementation of the CBC programmes coordinated with those of national and regional programmes and other donor initiatives to ensure complementarities/ synergies?**

**Finding 19.** ENPI CBC was insufficiently integrated with other ENP instruments and initiatives. This has reduced the overall impact of the programmes.

ENPI CBC tended to be implemented in isolation of the rest of the Neighbourhood Policy. While the broadly formulated objectives and priorities of the ENPI CBC programmes ensured that the risk of contradiction with other interventions was relatively small, ENPI CBC was insufficiently articulated with other ENPI instruments (bilateral, regional and neighbourhood-wide assistance) and EU political initiatives (Eastern Partnership, Union for the Mediterranean, Northern Dimension and Black Sea Synergy).

For example, the Union for the Mediterranean (UfM) encourages regional and transnational cooperation among its member countries<sup>171</sup> and helps projects that were awarded the UfM label gain political support and recognition<sup>172</sup>. The ENPI CBC MED and ENPI CBC IT-TN programmes included many projects that would have deserved the UfM label but the procedure for applying is slow and not well synchronised with the lifetime of CBC projects<sup>173</sup>.

This disconnect is also visible under the new programmes with the same cross-border theme being addressed by separate instruments. For example, the ENI CBC PL-BY-UA programme covers thematic objective 10 (promotion of border management and border security, mobility and migration management) *inter alia*, including the planned reconstruction of border crossing points (BCPs). Funding was also provided under the ENI East Regional Programme in 2016 for an integrated border management (IBM) flagship initiative at the Belarus-Ukraine frontier<sup>174</sup>, through indirect management with the International Organisation for Migration (IOM), at a total estimated cost of just under EUR 1 million. The action document for this IBM project acknowledges the PL-BY-UA programme, among others, and the intention to finance many large-scale projects on border management under CBC valued at almost EUR 17 million in total, but that it is "*likely that the focus will not be on activities at the Belarus-Ukraine border*".

While this reveals insufficient coordination within DG NEAR, at policy level, it appears that EEAS finds it difficult to incorporate ENPI/ ENI CBC into its policy instruments for pursuing the goals of the Neighbourhood Policy. This is also demonstrated by the lack of awareness about CBC in some EU Delegations.

Part of the problem is that ENPI CBC was designed and implemented directly by participating countries with the strategic guidance from DG NEAR focused to ensuring coherence of selected objectives and priorities with the ENPI CBC Strategy, but with limited capacity to influence and steer the subsequent implementation of programmes in that regard. Managing authorities had limited incentive to connect with the rest of the Neighbourhood Policy.

<sup>171</sup> Including all EU member states and countries on the Southern shore of the Mediterranean

<sup>172</sup> The label is awarded through a selection process to high-profile projects falling into the UfM six priority areas: Business Development, Transport & Urban Development, Energy & Climate Action, Water & Environment, Higher Education & Research, Social & Civil Affairs

<sup>173</sup> Only one ENPI MED project was awarded the UfM label for the results achieved in the city of Sfax, Tunisia ("*Mediterranean Network for the promotion of Sustainable Urban Development Strategies – USUDS*")

<sup>174</sup> Introduction of an automated intelligent video-control system at road border crossing point Novaya Huta – Novi Yarylovychi



**Finding 20.** Most synergies and complementarity achieved by projects were the result of the beneficiaries themselves, rather than incentives and mechanisms put in place by the programmes. These aspects were checked during the selection process but with no follow up during implementation. Coordination was facilitated by the overlap of programme management structures and/or people involved in them.

Every programme contained a section on coherence with other programmes and existing strategies, which provided a backdrop for the implementation of CBC activities. In their application form, applicants were invited to demonstrate the complementarity of their project with other EU and national initiatives. There was, however, no specific mechanisms or incentives put in place by management structures to facilitate synergies with other programmes<sup>175</sup>.

Almost all programmes set out commitments to ensure complementarity and synergies during implementation and avoid duplication and double-funding<sup>176</sup>. In practice, coherence and complementarity was checked in two stages during the selection process: first by the assessors/selection committees and then by the JMC<sup>177</sup>. Based on the standard PRAG criterion<sup>178</sup>, assessors scored the information provided by applicants in the relevance section of their application form about how the project built upon or complemented other initiatives. When reviewing assessment results, the JMC members provided information about regional and national context which sometimes put the relevance of projects in a different light and led to a decision to reassess and rescore proposals. There were instances of coordination/synergies taking place naturally, given the overlap of programme management structures and/or people involved in them. This was particularly the case for Interreg programmes, which often involved JMC members from ENPI CBC programmes.

The overlap of programme areas<sup>179</sup> and the similarities between programme objectives and priorities meant that applicants could often recycle project ideas<sup>180</sup> and increase their chances of getting funding. Programme management structures played an important role in detecting risks of double-funding exchanging information about submitted proposals and selected projects<sup>181</sup> and excluding applicants that clearly sought to abuse the system.

Regarding evidence of practical actions, the ROM reports make very few references to complementarity and synergies, which is unsurprising as this is not one of the criteria that is typically assessed. The Annual/final Implementation Reports provide more substantial evidence in the case of four programmes:<sup>182</sup>

- According to the BSR final report, the MA/JTS actively followed the implementation of related programmes, as well as other funding sources, made efforts to build linkages with other programmes to avoid overlaps as well as to build synergies between projects. It notes that the high number of relevant programmes for cooperation was a challenge for the MA/JTS, and that it was impossible to synchronise the timing of the calls. On a practical level, there were

<sup>175</sup> The situation is starting to change in the new period. See for example, the coordination initiated between territorial cooperation programmes in the Arctic regions where Interreg and ENI CBC managing authorities are discussing concrete steps to achieve synergies such as the development of a common logo, the organisation of joint workshops, the mutual participation in annual events and selection committees, the harmonisation of procedures and templates and the creation of an award to the best Arctic projects.

<sup>176</sup> This often starts from overall statements of intent such as “the JMA/JTS will look for complementarities and opportunities of synergy with other initiatives” (HU-SK-RO-UA), and “the partners will ensure coherence and complementarity between action and cooperation at national, regional and local level” (IT-TN)

<sup>177</sup> and occasionally by the EC which endorsed the list of projects selected under some programmes e.g. SEFR

<sup>178</sup> “The proposal is relevant to the particular needs and constraints of the target regions and their development strategies (including synergy with other EU and national initiatives implemented in the area and avoidance of duplication).”

<sup>179</sup> For example, organisations in the city of Uzhorod (Ukraine) could apply to three ENPI CBC programmes: HU-SK-RU-UA, RO-MD-UA, PL-BY-UA. Organisations in St Petersburg and the Leningrad oblast had the choice between SEFR, KAR and EE-LV-RU

<sup>180</sup> Almost identical applications from the same applicant were submitted to HU-SK-RO-UA and PL-BY-UA.

<sup>181</sup> In the case of BSB and RO-UA-MD, JMA representatives attended mutual JMC meetings as observers. A high level of coordination also took place during implementation among the MAs of the three programmes with Finnish participation (KAR, KOL, SEFR).

<sup>182</sup> BSR, HU-SK-RO-UA, MED & IT-TN. HU-SK-RO-UA is the most minimal: It is noted that synergies/complementarity at priority level were discussed at the 5th Joint Task Force meeting in March 2015



contacts in place with many secretariats, but the main work in creating synergies between funding sources was done by the project implementers themselves.

- With the IT-TN programme, it was reported that the synergies, complementarities and coordination activities with EU's ETC, CBC and interregional programmes, already established in previous years, intensified during 2015, with several specific examples. This included exchange of information through e-mail and meetings, sharing of tools and solutions for programme management, and at the level of projects as well.
- With the MED programme, the 2015 report highlights the role played by the Valencia Liaison Office in coordinating and exploiting synergies with the transnational MED Programme, financed by the European Regional Development Fund under the European Territorial Cooperation objective.

#### EQ 7. How critical was ENPI CBC to the development of border areas?

**Finding 21.** The ENPI CBC Programme contributed to a greater involvement of local actors in development policies and in enhanced mutual understanding between EU and ENPI stakeholders. The international networks established by the sea basin programmes stimulated creative responses to common challenges and were an important source of inspiration and change for local policies. The partnerships of land border programmes gave an impetus to local development policies, supplementing the scarce resources available to border areas.

The added-value attached to the cooperation reflects the different types of cross-border cooperation programmes. Sea basin programmes enabled the establishment of international networks within which project partners could pursue more efficiently their own objectives and activities, building on the information, experience and knowledge from other countries. The cooperation facilitated the adoption of new approaches and practices in addressing local development issues and in fostering cooperation among regional/local authorities, socio-economic partners and the civil society. For example, the MED project '*Selective collection of the organic waste in tourist areas*' offered new solutions for collecting and recycling biowaste which were tested and adopted by local authorities and municipalities of the six participating countries<sup>183</sup>. Land border programmes represented an important source of funding for local authorities and stakeholders to address local investment needs and stimulate the economy of the border areas given the scarcity of funding for border areas. Without the cross-border partnerships and networks which the cooperation encouraged, border areas would have often struggled to agree on how to address common challenges through joint actions, let alone to finance them.

There is also evidence of ENPI CBC contribution to developing local stakeholders' skills, thereby facilitating future access to donors' funding and providing added value in terms of improving ENPI partners' access to resources. Many local organisations acquired management skills and developed competences that enabled them to engage more actively into local development. In Ukraine, this is indirectly supporting ongoing decentralisation efforts and the implementation of regional policy. In the south, this reinforced the efforts of the EU Neighbourhood policy to promote reforms, democracy and rule of law.

As pointed out by the BSR evaluation report, "*access to knowledge through international networks, development of common solutions, raising additional funds for the participating organisation, as well as belonging to the BSR community, are key factors motivating the participation of public authorities in the programme*". From this point of view, many beneficiaries in Belarus regret that their country is not taking part in the 2014-2020 programme.

ENPI CBC has also contributed to an enhanced mutual understanding between EU and ENPI stakeholders. While partner countries have been exposed to EU experience, there is also an interest on the EU side to cooperate with partner countries despite the additional difficulties and

<sup>183</sup> The project partners included three local authorities, three state bodies, one private company and one NGO.



hurdles that such cooperation often entails. For example, one of the motivations of EU partners involved in cooperation with Belarus was to build networks and contacts and deepen their understanding of the legal and administrative contexts while remaining abreast of developments in the country. In this context, the participation in ENPI CBC is often viewed as a long-term investment without which it would be difficult to seize the opportunities that the neighbourhood offers<sup>184</sup>.

Another lesson of the case studies carried out during this evaluation is that programmes have been particularly good at fostering cross-border administrative links. For example, the border management projects implemented under SEFR or KAR built trust and understanding between the transport and customs authorities of both countries. Contacts between administrations grew thanks to the programmes, with each side discovering the benefits of cooperation.

*“At the first stage of project development, projects were planned independently by the respective Finnish and Russian authorities, without specific reference to the interests of the other side. Later, however, after each side had established its own border management priorities, consultations were organised between the sides to ensure that projects would be of mutual benefit and synergistic to the extent possible”.*

#### Case study on ENPI-funded border crossing projects

Remarkably, after the completion of the projects, meetings continued to be held at regular intervals to discuss problems, exchange information about future developments and identify possible areas of cooperation. These strong links are increasing the chances of success of future cross-border interventions.

*Relations between Finnish and Russian state institutions in the transport sector appear to be very strong and there is a great willingness to continue cooperation. These practical forms of cooperation appear to be strongly supported at high political levels on both the Finnish and Russian sides. Collaboration on the specific projects themselves appears to have become part of a virtuous cycle of cooperation in which collective project actions have built trust and understanding which has, in turn, further enhanced the likely effectiveness of future Programme interventions.*

#### Case study on ENPI-funded border crossing projects

**Finding 22.** The EU external border is not only a major hurdle to contacts and exchanges. It also separates countries with totally different policy frameworks and administrative and legal systems. In this context, ENPI CBC can only make limited contributions to alleviating the negative effects of barriers – physical or otherwise - existing between the EU and partner countries. From the viewpoint of final beneficiaries, however, the programmes are important precisely because they allow cooperation which would not have taken place given the existing obstacles.

The EU external border is a major hurdle to the development of contacts and exchanges and reduces significantly the economic opportunities for the population of border areas. It is also the dividing line separating EU countries that share common rules and policies from non-EU countries with markedly different administrative and legal systems. In contrast to Interreg where the cooperation takes place within harmonised frameworks and is facilitated by measures taken at EU and member state level to reduce border obstacles<sup>185</sup>, ENPI CBC operates in a much more complex and heterogeneous environment.

The case study on CBC and tourism development in the Carpathian Mountains illustrates the difficulties encountered by partners in implementing activities and reaching lasting results in the

<sup>184</sup> Evaluation of cross-border cooperation with Belarus, IBF, 2016

<sup>185</sup> Boosting growth and cohesion in EU border regions, EC Communication, 20.09.2017



context of ENPI. Project activities were complicated by the length of border controls and checks which reduced contacts and meetings between the teams and complicated joint events.

*The difficulty of border crossing was a major obstacle to mobility of project partners and hence affected cross-border cooperation. As a rule, project planners envisaged three days for a seminar under ENPI CBC projects, out of which only one was dedicated to the seminar itself and two to crossing the border.*

**Case study on CBC and tourism development in the Carpathian Mountains**

The projects nevertheless succeeded in mobilising tourism stakeholders through effective cross-border partnerships, fostering an exchange of experience and ideas which helped them implement agreed activities more efficiently and effectively. While the projects contributed to improving the tourism offer on both sides of the border and created links which did not exist before and would have not been established without the cooperation, the objective of promoting cross-border tourism products remained unattainable given the physical obstacle that the border represents and the administrative and legal barriers that exist between EU and partner countries.

**Finding 23.** The Russian co-financing of the programmes not only added funding opportunities for developing projects. It also enhanced the ownership of the programme by Russian authorities and their commitment to the success of the cooperation.

Under ENPI, Russia topped up the EU funding with its own contributions to the programmes in which it was involved. By doing so, Russia sought to achieve a more balanced partnership with the EU and its member states with a view also to having a stronger say in setting the parameters of future cooperation. The case study on border crossing projects carried out during this evaluation shows that the contribution from Russia has had a beneficial impact on the cooperation, not only in financial terms, with more and/or larger projects funded but also in terms of ownership and commitment.

*At a general level, Russian co-financing has helped to create a sense in which the CBC Programme is recognised as a genuine joint effort to address shared social and economic problems, rather than being some external aid programme over which the participants have little control. At the more operational level, Russian co-financing has imposed legal and administrative obligations on Russian authorities to obtain a good return for this investment.*

**Case study on ENPI-CBC funded border crossing projects**

**EQ 8. Did the new ENI CBC programmes take into account lessons learned from ENPI CBC?**

**Finding 24.** The ENI programming and implementation environment has evolved markedly in a number of key areas from the ENPI framework: the strategic objectives of CBC have been streamlined with greater focus; the management, control and audit arrangements have been strengthened in all countries, but especially in partner countries; the rules on selecting projects, tendering and contracting are more appropriate to shared management including more detailed provisions for large infrastructure projects. Comparing the programming and implementation frameworks in the ENPI and ENI regulations, the latter has clearly taken on board lessons from the ENPI experience, and inevitably this has shaped the ENI CBC programmes.

The ENI Implementing Regulation introduces major changes that reflect lessons learned from ENPI.



First, regarding **scope**, while the ENPI CBC Strategy Paper set out four key objectives, this was rationalised in the new period<sup>186</sup> to three strategic objectives to provide greater focus to interventions within this strategic framework. The ENI CBC programme partners could select a maximum 4 from a list of 11 thematic objectives. This should *in principle* benefit efficiency, effectiveness and impact, although *in practice* the new programmes have diverse objectives, suggesting that the opportunity to prioritise has not been fully taken on board.

Second, the **management, control and audit arrangements** have been strengthened, which should provide greater assurance regarding efficiency and value for money:

- Under the ENPI implementing regulation (IR), responsibility for management and control rested solely with the JMA, although participating countries that were Member States could also establish their own systems of verification of expenditures to cover their own territories. No equivalent provision existed in the regulation for control systems in partner countries, which reflects the responsibility for financial recovery falling to the JMA and the European Commission.
- Under ENI, the Commission no longer bears automatic final responsibility for financial recovery. The IR requires each participating country, including partner countries, to appoint a national authority to assist the MA by setting up an effective management & control system, along with a control contact point and a representative to a newly-established group of auditors. It also explicitly tasks participating countries with preventing, detecting and correcting irregularities, including fraud, corruption and the recovery of amounts unduly paid<sup>187</sup>.

The establishment of management and control systems in partner countries should reduce incidences of irregularity and recovery in principle, thereby improving actual net disbursement. However, it is also likely to slow down implementation initially as already evidenced by the length of the management authority's designation process<sup>188</sup>. Along with the time-consuming designation process of management and control systems, another source of delay is the ongoing negotiation of the Financing Agreement as programmes are trying to clarify implementation modalities as much as possible before implementation starts in earnest. As was the case with ENPI, the subsequent signature and in some cases ratification processes will extend well into the implementation phase of projects.

Third, the transition from ENPI to ENI has been accompanied by a change to the rules on **selecting and awarding projects, tendering and contracting**, so that they are more appropriate to shared management:

- Under ENPI, the JMA was obliged to use the Practical Guide to Contract Procedures for EU External Actions (PRAG), which is the rulebook for enlargement, neighbourhood and other third countries. In practice, the adaptation of PRAG to the specificities of ENPI CBC was not straightforward and delayed launching, assessing and selecting calls for proposals, and ultimately undermining the overall efficiency of the programme. The identification of large scale projects was not required at programming stage.
- Under the ENI Implementing Regulation, the PRAG grant award procedures and rules are no longer compulsory. The participating countries / MAs can apply procedures that meet the standards set in the IR, such as content of projects and aspects of the PRAG. The provisions for large infrastructure projects in the ENI IR are also more detailed including total allocation, minimum size and contractual deadlines. This should improve programme management and therefore the absorption of funds.

<sup>186</sup> Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)

<sup>187</sup> The financial liability of the partner countries concerns only public entities

<sup>188</sup> At the time of writing, only one MA had completed the designation process



**Finding 25.** The relaxation of the ENPI requirement to apply PRAG rules to calls for proposals provides greater flexibility to link programme and project performance frameworks. The ENI regulation puts also more emphasis on result-oriented programme and project monitoring. Overall, these changes *should* both improve, and make it easier to assess, efficiency, effectiveness, and impact, although the quality of performance frameworks continues to depend on the structure and suitability of objectives and indicators and the links established between programme and project levels.

The relaxation of the requirement to apply the PRAG to calls for proposals allows greater flexibility for programme management structures to design guidelines for applicants, project application forms and evaluation grids that make an explicit link with the programme objectives and indicators. In this context, INTERACT ENPI has published a supplementary list of common output indicators, which are necessary to aggregate the measurements to the level of the whole Instrument. To improve the quality of programming, monitoring and evaluation of EC programmes, DG NEAR has also issued guidelines on linking planning/programming, monitoring and evaluation<sup>189</sup> that provide valuable support to the monitoring and evaluation actors in the implementation of the monitoring and evaluation cycles. What will be important is consistency in their implementation given what could otherwise be distinct and divergent approaches by each programme management structure. The requirement for programmes to carry out mid-term and ex-post evaluations foreseen in the new regulation is also a major improvement.

While the greater focus of ENI CBC programmes should make it easier to design more robust performance frameworks than in the previous period, a review of programme documents reveals that despite improvements performance frameworks are still falling short of what would be required for an effective result-oriented monitoring: programme intervention logics (from overall objective to actions) have usually weak causal relationships and indicators are often not suitable or well-designed.

On the positive side, the MAs which have already launched a call for proposals at the time of writing included the introduction of an electronic application forms and instructions to project beneficiaries on how to connect their indicator systems to the programme performance framework. Considering that ENPI ROM reports highlighted systematically the weaknesses of project logical frameworks and the inadequate monitoring capacities among beneficiaries, it remains to be seen how ENI CBC applicants and beneficiaries will cope with the more complex and demanding monitoring practices introduced by the new regulation.

<sup>189</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial\\_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v0.4.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/financial_assistance/phare/evaluation/2016/20160831-dg-near-guidelines-on-linking-planning-programming-vol-1-v0.4.pdf)



## 7 RECOMMENDATIONS

In the light of the preceding findings, the following recommendations were discussed with the Inter-service Steering Committee members (meeting in Brussels, 8 November 2017) and CBC stakeholders (Tallinn CBC Conference, 29-30 November 2017). The recommendations were revised based on comments received during these events and the subsequent written consultation organised in the first half of December 2017.

The recommendations are presented in six groups. For this section, we assume that the future instrument after 2020 will continue to be referred to as “ENI CBC”, notwithstanding any future reformulation.

### R1. Enhance focus and impact of ENI CBC

**R1.1** Continue ENI CBC beyond 2020, with an increased strategic focus to maximise impact in line with the 2015 Review of the European Neighbourhood Policy, especially for sea-basin programmes, and only minor changes to the regulatory framework to maintain momentum from 2014-2020.

The overall conclusion of the evaluation is that the positive net benefits of 2007-2013 ENPI, and the refinements that have improved the regulatory environment for 2014-2020 ENI, validate the continuation of Neighbourhood CBC into the 2021-2027 financial perspective. In an ever-changing geo-political climate, CBC has demonstrated its value as an instrument for better understanding and building relations among neighbouring regions, notwithstanding the ongoing challenges both east and south of the EU's external border.

To ensure continuity and keep up the pace of implementation, we propose that only minimal adjustments are made to the regulatory framework, as set out in recommendations that follow. The changes made for 2014-2020 (such as relaxing the previous obligation to apply the PRAG) have strengthened the programming and management framework, and we believe there is no case for a major overhaul in the implementing rules and structures, which would set back the authorities in adjusting to the new operating environment.

The only adjustment we would promote is to continue the trajectory from the last two programming periods towards an ever-more strategic focus to achieve greater impact while retaining the bottom-up approach which characterises CBC. The ENI regulation required the national authorities to orient their CBC programmes around up to four thematic objectives. Unlike Interreg, which falls solely under Cohesion Policy, ENI CBC contains elements of Cohesion Policy but also serves to operationalise the European Neighbourhood Policy (ENP). The 2015 Review of ENP<sup>190</sup> contained several findings of relevance to future CBC, including:

- The ENP should reflect EU interests and the interests of partner countries.
- Partners have different aspirations, and favour tailor-made differentiated approaches.
- Partnerships should be more focused on fewer priorities.
- Partners signalled strongly their interest in the EU as a partner for economic development and modernisation, investment, and developing the employment options for youth.

Along with other aspects of ENP and its Review, this provides a helpful framework for a post-2020 programming approach that can customise territorial cooperation thematic priorities to the needs of the Eastern Partnership (EP) and Union for the Mediterranean (UfM), while taking account of the specificities of land border, sea border and sea-crossing regions, as appropriate.

<sup>190</sup> Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *Review of the European Neighbourhood Policy, SWD (2015) 500 final*



Where a macro-regional strategy is agreed and operational (e.g. Baltic Sea, Danube), this should provide the main direction for appropriate CBC interventions taking also into account the specific needs of partner countries.

In particular, there are opportunities to give a more strategic direction to the sea basin programmes to enhance the impact and the coherence of interventions, by, for example, putting more emphasis on cross-border challenges that are explicitly related to the sea as a modality, such as environmental contamination (water pollution by waste products does not respect territorial boundaries), migration (sea crossings) and logistics (sea-based trade). Such cooperation on maritime issues<sup>191</sup> could also be opened to countries with no direct access to the sea and complement other forms of cooperation on other important development priorities with high cross-border contents.

In this context, the next generation of CBC programmes (both land border and sea basin) should ideally contribute to financing priorities and measures of joint sector strategies covering the whole cooperation area.

Moreover, the ENP Review provides the framework for ensuring that individual programmes under ENI 2021-2027 have a strategic orientation. For example, the Review highlights “*support for greater connectivity as a key area for co-operation*”, including the headline proposal to “*extend core TEN-T networks to the Eastern partners*”. If the TEN-T extension can be agreed by the start of the next financial perspective<sup>192</sup>, it could indicate the most strategically important border crossing points by mode (road and rail) based on analysis of waiting and procedural times (delays) for passengers and freight. At present, border crossing projects are often selected without a clear strategic context (see Finding 11). The TEN-T extension would direct ENI beneficiary countries towards priority projects in border management and infrastructure modernisation with a genuine cross-border impact and inform the negotiations with the Commission over programme content and the selection of large-scale strategic projects for preparation (see R4).

**R1.2** Give more weight in project appraisal and greater attention at the selection stage to the impact and sustainability, including the cross-border dimension, and reflect these requirements in information and training for applicants and assessors.

Every operation financed under an ENI CBC programme in 2014-2020 (and beyond) should have a clear cross-border dimension, otherwise they are development projects only.

For the purposes of this recommendation, we propose the definition of genuine and lasting cross-border cooperation from the evaluation of 2007-2013 CBC in the Western Balkans under IPA: “*joint implementation of activities by partners resulting in the intensification of cross-border links and sustainable cross-border partnerships and/or the removal of cross-border obstacles to sustainable socio-economic development*”.

For example, the phenomenon of ‘mirror projects’ (i.e. projects contributing to the development of eligible areas but without genuine cross-border dimension and impact) would not represent cross-border cooperation, even if the overarching project was agreed on both/all sides at the concept and preparation stages<sup>193</sup>. By contrast, those projects that involve close working relationships at

<sup>191</sup> The advantages of maritime cooperation were highlighted in a recent Interact Paper: “*The sea is a joint resource, a joint problem, a joint advantage and a joint responsibility – asking for joint policies to effectively address maritime issues at stake and for joint solutions developed by cooperation*”, The added value of maritime cooperation Input paper from the Knowledge of the seas network 8 December 2017.

<sup>192</sup> Indicative maps of the extension of TEN-T to Eastern Partnerships countries have been developed but not yet formally agreed.

<sup>193</sup> Single-country projects should, however, be possible for infrastructure projects if there is clear evidence that the infrastructure will contribute to the removal of cross-border obstacles. For example, partners on both sides of the border might agree on modernisation of, say, a road on just one side from which both border areas will benefit.



every stage, from concept to closure, and deliver tangible cross-border benefits would be classified as full cross-border cooperation.

Unlike ENPI, the programme authorities for ENI are no longer required to follow PRAG procedures for grant schemes, and hence there is considerable latitude to design project application and selection which is tailored to maximising the cross-border impact and sustainability. In many cases, we anticipate that managing authorities will wish to use their Structural Funds processes, which have been tried and tested for ERDF and ESF and customise their scoring / weighting systems accordingly. Project selection can be determined using simple yes/no questions, minimum thresholds, and ranking by highest score. There is a case for making 'the cross-border dimension' either a yes/no or threshold condition for potential projects, in which failure to demonstrate CBC leads to rejection. Furthermore, there is the opportunity to reward applicants with a higher score, if they can show a history of cross-border partnership and/or convincing sustainability plans.

The definition of a cross-border dimension, and the logic behind it, should be communicated to both potential applicants (by means of the websites, guidelines, manuals, etc.) and decision-makers (i.e. through the training of assessors and selection committee members), and widely promoted by management structures including during promotional events, information sessions and training of applicants organised by the JTSs and BOs. It would also need to be factored into the harmonisation of application packs for overlapping programme areas (see R5.3).

## **R2. Seek more synergies with other EU instruments and policies**

**R2.1** Integrate ENI CBC with other ENP instruments and EU external policies and ensure closer linkages of CBC programmes with other strategies, programmes and initiatives at regional, national and EU levels.

At present, there is a risk that CBC programmes do not fully enjoy synergies with other ENP and national and regional initiatives that are implemented over the same period. There is no clear demarcation between CBC programmes and regional programmes / projects in the actions being financed<sup>194</sup>. A better articulation of the rationale for financing under different ENP instruments and other EU initiatives and programmes available in the neighbourhood<sup>195</sup> would help beneficiary countries in their future programming, in the interests of complementarity and coherence.

There is a need to strengthen links and exploit synergies with the political initiatives that shape the EU external policy such as the Eastern Partnership, the Union for the Mediterranean, the EU macro-regional strategies for the Danube region and the Baltic Sea region, the Northern Dimension or the Black Sea Synergy. For example, mechanisms should be reinforced for making the benefits of the UfM more readily available to projects funded ENI CBC MED or IT-TN programmes, many of which are clearly contributing to the objectives of the UfM (see Finding 19)<sup>196</sup>.

With regards to complementarity with other EU external instruments and initiatives as well as with strategies and programmes at regional, national and EU levels, we propose the future ENI regulation and any DG NEAR guidelines should require participating countries to explain how the synergies with ENI priorities and the actions that are described in their programme documents

<sup>194</sup> As already indicated, the territorial cooperation in the Eastern Partnership is funded under a regional programme and not under ENI CBC.

<sup>195</sup> Including ESIF and Interreg but also other EU financial instruments such as Horizon 2000, LIFE+, Creative Europe, etc.

<sup>196</sup> The MED JMA and the Secretariat of the UfM met in January 2017 to discuss how to better coordinate their activities. In particular, the possibility to jointly define an annual action plan based on continuous exchange of information as regards scheduled public events, valuable contents to be integrated in newsletters, thematic working groups to be organized on specific topics, as well as a more effective use of the UfM label for CBC projects.



will be carried through to the calls for projects and subsequent project selection. For example, guidelines for applicants could map out existing opportunities for synergies but also sectors already covered by other initiatives to guide potential applicants in designing relevant and well linked projects<sup>197</sup>.

Coherence and complementary should also be enhanced by harnessing existing resources and communication channels better. Within the EC, there is a need to strengthen links with DG NEAR geographical units and the Centres of Thematic Expertise (CoTEs) and the EEAS to ensure a better fit between CBC and other EU programmes and initiatives. Coordination with line DGs during programming and the implementation of LIPs should go beyond the inter-services consultations. There should also be a more active involvement of EU Delegations with better codified duties for the operational managers to follow up the implementation of programmes, avoid overlaps and promote synergies with bilateral assistance, and also contribute to a higher visibility of ENI CBC.

More generally, there is a need to reconsider the role of DG NEAR in providing strategic guidance to the managing authorities. As mentioned in Finding 19, under the current set up, the capacity of DG NEAR to shape programmes and give strategic impulses during implementation is limited.

**R2.2 Explore ways how to increase the consistency between ENI CBC and Interreg regulatory frameworks, templates and tools.**

At present, most of the ENI CBC managing authorities are also involved in implementing Interreg programmes. In practice, this means they must satisfy two sets of regulatory requirements, the former falling under DG NEAR's competence and the latter under DG REGIO's. While we do not propose any major revisions in the regulatory framework for ENI CBC (see R1), and we note that coordinating regulations can disrupt the timely start of programmes at the beginning of the financial perspective (as happened under both ENPI and ENI, and led to implementation delays while awaiting the approval of EU legislation), we are conscious that there are parallel processes under two DGs to achieve the same outcome: for example, the designation of the management structures for CBC. Hence, in that case we would recommend as the preferred option that the templates and tools applied by the two DGs are aligned with each other, so that the managing authorities only need to fulfil one set of criteria. This should also include solutions applied to raise the (common) visual identity of CBC programmes carried out in the context of Interreg and ENI CBC. The extent of such alignment should be discussed and agreed with CBC stakeholders.

**R2.3 Enhance DG NEAR capacities to provide guidance and analyse overall performance of ENI CBC, and coordinate with DG REGIO over CBC in all its forms.**

Given the geographical coverage and geopolitical context, ENI CBC is an important and diverse instrument, whose significance has been confirmed by the 2015 review. DG NEAR sits at the hub of CBC activity, overseeing a network of programme management structures covering 34 participating countries within and beyond the EU's borders, receiving performance information from a variety of sources (including the AIRs) and directing policy. Currently, DG NEAR has a relatively small staff complement to fulfil this role. As well as more staff, it is important to have continuity, which implies efforts to reduce turnover, so that the knowledge and expertise is retained. DG NEAR would also benefit from closer links to DG REGIO, given the latter's considerable experience with Interreg and management tools (see R5 and R6).

<sup>197</sup> Such an approach is already adopted by ENI CBC programmes involving Finland



**R2.4** Carry out a study of cross-border needs and obstacles to cooperation to identify bottlenecks and suggest measures to national authorities.

For the future programming of the ENI CBC instrument, DG NEAR could usefully commission research and analysis on the hurdles in territorial cooperation across each border combination, such as issues of compatibility of EU roles and those of ENI partner countries, for example around specific normative and institutional obstacles to cross-border exchanges. This should consider the needs of different border types: land border, sea basin and sea-crossing.

This could follow the example of the exercise conducted in 2016 for DG REGIO in the context of Interreg (“Collecting solid evidence to assess the needs to be addressed by Interreg cross-border cooperation programmes”), which looked at the various types of border regions and considered socio-economic disparities (economic structures and behaviours), physical obstacles limiting access across borders; cultural barriers, and normative and institutional obstacles (different organisations, procedures and rules), and potential for CBC.

The analysis should lead to a diagnosis for each programme area, which takes account of local factors and circumstance, with recommendations to national authorities to address obstacles and barriers. The Interreg study found that most border regions suffered from an inefficient use of the resources they already have, and hence there may be similar lessons from an ENI study which can improve the effectiveness of CBC interventions.

### **R3. Improve relevance and ownership of programmes**

**R3.1** Achieve more balanced partnerships through commensurate contributions from partner countries

The concept of more balanced contributions is illustrated under ENI by the programmes involving Russia where the partner country is supplementing EU funding with its own resources at programme level. This was already the case under ENPI where the Russian contribution to the five ENPI CBC programmes in which it participated represented 40% of the EU funding<sup>198</sup>. This approach would seem, in principle, to reinforce the notion of parity in the partnership, ownership and enhanced financial responsibility, provided it does not result in two sets of implementing rules. In the case of Russia, it also signals a perception of cross-border cooperation as taking place within its ‘near-abroad’, as much as the EU’s neighbourhood.

To make the national contribution more manageable for ENI partner countries, we propose that this could include funds from international financial institutions (IFIs), specifically in the case that ENI CBC programmes involve plans to fund LSPs.

**R3.2** Towards the end of the current financial perspective, review the relative merits of bilateral and multi-country programmes (based on ENPI and ENI experience), with potentially new combinations of CBC countries to increase the homogeneity of programme areas.

The transition from ENPI to ENI was accompanied by a move from trilateral programmes (e.g. EE-LV-RU) to bilateral ones (e.g. EE-RU and LV-RU). This has the advantage of being easier to manage, but the proportionally smaller allocations also mean less impact, reduced opportunities for cooperation, and fewer possibilities to finance large strategic projects, especially the more expensive infrastructure operations. They are also less cost-effective, as they require two managing authorities, rather than one.

<sup>198</sup> The contribution from the Russian federal budget represented in total 103.7 MEUR against 261.8 MEUR of EU funding.



We recommend the Commission reviews the pros and cons of bilateral and multilateral CBC programmes post-2020 on a case-by-case basis, drawing on the experiences of ENPI 2007-2013 and ENI 2014-2020, based on the most suitable combinations of neighbouring countries with contiguous borders to reflect geographic, economic, environmental and social circumstances. This stock-taking should take place towards the end of the current financial perspective although the discussion on this topic can already be initiated in the follow up actions to this evaluation. It should also explore the reasons behind the failure of some programmes<sup>199</sup> or the non-participation of certain countries<sup>200</sup> under ENPI and ENI CBC and suggest measures which could be taken at EU level to address the identified obstacles to cooperation.

Under ENPI, for example, Ukrainian authorities could participate in the PL-BY-UA programme on their north/north-west borders, or the HU-SK-RO-UA programme on their west/south-west borders, but there was no programme which brought together their partners in Poland, Hungary, Slovakia and Romania, which reflects the orientation of western Ukraine. In the evaluation interviews, partner countries have made the case for contemplating Euro-regions as the basis for CBC partnerships (in this example, the Carpathian Euroregion).

Under ENI, it is possible for programmes to open their cooperation to partners from other countries in order to strengthen the composition of partnerships<sup>201</sup>. However, just a few programmes seized this opportunity<sup>202</sup> which requires the adaption of management and control systems.

The possibility of extending or creating new European Groupings of Territorial Cooperation (EGTC)<sup>203</sup> to develop cross-border cooperation with regions and local authorities of partner countries should also be explored following the example of the EGTC Tisza<sup>204</sup>.

There could also be more scope for cross-border cooperation among partner countries, which was already launched for the Eastern Partnership on a pilot basis<sup>205</sup> but is not yet available to countries in the Southern neighbourhood.

Finally, the case could be made for a ENI interregional cross-border programme opened to all EU and neighbourhood countries on the model of what exists within the EU with Interreg Europe offering opportunities for regional and local public authorities to set up multi-country partnerships around selected topics of general interest.

#### **R4. Enhance the added-value of large-scale projects/large infrastructure projects**

**R4.1 Broaden the perspective of large-scale projects/large infrastructure projects to truly strategic operations (which might include infrastructure) and in the case of research project should concern application of innovation, not basic research.**

<sup>199</sup> E.g. CBC Spain-Morocco

<sup>200</sup> E.g. Russia and Azerbaijan in CBC BSB

<sup>201</sup> ENI Implementing Rules allow projects to be implemented outside the programme area under certain conditions (Art. 39.2)

<sup>202</sup> For example, ENI CBC EE-RU allows the participation of Finnish and Latvian partners from regions adjoining the programme area.

<sup>203</sup> The EGTC is an European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation. The EGTC is a legal entity and as such, enables regional and local authorities and other public bodies from different member states, to set up cooperation groupings with a legal personality. Since 2013, EGTC can also be extended to regions of non-EU neighbouring countries.

<sup>204</sup> The EGTC Tisza was established in 2015 to develop cross-border cooperation between Szabolcs-Szatmár-Bereg County (Hungary) and the Transcarpathian region (Ukraine) through participation in EU programmes. The EGTC Tisza is currently preparing a project application under the ENI CBC HU-SK-RO-UA.

<sup>205</sup> Funded under the ENPI East Regional Action Programme 2013, the Eastern Partnership Territorial Cooperation (EaPTC) was launched in 2013 to promote sustainable development between neighbouring regions of EaP countries through territorial cooperation. Four cooperation programmes were implemented (AR-GE, AZ-GE, BY-UA, MD-UA).



The scope of large scale projects (LSPs) in 2007-2013 was specified more tightly for ENI as large infrastructure project (LIPs). We consider that other instruments are better suited than CBC to finance such projects, including IFIs and blending facilities such as the Neighbourhood Investment Platform. Within the sector focus outlined in R1, we propose a return to 'LSPs' in 2021-2027, but this time defined as large strategic projects, focused on a specific sector / theme with a minimum threshold, a clear objective and expected results, and with the involvement of strategic public/private actors at regional and national levels to enhance dissemination and mainstreaming of project results and impact (see Finding 11). This would not *preclude* the LSP having an infrastructure component, where appropriate, within a broader integrated package of measures with a strategic purpose and a people-to-people dimension.

Furthermore, to avoid duplication and overlap with other EU-financed instruments, such as Horizon 2020, the funding of cross-border basic research should be proscribed, but the *application of research outcomes* should be encouraged.

**R4.2** Expand the role of the Neighbourhood Investment Platform in securing funding for CBC infrastructure projects and support the development of the latter through a Project Preparation Facility for ENI CBC

While we recommend that large strategic projects (LSPs) for 2021-2027 have a wider scope than the current LIPs (see R4), it is likely that many LSPs will continue to contain an infrastructure component that should be financed, wholly or partly, with the support of the NIP rather than by programme resources exclusively.

Although all large-scale projects take time to prepare, those that involve construction are especially prone to delays. There are many steps to project maturity from agreeing the initial concept, forming appropriate partnerships (often involving municipalities, public enterprises and/or other publicly-funded bodies) and legal agreements, identifying and acquiring land, securing ownership rights, preparing preliminary and final designs, producing pre-feasibility and feasibility studies, including cost-benefit analyses, and environmental impact assessments, arranging location and building permits, and all within national and local laws, and in line with the applicable FIDIC conditions of contract, and any other conditions depending on funding sources (EU, IFI, etc.). These steps must be fulfilled before the construction project is ready for tendering, and typically cost 7-10% of the total project value. Gaps in the process and insufficient documentation can create significant hold-ups or even cancellations, even within single countries. Where the project involves cross-border cooperation, and the application of laws and rules (e.g. permitting processes) in more than one jurisdiction, plus the requirement for Commission approval, the failure risk is substantially higher. Better prepared projects facilitate the approval process, leaving more time for implementation.

In this context, and on the assumption that ENI continues to benefit from substantial resources in the next programming period, we recommend the financing of a Project Preparation Facility (PPF), ideally within the 2014-2020 perspective, which can start work on potential LSPs for 2021-2027 based on preliminary indications of priorities by the ENI beneficiary countries. Projects developed under the PPF could then be co-financed by the CBC programme and resources pooled and leveraged within the NIP.

## **R5. Improve programme efficiency**

**R5.1** Ensure early adoption of the ENI CBC regulatory and financing framework post-2020 to avoid reduced programme and project implementation periods.

In previous financial perspectives, the regulations governing ENPI / ENI CBC have been drafted, subjected to consultation and adopted over a timescale that has postponed the start of the



programme execution period. This has meant that programmes have been prepared initially without an agreed set of objectives and priorities at the instrument level, followed by a hurried finalisation so that further time is not lost. In the case of ENPI, this led to implementation delays which are noted in the evaluation findings. There is an inevitable knock-on effect on calls for proposals and the launch of strategic projects / LSPs, which is accentuated by any delays in signing and ratifying financing agreements for individual programmes. As argued already (see R1), we recommend largely carrying forward the existing regulatory framework with only minor refinements, which would mean the ENI CBC regulations could be adopted in a timely fashion.

**R5.2 Consider introducing financial flexibility within the total ENI CBC allocation to support urgent projects that respond to opportunities or threats.**

The geo-political environment for ENI is much less stable than for equivalent programmes within the EU or even in the pre-accession context of IPA. When programming 2014-2020, the conflict on Ukraine's eastern border and occupation of Crimea could not have been foreseen and factored into plans, for example, which is reflected in the 2015 review of the EU's Neighbourhood Policy. While the seven-year programming perspective is adequate for addressing medium-long term needs, such as strengthening border and transport infrastructure, managing natural resources such as water, developing cultural heritage and tourism, there is always the potential for emerging events to disrupt these plans and create immediate problems - but also new possibilities.

In this light, we recommend that DG NEAR considers designing into the post-2020 regulatory framework a requirement or expectation that individual programmes set aside a performance and flexibility reserve that can be used to respond to external events, enhance impact or address needs, either through new calls for proposals / strategic projects or extending the budgets / timescales of existing projects. If this reserve (say 5-10% of the total allocation) is not drawn down within the first half of the programme period, it should be increasingly 'freed-up' for existing measures during the second half, rather than remaining unused.

**R5.3 Increase the frequency and improve focus of calls for proposals to increase impact, speed up project selection and contracting and simplify rules, procedures and templates.**

We recommend that programme authorities publish a calendar of calls, so that potential applicants have notice of when grant applications should be submitted, and the topic being covered. This will allow them plenty of time to find suitable partners, develop high quality proposals with realistic budgets and well-elaborated performance frameworks, and secure any necessary approvals.

Each call for proposals should be tightly focused, rather than providing blanket coverage of the whole CBC programme, in line with the recommendation that CBC should aim for a greater strategic impact (see R1). We propose more frequent calls for proposals – for example, by launching calls with the same focus twice, allowing enough time in between to draw lessons and give feedback to failed applicants – which should improve the programme's impact, as well as its efficiency, as a greater turnover of calls should enable the programme management to achieve a higher absorption rate.

The evaluation shows that the period from grant scheme application to approval is too drawn out, putting programme implementation at risk. There are several ways to accelerate the timescale, improve the quality of selected projects and keep applicants informed:

- Project appraisal and selection should be simplified by reducing the steps in the evaluation process. For example, some programmes under ENPI introduced a project selection committee before the JMC meeting, adding an extra stage and stretching the timeline, which should be avoided.



- More efforts should be made to adhere to the timetables published in the guidelines for applicants and showing the maximum time for each step, so that applicants have notice in advance and the management structures are held accountable.
- The authorities should also look to restricted calls for proposals and a two-stage approach, with concept notes appraised first and only high-quality concepts progressing to full application stage. This might appear to add an extra step, but it cuts down on the average workload for the applicant (only successful stage 1 applicants prepare detailed and fully-costed proposals for stage 2), the MA / JTS and the assessors. This will free time for the JTS to support successful stage 1 applicants (rather than all applicants).
- The MAs should also set ceilings of the number of proposals to be evaluated with stricter minimum thresholds to pass the quality checks.
- Moreover, managing authorities should recruit specialist assessors for each topic for the entire programme period, rather than contracting them on a call-by-call basis, which can add to the delays in evaluation, especially as they need to become familiarised with local procedures. The latter point takes on added significance given PRAG is no longer obligatory. The MAs should invest in training assessors in their project selection systems.

The decision to relieve the programme management structures from applying the PRAG to calls for proposals in 2014-2020 in the ENI Implementing Regulation<sup>206</sup> is seen as an opportunity to reduce the administrative burden on both the programme authorities and the project applicants / beneficiaries and been widely welcomed by managing authorities. Most crucially, it enables them to develop calls for proposals and other procedures which are targeted and tailored to CBC requirements, such as assessing the cross-border dimension (see R1).

However, this new flexibility is a challenge for MAs. In overlapping programme areas, there is a risk that different approaches by different management structures might make the procedures and templates more complex and confusing for potential and actual grant beneficiaries that are entitled to apply to more than one programme. In this light, we recommend that the managing authorities coordinate together and harmonise their application packs and implementation rules<sup>207</sup>, within the context of administrative simplification. This is already happening to a certain extent under ENI, but should be adopted as a common approach wherever there are programme overlaps, with the support of TESIM.

#### **R5.4 Consider measures to speed up payment cycles to resolve cash flow problems in participating countries**

With all grant schemes, there is a question of the beneficiary's financial capacity to manage the cashflow consequences of payment cycles. Delays in receiving money from the EC can be critical for beneficiaries with weaker financial standing. Under ENI, there is scope for more flexibility regarding payment than ENPI (as PRAG need no longer apply), but the increased national controls might prolong the process, and the programme authorities' draw-down of EU funding remains a constraint on more regular and/or higher percentage payments to grant recipients. We recommend that measures are considered under ENI by MA to speed up processing of payments, including simplified cost options<sup>208</sup>.

<sup>206</sup> COMMISSION IMPLEMENTING REGULATION (EU) No 897/2014 of 18 August.

<sup>207</sup> Including eligibility criteria for expenditures, procurement rules and State aid provisions

<sup>208</sup> In the period 2014-2020, simplified cost options are used in Interreg programmes to a much bigger extent than in the past. They are one of the measures to help reduce the administrative burden on both beneficiaries and programme management structures. Contrary to the principle of real costs, flat rates, standard scale of unit costs and lump sums are defined ex-ante based on calculations that involve averages or analysis of historical/statistical data. Eligible costs within projects are calculated by applying a fixed percentage (flat rate) to some other costs, or a fixed price (standard unit cost or lump sum) is paid subject to reaching concrete inputs/outputs agreed in advance.



### R.5.5 Consider simplifying State aid requirement for CBC projects

According to the ENI regulation, CBC projects must comply with the applicable Union rules on State aid<sup>209</sup>. Adhering to these rules represents an additional administrative burden for both programme management structures<sup>210</sup> and applicants as very detailed information is required in project applications to be assessed during the selection process<sup>211</sup>. At present, managing authorities have limited experience and capacity in performing State aid assessment of CBC projects. The latter can be extremely complex and time-consuming in the case of projects involving many partners and activities<sup>212</sup> and frequently lead to ambiguous results. Moreover, since State aid rules apply only to EU partners, this creates imbalances within the cross-border partnership. Considering that the financial value of CBC projects is usually small and taking into account the specificities of cross-border cooperation, a blanket exemption of CBC from State aid rules<sup>213</sup> would reduce the transaction costs for both the programme management structures and the applicants. It is recommended that the matter be discussed with DG COMP.

### R5.6 Allow more flexibility for use of savings from projects to improve the absorption and application of funds.

At present, any funds from individual operations (whether standard or strategic projects), which remain unused at the end of the project cycle due to underspending, are typically returned too late to the management structures. By the time the repayment of advance or interim payments is made, it is often too close to the end of the project contracting deadline<sup>214</sup>, or even after, and there is insufficient time to launch a new call for proposals, let alone to implement selected projects. It is proposed that the regulatory framework is modified to allow the contracting and implementation phases to be extended for recycling funds<sup>215</sup>.

### R5.7 Require and reinforce the presence of management structures in the border regions through JTSs and branch offices.

*De jure*, the JTS exists as the technical secretariat of the MA and JMC, reporting to the former. *De facto*, the JTS does provide this assistance, but performs also a support function to the grant applicants and recipients, before and after the call for proposals. For many beneficiaries, the JTS can be indistinguishable from the rest of the management structures, especially if it is based in the capital and co-located with the MA. In these cases, it is often the branch office that is viewed by the beneficiaries as their main interface.

There is a case for arguing that the JTS should be based outside the capital city, in one of the border areas, especially as the ENI regulation restricts the branch office role to information, communication, and support to the MA, but without decision-making. However, the JTS' twin role, facing inwards to the MA/JMC and outwards to the applicant/beneficiary, leaves location open to debate. Either way, we recommend strengthening the role of the branch offices in the border

<sup>209</sup> ENI IR Art.12

<sup>210</sup> Granting and reporting State aid is ultimately the responsibility of national authorities. In practice, given that CBC programmes deal with comparatively small funds, they are not a priority for overloaded national State aid units and therefore programme management structures bear the main responsibility for assessing State aid.

<sup>211</sup> To ensure that projects are not relevant to State aid or fall into the exemptions foreseen by General Block Exemption Regulation (GBER), (EU) N°651/2014)

<sup>212</sup> Managing authorities have been strengthening their capacities to deal with State aid at the selection stage. For example, a call was launched under ENI CBC PL-BY-UA to create a pool of State aid experts in charge of assessing projects against state aid rules.

<sup>213</sup> At present, exemption from the notification requirements applies only to some costs incurred by SMEs participating in European Territorial Cooperation projects (Article 20, (EU) N°651/2014 GBER).

<sup>214</sup> ENI IR specifies that all projects should be signed before 31 December 2021 and that all project activities should be concluded by end of 2022 (Art.18).

<sup>215</sup> Another option would be to allow over-contracting as it the case under Interreg



regions, which would involve the MAs and partner countries<sup>216</sup>, potentially supported by TESIM in developing a model approach regarding staffing, human resources management, training, systems and procedures, and ensuring their continuity into the new period. It should also be considered to re-brand them as 'CBC Support Offices', to make their mandate clear to applicants and beneficiaries.

## **R6. Improve performance frameworks and monitoring and evaluation practices**

**R6.1** Strengthen the performance frameworks and their practical application through focused calls, project selection and implementation, enhancing the capacities of programme authorities and project beneficiaries, and allowing flexibility in post-2020 ENI to review and refine frameworks in response to evolving circumstances.

The ENI CBC implementing regulation required each MA to carry out result-oriented programme and project monitoring, as well as mid-term and ex-post evaluations. As noted in this evaluation (Finding 24), despite improvements compared to the previous period, the programme documents show shortcomings in the cascade from objectives to actions and poorly-defined indicators, although some management structures are making efforts to strengthen the application of the performance frameworks in practice.

These efforts should be maintained, enhanced and become widespread throughout the ENI programmes, with TESIM continuing to play a supportive role by disseminating good practices, guiding and training programme managing authorities as appropriate. In cascading the current performance frameworks to the project level:

- Calls for proposals should be focused thematically, and application forms should be tailored to require project applicants to set out the planned outputs from their activities and expected outcomes, in a format that tallies with the programme framework. Guidance should explain the rationale, how to identify indicators and complete the application, and the implications for gathering data if the project is selected.
- Selection decisions can then take account of the project's contribution to the programme objectives through the indicators.
- Contracts with projects, whether standard or strategic, can make the provision of performance information mandatory (as a pre-condition for payment, and the subject of verifications and audits), as well as participation in future evaluations.
- The use of online IT tools as a medium for sending data (see R6) can ease the process for project beneficiaries and enable programme management to assemble information into a readily-usable form.

At the programme level, we recommend that the ENI regulation for 2021-2027 should allow flexibility in reviewing and revising the performance framework during the programme's lifespan. Ideally, each programme should contain a robust set of objectives and indicators at every level, with an intervention logic based on causal relationships. Even with the most rigorous programming, it might become obvious in the process of implementation that indicators are not suitable, or circumstances have changed. Hence, more flexibility should be introduced into the process (through the JMC, with Commission approval) by which specific objectives and detailed indicators and their values can be refined to reflect the changing situation and evolving knowledge, even as the programme's vision and high-level objectives remain the same.

<sup>216</sup> Partner countries play an important role in setting up and maintaining branch offices. In the case of programmes with Russia, branch offices situated in the Russian Federation are accountable primarily to the national authorities.



We recommend that all programmes (both under ENPI and ENI) conduct a final external evaluation to measure results and impact and draw lessons for the future<sup>217</sup>.

**R6.2** Improve IT tools for programme management, monitoring and evaluation, drawing from experience within Cohesion Policy and Interreg and enhance the capacities of programme authorities to analyse context (including use of statistics) and draw up evidence-based strategies.

In line with strengthening the performance framework, there is a need for better IT-based management of information flows at all levels, from projects to programmes to the entire instrument. The MAs need IT tools to assist them in two aspects of programme implementation. The first is contract administration and management, which is about payment information allied to performance information. The second is monitoring and evaluation, which concerns the oversight of fund use and learning lessons. The outputs from the programme IT system should help managing authorities to prepare their AIRs, administer projects and programmes in real-time, and provide a bedrock of information to feed into mid-term and final evaluations and the next programming cycle.

Ultimately, ENI CBC would benefit from a user-friendly and standardised information system that can regularly and easily collect application, approval, contract, payment and performance data from all individual projects, through to closure, and can then automatically assemble it for use by the programme authorities, TA and MEL facilities (see R6), the Commission itself, and wider audiences as appropriate, including the public via websites. Individual MAs' systems should be compatible so that the information can be communicated to the European Commission, which needs to develop its own system to be able to aggregate data from all programmes, irrespective of local language and disparate IT systems, into a single format along the lines of what is being done for the ESIF<sup>218</sup>. The tools developed in the context of the Cohesion Policy<sup>219</sup> and Interreg<sup>220</sup> could be adopted and adapted to meet the needs of ENI CBC.

A more strategic and focused approach to CBC programming and management necessitates high quality sectorial analysis and a corresponding performance environment to assess progress towards results and take appropriate action to ensure the programme achieves its high-level objectives.

This could include directing CBC funds towards research studies to establish a more accurate diagnosis of the border area's socio-economic development, as a basis for the programming process to achieve greater focus (and hence impact) and improve performance management frameworks, and to identify those themes where CBC can best add value.

It could also be linked to the European Spatial Observation Network (ESPON), the European Grouping on Territorial Cooperation, which has been assembling a pan-European knowledge base and statistics related to territorial dynamics since 2002, co-financed by ERDF ETC through three successive operational programmes (<https://www.espon.eu/>). Currently, ESPON covers

<sup>217</sup> By October 2017, only six programmes carried out an external evaluation: BSR, KAR, KOL, PL-BY-RU, IT-TN and SEFR.

<sup>218</sup> The open data platform (<https://cohesiondata.ec.europa.eu/>) gives access to data on financing and achievements under the ESF Funds 2014-2020. The data is directly fed from the managing authorities in charge of the programmes.

<sup>219</sup> The Commission developed SFC2014 as the common information system for electronic exchange concerning shared management between Member States and the Commission (DG REGIO, DG EMPL, DG AGRI, DG MARE and DG HOME), concerning a range of 2014-2020 funds, including ERDF, ESF, Youth Employment Initiative (YEI), Cohesion Fund, Asylum, Migration & Integration Fund (AMIF), Internal Security Fund (ISF), ETC and IPA.

<sup>220</sup> The Interact programme developed the free online Electronic Monitoring System (eMS) to enable management structures to collect and store all necessary project and programme information, and features an online communication portal that enables secure electronic contact with beneficiaries. It is based on free-to-use technologies as far as possible; where license fees apply, these are covered by Interact. Once calls are opened, potential applicants can submit their application forms. After projects are approved, the beneficiaries use eMS to report on their activities and incurred costs.



only the EU's Member States plus other EAA countries and Switzerland, and hence not the full set of ENI beneficiary countries.

The use of CBC resources in this way would aim to reinforce efforts at the country level to improve national statistics.

**R6.3** Consider establishing a permanent Monitoring, Evaluation and Learning (MEL) Facility for ENI CBC to support CBC stakeholders, enhance results and impact and strengthen the learning process in view of future cycles

The MEL approach<sup>221</sup> is becoming increasingly established in the donor community (e.g. USAID, DFID) as a way of tracking the progress of programme implementation in real-time, identifying interesting practices for dissemination, drawing out lessons and feeding them back into the policy-making process to inform implementation and future programming. The MEL Facility runs in parallel, and can perform early stage and interim evaluations, to take stock of performance at regular intervals, and assess the achievement of outcomes and impact. This could be a viable alternative to the classic mid-term review, with the advantage that the MEL Facility can build its knowledge base over time, rather than taking a 'snapshot' of performance (see Finding 13). Another advantage of MEL is the higher level of consistency it would allow regarding evaluation data at programme level. The experience from ENPI shows that the external evaluations commissioned by managing authorities differ in scope and approaches which makes it difficult to draw lessons at the level of the entire CBC instrument.

We recommend that DG NEAR explores how a MEL Facility could be made available to ENI CBC. Being the permanent provider of technical assistance with a unique overview of ENI CBC and access to implementation data from all the programmes, TESIM is ideally placed to perform MEL duties<sup>222</sup>. This would involve the review, consolidation and synthesis of results-monitoring data<sup>223</sup> and the use of additional qualitative and quantitative methods to measure programme outcomes and impact during and after implementation. It would provide both the programme management structures and the EC with regular overviews of ENI CBC performance together with management and strategic recommendations allowing for timelier corrective actions and/or strategic decision-making at programme and instrument levels.

In the medium term, MEL functions could be integrated into the ROM facility, linking also to EC ongoing efforts to strengthen its M&E tools and practices<sup>224</sup>. This would necessitate a dialogue between DG NEAR and DG DEVCO to revamp the ROM system along MEL principles allowing for a better analysis and use of performance data collected across the various external assistance programmes and instruments

## **R7. Strengthen the technical assistance and support to programmes**

**R7.1** Continue the EC TA to CBC programmes as valued support to programme authorities and the interface with the European Commission, with renewed emphasis on simplification, results-based management and capitalisation.

<sup>221</sup> Sometimes the acronym 'MEAL' is used with the addition of A for accountability.

<sup>222</sup> A clear separation between TESIM support to programme management structures and MEL functions would however be required

<sup>223</sup> Originating both from managing structures and ROM

<sup>224</sup> In particular, the EVAL-module and the Operational Information System (OPSYS) which are shared by DG NEAR, DG DEVCO and the service for Foreign Policy Instrument (FPI). The EVAL-module is a database and IT tool facilitating the management of evaluations and the dissemination of evaluation results. OPSYS is an IT platform currently under development, which will give a single access to the entire cycle of external action data including programming and action documents, legal decisions, contracting figures as well as information on procurement, results and other monitoring indicators.



The principle of a TA facility for the whole instrument is well-established and continues to be justified, based on the experience from 2007-2013 onwards. Under ENI, we see no case for changing the scope and modalities of the TA facility which should continue to support MAs with programme and project management and facilitate the communication and dialogue with the EC. However, we recommend prioritising activities on some of the new aspects introduced by the ENI e.g. result-based monitoring and performance frameworks, simplification and harmonisation of procedures and templates (e.g. application packs and the selection process/assessment), management and control systems in partner countries, and large infrastructure projects.

We also recommend expanding the organisation of specific networks and laboratory groups for programmes sharing common characteristics e.g. programmes with Russia or Mediterranean programmes.

The administration of ENI CBC is not limited to the formal management structures alone. In some programmes, the national authorities play an active role, for example operating as unofficial branch offices or contact points in the sea-basin programmes. The TA facility, now and in the future, needs to take account of (enhancing) their capacities, to ensure they are providing the right information about the programme and its requirements to potential and actual beneficiaries, and they can help clarify national rules and resolve issues at the points where EU and national frameworks conflict (through dialogue with central authorities).

Efforts initiated by TESIM around capitalisation and knowledge management should be stepped up to identify the lessons learned from projects and apply good practices across the participating countries. While there is already some cooperation between Interact and the ENI CBC managing authorities, we also propose this should be further intensified, with more opportunities for exchanging experience and networking with Interreg and IPA CBC programmes. This requires specific Interact events to be tailored to the needs of partner countries.

Each programme period typically involves the re-tendering of TA for the entire instrument and all its programmes. In order to avoid delays and gaps in the provision of the technical assistance, we would suggest that the contract for 2021-2027 is launched well in advance of the start of the financial perspective.

**R7.2** Ensure that the technical assistance budget to reflect better the programme's actual need for technical assistance.

The ENI Implementing Regulation allows participating countries to set higher allocations for technical assistance to reflect the real needs of programmes<sup>225</sup>. In practice, ENI CBC programmes have all allocated around 10% of the co-financing to the technical assistance (TA) priority. However, this did not always reflect the situation on the ground. The management and administration associated with a two-country programme with a land border are considerably less demanding than the requirements of a multi-country programme around a sea basin, for example. We recommend that, for 2021-2027, the TA rate applied to programmes take better account of geographic coverage, and the capacity and experience of the participating management structures. In line with the regulation, the increase over 10%, however, should be justified during the programming by means of an action plan and detailed budget.

<sup>225</sup> ENI IR, art.34

