

Neighbourhood Programme 2004 – 2006 Romania - Serbia & Montenegro 2005 fiche for Project 3 – Priority 3 Technical Assistance

1 Basic Information

1.1 CRIS Number 2005/017-538.01.03

1.2 **Title: Neighbourhood programme Romania - Serbia & Montenegro 2004-06 Programme Support Technical Assistance**

1.3 Sector: 43010

1.4 Location: Romanian – Serbian border area :

The eligible areas of the Neighbourhood Programme of Romania with Serbia & Montenegro Romanian NUTS III administrative units Timis county, Caras-Severin county and Mehedinti county.

Serbian and Montenegro districts: Severno-Banatski (Northern Banat), Srednje- Banatski (Central Banat), Juzno-Banatski (South Banat), Branicevski and Borski.

1.5 Duration

2 This project fiche covers implementation of the annual Neighbourhood Programme cycle for 2005 Objectives

2.1 Overall Objective:

The overall aim of the common programme between Romania and Serbia & Montenegro, is to achieve closer economic and social integration and unity between both urban and rural communities in both countries and to promote institution building and partnership developments amongst individuals and groups in the border region.

2.2 Project purpose:

Neighbourhood Programme JPD Priority 3: The project shall support the Neighbourhood Programme management and implementation, including contribution to the funding of the Joint Technical Secretariat and shall provide assistance for programme publicity and evaluation

2.3 Accession Partnership and NPAA priority

Technical Assistance to the operation and implementation of the Neighbourhood Programme will build capacities for EU funded project preparation at local and regional level, and support the social and economic integration between one of Romania's future external borders of the EU and its neighbour, Moldova. The project represents, therefore, an important element in the preparation of Romania for the adoption of Structural Funds and is fully in compliance with the priorities of the NPAA; in particular:

Regional Policy and Coordination of Structural Instruments

Strengthen the institutional and administrative capacity of the bodies in charge of programming and managing funds for cross-border co-operation in line with the Structural Funds approach.

Employment Policy

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

For Serbia & Montenegro this Priority in the context of the Neighbourhood Programme will give Serbian local authorities with valuable experience in developing and implementing EU funded projects. The main objective of CARDS assistance to Serbia and Montenegro is to contribute to the state's progress in the Stability and Association process (Sap). In order to deliver meaningful results that address the major objectives with as high an impact as possible, EC assistance is now concentrated in three main areas of intervention, all of which demonstrate coherence with the objectives of the Neighbourhood Programme:

- (1) Support for good governance and institution building, focusing on public administration reform, justice and home affairs (e.g. strengthening the rule of law) and customs and taxation.
- (2) Economic recovery, regeneration and reform, focusing on energy, transport, environment and economic development.
- (3) Social development and civil society, focusing on university education, enhancing regional co-operation, vocational education and training linked to employment generation and civil society strengthening.

CBC administrative capacity development

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

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

2.4 Coherence with National Development Plan (Romania only)

The priorities of the NDP established for the 2004-2006 period and relevant to this project are as follows:

- Promoting a balanced participation of all Romania's regions to the socio-economic development process.

The intervention strategy and actions of the Neighbourhood Programme are in harmony with the objectives of the NDP. Economic competitiveness is reinforced by efficient cross-border co-operation in various fields, including, business support, tourism and local development. Human resource development will profit from the trans-boundary co-operation in education, training and cooperation between local services.

2.5 Cross Border Impact

Priority 3: This priority will assist the joint management structures, which represent the essential link between the two partner countries in assuring an efficient, effective and transparent management and implementation of the Neighbourhood Programme.

3 Description

3.1 Background and justification

For many centuries the border lands between modern-day Romania and Serbia & Montenegro have been the home to many people of diverse ethnic and cultural origins including Serbs, Romanians, Hungarians, Germans, Slovaks, Croats, Turks, Roma etc., where interaction and “cross border activity” was normal. Today, following the end of the communist period and the breakdown of the former Yugoslavia, the co-operation is far less, reflecting the recent turbulent history of the Balkan region.

It should be mentioned that before 1990 there was much unofficial cross border activity in the region especially by Serbian traders bringing goods unobtainable in Romania to markets in Caras-Severin and Mehedinti counties. As well it should be mentioned the so called “small traffic” near the frontier. According to the small traffic rules, peoples living nearby border were allowed to cross the border with a special card and to trade goods within a limit of 20 km. This mechanism allowed many families separated by the border to see each other. In the Northern Banat areas there is a long history of Romanian-Serbian co-operation. Today, minority groups of Serbs and Romanians still thrive in each country. Possibilities for active co-operation are limited although a Free Trade Agreement was signed and ratified by both countries (to be implemented by July 1, 2004).

EU interventions supporting cross border co-operation between Romania and Serbia & Montenegro are in their early stages of elaboration. In the first phase (2004-2006), the Neighbourhood Programmes is aimed at the more co-ordinated use of the existing instruments, PHARE CBC and CARDS. The Neighbourhood Programmes will permit a single application process, including a joint call for proposals covering both sides of the border. The funding for the NP will come from allocations already earmarked for existing programmes, and the formal decision processes would remain as at present.

The second phase (as of 2007) would imply a an integrated Cross-Border Co-operation instrument which would completely integrate the use of internal and external European Union funding to ensure an integrated approach to cross-border and interregional co-operation.

With a low level of common experience of programme and project management in Cross Border Co-operation, a robust Technical Assistance facility is an important Priority of the Neighbourhood Programme.

The aim of Technical Assistance is to ensure efficient, effective and transparent management as well as a smooth implementation of the Programme. The smooth and efficient administration of the programme strictly depends on the capacity in management and in properly dealing with procedures in order to prevent and avoid bottlenecks. Hence, a limited percentage of the EU resources can be used for technical assistance.

The NP's management structures needs financial assistance to cover the administrative costs of implementing the programme, and technical support for the preparation and implementation of call for proposals, project evaluation and selection, etc. Level of familiarity by potential beneficiaries of working within the rules and procedures of grant schemes within EC funded programmes is relatively low, so it is important at the outset to provide assistance for awareness raising and information of potential beneficiaries.

Technical Assistance is an essential resource for effective delivery of the Neighbourhood Programme.

3.2. Sectoral Rationale

The Overall Objective of the Priority 1 is to achieve closer economic and social integration and unity between both urban and rural communities in both countries via cross border co-operation. This Priority focuses on Economic Development, Infrastructure and Environment by providing incentives for:

- Opportunities to support the local SMEs and agricultural business sectors achieve greater levels of competitiveness;
- Opportunities for local public services to co-operate to benefit communities on both sides of the border;
- Opportunities for the modernising and upgrading local transport and border infrastructure on a small scale, and addressing local environmental concerns that would not be eligible under larger programmes;
- Opportunities for both communities to promote the emerging tourism sector of the region and engage communities and a wider audience in a renewal of interest in their common cultures, history and natural assets.

3.2.1. Identification of Projects

The proposed programme will support the identification and selection of "joint projects" which are defined as follows:

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

To be eligible for financing, project proposals shall fall within one of the above categories.

The selected projects shall fall within the priority fields set out in the Joint Programming Document for the period 2004-2006. The projects will encourage new forms of cross-border co-operation and strengthen existing ones.

3.2.1.1 Concerning Priority 3: Technical Assistance

Technical assistance refers to specific measures focusing on programme operation activities (Programme management and Implementation) and programme support type activities (Programme publicity and evaluation);

Priority 3: (Programme support activities)

Measure 1 Programme Management and Implementation

The expected result of this measure is the efficient, effective and transparent management as well as the smooth implementation of the Priorities and Measures of the Neighbourhood Programme.

Measure 2: Programme publicity and evaluation;

The expected result of this measure is the effective promotion of the Neighbourhood Programme to potential beneficiaries and stakeholders in the eligible areas and the removal of barriers hindering participation.

3.4. Activities

3.4.1. Priority 3

The indicative allocation for this measure in € million (EU contribution only)

€ million		2005	2006
RO	PHARE	0.25	0.30
CBC			

Measure 1 Programme Management and Implementation

This measure will provide the necessary support to NP's management structures (Joint Co-operation Committee, Joint Steering Committee, etc.) covering only the eligible expenditures of the operations of these structures (e.g. travel expenses for participation in the Committees, other administrative costs for meetings, etc.). In particular, this measure will cover the costs of the Regional Office for Cross Border Cooperation Timisoara, which includes the Joint Technical Secretariat, except the salary/fees of the Serbian representative(s) to the JTS, which will be covered with CARDS TA funds. The Regional Office for Cross Border Cooperation will carry out activities in the field of project implementation, monitoring and evaluation as delegated by the Ministry of European integration. Within the Regional office for CBC Timisoara, the JTS will carry out most of the administrative tasks and day-to-day management of this NP, including the Joint Small Project Fund, and be responsible for the secretariat function of the JCC and JSC. Technical assistance to the Regional Office for CBC / JTS could also be provided, as appropriate, through training, provision of specific expertises, availability of data and information.

Activities

Eligible actions are the following (non exhaustive list):

- Covering the eligible expenditures of the operations of the Joint Co-operation Committee, the Joint Steering Committee, the joint Evaluation Committee;
- Ensuring the functioning of the Regional Office for Cross Border Cooperation Timisoara, including the Joint Technical Secretariat by covering its operational costs.
- Ensuring the management, implementation, monitoring and control of the projects/programme, including, inter alia, the costs of services like translation, audits and on-the spot checks of the operations.

Measure 2: Programme publicity and evaluation;

This measure provides for activities to increase awareness and information among potential beneficiaries as well as suitably promoting programme's results achieved and aimed pursued. Moreover, this measure will provide assistance and support to potential beneficiaries and the wider stakeholders to facilitate participation, and to provide information. In addition other eligible activities in support of Programme activities are studies, seminars, information and publicity measures and programme evaluation.

Activities

- Covering the costs of information events (seminars, etc.), studies, publicity concerning the NP;

Selection Criteria

When allocating Programme Support assistance the following activities will be given priority:

- Operational costs of Regional Office for Cross Border Cooperation /Joint Technical Secretariat
- Training or help desk facilities in preparing grant applications;
- Publicity or promotional activities concerning the NP in the eligible areas;

3.5. Linked Activities

In Romania, the activities of this TA will be contracted prior to the contracting of NP 2004 grant contract and should take place as soon as possible.

3.6. Lessons learned

The Neighbourhood Programme 2004-2006 is the first operation of a new initiative, however, during the preparation of this project proposal, the experiences of previous PHARE CBC projects in this field were duly taken into consideration. The recommendations of the OMAS Assessment concerning the necessity of verifiable indicators were adopted.

During the preparation of this project fiche, the experiences of previous Phare CBC programmes, especially in the field of cross border co-operation (ZZ9624, RO 0003-03-01 Joint Small Projects Fund) were considered.

Previous Phare projects such as the Disaster Damage Reconstruction Programme (1997 & 1998) are seen as relevant implementation models for the small scale infrastructure and environmental components of this Priority.

The lessons learned can be summarised as follows:

- Assistance should be provided to the Implementing Agency, and ultimately to the beneficiary, for successful management to Phare requirements (documentary evidence, transparency, accountability etc.);
- Need for a tight match between the final product (completed project) and the original needs assessment and project preparation studies;
- Full consideration of all stakeholders;
- Project selection and implementation should take full account of value for money;
- Adequate "Indicators of Achievement" needed at project planning state as a benchmark for late evaluation;
- Acknowledgement of Phare contribution at project site;
- Attention to Environmental Impact Assessment requirements;
- Adequate timing of project design to allow comprehensive initial surveys, outside of winter season (November-March)
- Adequate timing of project construction of the selected size to allow a minimum of one and a half construction seasons (March - October)

In addition, the "Interim Evaluation No. R/RO/CBC/03037- Interim Evaluation of the European Union Pre-Accession Instrument Phare Cross-Border Cooperation report" outlines the issue of delay in programme implementation and lessons learned can be summarised as follows:

- Increase Institutional capacity at central level
- Extended technical assistance for entire project control and management at local and central level

- As revealed during the implementation phase, international technical assistance needs to be provided to increase the design skills and the quality of the tender documents produced by local designers and to ensure that the preparation of design and tender documents meets international practice to eliminate poor programme preparation with design
- Feasibility studies to EU standards to be included in the project proposals and assistance provided
- Clear adoption statements to be part of project proposals, together with operation funding identification and commitment. Affordability analysis and CBA including IRR will be part of the feasibility studies to eliminate concerns regarding sustainability

4 Institutional Framework

This Neighbourhood Programme will be implemented with individual national annual Programmes. Measures will be implemented through Grant Schemes. Each year, following the adoption of a Financing Memorandum, there will be a single call for proposals and a single selection process that will cover both sides of the border. The Grant Scheme objectives and core eligibility and selection criteria will be defined in the Financing Memorandum.

The overall responsibility for the NP shall lie equally and jointly with the bodies responsible for co-ordinating their country's participation.

4.1 Implementing Agency (IA)

Romania

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

For the Romanian side, the Ministry of European Integration will delegate some of its responsibilities for implementing the NP to the CBC regional Office Timisoara, situated in the border area.

Serbia & Montenegro

- **PCU (Programme Co-ordination Unit):** is the national authority responsible for coordinating Serbia & Montenegro participation in the NP
- **European Agency for Reconstruction (Belgrade office):** acts as the Contracting Authority for Cards funds.

4.2 Joint Co-operation Committee (JCC)

The JCC is the strategic body of the NP. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operation of the NP. The JCC includes an appropriate representation of the European Commission/EAR. Specifically, the JCC adopts the strategic documentation of the programme – notably the Joint Programming Document and the Project Fiche(s).

4.3 Joint Steering Committee (JSC)

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

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

4.4 Joint Technical Secretariat (JTS)

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

4.5 Rules, procedures and formats

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

5 Detailed Budget

National co-financing and beneficiaries' contribution follows the rules as set out in the Financing Memorandum for the 2005 Phare Cross border Cooperation programmes of Romania.

Cash costs for the Technical Assistance are financed only from Phare funds.

	Phare/Pre-Accession Instrument support	Co-financing			Total Cost
Year 2005 Institution Building support		National Public Funds	Other Sources	Total Co-financing of Project	

Project 3 Programme Support TA	0.250	0	0	0	0.250
Total project 2005	0.250	0	0	0	0.250

6 Implementing Arrangements

6.1 Implementing Agencies

Romania	Serbia & Montenegro
<p>For PHARE CBC Romania: Implementing Agency (IA) and Contracting Authority</p> <p>Ministry for European Integration (MIE) Cross Border Co-operation Directorate 17, Apolodor street, Bucharest 5, ROMANIA Dr. Daniela Dumetrescu, Director</p> <p>Tel: +40 21 335 5374 E-mail: daniela.chisiu@dr.mie.ro</p>	<p>For Serbia & Montenegro: Programme Co-ordination Unit (PCU)</p> <p>Ministry of International Economic Relations (MIER) of the Republic of Serbia Department of Donor Co-ordination and Programme Development Gracanicka 8, Belgrade Republic of Serbia Mrs Gordana Lazarevic, Assistant Minister</p> <p>Tel: +38 11 3346 112 e-mail: glazarevic@mier.sr.gov.yu</p> <p>For CARDS Serbia & Montenegro: Contracting Authority (CA) European Agency for Reconstruction (EAR) Vasina 2-4, PO Box 717 11 000 Belgrade Serbia & Montenegro Mr Wout Soer, Local Government and Regional Development</p> <p>Tel: +381 11 3023 485 e-mail: wout.soer@ear.eu.int</p>

6.2 Twinning:

Not applicable.

6.3 Non-standard aspects:

There are no non-standard contracts or tender procedures envisaged within this project. The "NP Implementing Guidelines for Phare CBC/Tacis and Phare CBC/Cards borders" and the "Practical

Guide to contract procedures financed from the general Budget of the European Communities in the context of external actions (PRAG)" will be strictly followed.

6.4 Contracts:

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

7 Implementation Schedule:

Financing Memorandum	Publication of Call for Proposals	Start of project activity	Project completion
<i>November 2005</i>	<i>June 2006</i>	<i>November 2006</i>	<i>November 2008</i>

8 Equal Opportunity

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

9 Environment

Only projects complying with the environmental regulations of the EU will be eligible. Environmental aspects will be assessed individually for each of the proposed projects. Particularly for environmental sensible areas (parks, protected areas, Unesco patrimony of humanity), admission and selection criteria should be strictly defined before the implementation of the Call for proposal.

Projects supporting activities in the fields of environment protection, using or developing environmentally friendly technologies or products will be preferred during the whole selection process.

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

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

10 Rates of return

Not applicable for Priority 2&3

11 Investment criteria

11.1 Catalytic effect

The project will help meeting the development needs outlined in the Joint Programming Document (JPD) of the Romanian – Serbia & Montenegro Neighbourhood Programme 2004 - 2006.

11.2 Co-financing

Priority 3 N/A

11.3 Additionality

The grants awarded under this grant scheme will not displace any other financial sources.

11.4 Project readiness and size

N/A

11.5 Sustainability

The beneficiaries will be responsible for the sustainability of the project and will provide the administrative staff and the necessary funds for the operational costs. The ability of the applicant to finance the long-term operation and maintenance of the establishments or programmes shall be proved in the application and checked at the project selection phase.

All beneficiary institutions will be required to prove that they are able to operate their projects effectively in the long run or over a clearly defined period.

11.6 Compliance with state aids provisions:

All actions financed will respect the state aids and competition provisions of the European Agreement.

12 Conditionality and sequencing

Priority 3 The MoEI undertakes to finance any additional costs, which may arise in order to ensure timely completion and implementation of this project

13 ANNEXES TO PROJECT FICHE

ANNEX 1 - Logical framework matrix in standard format

ANNEX 2 - Detailed implementation chart

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

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

ANNEX 5 - List of relevant Laws and Regulations

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

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

ANNEX 1: LOGICAL FRAMEWORK MATRIX

LOGFRAME PLANNING MATRIX FOR Neighbourhood Programme Romania - Serbia & Montenegro 2004-2006		Programme name and number: Neighbourhood Programme 2004-2006 Romania - Serbia & Montenegro	2005/xxx xxx
		Contracting period expires: 30 November 2007	Execution of contracts 30 November 2009
		Total budget :6.58 Mill€	Phare budget : 5.00Mil€
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
The overall aim of the common programme between Romania and Serbia & Montenegro, to realize by this project, is to achieve closer economic and social integration and unity between both urban and rural communities in both countries and to promote institution building and partnership developments amongst individuals and groups in the border region.	- Improved level of development in the CB regions of RO and Serbia as indicated by economic & quality of life indicators	NP implementation data EC reports/NP evaluations Phare CBC/CARDS data	
Project purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions

<p>Priority 3: To support the Neighbourhood Programme management and implementation, including the funding of the Joint Technical Secretariat and shall provide assistance for programme publicity and evaluation</p>		<ul style="list-style-type: none"> -NP data; - Publications and reports by participating institutions; - Media coverage of NP activities 	<p>Sustained support from all stakeholder institutions in promoting Neighbourhood Programme objectives, encouraging applications and supporting administrative processes.</p>
--	--	---	---

Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Activities	Means		Assumptions
<u>Measures</u> 3.1. Programme Management and Implementation 3.2. Programme Publicity and Evaluation	M€ 0.250		Provision of adequate TA for overall programme management

ANNEX 2: IMPLEMENTATION SCHEDULE

The implementation schedules are shown for the three annual programmes. It is assumed that the programming cycle will begin in the third quarter of each year.

D = Design

C = Contracting I = Implementation R= Review/evaluation

ANNEX 3: CONTRACTING AND DISBURSEMENT SCHEDULES

Contracting and disbursement schedule priority 3 by quarter (2005 Phare budget only)																
Component s	in MEUR (planned)															
	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total contracted		0.25														
Total disbursed			0.15	0.15	0.15	0.15	0.23	0.23	0.23	0.25	0.25					

ANNEX 5

List of relevant laws and Regulations
Infrastructure related regulations and directives

N/A