



Brussels, 22.7.2015
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COMMISSION IMPLEMENTING DECISION

of 22.7.2015

**on the ENI East Regional Action Programme 2015 Part 2 to be financed from the
general budget of the European Union**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action¹, and in particular Articles 2(1) and 3(3) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002², and in particular Article 84(2) thereof,

Whereas:

- (1) The Commission has adopted the European Neighbourhood Instrument (ENI) East Regional Strategy Paper 2014- 2020 and Multiannual Indicative Programme 2014-2017³, which provide for the following priorities: Eastern Partnership including Flagship Initiatives; regional cooperation frameworks; energy and transport initiatives involving the wider region and horizontal and sectoral support.
- (2) The objectives pursued by the Annual Action Programme to be financed under the European Neighbourhood Instrument⁴ are: (1) Municipal Development (2) European Union Water Initiative Plus for Eastern Partnership, (3) Eastern Neighbourhood Civil Society Facility Regional Actions 2015 (4) European Union Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM 11).
- (3) The first action entitled "Regional Programme in the Neighbourhood in support of the Eastern Partnership Flagship Initiative on Municipal Development" will assist local authorities in the Eastern Partnership countries to address local sustainable development as well as good governance challenges through economic development,

¹ OJ L77, 15.3.2014, p. 95.

² OJ L 298, 26.10.2012, p. 1.

³ Decision C(2014)5200, 28.07.2014.

⁴ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument, OJ L77, 15.3.2014, p.27.

energy efficiency and security of energy supply. This programme contributes to the objectives that are stated in the Eastern Partnership Municipal Flagship and the European Charter of Local Self-Government that has been endorsed by the six partner countries. The action will be implemented under direct management through procurement of services, grant contracts and an administrative arrangement with the Joint Research Centre.

- (4) The second action entitled "European Union Water Initiative Plus for Eastern Partnership (EUWI+ 4EaP)" will support the improvement of water management resources, in particular of trans-boundary rivers. The Action will support the approximation towards EU acquis in the field of water management as identified by the EU Water Framework Directive and the implementation of River Basins Management Plans in selected rivers of the region. The action will be implemented under direct management through grant contracts.
- (5) The third action entitled "Eastern Neighbourhood Civil Society Facility Regional Actions 2015" aims to contribute to an improvement of the environment in which civil society organisations operate, to strengthen civil society organisations capacities to promote reform and increase public accountability, as well as increase interaction between civil society organisations and authorities at the national level and local level. The action will be implemented under direct management through procurement of services and grant contract.
- (6) The fourth action "European Union Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM 11)" refers to the 11th phase of this Mission which should start its implementation after the expiration of the previous one at the end of 2015. It will give particular emphasis to further work on promoting border and customs cooperation between the Republic of Moldova and Ukraine, stronger involvement of EUBAM in Confidence Building Measures, enhancement of border monitoring activities on the Transnistrian segment, monitoring of the implementation of the Deep and Comprehensive Free Trade Area (DCFTA), including facilitation of the external trade from Ukraine and Republic of Moldova and verification of normative and legislative initiatives impacting on the Transnistrian region. The action will be implemented under indirect management by the International Organisation for Migration.
- (7) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁵.
- (8) It is necessary to adopt a work programme for grants the detailed rules on which are set out in Article 128(1) of Regulation (EU, Euratom) No 966/2012 and in Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is constituted by the Annexes 1, 2 and 3.

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (9) The Commission should entrust budget-implementation tasks under indirect management to the entity specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that this entity guarantees a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. This entity complies with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary.
- (10) The authorising officer responsible should be able to award grants without a call for proposals provided that the conditions for an exception to a call for proposals in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012 are fulfilled.
- (11) It is necessary to allow the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (12) Pursuant to Article 94(4) of Commission Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (13) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee set up by Article 15 of the financing instrument referred to in recital 2.

HAS DECIDED AS FOLLOWS:

Article 1
Adoption of the programme

The ENI East Regional Action Programme 2015 Part 2, as set out in the annexes, is approved. The programme shall include the following actions:

- Annex 1: Regional Programme in the Neighbourhood in support of the Eastern Partnership Flagship Initiative on Municipal Development;
- Annex 2: European Union Water Initiative Plus for Eastern Partnership (EUWI+ 4 EaP);
- Annex 3: Neighbourhood Civil Society Facility Regional Actions 2015;
- Annex 4: European Union Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM 11).

Article 2
Financial Contribution

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 64.5 million and shall be financed for an amount of EUR 27.5 million from the general budget of the European Union for 2015:

- budget line 21 03 02 01 for an amount of EUR 5 million;
- budget line 21 03 02 02 for an amount of EUR 14.5 million;
- budget line 21 03 02 03 for an amount of EUR 8 million.

and for an amount of EUR 37.0 million from the general budget of the European Union for 2016 provided the adoption of the budget 2016

- budget line 22 04 02 02 for an amount of EUR 29 million;
- budget line 22 04 02 03 for an amount of EUR 8 million.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

Article 3 **Implementation Modalities**

Budget-implementation tasks under indirect management may be entrusted to the entity identified in the attached Annex 4, subject to the conclusion of the relevant agreement.

The section “Implementation” of the Annexes to this Decision sets out the elements required by Article 94(2) of Commission Delegated Regulation (EU) No 1268/2012.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012.

Article 4 **Non-substantial changes**

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set by the first paragraph of Article 2, or cumulated changes to the allocations of specific actions, not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Commission Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 22.7.2015

For the Commission
Johannes HAHN
Member of the Commission



This action is funded by the European Union

ANNEX I

of the Commission Implementing Decision on the Annual Action Programme 2015 in favour of European Neighbourhood Policy countries

Action Document for Regional Programme in the Eastern Neighbourhood in support of the Eastern Partnership Flagship Initiative on Sustainable Municipal Development

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in section 5.3.1 concerning calls for proposals.

<p>1. Title/basic act/ CRIS number</p>	<p>Regional Programme in the Eastern Neighbourhood in support of the Eastern Partnership Flagship Initiative on Sustainable Municipal Development</p> <p>CRIS number: ENI/2015/038-113 + ENI/2016/038-286</p> <p>Financed under the European Neighbourhood Instrument (ENI)</p>
<p>2. Zone benefiting from the action/location</p>	<p>Eastern Partnership countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine</p>
<p>3. Programming document</p>	<p>Multiannual Regional Indicative Programme 2014-2017 for the Neighbourhood East</p>
<p>4. Sector of concentration/ thematic area</p>	<p>Urban development</p>
<p>5. Amounts concerned</p>	<p>Total estimated cost: EUR 22.5 million</p> <p>Total amount of EU budget contribution: EUR 20.0 million:</p> <ul style="list-style-type: none"> - EUR 4.5 million from the general budget of the European Union for 2015; and - EUR 15.5 million from the general budget of the European Union for 2016, subject to the availability of appropriations following the adoption of the relevant budget

	This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 2.5 million			
6. Aid modalities and implementation modalities	Project Modality - Direct management: <ul style="list-style-type: none"> - procurement of services - grants (call for proposals) - administrative arrangement with JRC 			
7. DAC code(s)	43030 Urban Development and Management			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance		x	
	Aid to environment		x	
	Gender equality (including Women In Development)		x	
	Trade Development		x	
	Reproductive, Maternal, New born and child health	x		
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x		
	Combat desertification	x		
	Climate change mitigation		x	
	Climate change adaptation	x		
	9. Global Public Goods and Challenges (GPGC) thematic flagships	Not applicable		

SUMMARY

This programme is part of the Eastern Partnership Flagship Initiative on Sustainable Municipal Development. It comes in addition to the existing pillars under the Flagship: Covenant of Mayors, Access to Finance (E5P) and the COMUS programme. The Flagship is designed so that local authorities can cooperate with civil society organisations to enhance accountability, exchange best practices and strengthen their capacities as efficient and effective administrations for local development.

This programme is being inspired by the successful *Covenant of Mayors – East* programme (2010-2015). The EU has provided substantial support to local authorities in the Eastern Partnership (EaP region through this programme and through the CIUDAD programme

(2009-2013)⁶. CIUDAD supported local authorities in the region to enhance their capacity to plan for sustainable and integrated urban development based on principles of good governance. Both these programmes have illustrated a clear need for continued support to local authorities in the region. The Covenant of Mayors has engaged with more than 100 signatory cities to work on the reduction of their CO2 emissions by elaborating Sustainable Energy Action Plans (SEAP). Today these cities have expressed the desire to go a step further in the implementation of these plans. On the other hand they have flagged the economic sector as a sector where more cooperation would be beneficial. Therefore the current programme is composed out of 2 streams:

- A follow-up of the Covenant of Mayors with a focus on the implementation of actions in the energy/climate field (technical assistance + grants).

- An economic stream that will be implemented through the 'Mayors for Economic Growth' initiative (technical assistance). This is an initiative that is based on the Covenant of Mayors concept, but applied to the economic field.

Both streams are closely interconnected and will have a regional nature but will take into consideration national contexts and build upon existing bilateral initiatives. This programme will support local sustainable development (economic development, energy efficiency, security of energy supply, job creation, improvement of local public administration capacities, improvement of quality of life etc.). This programme contributes to the objectives that are stated in the European Charter of Local Self-Government that has been endorsed by the six partner countries. Local authorities have been consulted on the content of this document through organisations like the Committee of the Regions, Association of the Local Democracy Agencies (ALDA), Council of European Municipalities and Regions (CEMR), and Platforma.

1 CONTEXT

1.1 Sector/Country/Regional context

For most of the Eastern Partnership countries energy reduction is high on the political agenda as they are often highly dependent on expensive imported gas, which places a heavy burden on their economies. Although efforts have been made to improve the policy frameworks, economies are still energy intensive and are characterised by low efficiency of energy production / use and low penetration of renewables. Investing in local authorities to fight climate change will not only reduce their energy dependence, it will also make their economies more competitive, thus leading to local job creation and economic growth. It is such sustainable development that this programme is targeting at through its two streams.

In recent years, efforts for decentralisation and modernising public administration have pushed central governments in the Eastern Partnership countries to attributing increased

⁶ Co-operation in Urban Development and Dialogue: see: <http://www.ciudad-programme.eu/> for further information.

responsibilities to local authorities⁷ involving for example management/maintenance of water supply, roads, public light, waste, schools and kindergartens, social housing, social integration and shelter as well as other communal services. However, decentralisation initiatives have not always been accompanied by i) an adequate level of autonomy (governance, legislation, accountability), ii) capacity development of local authorities and iii) financial resources to cover their responsibilities, leaving their empowerment incomplete. Indeed, the process of policy formulation on cohesion and territorial development is still highly centralized and vertically organised in all EaP countries while overall capacities of local authorities to participate in policy dialogue, to define their own economic and social policies and to deliver municipal services are often still weak. Nevertheless LAs are increasingly taking own initiatives when defining their future development and in influencing central governments on issues that are particularly important at local level. The fact that all major municipalities in Ukraine have own (economic) development plans illustrates this.

Insufficient financial viability of local authorities is a bottleneck in the implementation of local projects: municipalities are often lacking infrastructure projects as investments mainly depend on transfers from the state budget. Often these cannot be allocated or re-allocated without approval from the central government and as a result these transfers of funds are not always timely and predictable. All in all, the state budget for support to municipalities might be adequate to cover operational costs, but are insufficient to undertake considerable investments (6-7% of overall budget). In the recent call for proposals organised under the *SUDeP programme – Sustainable Urban Demonstration Projects* several projects in Ukraine have encountered significant delays in the start-up phase due to the late approval and disbursement of the central authorities. The lack of know-how in the LA for preparing, tendering, monitoring infrastructural investments, represents a mayor obstacle for their development. Therefore it needs to be addressed as a priority in order to prevent and address regional imbalances and contribute to a successful decentralisation.

It is with the purpose of overcoming a number of obstacles in order to unlock the development potential of local authorities that the European Commission reaffirms the importance of LA in partner countries in achieving development objectives. It therefore proposes a more strategic engagement for their empowerment⁸.

On the basis of the outcomes of the “*Structured Dialogue on the involvement of Civil Society Organisations (CSOs) and Local Authorities (LAs) in EU Development Cooperation*”, the European Commission Communication *Agenda for Change* recognises both actors as key players in its two pillars. It calls for strengthened “*links with civil society organisations, social partners and local authorities, through regular dialogue and use of best practices*”, in

⁷ In this context the term «Local Authorities» refers to public institutions with legal personality, component of the State structure, below the level of central government and accountable to citizens. Local Authorities are usually composed of a deliberative or policy-making body (council or assembly) and an executive body (the Mayor or other executive officer), directly or indirectly elected or selected at local level. The term encompasses different tiers of government, e.g. villages, municipalities, districts, counties, provinces, regions, etc.

⁸ In continuity and complementarity with the Commission Communication “*Empowering Local Authorities in partner countries for enhanced governance and more effective development outcomes*” (2013). http://ec.europa.eu/europeaid/what/civil-society/documents/com_2013_280_local_authorities_in_partner_countries_en.pdf

particular to “support the emergence of a local civil society which can effectively contribute to dialogue with public authorities and to oversee public authorities' work”, and to “consider ways of mobilising local authorities' expertise, e.g. through networks of excellence or twinning exercises”. It also highlights the value of multi-actor partnerships including public actors, civil society, the private sector and local communities.

The Communication of the European Commission of July 2014 "The urban dimension of EU policies – key features of an EU Urban Agenda"⁹ underlines the essential role that local authorities can play in delivering on policy objectives set at other levels of governance. Moreover, the importance of LAs has been confirmed in the conclusions of the Riga Eastern Partnership Summit in 2015. In the official declaration, the Heads of State and Government encouraged local and regional authorities to play a key part in the relevant Eastern Partnership (EaP) policies. The final declaration at the EaP Summit also suggested that local and regional authorities should be provided with targeted support:

"Summit participants also welcome the further steps taken by the Conference of local and regional authorities of the Eastern Partnership (CORLEAP) in promoting cooperation at the regional and municipal levels of government. They invite the European Commission to ensure appropriate, targeted support to local and regional authorities to assist their role in pursuing the goals and objectives of the Eastern Partnership."

The Eastern Partnership Flagship Initiative on Sustainable Municipal Development and the ENI Multiannual Indicative Programme 2014-2017 Regional East put forward the objective of "deepening sustainable economic development and fostering sector cooperation, including on environment and climate change". This is being done both at national and sub-national level. The Multiannual Programme aims at strengthening local authorities, communities, civil society and business organisations as well as representative social partners to help develop joint solutions to common social and economic development challenges in the EaP municipalities and to improve good governance at local level.

1.1.1 Stakeholder analysis

▪ Main Stakeholders and beneficiaries:

The main beneficiaries of the programme are the local authorities of the European Neighbourhood Policy (ENP) East region. Regional authorities are not directly targeted by the programme, however they will be involved in the programme whenever relevant. The programme also supports civil society organisations and private sector players, as well as the citizens, through their involvement in grant projects or as beneficiaries of the results.

National administrations in charge of municipalities will be indirect stakeholders, since their involvement in the programme in support of local authorities will be crucial. Cities vary in their degree of administrative and financial independence vis-à-vis the national government. Hence, close cooperation with the national administrations involved in local matters will be sought throughout the programme.

⁹ COM(2014)490 final of 18 July 2014.

There is a network of supporting structures under the Covenant of Mayors. These mainly involve public authorities and networks of cities focusing on energy policy. These supporting structures will be involved as active partners in the project's activities.

Chambers of commerce, business organisations and associations together with their members, in particular small and medium-sized enterprises (SMEs), will be involved as active partners in the economic initiative.

National associations of local authorities¹⁰ will also be involved. These play a key role in empowering local authorities to debate issues of common concern and formulate joint positions towards the national government, European Union institutions and agencies, but also towards other relevant society stakeholders, such as the organised civil society, or towards international donors. They act as irreplaceable hubs for awareness-raising and for capacity-building of the entire local government sector, facilitate networking among local authorities, mediate horizontal know-how transfer, or are active in training of local elected representatives (mayors and councillors) as well as civil servants in local authorities.

It is to be noted that the previous EU programmes with LA covered both the Eastern Partnership countries and the Central Asian countries. However, the European Neighbourhood Instrument only allows for the inclusion of non-ENP countries in highly exceptional cases and the Regional East Strategy and Indicative Programme does no longer justify the inclusion of Central Asia in this particular case. It is expected that DG International Cooperation and Development will guarantee continued support to the Covenant of Mayors through its regional and/ or bilateral programmes for this region.

1.1.2 Priority areas for support/problem analysis

The main constraints for Covenant of Mayors (CoM) follow-up project are:

- Scarce access to credits: a lot of local authorities have developed Sustainable Energy Action Plans (SEAP) but are having difficulties in implementing these due to insufficient access to financial means. This problem has two sources: on the one hand there is a lack of financial means due to the scarcity of government financed programmes, and the fact that local banks often do not lend to municipalities. On the other hand local authorities often don't find their way to financial resources which is related to a lack of capacity and expertise as described below.
- A number of local authorities have difficulties with designing bankable urban development projects. This is because local authorities lack experience in this field and because the requirements of banks and donors are often complex. The fact that there is a

¹⁰ The term «Associations of Local Authorities» is to be understood as umbrella organisations based on membership and representativeness at sub-national, national, sub-continental, continental and international level. They may be organised as an autonomous entity in accordance with the legislation in force in the country of registration. Associations of Local Authorities may be composed of a representative body elected by its LA members and a permanent secretariat.

high turnover of civil servants at local level often results in the lack of sufficient capacities to design and follow-up on these projects.

The main constraints for Mayors for Economic Growth (M4EG) project are:

- Limited awareness: due to the governance structures in the EaP countries, there is relatively limited awareness on the role local authorities and local stakeholders (including citizens) can play when tackling local economic development. Issues like sustainable development, investment attraction, and job creation remain almost exclusively a responsibility of the national ministries in the EaP countries. However this does not mean that the LA do not have a role to play.
- A number of municipalities lack of a comprehensive strategy for sustainable economic development. They are coping with a weak institutional set up for local policy formulation and implementation: there is a clear need for capacity building in municipalities, enabling them to elaborate of realistic economic development strategies and plans, as well as a need for local stakeholders to understand their role in local economic development.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Political developments in the region in 2013-2014 brought new opportunities, but also uncertainties regarding future regional cooperation. This could have an impact on the implementation of the project. However, as the project targets local authorities and is of a technical nature, it is envisaged that the cooperation could continue even in a difficult political context.	M/H	Continuous policy dialogue and close monitoring of the political/ security situation in the East.
Local authorities in the region do not have similar powers to those in the EU Member States. They have limited experience in implementing sustainable policy or related action plans; and in project design and implementation. They	M	Continuous dialogue with national level authorities on issues like decentralisation and fiscal autonomy for local authorities. National authorities are to be actively involved in the programme.

<p>tend to have difficulties in accessing sources of finance in their country or in the international community (IFIs - international financial institutions).</p> <p>In this context it is important to mention the specific case of Azerbaijan, where LAs have no autonomy, no capacity and practically no budget and where there is no process of decentralisation envisaged. The authorities active at local level are the Presidentially appointed 'executive powers' and sections/offices of central Ministries. .</p>		<p>In Azerbaijan conditions are not necessarily in place to implement either or both of the two "streams" of this action.</p>
<p>High turnover of civil servants staff of local authorities, low absorption capacity and inadequate professional competences of civil servants.</p>	M	<p>Support local authorities by targeted trainings and capacity building (through the technical assistance component).</p>
<p>Lack of consistency between local and national development policies may constitute a risk for the success of the programme. The programme will have to be vigilant to this, and ensure, to the extent possible, that the projects remain consistent with national sustainable development policies, as such avoiding that the national authorities would hamper the implementation of this programme.</p>	L	<p>Continuous dialogue with national level authorities on development policies and objectives (in particular for the economic and energy sector).</p>
<p>For the Mayors for Economic Growth initiative, there is a risk that there will not be sufficient take-up in the first months of the programme (since this is a voluntary initiative).</p>	L	<p>Guided by the experience of the Covenant of Mayors, the technical assistance team shall make sure that the initiative is sufficiently promoted and documented in order to reduce reluctance at the level of the cities.</p>
<p>For the Covenant of Mayors there is a risk that local authorities don't manage to implement investment projects due to limited access to funding sources.</p>	L	<p>The selected demonstration projects (through the grants call for proposals) shall demonstrate how bankable projects should be designed and how investors can be convinced to invest in local authorities. They will also demonstrate which technical solutions can be envisaged for the investment projects.</p>
<p>In some countries, there are no serious policies for effective decentralisation (e.g. Belarus) or satisfactory progress in the implementation of Regional Policy (Ukraine)</p>	L/M	<p>The demonstration projects may demonstrate the usefulness of increased decentralisation of powers to the local level.</p>

Finally, there may be risks relating to the purchasing of equipment or procurement of public works.	L/M	In the case of procurement, special care should be given to (i) realistic estimates of prices in applications; (ii) transparent public procurement procedures that are in line with the national procurement rules; (iii) realistic estimates of possible delays in delivery.
<p>Assumptions</p> <ul style="list-style-type: none"> ▪ Enabling environment - the autonomy of local authorities in the Neighbourhood region is sufficient to allow them to develop and implement urban development projects and to work with foreign cities and organisations; ▪ In each partner country, a sufficient number of cities have, and are committed to, a sustainable local policy (on economic development, energy efficiency, waste/water management, urban transport, etc.) and have developed strategies to implement them (such as Local Economic Development Plans - LEDPs, SEAPs or similar initiatives). ▪ National authorities take part in the discussions regarding the role of local authorities and support their initiatives. They make funds available for implementing sustainable local policy measures (e.g. LEDPs, SEAPs) and they allow for co-financing of sustainable local projects. ▪ The relevant technical ministries (Ministry of Economy, Ministry of Energy, etc.) and related stakeholders support the programme and undertake an active role. National non-technical ministries (Ministry of Interior Affairs and Ministry of External Affairs) also support the actions of the cities. ▪ National policies will evolve and create more favourable conditions for local authorities. Actions under the above projects will be supportive in this regards, and the project itself must also be seen as an opportunity to contribute to this change, to increase national authorities' awareness of local authorities' potential role in implementing national sustainable policies. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The EU has already provided substantial support for the development of local authorities in the EaP region. The CIUDAD programme (2009-2013)¹¹ supported local authorities in the region to enhance their capacity to plan for sustainable and integrated urban development based on principles of good governance. The on-going Covenant of Mayors¹² – East programme (2010-2015) supports cities that have signed up to the Covenant through a

¹¹ Co-operation in Urban Development and Dialogue: see: <http://www.ciudad-programme.eu/> for further information.

¹² www.eumayors.eu

technical assistance contact and several grant contracts. Both these programmes have illustrated a clear need for continued support to local authorities in the region. The recent SUDeP call for proposals has further emphasised this as 25 eligible and good quality project applications have been submitted while the budget only allowed for the financing of 15 projects.

A number of lessons learnt from these programmes have been incorporated into the design of subsequent projects, as well as into the present programme, along the below lines:

- As most local authorities lack experience in project design and implementation, a supporting technical assistance team has proven essential to help them implement projects in a way that ensures the greatest impact and sustainability. Experience has also shown the importance of ensuring that the advice provided by such a team is fully taken on board by local authorities in implementing their projects. This is to be done through tailor-made face-to-face assistance.
- Cooperation across countries within demonstration projects (i.e. projects involving cities in several countries across regions) has proved to be rather challenging, in particular when projects are implemented in diverse (and changing) political and institutional conditions in regions faced with different socio-cultural contexts. Hence, actions should be adapted to local circumstances and focus on specific issues on a well-defined territory. This calls for a differentiated approach by country and by region, notwithstanding the fact that the beneficiaries are part of a broader pan-European initiative. Networking and exchange of experience across the ENP region is much appreciated and should continue to be a component in a future programme. The focus should not only be on exchanging with peers from the EU, but also with peers from within the ENP region or the country in question.
- To ensure ownership, future support to local authorities should focus on local authorities' key priorities and core tasks; genuinely embed project activities at local level; ensure sufficient involvement of all relevant local stakeholders (sector institutions, civil society organisations, and private sector, citizens) as well as partnering local authorities in both the design and implementation of the projects, and work on the basis of an explicit commitment of the local authority involved. In order to guarantee a maximum degree of ownership it is recommended to invite beneficiaries to adhere to new initiatives on a voluntary basis. This allows for a natural selection of interested parties.
- The importance of establishing close links not only with local but also with national authorities, and ensuring their ownership and support for the actions has also been shown.

Similar conclusion can be drawn by the final evaluation¹³ of the Thematic Programme "NSA-LA" 2007-2013¹⁴ in respect to its implementation of the EaP countries. The Thematic Programme "NSA-LA" aimed at promoting an inclusive and empowered society, in order to facilitate civil society organisations' and local authorities' participation in poverty reduction and sustainable development strategies.

¹³ http://ec.europa.eu/europeaid/sectors/thematic-programme-non-state-actors-and-local-authorities-development_en

¹⁴ https://webgate.ec.europa.eu/fpfis/mwikis/aidco/images/7/7e/NSA_LA_Final_Evaluation_Report_Volume_I.pdf

3.2 Complementarity, synergy and donor coordination

This programme contributes to the **Eastern Partnership Municipal Flagship**. The Municipal Flagship aims to strengthen the capacities of local authorities to become important actors for sustainable economic growth. The Municipal Flagship addresses both the capacity of local authorities to respond to climate change challenges and create an attractive economic environment, but also to respond to the administrative challenges and governance issues that go together with it.

Other ongoing projects that are part of the flagship are the E5P (Eastern Europe Energy Efficiency and Environment Partnership) and the Community-led Urban Strategies in Historic Towns – COMUS project implemented by the Council of Europe.

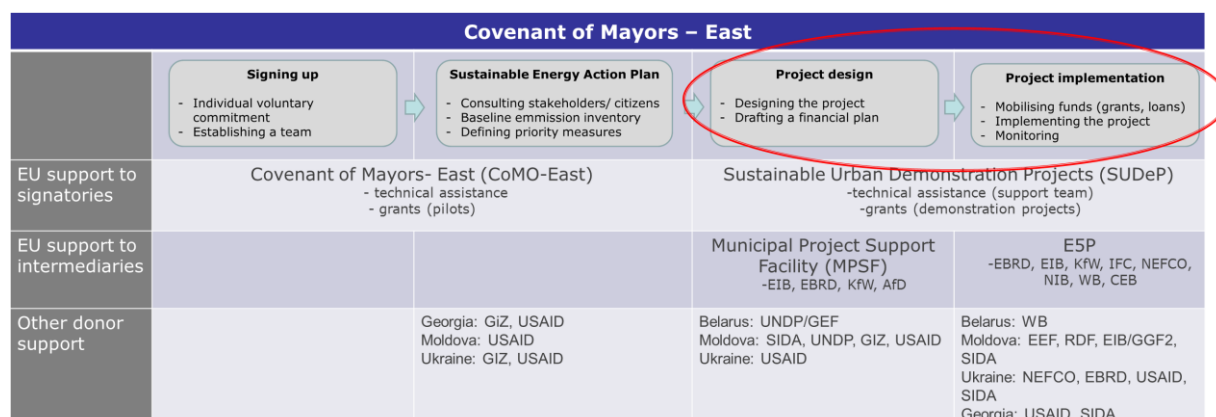
Complementarity with EU funding at regional level

At regional level the main complementary actions for this programme are illustrated in the below matrix.

Covenant of Mayors – East				
	Signing up	Sustainable Energy Action Plan	Project design	Project implementation
	<ul style="list-style-type: none"> - Individual voluntary commitment - Establishing a team 	<ul style="list-style-type: none"> - Consulting stakeholders/ citizens - Baseline emission inventory - Defining priority measures 	<ul style="list-style-type: none"> - Designing the project - Drafting a financial plan 	<ul style="list-style-type: none"> - Mobilising funds (grants, loans) - Implementing the project - Monitoring
EU support to signatories	Covenant of Mayors- East (CoMO-East) - technical assistance - grants (pilots)		Sustainable Urban Demonstration Projects (SUDeP) -technical assistance (support team) -grants (demonstration projects)	
EU support to intermediaries			Municipal Project Support Facility (MPSF) -EIB, EBRD, KfW, AfD	E5P -EBRD, EIB, KfW, IFC, NEFCO, NIB, WB, CEB
Other donor support		Georgia: GIZ, USAID Moldova: USAID Ukraine: GIZ, USAID	Belarus: UNDP/GEF Moldova: SIDA, UNDP, GIZ, USAID Ukraine: USAID	Belarus: WB Moldova: EEF, RDF, EIB/GGF2, SIDA Ukraine: NEFCO, EBRD, USAID, SIDA Georgia: USAID, SIDA

The two main complementary actions are: ‘*Supporting participation of Eastern Partnership and Central Asian Cities in the Covenant of Mayors*’, the so called CoMO-East project and the ‘*Sustainable Urban Demonstration Projects (SUDeP)*’. The CoMO-East project provides assistance to all signatory cities. It focusses on awareness raising, communication and the development of SEAPs. The SUDeP programme provides support to a selected number of signatories (through a call for proposals). The assistance is focussing on investment projects and implementation of SEAPs in the individual cities. These successful projects have to some extent laid the ground for the presently proposed programme since they are focussing on developing the capacities of local authorities in the region to formulate local policies for sustainable development. While the CoMO-East project focuses on the implementation of the Covenant of Mayors in the EaP countries and Central Asia (120+ signatory cities), the SUDeP project illustrates how sustainable actions can be realised and financed in the field through the implementation of demonstration projects (grants). The energy/climate stream of the current

programme can be seen as a continuation of the CoMO-East project. As illustrated below it will no longer focus on the first phases (while not excluding them), but rather on project design and implementation.



Links will be sought with the Commission’s Neighbourhood Investment Facility (NIF). The support provided under the current programme will allow LA to submit projects to the Municipal Project Support Facility (MPSF) and to the Eastern Europe Energy Efficiency and Environment Partnership (E5P). In doing so the current programme reinforces both these instruments. The EU-supported Green for Growth facility and the Green EaP programme can also provide support for sustainable investments in municipalities and are of direct relevance to this programme.

Donors and implementing agencies such as the UNDP¹⁵ and USAID¹⁶, as well as International Financial Institutions (IFIs) such as the EIB¹⁷, EBRD¹⁸, KfW¹⁹, the AFD²⁰ and the World Bank, are particularly active in the field of supporting economic growth, green development/procurement and promotion of energy efficiency/ renewable energy sources both in the Neighbourhood region and at local level.

This effort is complemented by decentralised cooperation between local authorities from EU Member States and their peers in the Eastern Partnership countries, or international development cooperation by national and European associations of local authorities and their international networks. Synergies should be sought with these activities notably in light of the Communication “Empowering local authorities in partner countries”²¹, which acknowledges the efforts made by local authorities to actively contribute towards international development.

The complementarities related to the Cultural Heritage project implemented by the COMUS programme (The Community-led Urban Strategies in Historic Towns) shall be fully exploited. The COMUS programme's objective is to find the most appropriate ways and means of preserving the natural and cultural heritage and reinvesting in historic towns. Six to twelve

¹⁵ United Nations Development Programme.
¹⁶ United States Agency for International Development.
¹⁷ European Investment Bank.
¹⁸ European Bank for Reconstruction and Development.
¹⁹ Kreditanstalt für Wiederaufbau.
²⁰ Agence Française de Développement.
²¹ COM(2013)280 of 15 May 2013.

pilot towns (maximum of two in each participating country) where local stakeholders face difficulties in improving living conditions, creating social cohesion or economic activities have been selected in the EaP countries.

Finally, cooperation between cities for the transfer of best practice is an important element in furthering sustainable urbanisation. The EU supported URBACT programme – which has involved 550 cities in peer learning and exchange of experience within the EU since its launching in 2003 – provides a good model for how urbanisation cooperation can be implemented also outside the EU. More generally, synergy should be found with projects funded in the context of EU cohesion policy and with the exchange of experience between cities, funded under the URBACT III programme (2014-2020).

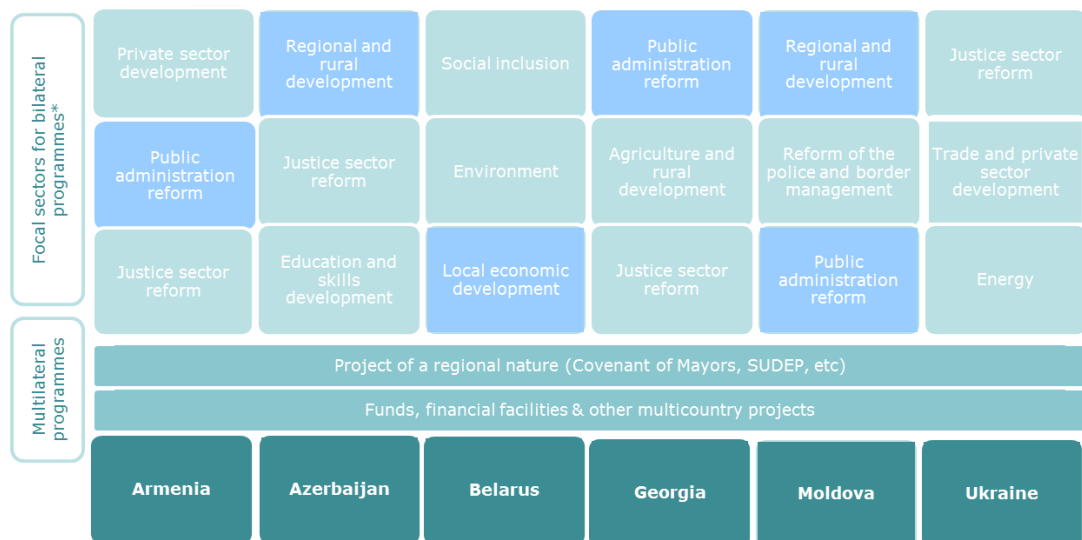
Complementarity with EU funding at bilateral level:

As illustrated below, a number of similar initiatives are on-going at the bilateral level in the partner countries. When designing the proposed regional programmes it will be key to avoid any kind of overlap with the existing bilateral initiatives. For this the programmes will have to build on the existing initiatives, differentiate by partner country where needed, and identify as much synergies as possible with complementary actions. Coordination with the Thematic Programme “Civil Society and Local Authorities” 2014-2020 will be equally important. The Thematic Programme at country level will support LAs contributions to governance and accountability through inclusive policy-making - hence empowering citizens and populations, to benefit from qualitative social services and to profit from wealth and job creation. The Programme will also support actions aimed at a sustainable territorial development, including in urban contexts, to foster local development and social cohesion²².

As a starting point, the following table gives an overview of the focal sectors for bilateral support in each of the six EU Delegations.

²² https://webgate.ec.europa.eu/fpfis/mwikis/aidco/images/2/2b/CSO_LA_MIP_CS0_LA_2014_2020_EN.pdf

Focal sectors in the EaP countries for bilateral cooperation



* Not yet confirmed as of 1.02.2014

Ukraine

The EU Delegation is currently implementing grant projects for local authorities:

- 1 Currently implemented projects from the Call for proposals for regional development.
- 2 Supporting internally displaced persons (IDPs) who had to leave from the conflict affected areas in Donetsk and Lugansk regions²³.
- 3 The ongoing call for the thematic programme CSO – LA (EUR 10 million) of which EUR 3.5 million are foreseen for local authorities (a first call in 2014 and a second call in 2016).

In addition, since 2007 the EU has financed the UNDP implemented projects in the area of community development (Community-Based Approach - CBA), which has led to an unprecedented leap in nationwide up-scaling of the community based approach. It has created partnerships and cooperation between citizens and authorities for sustainable local development. More than 3,000 community projects in the area of health, water supply, environment, school transportation, energy efficiency and income generation had been supported by 2015, improving living conditions of almost 5 million Ukrainians from more than 2000 villages. Over two-thirds of community organizations continue to operate after the first project is completed. In 2014 a new programme was signed worth EUR 23 million to continue the implementation of CBA (Phase 3).

In December 2014 a new programme in "Support to Ukraine's Regional Policy" was launched. The Sector Reform Contract will support Ukraine's Decentralisation and Regional Policy reforms with EUR 55 million euros and the expected results include improved Regional Policy legislation, the provision of stable and predictable financing for regions and

²³ http://eeas.europa.eu/delegations/ukraine/press_corner/all_news/news/2014/2014_10_07_1_en.htm

municipalities, a strengthened financial autonomy of local authorities, higher competitiveness of regions and improved territorial socio-economic cohesion.

Moldova

Some objectives of the GIZ managed project on Modernisation of Local Public Services (MLPS) are quite similar to the proposed M4EG activities e.g. assistance regional planning process and a project pipeline covering five thematic fields essential to the development of Moldova's regions (water and sanitation, solid waste management, energy efficiency in public buildings, local and regional roads). Thus, both projects are addressing capacity building in planning and energy efficiency whilst beneficiaries of are slightly different – for MLPS Ministry of Regional Development and Regional Development Agencies and for M4EG local partner authorities/municipalities.

The Public Administration Reform (PAR) is one of the focal sectors of the EU Single Support Framework for support to the Republic of Moldova for 2014-17. The overall objective is to enhance the institutional and human resource capacity of the central and local public administrations to elaborate and implement policy and to ensure the efficient and effective delivery of high-quality public services. A first action under the PAR focal sector is planned to be included in the Annual Action Programme for 2015.

Ongoing and new budget support programmes support local authorities in the economic development sector, agriculture and rural development as well in the realisation of energy efficiency investments (e.g. biomass). Specific assistance actions are also fostered in the framework of confidence building measures.

Armenia

Duplications are to be avoided with the 2013 programme "Support to Regional Development in Armenia" and the CSO-LA programme.

- The objectives of the 2013 programme on regional development are very similar to the ones of "Mayors for economic growth". The regional development programme has two main components: developing of policy/strategic framework for regional development and grant scheme for implementation of integrated regional development projects (also in line with the territorial development approach and with a significant emphasis on employment creation in the regions);
- The policy component of the programme implemented through ongoing and future technical assistance projects also includes extensive trainings on local level on preparation of investment projects consistent with the so-called 4 year development plans on local level and regional development strategies (development plans on marz/region level that are periodically updated);
- The 2013 programme works on establishment of the regional development funding mechanism. Distribution of funds through the future mechanism can take many forms and are still to be defined with assistance of our current technical assistance team. The regional and local actors are involved in the process on the basis of partnership and

participation; however their primary roles will be concentrated on projects pipelines development, implementation and sustaining projects results;

- The CSO-LA programme in-country programme complements the above programme with significant allocation of over EUR 3 million for the years 2014-2015. The objectives of the programme (especially those of Lot 2) are also very similar to the M4EG programme.

Azerbaijan

- Under Strategic Support Framework (SSF) 2014-2017 for EU-Azerbaijan cooperation, under the regional development agenda one of the objectives is to "support participatory and democratic approach to local development enhanced by fostering partnership, participation and bottom-up initiatives at local (and regional) level". The EU Delegation plans to draft some activities to achieve this goal under Annual Action Programme (AAP) 2017.

GIZ has an ongoing Local Governance South Caucasus Programme, which will be funded 2016 onwards by the EU under AAP2013. The EU Delegation is planning to sign a direct award contract with GIZ in the area of participatory territorial planning, capacity development of local authorities and more in general, in the reform of the local-self-governance system. The budget of this grant project is EUR 2 million.

Belarus

- The EU has funded a number of local/regional development programmes in Belarus which have been relatively successful despite the lack of the Government's serious decentralisation efforts.
- Support to local and regional development (AAP 2011 and AAP 2013, EUR 16.5 million – RELOAD I and II programmes) has become a key area of intervention in the EU-Belarus cooperation, advancing new methodology of regional development, affirming the role of regional and local stakeholders in defining and implementing country's development priorities, supporting pilot regional projects and participative governance. Through pilot projects in selected regions and municipalities, initiatives identified by local authorities themselves were implemented with good success. UNDP had a strong role in these programmes as the implementing organisation due to their long experience on working with Belarusian local authorities. This process will be continued under the Multi-Annual Indicative Programme (MIP) 2014-2017 third focal sector "Local/regional development", under which a new programme will be committed in 2016. The exact contents of the programme have not yet been identified. Furthermore, the 2015 Annual Action Programme (EUR 14.5million) under the MIP focal area "Environment" focusing on air quality monitoring and management has a civil society/local authorities component.
- The bilateral programmes have been complemented by cross-border cooperation (CBC) and other regional programmes which have involved local and regional authorities in regional cooperation. Furthermore, the Civil Society and Local Authorities budget line aims, among other priorities, to enhance the dialogue between the civil society and local authorities and to strengthen the civil society's advisory role vis-à-vis local authorities.

Georgia

The multi-annual cooperation EU-Georgia cooperation framework SSF 2014 – 2017 within its focal sector on Public Administration Reform (PAR) sets out the specific objective: "*to strengthen the structures and processes of local governance through the decentralisation of powers*" towards achieving the specific result: "*Increased decision-making powers and budgetary resources devolved to local authorities*". In line with the policy framework the Delegation is formulating a PAR programme under the AAP 2015.

Under the Annual Action Plan 2013 the Regional Development programme phase II foresees as its specific objective the following: "*to strengthen the capacity of the Georgian authorities at central and regional/local level to formulate and implement effective regional development policies and programmes*". With regard to this objective it is *inter alia* envisaged to achieve the following results: "*Project appraisal procedures, manuals and guidelines allowing fair and transparent appraisal of projects are developed and applied at state and municipal levels.*"

Duplication with the above programmes should be avoided and thereby bearing also in mind the following specificities:

- The technical assistance component of the first mentioned PAR programme is working towards achieving the following specific results: (i) strategic framework for local government reform is elaborated, which is designed to increase the decision-making powers and budgetary resources of local authorities in line with the European Charter on Local-Self Government, ratified by Georgia in 2004; (ii) Strengthened CSO networks at local level and greater public participation in local policy-making; (iii) The capacity of local civil servants is enhanced through the provision of targeted training in policy formulation, coordination, management and monitoring and public finance management.
- Through two consecutive projects entitled " Introduction of E-Governance in Local Governments phase I and II" local governance is being improved via the following specific objectives: (i) Improvement of management in local self-governments; (ii) Provision of quality services to the local population; (iii) Development of local infrastructure; (iv) Increased access to information technologies; (v) Establishment of effective communication between stakeholders and attraction of new users; (vi) Ensuring sustainable functioning of the local community centres; (vii) Further development MMS software; (viii) Development of e-village web portal.
- The CSO-LA programme in-country programme complements the above programmes with significant allocations of over EUR 2.55 million for the years 2014-2015. The objective of the Call for Proposals will be the promotion of accountability, enhanced governance and inclusive and sustainable growth at local level by strengthening CSOs and LAs as key actors in these processes and would thus for the latter objective be coinciding with the M4EG initiative.

The project proposed for financing here will seek to complement and create synergies with the above mentioned programmes. The angle of this project is different from the bilateral projects as it focusses more on regional aspects being the establishment of networks and the cooperation across borders between local authorities. Moreover, this programme will allow the municipalities to work towards a common target that they will share with a lot of EU municipalities (in the field of CO2 emissions or economic growth). It will also allow national governments to get inspired and learn from the local development policies in other countries of the EaP and of the EU. This should lead to more openness, trust and decentralisation.

Donors' coordination

Close cooperation with the IFIs and other donors (and actors) mentioned above will be foreseen within the framework of the programme, including with EU Member States and their agencies. This is to be done in order to avoid overlapping activities and to promote possible synergies in assisting cities to implement their development plans and projects.

Coordination will be ensured in the day to day implementation of the programme in each country, through the municipal development coordination platforms at the country level, including representatives of the local authorities and through the Steering Committees of each programme component. The Steering Committees for these projects could be organised back to back in order to achieve maximum coherence and synergies.

Close coordination with bilateral EU programmes is needed to avoid overlaps and lift synergies, both at the level of the overall programme streams and at the level of the planned technical assistance and grant components. This coordination will be achieved by (a) placing responsibility for project implementation (only grants) at the level of EU Delegations (deconcentration), (b) participation of Delegations in the Steering Committees of the regional technical assistance components and (c) by foreseeing budget and mandays for coordination in the technical assistant's ToR. Regular reporting to the implementation of this Action to the EaP structures will be foreseen in the technical assistance components.

Coordination with the new Global Covenant of Mayors programme that is expected to be launched by the end of 2015 is essential.

3.3 Cross-cutting issues

Economic and environmental sustainability and climate change mitigation will be at the heart of the programme.

In addition to the mitigation efforts, the integration of environment, climate adaptation and risk reduction issues in the implementation of the project is also needed, through the systematic screening of potential environmental and climate risks in any investment project (grants). Moreover the project should be aligned as much as possible with the draft EU cooperation strategy supporting sustainable Cities4All that DEVCO is piloting to contribute to the definition of the urban dimension of the EU external cooperation policy.

National regulations and guidelines, for environmental impact assessments and strategic environment assessments need to be enforced and applied. The EU is supporting the

elaboration of such national guidelines through the EaP Green programme. The Espoo Convention on Environmental Impact Assessment is used as a reference for this²⁴.

Where environmental and climate risks are identified it is recommended to include measures to mitigate negative environmental effects, adapt to constraints, optimise positive effects, exploit opportunities, and generally manage and control environmental and climate-related risks.

The programme will promote a participatory approach thus reinforcing the role of citizens and civil society with the objective to undertake reforms at the local government level aiming at promoting good governance.

The programme will encourage gender equality, equal opportunities and the participation of women in all its activities. The programme will contribute to mainstreaming gender-related issues at the local authority level through the component on the policy and result oriented management approach, with stronger evidence based policies. The action under the programme will also support the local authorities to mainstream gender into local authorities and budgeting processes in the fields of interest of the proposed action. Special attention will be given to women's organisation at local level to improve women participation in local policy making. The programme will target the gender equality issues through the support on policy-making, and the involvement of large range of CSOs, including by increasing their capacity in participation in local policies.

As a result the following outcomes shall be achieved in the context of gender equality:

- i. increased capacities and knowledge of public servants at the local level to mainstream gender into local policy making of the interest of this action,
- ii. increased capacities and knowledge of public finance officials at the local authority level to include gender responsive budgeting into planning and budgeting processes at the local level in respect of the fields of interest of this action,
- iii. the local programmes of pertinence to this action and respective budgets are analysed and re-designed to respond to gender equality commitments (as and where relevant for this action).

The programme will contribute to promoting good governance and accountability, by supporting the implementation of sustainable local policies. Specific attention will be devoted to the fight against corruption.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

Overall objectives

²⁴ <http://www.unece.org/env/eia/eia.html>

The overall objective of this programme is to assist local authorities in the Eastern Partnership partner countries to address local sustainable development as well as good governance challenges (through economic development, energy efficiency, security of energy supply etc.). This programme contributes to the objectives that are stated in the Eastern Partnership Municipal Flagship and the European Charter of Local Self-Government that has been endorsed by the six partner countries.

The programme will be composed out of 2 closely interconnected streams:

- An energy/climate stream that will be implemented through the 'Covenant of Mayors' initiative or any follow-up initiative of the Covenant of Mayors²⁵.
- An economic stream that will be implemented through the 'Mayors for Economic Growth' initiative.

Specific objectives

The specific objective of the stream "**Covenant of Mayors**" is to encourage and support local authorities in EaP countries to achieve and implement a more sustainable local energy policy. As such the project supports cities to sign up to the Covenant of Mayors (or any global follow-up initiative) and prepare as well as implement the related Sustainable Energy Action Plan. In substance, the purpose consists of a significant reduction in energy consumption and CO₂ emissions of the municipalities as well as an increase in their renewable energy use and energy efficiency measures. This is the follow-up of the CoMO-East project (technical assistance) ending in 2015²⁶. This stream is expected to lead to job creation and will thus also contribute to the objectives of the M4EG stream.

The specific objective of the stream "**Mayors for Economic Growth**" is to support the local authorities in the EaP countries to become active facilitators for economic growth and job creation in the region. The project will encourage and support local authorities in EaP

²⁵ The current Covenant of Mayors is expiring in 2020 and debates are ongoing on the next steps and related objectives for the future (2030). Once such a decision is taken this project will also aim to extend this initiative to the Neighbourhood East region.

²⁶ The present Covenant of Mayors is a commitment on EU climate change mitigation objectives (reducing CO₂ emissions by more than 20% by 2020). A new initiative called the Global Covenant of Mayors is to be launched in 2015. A broader approach is proposed for the next Covenant, with differentiated geographical and thematic items. In conceptual terms, since the Covenant would include cities in less developed countries, it should include objectives not only on mitigation and adaptation, but also on access to energy.

Those objectives should explicitly refer to:

- Sustainable Development Goals, to be approved in September 2015,
- National/regional mitigation and adaptation commitments to be pledged by parties for the United Nations Framework Convention on Climate Change (UNFCCC) process, and
- Sustainable Energy For All objectives.

The Global Covenant of Mayors would be launched at the time of COP-21 at Paris. Contracts supporting implementation would be operational as of first quarter 2016.

countries to design and implement Local Economic Development Plans (LEDPs)²⁷ and strengthen the technical skills and capacities of local authorities to implement economic strategies in line with the principles of good governance and sound financial management. In substance, the purpose is to facilitate economic growth and job creation at the local level. This will be implemented through a technical assistance component.

4.2 Covenant of Mayors: expected results and main activities

This project is the follow-up project of the currently running CoMO-East project (2012-2015). In the CoMO-East the focus was on promoting the Covenant of Mayors, convincing cities to sign up and assisting them with the initial steps (SEAP development). Although the CoMO-East has been successful the focus of this new project will be shifted towards supporting the implantation of SEAPs. More than 100 cities have signed up to the Covenant of Mayors and more than 55 have submitted a SEAP. It is therefore needed to bridge the gap between planning (SEAP) and the effective implementation of actions.

1. *Supporting the implementation of Sustainable Energy Action Plans*

- Continue training and assisting municipalities in preparing investment projects (financial assessment, technical preparation, funding options, project management, etc.). Developing capacity building tools and platforms.
- Assisting and supporting the local authorities that have been awarded a grant for implementing an investment project.
- Follow-up on the dialogue with IFIs, donors, commercial banks on possibilities to finance implementation projects in municipalities beyond the existing pilots (grants). Develop tools that will facilitate the exchange between investors and municipalities.
- Continue supporting and training Covenant National Coordinators (CNC), Covenant Territorial Coordinators (CTC) and Covenant Supporters (CS) on implementation/ financial support (e.g. financing schemes for grouped SEAPs).
- Trainings/ seminars/ conferences on energy efficiency practices in municipalities (including energy management).
- Signatory-to-signatory exchanges (e.g. internships) and study visits.
- Continue organising trainings on SEAP monitoring and reporting (in cooperation with JRC). Follow-up on signatories' performance per country.

²⁷ Such plans also exist in the EU, but an initiative such as M4EG does currently not exist in the EU. This is one of the main differences between the CoM and M4EG.

- Communicate on realisations (website, newsletter, videos, articles, interviews, support to visibility events, etc.)

2. *Supporting the development of a local energy policy and the Sustainable Energy Action Plans*

- Continue organising trainings on setting up an energy management system and a dedicated team at the municipality (including training of energy managers).
- Training on baseline emission inventories (BEI)/SEAP development. Tailor-made trainings for signatories, but also for CNC, CTC and CS in each country.
- Signatory-to-signatory exchanges (e.g. internships) and study visits.
- Providing administrative and technical support through a dedicated helpdesk.
- Awareness raising at local level to better inform the stakeholders (including NGOs, associations, media, citizens, politicians) about the measures that are being taken and their impacts.
- Exchange of best practice, regional networking events and seminars.

The expected results are:

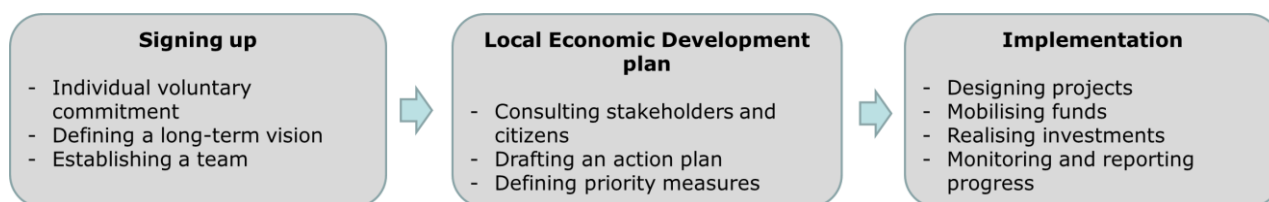
- Effective implementation of SEAPs or similar local sustainable development plans.
- The GHG emissions of Covenant signatories have decreased over the period 2015-2020.
- Enhanced capacity to develop urban investment projects at the level of the signatory, the CNC, CTC and CS.
- Partnerships between partner countries' and EU local authorities established.
- Better awareness of national authorities on local needs.
- Increased awareness about local sustainable development policies at the level of the local population and other stakeholders.
- The capacity of local/regional authorities in the EaP countries, with regard to climate change-related energy issues and in particular to the design, development and achievement of SEAP, is increased.

The project is expected to maintain the presence in the region, creating branches of the Secretariat of the Covenant of Mayors covering the countries targeted by this project. As such the project will continue using the logo of the Covenant of Mayors and work in full coherence with the general guidelines and principles established under the Covenant of Mayors.

4.3 Mayors for Economic Growth: expected results and main activities

Signatories of the Mayors for Economic Growth (M4EG) initiative would be asked to submit, within a year of joining the initiative, a Local Economic Development Plan (LEDP) or any similar plan, in which they outline in concrete measures how they intend to reach the objectives (e.g. economic growth). In order to produce such an ambitious document an initial assessment of the situation is necessary. Such a baseline assessment of the local economy is carried out by Signatories and is to be submitted alongside the LEDP to the M4EG secretariat that shall validate the plans.

Additional steps, such as adaptation of administrative structures, appropriate training of municipal staff, stakeholder engagement – for example together with national local authorities associations and business associations – are required to guarantee the successful implementation of the action plan. The concept for this new project can be visualised as follows. Smaller municipalities will have the option of submitting a grouped LEDP at cross-municipality level or at regional level.



The project will include the following activities:

- Information, awareness raising and helpdesk for all municipalities*
 - Preparation of information packs about M4EG, tailoring materials available through existing associations and networks; support to the organization of local Business Days and other thematic workshops.
 - Reactive (enquiry-driven) information assistance (Help Desk) on economic development and business related issues;
 - Methodologies and guidelines for baseline inventories, LEDPs, various implementation measures, and training materials;
- Assistance to the implementation of the M4EG and local economic development policies*
 - Direct expert assistance, and training to cities, city associations and networks and other potential stakeholders having a role in the preparation and implementation of the LEDPs or other similar economic development actions at city level;
 - Identification, training and assistance to supporting structures that could continue to contribute to the participation of the cities in the M4EG after the end of the project (train the trainers);

- Exchange of best practice, regional networking events and seminars, both at political and technical level;
- Assisting the preparation of bankable investments in line with the LEDP or other economic development actions at local level;
- For the countries that signed the DCFTA, supporting municipalities in providing services to their companies in cooperation with local BSOs to understand and benefit from the requirements and opportunities deriving from the DCFTA;
- Preparation and support to investment projects/partnerships for LEDP implementation measures. This includes assisting and supporting the local authorities that have been awarded a grant for implementing an investment project;
- Implementation LEDPs by identifying bankable investment projects;
- Foster cross-country partnerships between cities/local authorities;
- A detailed communication plan in line with the prescriptions (see 5.5).

The project is expected to establish an office in the region, which will function as a central secretariat for M4EG and will cover the countries targeted by this project.

The expected results are:

- A significant number of cities in the EaP countries sign up to the M4EG.
- The capacity of local/regional authorities in the EaP countries, with regard to economic development and in particular to the design, development and implementation of LEDPs is increased.
- M4EG and its related Local Economic Development Plans (LEDP) or similar actions are actually being designed and implemented by Signatory Cities.
- Enhanced general public awareness on economic/ business issues.
- Structures in support of the M4EG are set up or supported (e.g. business associations, chambers of commerce). Possibly by involving other donors.
- LEDP-related or other similar action-related projects in the appropriate format are presented to International Financing Institutions for investments (and possibly also to the European Neighborhood Investment Fund).
- Completion of investment projects in economic development/ business attraction, linked to the implementation of the city LEDP.
- The M4EG initiative has contributed to local economic growth (GDP) and to the reduction of the local unemployment rate.

- Lasting partnerships between local/regional authorities in the EU and in the ENP region are created, through their collaboration in the design and the implementation of urban development projects and in the framework of existing local/regional networks.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries, referred to in Article 184(2)(b) of the Financial Regulation.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in sections 4.1, 4.2 and 4.3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

The programme will have two streams: one for focusing on energy/ climate change (Covenant of Mayors stream – see section 4.2), the other focusing on economic development (Mayors for Economic Growth stream – see section 4.3). See also table in section 5.5.

5.3.1 Grants: calls for proposal (direct management) – Covenant of Mayors stream

- (a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The aim of the call is to assist local authorities in the ENP region with the implementation of measures embedded in their SEAPs.

- (b) Eligibility conditions

The call for proposals will be open to all local authorities having signed up to CoM and having developed a SEAP. Associations of municipalities and local NGOs may also be eligible applicants where relevant.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call, design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

4th trimester of 2016.

5.3.2 Procurement (direct management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Covenant of Mayors stream	Services	1	3 rd trimester 2015
Mayors for Economic Growth stream	Services	1	2 nd trimester 2016

5.3.3 Administrative arrangement with the Joint Research Centre (JRC) (direct management)

Under the Covenant of Mayors stream, the conclusion of an administrative arrangement (AA) with the JRC is foreseen to provide the services assigned to them within the framework of the Covenant of Mayors. The current AA with the JRC lasts until 29 February 2016 and will need to be renewed until 2019 in order to cover the present action period of implementation. Tasks devoted to the JRC are mainly related to the evaluation of SEAPs submitted and to providing support.

This AA is planned to be concluded during the 1st trimester of 2016.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

The budget allocated for this action is EUR 20 million (EUR 4.5 million from budget 2015 and EUR 15.5 million from budget 2016 subject to its adoption), to be allocated under the two streams:

- EUR 5 million (budget 2016) for the M4EG initiative.
- EUR 15 million (of which EUR 10.5 million from budget 2016) for the extension of the Covenant of Mayors-East initiative.

Beneficiary countries and EU Member States will be encouraged to contribute to the project in various forms (in-kind contributions, expertise or provision of facilities).

Mayors for Economic Growth	Amount in EUR
Technical assistance (direct management – budget 2016)	EUR 5 million
Totals	EUR 5 million

Covenant of Mayors - East	Amount in EUR
Call for proposals (direct management – budget 2016)	EUR 10 million
Technical assistance (direct management – budget 2015)	EUR 4,5 million
Administrative arrangement JRC (direct management – budget 2016)	EUR 0.5 million
Totals	EUR 15 million

5.6 Organisation set-up and responsibilities

The action will be managed by Commission Services.

One steering committee involving key stakeholders and representatives of the Commission is planned for each stream. The two Steering Committees could be organised back to back to ensure an exchange of lessons learnt and synergies between both streams.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

For the programme as a whole, a key indicator of achievement will be the number of investment projects carried out and the number of action plans targeting sustainable urban development (such as LEDPs/ SEAPs) effectively implemented at local level. Another indicator will be the number of suitable local investment projects channelled towards IFIs. For the projects financed under the call for proposals, specific performance indicators will be determined and laid down in the respective logical frameworks.

For the associated service contracts, precise indicators will be introduced into the terms of reference of the related calls for tenders. The key indicators should relate to the technical assistance helping local authorities to design and implement investment projects and possible networking activities disseminating best practices, as well as the regular and accurate updating of the programmes' websites, which will act as the main sources of visibility and public information about its implementation.

The European Commission and the implementing organisations will be responsible for internal monitoring. External monitoring will be undertaken in the form of Results Oriented Monitoring (ROM).

5.8 Evaluation

Having regard to the importance of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

These evaluations will be carried out for assessing projects performance, achievements and impact, and for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partners at least one month in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner countries and other key stakeholders where relevant. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner countries where relevant, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the projects.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries, contractors and/or grant beneficiaries. Appropriate contractual obligations shall be included in the procurement and grant contracts.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Specifically, communication and visibility activities will be designed to support the two streams under this programme and to share the experiences and results of the Action with stakeholders and citizens in the partner countries. It will be important to encourage LA to invest in sustainable development and in doing so to engage with their peers and citizens. The beneficiaries (LA) and the technical assistance teams will be the main drivers of the outreach to local communities and citizens. Although establishing contact with all individual citizens might not be a realistic objective, they will be targeted through media campaigns, information days, workshops, competitions etc. Throughout all activities under this Action, the EU visibility will be monitored closely by dedicated communication teams.

The programme will develop a detailed communication strategy and specific activities dedicated to communication and visibility. Where appropriate, the implementation of the communication strategy in the partner countries will be carried out in collaboration with the EU Delegations, and with other related projects.

In support of the launch of the call for proposals, EU Delegations will participate in the dissemination of information in the partner countries (possibly in coordination with local authority associations and networks), targeting local authorities to raise their awareness about this opportunity as well as central authorities to facilitate programme implementation.

Local authority associations and networks will also be involved in the awareness-raising phase, as well as in programme implementation. Potential applicants will be provided with all necessary information through project websites and, after the evaluation of the applications, to facilitate networking among the programme participants.

Permanent communication should be maintained with the Commission and with the ENPI Info Centre (www.enpi-info.eu).

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ²⁸

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To assist local authorities in the Eastern Neighbourhood Partnership (EaP) partner countries to address local sustainable development challenges (economic development, energy efficiency, security of energy supply, etc.).	Reduction of GHG emissions Local GDP growth Reduction of local unemployment	GHG emissions in 2015 (in selected municipalities) Local GDP in 2015 Level of unemployment in 2015	An average 20% reduction for the period 2015-2020 A significant contribution to local GDP growth for the period 2015-2020 (min 5%) A significant reduction of unemployment rates for 2015-2020 (min 5%)	Regional and local statistics. SEAP monitoring reports. Regional and national statistics. Reports prepared by governments or international donors.	Enabling environment - the autonomy of local authorities in the Neighbourhood region is sufficient to allow them to develop and implement urban development projects and to work with foreign cities and organisations.
Specific objective: Outcome	SO1) encourage and support local authorities in designing and implementing Local Economic Development Plans (LEDP) and strengthen the technical skills and capacities of local authorities to implement economic strategies in line	Number of LEDP developed	Number of existing economic development plans in selected cities in 2015	LEPDs developed	Project reports, government reports, regional administration reports.	A sufficient number of cities have, and are committed to, a sustainable local policy and have developed strategies to implement them.

²⁸ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
	<p>with the principles of good governance and sound financial management.</p> <p>SO2) encourage and support local authorities to achieve and implement a more sustainable local energy</p>	<p>Reduction in energy consumption</p> <p>Reduction of CO2 emissions</p> <p>Increase of RES</p>	<p>Energy consumption in 2015 in selected cities</p> <p>CO2 emissions in 2015</p> <p>Share of RES in energy mix in 2015</p>	<p>An average 20% reduction of energy consumption (2020)</p> <p>An average 20% reduction of CO2 emissions (2020)</p> <p>A significant increase of RES in local energy mix (min 5%)</p>	<p>Project reports, government reports, regional administration reports, regional and local statistics.</p>	
Outputs	1.1 Enhanced capacity of LA to effectively design and implement actions from LEDPs	Number of economic development projects designed by the LA.	N/A	At least 2 economic development projects designed in each participating LA	Project reports, government reports, regional administration reports.	Risks: High turnover of civil servants staff of local authorities, low absorption capacity and inadequate professional competences of civil servants.
		Number of economic development projects financed and implemented.	N/A	At least 1 project implemented in each LA		
	2.1 Enhanced capacity of LA to effectively design and implement actions from SEAPs	Number of projects designed by the LA (from SEAPs).	N/A	At least 2 SEAP projects designed in each LA.		
		Number of projects financed	Number of SEAP	At least 1 project		

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
		and implemented.	projects implemented in 2015	implemented in each participating LA		



This action is funded by the European Union

ANNEX II

of the Commission Decision on the European Neighbourhood Instrument Action Programme
2015

**Action Document for implementation of the European Union Water Initiative Plus for the
Eastern Partnership (EUWI+ 4 EaP)**

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in sections 5.3.1 and 5.3.2 concerning grants awarded directly without a call for proposals.

1. Title/basic act/ CRIS number	European Union Water Initiative Plus for the Eastern Partnership (EUWI+ 4 EaP) CRIS number: ENI/2015/038-109 + ENI/2016/038-300 Financed under European Neighbourhood Instrument (ENI)
2. Zone benefiting from the action/location	Eastern Partnership Countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine
3. Programming document	Multiannual Regional Indicative Programme 2014-2017 for the Neighbourhood East
4. Sector of concentration/ thematic area	Management of water resources, environmental governance
5. Amounts concerned	Total estimated cost: EUR 24.8 million Total amount of EU budget contribution: EUR 23.5 million: - EUR 10.0 million from the general budget of the European

	<p>Union for 2015; and</p> <ul style="list-style-type: none"> - EUR 13.5 million from the general budget of the European Union for 2016, subject to the availability of appropriations following the adoption of the relevant budget <p>This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1.3 million</p>			
6. Aid modalities and implementation modalities	<p>Project Modality</p> <p>Grants – direct award</p>			
7. DAC code(s)	14010 - Water sector policy and administrative management			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality (including Women In Development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9. Global Public Goods and Challenges (GPGC) thematic flagships	Not relevant			

SUMMARY

The project builds on the results and lessons learnt of regional projects led by the European Union (EU) in the Eastern Partnership (EaP) countries in the field of water, in particular: i) the Support to the EU Water Initiative (EUWI) in Eastern Europe, the Caucasus and Central Asia (2012-2016, EUR 3.2 million) and ii) the Environmental Protection of International River Basins (EPIRB) (2012-2016, EUR 7.5 million).

The action European Union Water Initiative Plus for the Eastern Partnership (EUWI+ 4 EaP) addresses existing challenges in both development and implementation of efficient management of water resources. It specifically supports the EaP countries to move towards the approximation to EU acquis in the field of water management with a focus on trans-boundary river basins management as identified by the EU Water Framework Directive (WFD). By the end of the project, the following three results will be achieved:

- Result 1: legal and regulatory framework improved in line with the WFD, Integrated Water Resources Management and Multilateral Environmental Agreements.
- Result 2: River Basins Management Plans designed and implemented in line with the WFD principles.
- Result 3: Lessons learnt are regularly collected, shared and communicated to stakeholders

1. CONTEXT

Regional context

Water is a key resource for the sustainable economic and social development of Eastern Partnership (EaP) countries. Freshwater resources are used by industries, agriculture, households among others. However, growing pressure on water resources in EaP is affecting the availability of water and its quality. The majority of the water resources in the EaP are of the trans-boundary nature i.e. river Dnieper shared by Belarus and Ukraine and often cause tensions between bordering countries. Therefore an appropriate management of water resources at regional level is strongly needed.

Since the past few years countries of the EaP countries have demonstrated their willingness to improve their approaches towards water resource management along the lines of the European Union (EU) Water Framework Directive (WFD)²⁹ and other relevant water-related directives, the EU Marine Strategy Framework Directive (MSFD)³⁰, the United Nations Economic Commission for Europe (UNECE) Convention on the Protection and Use of Trans-boundary Watercourses and International Lakes (UNECE Water Convention)³¹ and the Convention on Environmental Impact Assessment in a Trans-boundary Context (Espoo Convention)³².

Progress has been made in a number of areas, specifically through dedicated support of EU regional projects, notably: the Support to the EU Water Initiative in Eastern Europe, the Caucasus and Central Asia (2012-2016, EUR 3.2 million); the Environmental Protection of International River Basins (2012-2016, EUR 7.5 million) and the project Improving Environmental Monitoring of the Black Sea (2013-2017, EUR 3.78 million). Ratification of the Multilateral Environmental Agreements mentioned in the previous paragraph has progressed (see Annex I: Table 2) and negotiations with countries that have not yet signed the UNECE Water Convention are ongoing. Implementation cooperation on trans-boundary river management is now being established at least at pilot basin level between some of the countries along the lines of the EU WFD. Under the EPIRB project, specific support is provided for the implementation of countries' obligations on the EU WFD and the Danube Convention.

Nonetheless, the countries still face important challenges on policy and implementation of efficient water resources management. Water quality and quantity problems exist, the latter mainly in the form of water supply for domestic, industrial and agricultural use. Water quality is largely affected by direct discharges of untreated municipal and industrial waste waters and other

²⁹ Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy", available on: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02000L0060-20140101>

³⁰ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0056>

³¹ http://www.unece.org/fileadmin/DAM/env/documents/2013/wat/ECE_MP.WAT_41.pdf

³² <http://www.unece.org/env/eia/eia.html>

pollutants. Pesticides and fertilisers used in agriculture, mining, oil production, transport and food industry are other key sectors affecting water quality and their negative effects are worsened by emissions from landfills and illegal dumpsites. These results in rapidly deteriorating water resources, with considerable consequences for ecosystems, economic development and human health.

Regarding water quantity, access rates to water services and sanitation are high throughout the region, especially in urban areas. However, distribution networks are generally deteriorating with declining water quality and significant grid leakages as a result. These factors are supplemented by unregulated water use and increasing water demand for domestic and industrial use, agricultural production and energy generation. Existing infrastructure for waste water collection and treatment in the region need to be upgraded and their capacity expanded. Allocation principles should be further developed and incentives for water use efficiency identified and implemented, using a mix of policy instruments.

Other challenges include natural and man-made disasters (floods, heat and cold waves, earthquakes, forest fires, industrial catastrophes...) which may lead to loss of lives, displacement of populations, destructions of costly infrastructures and negative impacts on the economic growth and potential for sustainable development of the countries affected. Climatic variability and change further enhances the water stress.

When trans-boundary river basins or lakes are concerned, activities in the upstream countries affect both quantity and quality of the water available for the downstream ones. In the EaP region the only international convention for the management of specific trans-boundary river basins is the Convention on the Danube River. As a consequence, the International Commission for the Protection of the Danube River (ICPDR) is the only international river basin authority in the East.

EU Policy Framework

The European Neighbourhood Policy (ENP) provides a framework for closer relations between the EU and its neighbouring countries. The ENP is further developed through the Eastern Partnership, a joint initiative between the EU and Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine. Launched in 2009, the EaP builds on the ENP and aims to improve the political and economic trade relations between the EU and its partners.

The ENP Action Plans set out an agenda of jointly agreed priorities for action and represent a central element of the European Neighbourhood Policy. The Action Plan contain actions to enhance environmental governance, address issue-specific environmental concerns, and at the same time help promote international, regional and cross-border cooperation on environmental issues. Concerning water management, the requirements of the WFD and other water-related

directives³³ as well as the MSFD are the reference pieces of legislation of the environmental parts. While approximation to the WFD is promoted across the region under the EaP umbrella, work on the MSFD mainly takes place in the framework of the Black Sea Synergy.

The Partnership also provides the foundations for new Association Agreements (AAs), including Deep and Comprehensive Free Trade Areas (DCFTAs), for those countries willing and ready to take on the far-reaching commitments with the EU that these entail. In 2014, Georgia, Moldova and Ukraine ratified the AA, a set of commitments and priorities developed to guide the countries towards the approximation of EU legislation, including those related to management of water resources (i.e. Chapter 3 of the AA of Georgia).

EU environmental legislation is also consistent with a number of Multilateral Environmental Agreements to which the EU is a Party, the main ones being the UNECE Water Convention and the Espoo Convention. Additionally, work on trans-boundary river basin cooperation has gained importance following recent developments in the way the EU intends to address water issues. With the adoption of the Council Conclusions on Water Diplomacy in July 2013 the EU has reaffirmed its commitment to address the root-causes of water challenges around the world, particularly by supporting regional cooperation and promoting river-basin approaches both in national and trans-boundary waters.

Stakeholder analysis

Key stakeholders in the management of water resources include a variety of actors. Specifically, the action targets Ministries of Environment and their specialised water units, departments and laboratories, national water agencies and Water Committees, river basin authorities, bodies dealing with monitoring and water resources management, hydro-meteorological and monitoring services and environmental protection agencies.

Other line ministries such as the Ministry of Agriculture, the Ministry of Energy, the Ministry of Regional Planning, the Ministry of Economy, the Ministry of Transport and the Ministry of Health are also key actors in particular regarding policy coordination and mainstreaming of environmental policies in development plans and budgetary frameworks.

The EU WFD requires all stakeholders to be involved in the preparation, review and update of river basin management plans and programmes of measures. Citizens are the end-beneficiaries, while civil society organisations and NGOs are the stakeholders of water-related projects. Their inclusion in the water policy reform process has been progressively promoted over the past few years. Another group of key stakeholders is represented by water users, especially those operating in the agricultural and industrial sectors as well as urban/domestic users.

Regular involvement of academia, regional and international organisations is important to guide an informed and coherent decision making on development and implementation of policy reforms.

³³ Such as the Urban Waste Water Directive, the Drinking Water Directive, the Bathing Water Directive, Groundwater Directive, the Nitrates Directive or the Flood Risk Management Directive.

Priority areas for support/problem analysis

Based on the progress made so far and current challenges, key priority areas for EU regional support are the following:

1. Assistance on policy development and implementation of water management in line with EU framework directives with a focus on trans-boundary issues.

Achievements in this area have been made through the progressive convergence towards the principles of Integrated Water Resources Management (IWRM) and the WFD, however key challenges still exist. While regulatory documents (Water Codes and their annexes, technical guidelines etc.) have been and are being produced in most of the countries with the support of the EUWI and EPIRB projects, they are slowly starting to directly or indirectly influence national legislation and practice. Water sector policies need further improvements to be in line to the WFD and, in particular, this is a key challenge of the AA countries which have now clear commitments and a timetable to follow for the approximation of the EU acquis.

The National Policy Dialogues (NPDs), held within the EUWI project, helped creating platforms of discussions for key stakeholders and donors and provided robust analytical work and opportunities for exchange of good practices enhancing, inter alia, inter-institutional work among Ministries. However, involvement of all stakeholders needs to be further strengthened and in Belarus and Ukraine the NPDs should be activated in 2015.

In all the EaP countries, there is still a need to further advance the policy reforms and foster the development and use of economic instruments for water management in line with the EU WFD. Often there is a lack of skilled human resources in the region to work on policy development in line with the EU WFD. Specific weaknesses are related to human resources working within national agencies and in local river basins entities.

2. Support on the implementation of RBMPs, with a focus on trans-boundary issues, in line with EU WFD and related requirements.

Through the pilot projects, EUWI and EPIRB helped to set up and improve the implementation of the EU WFD. Despite key achievements on the development of seven RBMPs, IWRM still differs from country to country notwithstanding they inherited the same water management structures from the Soviet Union. Some of the main challenges are:

- a) Not all EaP countries have set up appropriate bodies in charge of surface water monitoring/regulation;
- b) biological quality components are not included in freshwaters monitoring programmes in all countries; hydro-morphological parameters are not included into monitoring programmes in any of the countries; monitoring of groundwater is either not conducted or

it is treated separately from surface waters; the quality and adequacy of monitoring data needs improvement in most of the countries;

- c) national classifications of chemical and ecological status of surface water bodies based on the WFD 5-classes approach need to be introduced or upgraded in most of the countries;
- d) poor infrastructures and/or deteriorated monitoring networks after the collapse of the Soviet Union;
- e) Only few laboratories have achieved accreditation so far;
- f) Lack of proper integration of the various elements for the development and implementation of the RBMP and programme of measures, such as assessment of pressures, economic elements, inter-calibration, consultation mechanisms, integration of ecosystems needs and nature conservation, integration of all water legislation requirements, etc.

Therefore, key priorities of support in this area include i) the strengthening of human capacities and building skilled human resources on monitoring water quality and quantity in line with EU WFD, ii) addressing infrastructures needs for selected areas, and (iii) support the implementation of the RBMPs developed within the EPIRB project.

One issue related to both first and second key priorities is public participation. Public participation is one of the key pillars of the EU WFD. Consultation with public and key stakeholders is needed to identify the problems, the solutions and their costs, to be included in river basin management plans (RBMPs). In the EaP region the first steps towards more regular public consultation in the elaboration of RBMPs and water resource use in general have been undertaken in recent years. EU-funded projects provided significant assistance in this respect, especially by facilitating stakeholders' consultations and by involving civil society organisations in project implementation. However, work needs to be done yet to strengthen the technical and mobilisation capabilities of such organisations and better involving water users in the development and implementation of RBMPs. Consultation during the legislation/policy development should not be forgotten as this is also a requirement stemming from the Aarhus Convention. In addition to that, it is important to capitalise on lessons learnt from pilot projects and exchanges among countries to learn on best practices should be supported.

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Unstable political situation in the countries - lack of political will to collaborate on trans-boundary issues, change in government priorities	M	Building on the positive experience of past projects, the EU will continue a regular policy dialogue with governments to facilitate collaboration on trans-boundary water issues. This will help to maintain continuity with achievements made so far and strengthen trust between the Governments, the EU and

		implementing partners. The Association Agreement (AA) roadmaps signed by Georgia, Ukraine and Moldova represent an additional key framework for EU-AA countries closer collaboration. In line with the EU Directives, these agreements indicate the key priority areas for approximation, including cooperation on trans-boundary water resources. The projects will continue to support inter-countries Working Group on water management.
Environmental protection is not a political priority	L/M	Through the ratification of the AA, Georgia, Moldova and Ukraine committed to approximate their legislation, including the environmental chapters to the EU <i>aquis</i> . This shows increasing political commitment to align to EU directives including those related to environment. In Belarus, environment has been identified as a priority area of support and the EPIRB result-oriented monitoring (ROM) report 2013 indicated that ownership of environmental projects by national stakeholders is quite high. In Armenia and Azerbaijan, the EU will strengthen political dialogue to ensure that activities are framed within the national political agenda. The regional approach will be instrumental to address issues of concerns among countries related to the trans-boundary nature of water resources in the region. The projects will thus contribute to inform decision makers and raise awareness on environmental protection at all stages of implementation, maintaining a political dialogue with the Government and stakeholders.
Change/lack of human resources	M	The projects will work with a wide number of experts and provide training of trainers in order to create additional skilled human resources.
Assumptions		
<ol style="list-style-type: none"> 1. The EaP countries are committed to continue working with the ENP Action Plans which includes promotion of international, regional and cross-border cooperation in the environmental field. Although Belarus doesn't have an ENP Action Plan, the Government identified Environment as a key priority for EU support. In addition to that, specific commitments are made by Ukraine, Georgia and Moldova with the ratification of the AAs. 2. The EaP countries are allocating necessary resources for the development and 		

implementation of policy reforms and to support/scale up pilot projects.

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

The document "2014-2020 orientations for European Union Regional support in the field of water management in the Eastern Partnership ", the Result Oriented Monitoring 2013 reports (ROM ID: C-279666) on EPIRB and the study in 2014 "Global Assessment+ of EU support provided in the region in the fields of environmental governance and green economy, water management and climate change in the Eastern Partnership countries³⁴ (2007- 2013)" provide fundamental lessons learnt from EPIRB and EUWI projects that constitute the basis for this Action. The key lessons outlined by these documents are summarised below:

- Support on water is highly relevant to the needs of the countries, additional technical assistance is needed to address legal and institutional weaknesses to ensure approximation to EU acquis. Experiences from EU Member States on river basins management, i.e. Danube or Rhine rivers, would benefit the EaP countries for moving forward the approximation process.
- Project ownership and usefulness of the projects were based on the combined content: producing technical, legal and institutional documents, executing training and field surveys. However capacity building trainings should be further demand-driven, involving more local stakeholders and setting a clear timetable of trainings in each country and at regional level. Trainings of trainers will be beneficial to develop skilled technicians in the region.

³⁴ This study has been finalised in January 2015.

- Pilot projects fulfilled conditions of testing legal and institutional documents and provided training and field surveys options.
- Partner countries are interested in learning of the new approaches and methodologies regarding the WFD and related directives.
- Partner countries are hampered by lack of adequate budgets for operations and maintenance, water infrastructure deteriorated, high water losses, permitting procedures not adequate.
- Joint field surveys have showed a positive result of strengthening trans-boundary cooperation. Further support will be beneficial for increasing regional cooperation in the region.
- EPIRB and EUWI projects would benefit of more close linkages to ensure effective policy development and implementation at river basins level.

3.2. Complementarity, synergy and donor coordination

The implementation of the WFD provides good opportunities to strengthen coordination among donors in the field of water management and identify synergies and complementarities. Under Result 1, the National Policy Dialogue will specifically address coordination among donors, including Member States Agencies and with the Government.

The European Commission will ensure that the EU projects in the region are coordinated, notably the project Shared Information Environmental Information System (SEIS East) and the project Improving Environmental Monitoring of the Black Sea. In addition, the Commission will ensure coordination with investments related to environment and water supported by the Neighbourhood Investment Facility (NIF). The regular review of the NIF financing plan will ensure timely and consistent interventions by the NIF in the water management sector. Coordination will be also set up with relevant units of the Joint Research Institute which is leading research projects in the area of environment and water in the EaP countries.

The Programme for Prevention, Preparedness and Response to Natural and Man-made Disasters for EaP countries (PPRD East) will focus on the approximation to the EU Directive on floods. Close coordination will be ensured with this Action in order to avoid possible overlapping and ensure synergies among the projects.

A programme of support to regional dialogues on the water-energy-food security nexus and the establishment of action plans is being prepared under Global Public Goods and Challenges thematic envelope led by the Directorate General for International Development and Cooperation. Synergies will be established in order to integrate the Eastern Partnership region in the overall coordination of nexus dialogues.

Funds from the EU Technical Assistance and Information Exchange (TAIEX) could be mobilised for short term technical assistance missions on country-specific issues. A joint assessment of countries' requests is regularly done by Commission line Directorates to ensure consistency and avoid duplication of interventions. Twinning could be selectively used to meet specific technical demands by partner countries. Finally, coordination with bilateral support programmes managed by EU Delegations will be ensured through close collaboration with EU delegations.

3.3. Cross-cutting issues

According to the International Panel on Climate Change, climate change will have a profound influence on the availability and seasonal variability of water resources. Climate change issues will be taken into account in the implementation of the activities, specifically regarding ensuring mainstreaming of climate change issues in policy development and implementation. In addition, other sectors may impact or be impacted by water resources, such as agriculture, biodiversity and energy. Activities will consider to address the nexus with energy and agriculture as well as issues regarding protection of biodiversity as requested by the WFD.

Good governance is a key objective of the Action and it is addressed in both results by strengthening capacities for policy development, monitoring and implementation. Whenever possible and feasible, efforts will be made to promote women's participation in the implementation of the activities through their involvement at project level. Specifically, elaboration of river basins management plans may include a gender analysis and propose option to mainstream gender.

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results

The objective of the action is to improve the management of water resources, in particular of trans-boundary rivers, in the Eastern Partnership countries.

The specific objective is to achieve convergence of national policies and strategies with the EU Water Framework Directive (WFD), Integrated Water Resource Management (IWRM), Multilateral Environmental Agreements (MEAs) as well as the implementation of selected measures.

The results of the action are:

- Result 1: Legal and regulatory framework improved in line with the WFD, IWRM and MEAs.

- Result 2: River Basins Management Plans designed and implemented in line with the WFD principles.
- Result 3: Lessons learnt are regularly collected, shared and communicated to stakeholders.

4.2. Main activities

Outputs and key activities under each result are presented below. Priorities of action will be identified based on specific countries' needs, and, specifically for the Association Agreement (AA) countries, activities will be aligned and consistent to the AA Roadmap.

Result 1: Legal and regulatory framework improved in line with the WFD, IWRM and MEAs

This result specifically builds on the achievement to date and lessons learnt of the EUWI project which will finish beginning of 2016. It focuses on improving legislative and governance framework on water management as per requirements of the EU WFD, IWRM and MEAs. Output 1.1 is dedicated to strengthening coordination mechanisms within the governments and donors and between these and stakeholders to move forward the approximation to the EU *acquis*. Under Output 1.2, the focus is on enhancing capacities at local, national and regional level for the development of policies and strategies.

Output 1.1: National and regional coordination mechanisms in place to support planning, approval and implementation of legal and regulatory framework in line with the WFD, IWRM and MEAs.

This output builds on the experience of the National Policy Dialogues (NPDs) supported under EUWI (2012-2016). The NPDs provides platform for dialogue among key stakeholders to advance water policy. The NPDs will be mainly composed by: key ministerial bodies of various sectors i.e. environment, energy, transport and agriculture; local bodies in charge of river basins management; civil society organisations, academia and citizens; private sector; donors. Regular interministerial/inter-sectoral/multi-stakeholder coordination among key stakeholders will contribute to raise awareness and support the process of mainstreaming environmental issues in development plans, policies and budgetary framework. The NPDs will serve as platforms for:

- coordination among national authorities
- steering the legislative reforms and the implementation of policies, strategies and legislation with specific support on approximation to *EU acquis*.
- inclusion and engagement of civil society in the process of policy development
- contribution to regional coordination with the aim of developing and strengthening of cooperation on trans-boundary rivers.
- mechanisms for establishing closer coordination between the government and donors. In this way, the NPDs will contribute to effective division of labour and allocation of international resources.

Under this result, analytical work will be prepared to support policy reforms and river basin organisations on the implementation on river basins management plans. Based on the discussions held during the NPDs, a set of priorities will be identified and supported by targeted capacity building activities led under output 1.2.

Key Activities:

- Organisation of regular National Policy Dialogues (at least one per year), based on countries' needs.
- Preparation of analytical work to support policy reforms and implementation of river basins management plans.
- Review of progress and collection of lessons learnt on legal and regulatory reforms.

Output 1.2: Technical capacity is built within national and/or river basins authorities for the development of policies, strategies and budgetary framework in line with WFD, IWRM and MEAs.

In accordance with the WFD, training activities will contribute to the development and strengthening of national capacities in the areas of water policy, economic analysis of water use and protected areas. When relevant, complementary support could be provided by TAIEX or twinning mechanisms to further link and promote exchange of experiences with Member States. Target beneficiaries of these trainings are civil servants in charge of the development of policies, strategies and budgetary frameworks. Capacity building and technical support will be provided at national, subnational and international river basin level.

Key Activities:

- Completion and update of the gap analysis at national and regional level on the existing legal and regulatory framework in relation to WFD, IWRM and MEAs. This will include support for the harmonisation of relevant legal and normative acts to the requirement of the WFD.
- Preparation of country and regional training plan based on completion and update of the analysis of training needs at national and regional level.
- Organisation of specialised trainings, coaching and trainings of trainers on WFD, IWRM and MEAs according to training needs analysis and country and regional training plan.
- Ad-hoc technical support for drafting and reviewing policies and strategies in accordance to WFD, IWRM and MEAs, including ensuring public participation.

Result 2: River Basins Management Plans implemented in line with the EU WFD principles

This result specifically builds on the achievements to date and lessons learnt of the EPIRB project which will end beginning of 2016. It aims at addressing needs on the implementation of policies, law and regulations on water management. Under Output 2.1, this result contributes at ensuring that adequate infrastructures and material for laboratories are in place to allow the

effective implementation of the river basin management plans (RBMPs) in selected areas. Under Output 2.2, the result contributes to ensuring that adequate human capacities are in place to allow the effective monitoring the achievement of good ecological status. Within Output 2.3, the result focuses on the follow up of the seven RBMPs developed within the EPIRB project with the objective of contributing to their implementation. Options to develop new river basins management plans will also be considered.

Output 2.1: Adequate infrastructure is available for sound monitoring of water quality and quantity in pilot areas in line with the WFD

This output focuses on setting the key conditions for the implementation of RBMPs in accordance to the WFD. These include the purchase of strategic assets i.e. hydrological and monitoring stations for surface and groundwater quality monitoring, fixed and mobile biological and chemical analytical equipment, material for laboratories and their support for achieving official accreditation to international practices. These activities will be focused on 6-7 pilot areas following up the EPIRB project.

Key Activities:

- Assessment of equipment needs for monitoring quality and quantity of water in designed areas.
- Purchase of equipment, including hydrological and water quality monitoring stations.
- Rehabilitation and upgrade of existing equipment.
- Rehabilitation and upgrade of existing laboratories.
- Technical support to laboratories for accreditation.

Output 2.2: Capacity is developed and strengthened on chemical, hydro-morphological, ecological and biological monitoring of selected river basins in accordance to WFD

This output addresses capacity building needs of the countries and at regional level for trans-boundary water management. Capacity building activities will contribute to the implementation of RBMPs, scale-up and replication of pilot projects. Activities will focus on technical and methodological support including definition of water bodies, inter-calibration, biological monitoring, identification of macro-invertebrates and macro-phytes, ecological monitoring and coastal monitoring. When relevant, support will be also dedicated to improve skills on project management. The country and regional plans will ensure appropriate sequencing of workshops.

Key Activities:

- Review and update of training needs at national and regional level.
- Preparation of country and regional training plans.
- Organisation of hands-on trainings and training of trainers.
- Organisation of joint field surveys in trans-boundary rivers – in coordination with output 2.3.

Output 2.3: Pilot river basins management plans implemented

Building on the activities completed by the EPIRB project in pilot sites, this output will focus on the completion, implementation and monitoring of RBMPs in selected areas. Notably, it will address the needs at river basin, local, country and regional level related to the effective management of river basins. This includes activities related to monitoring of water quality and quantity, joint surveys to assess trans-boundary water bodies and strengthening data quality and data management as well as all other elements required for the implementation of RBMPs. Coordination with EU SEIS East project will be ensured specifically under this output. The EU experience in testing pilot river basins could be used for lessons learned i.e. the experience of the Danube and Rheine.

Key Activities:

- Completion and updating needs under each pilot project.
- Organisation of joint field surveys in trans-boundary rivers.
- Carry out biological, ecological, chemicals surveys as needed to develop and implement the RBMPs, including intercalibration exercise.
- Development and strengthening of national databases on water related issues.
- Ensure compliance of data with SEIS East principles for collection and sharing of data.
- Testing the implementation of economic instruments for efficient water management.
- Investigatory monitoring of water bodies at risk of high pollution or related issues.
- Support the river basins management institutions in the implementation of the RBMPs, including analysis of pressures, integration of all water bodies (surface, groundwater and transitional waters), heavily modified water bodies, application of exemptions, integration of requirements under other legislative frameworks (nitrates-agriculture, plant protection products legislation, nature conservation, integrated permitting, hazardous chemicals and waste management), international cooperation.
- Establish a system for regular monitoring of the implementation of the RBMPs plans of action.
- Support the use of evidence-based data for policy making and review of RBMPs plans of action.
- Support public and stakeholder participation in the preparation, implementation, review and update of RBMPs.

Result 3: Lessons learnt collected, shared and communicated to stakeholders

This result focuses on the communication of key results and involvement of public in the projects activities in order to raise awareness about the efficient water management and the work achieved within the project. This result aims at sharing experiences among stakeholders for possible scaling-up of pilot activities.

Output 3.1: Coordination, awareness and visibility of the project are ensured.

Under this output, it is expected that tailored communication activities are developed to communicate to a variety of stakeholders the lessons learnt of result 1 and result 2. A specific

focus will be on further linking policy development and implementation. Therefore, coordination and communication between results 1 and 2 is ensured through result 3. To increase visibility of the action, discussions on activities and results will be held also within the EaP Platform 2 on Economic Integration and Convergence with EU Policies, dedicated panels (e.g., Panel on Environment and Climate Change) and appropriate national or international fora.

Key Activities:

- Development, regular update and implementation of a communication strategy covering both result 1 and result 2. The Strategy may include: implementation of communication activities for targeted stakeholders, including communication campaigns, TV reports, school information sessions etc.
- Organisation of exchanges among stakeholders of pilot projects developed under result 2.
- Establishment of a mechanism for sharing information and communication between result 1 and result 2.
- Organisation of events to discuss/exchange practices developed under result 1 and result 2 with stakeholders.

4.3. Intervention logic

Based on the lessons learnt highlighted in section 2.1, result 1 will serve for addressing key gaps in the legislative and regulation framework, whereas result 2 will concentrate on improving the implementation of legislations and policies on water management with a specific focus on trans-boundary issues. Result 3 will ensure appropriate linkages between the first two results and will focus on communication and sharing experiences for possible scale-up of pilot projects.

5. IMPLEMENTATION

5.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of the adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3. Implementation modalities

5.3.1 *Grant: direct award for the implementation of result 1 (direct management)*

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The grant implementation modality will be used for implementing result 1 as described in sections 4.1 and 4.2 above. This grant will support the implementation of EUWI+ specifically on the strengthening of the legal and regulatory framework in line with the WFD, IWRM and MEA with a view to achieving the following outputs:

- Output 1.1: National and regional coordination mechanisms in place to support planning, approval and implementation of legal and regulatory framework in line with the WFD, IWRM and MEAs.
- Output 1.2: Technical capacity is built within national and/or river basins authorities for the development of policies, strategies and budgetary framework in line with WFD, IWRM and MEAs.

(b) Justification of a direct grant

Article 190(1) (f) of Commission Delegated Regulation (EU) No 1268/2012 authorises that grants be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation, on condition that the actions concerned do not fall within the scope of a call for proposals. On this basis and under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to an international organisation having relevant specific experience and capacities in the fields of intervention. For the reasons detailed below, the United Nations Economic Commission for Europe (UNECE) and the Organisation for Economic Co-operation and Development (OECD) have been identified as the most suitable entities. The grant will be awarded to either one of the two organisations or to both acting in partnership, depending on the outcome of the grant contract preparation phase.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because UNECE has a specific mandate on the Water Convention and has supported the countries in the regions since many years with successful results. The OECD is specialised on providing policy advice on economic instruments for efficient water pricing and has already provided support in this region in this area of work. Both organisations are implementing partners under the EUWI project and have successfully assisted in reforming water policies in the countries. Through their work, these organisations have developed a specific wealth of experience and knowledge as well as a very extensive network of contacts at the political and technical levels to pursue the policy reforms in the water sector that form the core objective of this component of the action. Furthermore, both the OECD and UNECE have established strong relationships with governments and key stakeholders in

each country in the proposed fields of intervention. This provides these organisations with a unique capacity of acting at the highest level, which has been identified as a key factor for steering the reform of the partner countries legal and regulatory frameworks towards EU standards and norms (WFD, IWRM and MEAs).

(c) Eligibility conditions

Not applicable.

(d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the action; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 95%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

4th trimester of 2015.

5.3.2 Grant: direct award for the implementation of result 2 and result 3 (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The grant implementation modality will be used for implementing result 2 and result 3 as described in sections 4.1 and 4.2 above. This grant will support the implementation of EUWI+ on the improvement of the management of rivers according to RBMPs principles of the WFD and on the dissemination of lessons learnt and exchange of experiences, with a view to achieving the following outputs:

Result 2:

- Output 2.1: Adequate infrastructure is available for sound monitoring of water quality and quantity in pilot areas in line with the WFD
- Output 2.2: Capacity is developed and strengthened on chemical, hydro-morphological, ecological and biological monitoring of selected river basins in accordance to WFD
- Output 2.3: Pilot River Basins Management Plans implemented

Result 3:

- Output 3.1: Targeted communication activities implemented

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to EU Member States public entities specialised on management of water resources. Identification and selection of the entity(ies) having the required qualifications, capacity and experience for implementing the planned activities will be done through a consultation of Member States administrations.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the EU Member States public entities specialised in the management of water resources have a specific and unique knowledge of EU acquis in the field of water management. Thanks to their experience as public bodies entrusted with the implementation and enforcement of the relevant legal framework, these entities are the most appropriate to accompany the EaP countries in implementing the river basins management approach in line with the EU WFD. These entities will also be able to share their experiences and lessons learnt in the implementation of EU directives.

(c) Eligibility conditions

Not applicable.

(d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the action; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 95 %.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

Third trimester of 2016.

5.4. Alternative implementation modalities for results 2 and 3

For the reasons explained in section 5.3.2, awarding a direct grant under direct management to EU Member States public entities specialised in management of water resources has been identified as the most suitable for implementing results 2 and 3.

It is however sensible to consider an alternative implementation approach should it reveal not possible to conclude the planned grant contract due to certain factors that cannot be mitigated at this stage. In particular the following risks have been identified:

- No EU Member States specialised entities show an interest in implementing the activities;
- The EU Member States specialised entities that express an interest do not have the necessary and/or appropriate qualifications, capacity and experience;
- Capable EU Member States specialised entities show an interest but do not have the legal mandate or the adequate/sufficient financial and/or human resources;
- The timeframe for concluding the grant agreement reveals insufficient for allowing capable EU Member States specialised entities to reserve or allocate the necessary national budgetary resources due to public budget planning constraints.

In such case, the following implementation approach will be followed.

5.4.1 Output 2.1: indirect management with an international organisation

The purpose of output 2.1 is to provide partner countries with the adequate infrastructure for monitoring water quality and quantity in pilot areas in line with the WFD. This component of the action may be alternatively implemented in indirect management with the United Nations Development Programme (UNDP) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012.

This implementation entails procurement of infrastructure for water quality and water quantity, upgrade of laboratories and related activities.

This implementation is justified because UNDP has in the Eastern Partnership countries an extensive experience in these activities and in this particular field. The organisation has furthermore the required capacity, inter alia through its offices in each of the six countries, which is considered as a key element for implementing the planned activities.

The entrusted entity would carry out the following budget-implementation tasks:

- Purchase of equipment, including hydrological and water quality monitoring stations
- Rehabilitation and upgrade of existing equipment
- Rehabilitation and upgrade of existing laboratories

The entrusted entity would also carry out the following ancillary tasks:

- Assessment of equipment needs for monitoring quality and quantity of water in designed areas
- Technical support to laboratories for accreditation

The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, this international organisations can be entrusted with budget-implementation tasks under indirect management.

The intended trimester to conclude the delegation agreement is the 4th quarter of 2016.

5.4.2 Outputs 2.2, 2.3 and 3.1: procurement (direct management)

The purpose of outputs 2.2, 2.3 and 3.1 is to provide capacity building, to accompany and monitor the implementation of pilot RBMPs and ensure coordination, awareness and visibility of all components of the action. This component of the action may be alternatively implemented through procurement (service contract with a Contractor having adequate qualifications and experience in the field of water management and related EU Directives).

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Output 2.2 Output 2.3 Output 3.1	Services	1 or 2	3 rd trimester of 2016

5.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Budget Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6. Indicative budget

Basis implementation modalities

Budget	EU contribution (amount in EUR)	Cofinancing (indicative)
Result 1 – outputs 1.1 and 1.2 Grant – Direct award to UNECE or/and OECD (section 5.3.1)	EUR 7 million	EUR 0.4 million
Result 2 - outputs 2.1 – 2.2 – 2.3 Result 3 – output 3.1 Grant – Direct award to EU Member States entity(ies) specialised in water resources management (section 5.3.2)	EUR 16.5 million	EUR 0.9 million
Total	EUR 23.5 million	EUR 1.3 million

Alternative implementation modalities (section 5.4)

Budget	EU contribution (amount in EUR)	Cofinancing (indicative)
Result 1 – outputs 1.1 and 1.2 Grant – Direct award to UNECE or/and OECD (section 5.3.1)	EUR 7 million	EUR 0.4 million
Result 2 output 2.1 Indirect management with UNDP	EUR 7.2 million	EUR 0.4 million

(section 5.4.1)		
Result 2 - outputs 2.2 and 2.3 Result 3 – output 3.1 Procurement (direct management) (section 5.4.2)	EUR 9.3 million	Not applicable
Total	EUR 23.5 million	EUR 0.8 million

5.7. Organisational set-up and responsibilities

The responsibility of the project lies with Commission. The steering of the project will be led by Directorate-General for Neighbourhood and Enlargement Negotiations.

An annual Steering Committee will be led by Commission services (Neighbourhood and Enlargement Negotiations) for reviewing the three results of the project and guide the way forward with main stakeholders. Other Commission services (such Environment, International Cooperation and Development, Joint Research Centre) and the European External Action Service will be closely associated.

The Steering Committee will be held back-to-back when possible to high level events, such as the Water Directors Meeting and the EaP Platform 2 on Economic Integration and Convergence with EU Policies, or panels on environmental governance, in order to allow discussion of results of the projects among EU Member States and EaP Governments.

A permanent office is envisaged in each country to directly support the implementation of the project for all results.

5.8. Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. This system of monitoring and reporting should also help to analyse the impact of the action. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed, and of the budget details for the action. as well as progress on impact. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9. Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that innovative actions on river basins management practices will be tested.

The Commission shall inform the implementing partners at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner countries and other key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.10. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

Where applicable the provisions included in the framework administrative agreement signed with the United Nations and/or with the OECD will apply.

5.11. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action³⁵ shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Where applicable the provisions included in the framework administrative agreement signed with the United Nations and/or with the OECD will apply.

³⁵ http://ec.europa.eu/europeaid/communication-and-visibility-manual-eu-external-actions_en.



This action is funded by the European Union

ANNEX III

of the Commission Implementing Decision on the ENI East Regional Action Programme 2015
part.2

Action Document for Neighbourhood Civil Society Facility Regional Actions 2015

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in section 5.3.1 concerning grants awarded directly without a call for proposals.

1. Title/basic act/ CRIS number	Neighbourhood Civil Society Facility Regional Actions 2015 CRIS number: ENI/2015/038-124 financed under European Neighbourhood Instrument
2. Zone benefiting from the action/location	Eastern Partnership countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) - 2014-2020 Strategy Paper 2014-2020 and Multiannual Indicative Programme 2014-2017 for Regional East
4. Sector of concentration/ thematic area	Eastern Partnership – Objective 3: Enhance civil society’s role as a vector for reform
5. Amounts concerned	Total estimated cost: EUR 5,080,000 Total amount of EU budget contribution: EUR 5,000,000

	<p>The contribution is for an amount of:</p> <ul style="list-style-type: none"> - EUR 5,000,000 from the general budget of the European Union for 2015 <p>This action is co-financed by potential grant beneficiary for an indicative amount of EUR 80,000</p>			
6. Aid modality(ies) and implementation modality(ies)	<p>Project Modality</p> <p>Direct management - Grants – direct award</p> <p>Direct management - Procurement of services</p>			
7. DAC code(s)	15150 - Democratic participation and civil society			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	NA			

SUMMARY

The overall objective of this action is to strengthen and promote civil society's role in reforms and democratic changes taking place in the Eastern Neighbourhood countries by:

- Contributing to an improvement of the environment in which civil society organisations (CSOs) operate (i.e. ensuring an “**enabling environment**” exists in partner countries);
- Strengthening **CSOs capacities** to promote reform and increase public accountability;

- Increasing **interaction between CSOs and authorities** at the national level and local level.

The action will build on the ongoing and planned activities for support to civil society in the Eastern Partnership countries, at bilateral and regional level and will include two main components:

1. A **monitoring tool for enabling environment** for civil society development in the Eastern Partnership countries;
2. A Regional Technical Assistance project to act as **integrator and capitalisation centre**, creating synergies between the various bilateral and regional initiatives and contributing to the replication and sustainability of results.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 EU Policy Framework

The Joint Communication on “**A new response to a changing Neighbourhood**”³⁶ of May 2011, the culmination of a comprehensive review of the European Neighbourhood Policy (ENP) launched in 2010, outlined a new approach towards EU’s neighbours to the East and South, based on mutual accountability and a shared commitment to respecting universal values, international human rights standards, democracy and the rule of law. Acknowledging civil society’s role to contribute to policy-making and hold governments to account, the Communication committed to supporting a greater role for civil society actors through a partnership with societies, helping civil society actors develop their advocacy capacity, the ability to monitor reform and their role in implementing, monitoring and evaluating EU programmes. The Communication proposed the establishment of a Civil Society Facility to provide funding for civil society actors. The **Neighbourhood Civil Society Facility** attempts to move beyond simply providing financial support to civil society organisations (CSOs), towards enhancing engagement with civil society and increasing its involvement in the policy dialogue at the country level. The Neighbourhood Civil Society Facility addresses three main aspects:

- Strengthening civil society actors' **capacities** to promote national reform and increase public accountability, to enable them to become stronger actors in driving reform at national level and stronger partners in the implementation of ENP objectives.

³⁶ COM(2011)303 of 25 May 2011.

- Strengthening civil society actors through **support to regional and country projects**, by supplementing the funding available through thematic programmes and instruments.
- Increasing involvement of civil society actors in selected EU-partner countries **policy dialogues and in the implementation of bilateral programmes**.

This action is part of the Neighbourhood Civil Society Facility and aims to build upon the activities supported through the Facility in 2011-2014.

In September 2012, the Commission adopted the Communication “**The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations**”³⁷. The policy proposes an enhanced and more strategic EU engagement with CSOs in partner countries, with a particular focus on local civil society organisations. It also outlines a new approach to support CSOs with regards to the promotion of inclusive and sustainable growth as well as in social service delivery. The Communication emphasizes the need to ensure the existence of an enabling environment for civil society organisations (which goes beyond the mere existence laws on freedom of assembly, association and expression).

The Communication also envisages the **elaboration of Roadmaps** at country level. The purpose of the Roadmaps is to develop a **common strategic framework** for the engagement of EU Delegations and Member States with civil society at country level, with a view to improving the **impact, predictability and visibility** of EU actions. Roadmaps are also intended to improve the **consistency** of EU cooperation vis-à-vis civil society, across sectors and instruments, and to progressively promote better **coordination** within EU Delegations, Member States and other relevant actors. The first generation of the Roadmaps covers the period **2014-2017**. Roadmaps should be seen **as a continuous process** and they should be **updated** when major changes in the context take place. A second generation of Roadmaps will then cover the period 2018-2020.

Reflecting the increased focus on engagement with civil society and allowing for a proper implementation of Roadmap priorities, more resources than ever before are dedicated to strengthening the capacities of civil society organisations in the region. With the new multi-annual financial framework (2014 – 2017), indicatively 5% of countries' assistance is foreseen to be channeled towards civil society support.

EU Delegations in Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova³⁸ and Ukraine all have or intend to programme civil society actions, mainly focused on capacity development. With the indicative allocation of 5% of the bilateral envelopes to civil society actions, **funding available for civil society organisations at national level is higher than it has ever been**: indicatively an overall bilateral allocation of almost EUR 40 million is planned only for 2014-

³⁷ COM(2012) 492 of 12 September 2012.

³⁸ Hereinafter referred to as Moldova.

2015³⁹ compared to EUR 40 million for the entire half of the previous programming period (2011-2013).

At regional level, with the creation in 2009 of the **Eastern Partnership Civil Society Forum** the EU sought a broader and more intensive engagement with all civil society stakeholders already involved in the implementation of the Eastern Partnership (EaP). The Forum brings together CSOs from the six EaP countries and from EU Member States to exchange views and formulate policy recommendations on national and EU policies.

Support to civil society networks and platforms, as well CSO-led regional projects, is foreseen to continue in 2014-2017.

1.1.2. Stakeholder analysis

The programme will primarily support civil society actors in the wide definition of the term: non-governmental organisations; organisations representing national and/or ethnic minorities; local citizens' groups and traders' associations; cooperatives, trade unions, organisations representing economic and social interests; local organisations (including networks) involved in decentralised regional cooperation and integration; consumer organisations; women's and youth organisations; cross-border associations, non-governmental associations and independent foundations.

Local authorities in partner countries, defined as "decentralised bodies in the partner countries, such as regions, departments, provinces and municipalities" may also be addressed.

Other stakeholders involved are partner government authorities, which should be associated to the action which ultimately aims to foster public institutions' ability and willingness to associate civil society actors in policy dialogues, reforms and cooperation activities.

1.1.3 Priority areas for support/problem analysis

Problem analysis

The mappings of civil society carried out in the Eastern Partnership countries in 2014 show that, although there are important differences between the partner countries in terms the environment in which they operate, their capacities and their actual involvement in the policy dialogue, there are certain common traits which become apparent in an analysis of the region.

Overall CSO landscape:

- There is a high number of registered CSOs, but a limited percentage of active organisations;
- In all partner countries, there are significant discrepancies between CSOs in the capital and CSOs in the regions;

³⁹ This is subject to change until the finalisation of the programming process for bilateral funds.

- There is an increase in the number of non-formal civic groups;
- An increased number of CSOs use online tools to disseminate information and involve more people, especially youth, in public activities;
- In Georgia, Moldova and Ukraine CSOs are starting to use ICT tools for transparency, accountability and participation in order to monitor the activities of various public authorities, gather evidence from the public on problems encountered with public services and conduct evidence-based advocacy campaigns and media campaigns.

Enabling environment:

- The legal environment governing the registration and operations of CSOs is generally favourable in most countries, with the exception of Azerbaijan and Belarus;
- Most civil society organisations depend to a very large extent on donor funding which leads to a situation in which donors become the drivers of the agenda;
- Membership fees, donations and government funding are second rank sources for CSOs;
- Charity, individual or corporate, has not, yet, become an important source of CSOs' revenues. Direct donations from businesses remain a rare form of CSO funding;
- Tax regulations do not encourage individual or corporate donations;
- Cooperation, coordination and consolidation with other CSOs are vital in order to improve the access to and participation in policy development. Unfortunately, donor dependency and strong competition for funding limits CSOs willingness to partner with each other in order to gain more influence.

CSO capacities:

- More efforts are needed in particular regarding the development of technical expertise, internal governance and improving links to constituencies.

Public perception:

- Public trust in CSOs is generally low;
- The visibility of civil society actions is limited, although there are some good examples in the region of civil society and media cooperation.

Interaction with public authorities;

- In recent years, efforts for decentralisation and modernising public administration have pushed central governments in the Eastern Partnership countries to attributing increased responsibilities to local authorities involving for example management/maintenance of water supply, roads, public light, waste, schools and kindergartens, social housing, social integration and shelter as well as other communal services. However, decentralisation initiatives have not always been accompanied by an adequate level of autonomy, capacity development and financial resources, leaving local authorities' empowerment incomplete. Nevertheless local authorities are increasingly taking own initiatives when defining their future development and increasingly influencing central governments on issues that are particularly important at local level. In this context, it is crucial to support local

authorities and civil society to develop joint solutions to common social and economic development challenges and to improve good governance at local level;

- In most countries, progress is visible in terms of increased opportunities for CSOs to participate in policy formulation and monitoring. However, reforms in the more sensitive areas (such as financial reform, energy and environment) tend to be undertaken with significantly less consultations and civil society involvement;
- In general policy dialogue is weakened by a shortage of resources, and most importantly, the low capacities of public servants and their relative mistrust of civil society organisations.

Priority areas:

Taking the above into account, this action will aim to contribute to an improvement of the environment in which civil society organisations operate, to strengthen CSOs **capacities** and to **increasing interaction** between CSOs and authorities at the national level and local level.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Diversity of the EaP countries in terms of their willingness to associate with the EU and the EaP region.	H	Although the willingness and pace of partner countries towards EaP goals varies greatly, the multilateral dimension of the Eastern Partnership has shown that on specific technical issues cooperation is not only possible, but desired by partner countries. Similarly, civil society organisations in the region do have areas of common interest, be it migration or environment or human rights issues.
Shrinking space for civil society operation in some of the EaP countries, in particular Azerbaijan.	H	The risk of deterioration of the working environment for civil society actors will find a certain measure of mitigation in the fact that a monitoring tool will be developed which will allow for evidence-based advocacy for an improved enabling environment for civil society actors. Furthermore, the EU includes in its political dialogue with partner countries the requirement to engage with civil society actors at the national level and to

		promote a more enabling environment for the work of civil society. However, there is a risk of inadvertently involving GoNGOs ('Governmental' NGOs) in the political dialogue which, of course, would undermine to a large extent the entire democratic exercise. Particular attention will be paid by the Delegations and Commission services to making sure that the involvement of GoNGOs is limited.
The credibility of civil society in general in EaP countries is not very high.	M	Civil society's credibility in partner countries can be partly improved by disseminating the results of CSO actions and CSO led projects.
There is a risk that the authorities do not see the added value of involving CSOs in the policy dialogue or that they do not provide an enabling environment that put in place modern and transparent institutions to encourage accountability and good governance and ensure fair and transparent rules of the game.	M	Capacity building measures for public authorities will be implemented in several EaP countries at bilateral level. Additionally, this action will include a twinning pilot project which aims to increase the capacity of public authorities to engage with CSOs.
Assumptions		
<ul style="list-style-type: none"> • There must be some degree of political stability in the region; • Basic elements of an enabling environment must exist in the partner countries (including a certain degree of freedom of association); • Civil society actors need to have some access to information on policies and the functioning of the legislative and budgetary processes; • Public authorities must be willing to consider that CSO involvement in policy-making could bring added-value, at least in some areas; • CSOs must be interested in engaging in policy dialogues; • The government must allow some 'space' for the involvement and intervention of civil society; • CSOs must have some basic capacities allowing them to interact with international 		

donors and their own government;

- There must be some accountability mechanisms in place allowing civil society to hold government accountable for its actions.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

At the beginning of 2014 the Commission requested a **special report on “ROM and support to civil society in the Neighbourhood East”** which aimed at providing a critical analysis of the performance of EU-funded civil society projects, with a view to draw lessons and to improve project design and project management. The team analysed the ROM (result-oriented monitoring) reports of 76 CSO projects and developed several recommendations, out of which the most relevant are:

- In order to help address the most common challenges faced by beneficiaries it would be worth considering having **projects of longer durations**, possibly five years;
- All project stakeholders should hold more formal and informal events involving several projects to increase the **level of synergy between different projects**;
- There is a need to **improve the dissemination of results and experiences** which can also be done via the many databases and websites that have been set up previously.

From 2011 to 2014, **over 100 CSO-led projects** were selected through the Neighbourhood Civil Society Facility in the Eastern Partnership region. In 2014 alone, several calls for proposals for civil society organisations were launched at bilateral and regional level.

In total only seven CSO-led regional projects were selected through the 2014 regional call for proposals⁴⁰ aiming to develop the capacities of civil society organisations by facilitating partnerships between stronger and weaker CSOs and by encouraging ‘learning by doing’ through a strong sub-granting component. Taking into account that almost 200 applications were received only for the Neighbourhood East lot, the success rate for this lot of the call was 3.5% which shows **the high absorption capacity of CSOs from the region** and the ‘appetite’ for regional projects which allow for twinnings and exchanges between more experienced and less experienced CSOs.

These EU-funded projects support very diverse issues, from service provision to engagement with governments on important reforms at local and national level. The results of the various grant projects with civil society range from better living conditions for vulnerable groups (such as children with disabilities) to increased capacities of civil society to carry out budgetary

⁴⁰ Call for proposals EuropeAid/135811/DH/ACT/Multi (Neighbourhood Civil Society Facility - Regional actions)..

analysis and expenditure tracking in order to make sure that public spending is transparent and responds to citizens' needs. This diversity and the relatively high number of projects, make it crucial to **create synergies** between the various ongoing and planned initiatives at regional and bilateral level and **capitalise on project results**, contributing to the replication of successful activities and to their sustainability.

Additionally, the ongoing regional technical assistance project '*Civil Society. Dialogue for Progress*' includes several components: mappings of civil society in partner countries, capacity development activities, support to multi-stakeholder dialogues and communication and visibility. The project started at the end of 2012 and lasts for 36 months. Its implementation so far provides some important lessons learnt for any future technical assistance project supporting civil society:

- Civil society organisations from the partner countries should be more regularly involved in project implementation, not only during project steering committees. The Eastern Partnership Civil Society Forum National Platforms could serve as links between the project and project stakeholders in each country, in particular the civil society community;
- Mappings or updates of the mappings require significant quality check to be performed by independent experts, outside of the project consortium;
- Experts should be recruited through open calls published on the project website and through other channels, in order to avoid tensions with the local partners, as well as the mistrust of other civil society representatives;
- Civil society visibility should be improved and efforts increased, for example through media campaigns, demonstration of success stories, CSO fairs, etc.;
- Assistance should be rendered for match-making between CSOs in the region and potential partners within the EU;
- One of the main challenges remains the final elaboration of strategies for phasing out the project support. Sustainable solutions need to be identified for each project component. The development and full implementation of a phasing out and sustainability strategy should have high priority.

3.2 Complementarity, synergy and donor coordination

EU Delegations in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine all intend to programme civil society actions, mainly focused on capacity development. With the indicative allocation of 5% of the bilateral envelopes to civil society actions, funding available for civil society organisations at national level is higher than it has ever been.

Additionally several CSO-led regional projects were selected through the 2014 regional call for proposals aiming to develop the capacities of civil society organisations by facilitating partnerships between stronger and weaker CSOs and by encouraging ‘learning by doing’ through a strong sub-granting component.

The regional technical assistance project ‘Civil Society. Dialogue for Progress’ includes mappings, capacity development activities, support to multi-stakeholder dialogues and visibility actions.

The Eastern Partnership Civil Society Forum is also supported through a EUR 3 million grant managed by the EaP Civil Society Forum Secretariat, as well as through other bilateral support to the National Platforms (for example, in Georgia).

As previously mentioned, one of the main aims of this action will be to ensure synergies between the various ongoing and planned initiatives.

The European Instrument for Democracy and Human Rights (EIDHR) and Civil Society and Local Authorities (CSO-LA) thematic programmes under the Development Co-operation Instrument have a global coverage and are implemented largely through calls for proposals under which applicants, mainly civil society, have a right of initiative. These calls for proposals are launched at national level by EU Delegations and at regional level by the Commission Headquarters.

Under Priority 2 of the CSO-LA thematic programme, the EU aims at strengthening representative, membership-based and actor-based⁴¹ regional, EU and global non-thematic⁴² civil society umbrella organisations, in order to maximize the effectiveness of their work as development actors in their own right and contributors to policy-making, on development related topics at global and regional levels (including the EU). The local authorities-focused part of the programme aims to "empower local authorities and national associations of local authorities, to enable them to contribute to the achievement of more effective development objectives while responding to citizens’ demands and promote inclusive and sustainable local development".

In the implementation of the present action, complementarity will be ensured with existing support through EIDHR, CSO-LA and other thematic programmes.

⁴¹ “Actor-based” umbrella organisations are understood as structures that gather civil society organisations belonging to the same family of actors, such as, inter alia, non-governmental organisations, cooperatives, trade unions, employers’ organisations, foundations, etc.

⁴² Non-thematic umbrella organisations focus on general development issues such as, inter alia, development effectiveness, capacity building of development actors, and creation of enabling environment for CSOs. Non thematic umbrella organisations can be understood as opposed to organisations that focus on thematic fields such as, inter alia, climate change, education, health, migration.

By promoting a participatory approach and reinforcing the role of citizens and civil society at local level, the **Eastern Partnership Flagship Initiative on Municipal Development** will also complement this action.

The activities of other donors directed towards supporting civil society, in particular EU Member States (like the Swedish International Development Cooperation Agency SIDA), other international organisations (like the World Bank) or development agencies (like the American Agency for International Development USAID), will be taken into account. At regional level, regular informal meetings with SIDA representatives take place in order to avoid overlaps of activities.

At bilateral level, the Roadmaps for EU Engagement with Civil Society provide the most important framework for donor coordination on engagement with CSOs.

EU Delegations will keep other donors informed of progress of this action in the context of country-level donor coordination groups.

3.3 Cross-cutting issues

The action aims at reinforcing civil society actors' contribution to the decision-making process and foster interaction between authorities and civil society. This participatory approach to decision-making is at the heart of the good governance principles, and a core element of democracy. The Civil Society Facility aims to enhance the accountability of the governments and the reforms implemented vis-à-vis a structured and solid civil society.

In line with the Communication on “Gender Equality and Women Empowerment in Development Cooperation”⁴³, the monitoring tool for an enabling environment for civil society development will include indicators on women’s representation and participation in decision-making, allowing for evidence-based advocacy campaigns on gender issues. The capacity development activities will also target women CSOs in need of strengthening, for example, their skills in the areas of lobbying, advocacy, gender analysis and budgetary literacy. The tools for transparency, accountability and participation will contribute to an increased democratic control on how public funding is spent, ensuring a fairer allocation of resources.

The implementation of activities will capitalise on the existing thematic, regional and bilateral programmes already implemented with civil society actors active in the field of gender equality and support to youth.

⁴³ COM(2007)100 of 8 March 2007.7

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective is to strengthen and promote civil society's role in reforms and democratic changes taking place in the Eastern Neighbourhood countries, through increased participation in the fulfilment of Neighbourhood Policy objectives.

The following specific objectives will be addressed:

- Contributing to an improvement of the environment in which civil society organisations operate (i.e. ensuring an “**enabling environment**” exists in partner countries);
- Strengthening CSOs **capacities** to promote reform and increase public accountability;
- **Increasing interaction** between CSOs and authorities at the national level and local level;

Main results:

Enabling environment:

R1. The environment in which CSOs operate is regularly monitored by civil society, recommendations produced and evidence-based advocacy campaigns initiated aiming to introduce changes in favour of a more enabling environment for CSOs.

R2. Local stakeholders have a better understanding of issues on enabling environment for CSOs and solid basis for advocacy for an improved legal framework for CSOs.

Reform and public accountability

R3. The capacities of CSOs are strengthened and their effectiveness is improved, in particular their ability to monitor government actions and track budgetary spending.

R4. An analysis of existing ICT tools for transparency, accountability and participation is carried out and solutions proposed for the development of future initiatives which would contribute to an increased ability of CSOs to hold governments accountable for their action, as well as lead to the improvement of public services.

Increased interaction between CSO and public authorities

R5. Cooperation and networking among targeted CSOs and between CSOs and other stakeholders are strengthened.

R6. Public awareness of CSOs' activities is raised.

R7. The public image of CSOs has improved.

R8. The capacity of local authorities to engage with civil society organisations is improved through exchanges with civil servants from the EU member States.

4.2 Main activities

The action will include two components as detailed below. The activities are separated into two components due to their different nature: the monitoring tool for enabling environment for civil society development will be implemented by a civil society organisation with specific expertise in the area (the European Center for Not-for-Profit Law); and the capitalisation activities will be implemented through technical assistance.

Component 1: Monitoring tool for enabling environment for civil society development in the Eastern Partnership countries

The European Center for Not-for-Profit Law⁴⁴ will provide leadership and technical expertise in the development of a regional monitoring tool (matrix) on enabling environment for civil society development specific for the Eastern Partnership region. In addition, the tool will be accompanied by an explanatory document for its implementation, methodology for monitoring, templates for reporting and plans for advocacy.

This work will be carried out in close cooperation with the Secretariat of the Civil Society Forum for Eastern Partnership⁴⁵ and with local civil society organisations experts in each of six countries of the EaP region.

The monitoring will focus on existing regulation to guarantee fundamental freedoms, such as freedom of association, of assembly, and of expression and their implementation in practice. In addition, the tool will address broader enabling environment issues that affect the work of the CSOs and are of particular importance for the region (e.g. tax incentives, cooperation with authorities, fundraising regulation). The monitoring tool will also include a specific sub-area on human resources which will reflect on employment in the CSO sector. The review of practice will also include indicators on gender representation in CSOs (including number of women employed in the CSO sector, salary level, involvement of women in CSO leadership) in order to aggregate data and provide basis for advocacy. In addition, data on women's participation in policy-making processes will be collected and analysed.

Country specific reports with specific recommendations for reform and advocacy will be developed by local partners of ECNL (CSOs from the EaP countries). Each country report will

⁴⁴ The European Center for Not-for-Profit Law, based in Budapest (Hungary) is a European resource and research centre in the field of policies and law affecting civil society (www.ecnl.org).

⁴⁵ www.eap-csf.eu/en/about-eap-csf/.

be presented to the local stakeholders: CSOs and, if appropriate in the context, to government and donors.

ECNL will summarize all findings in one regional report with recommendations for actions on the regional level to support exchanges of best practices as well as joint learning and advocacy.

ECNL will apply a methodology which will respect local ownership over the tool and the results and facilitate consultative processes in the development and implementation of the tool through expert meetings and in-country workshops. To achieve this ECNL will invest in the capacity building of CSO experts from their local partner organisations, who will be developing and implementing the tool, and will provide expertise to help them identify the issues and design the outputs. The results of the monitoring will be translated in local languages (and/or Russian) and will be made available online on a separate webpage dedicated to these tools. After the first year of implementation of the tool, ECNL will support the local CSOs to undertake an evaluation of the tool and accompanying documents and make any revisions and adjustments necessary for future effective implementation.

Although the purpose of the monitoring tool is not to rank partner countries, it will constitute a reference base allowing CSOs, governments and donors to more accurately assess partner countries' progress towards international/European standards for an enabling environment and keep track of developments in this area. The tool can also feed into the monitoring of "EU Country Roadmaps for Engagement with Civil Society".

Partner country government buy-in will be sought from the start, by involving partner country representatives in the development of the methodology and by including them in the process of implementing recommendations. EU Delegations will play an important role in promoting these recommendations and operationalizing the monitoring tool.

The monitoring tool will build on the first two years of implementation of the monitoring matrix for enabling environment for civil society development for the Western Balkans and Turkey⁴⁶, as well as relevant global monitoring tools such as the "Enabling Environment National Assessment"⁴⁷. The experience of the Western Balkan and Turkey shows that tools such as the matrix can be operational, allowing civil society organisations to better target their advocacy efforts.

Related activities (linking to results R1 and R2):

A1: The **monitoring tool** on enabling environment for civil society development will be developed with specific focus for the Eastern Partnership region by ECNL and its partners. The tool will be accompanied by implementation tools to allow for monitoring, reporting and setting advocacy priorities.

⁴⁶ Developed by ENCL together with partners in the Balkan Region.

⁴⁷ Developed by ENCL together with the international NGO CIVICUS (www.civicus.org).

A2: **Public consultations** in partner countries will be organised in order to validate the monitoring tool.

A3: **Yearly country reports**, and a **comparative baseline** study (i.e. regional report) will be produced and recommendations issued⁴⁸.

Civil society organisations from the Eastern Partnership region will be closely associated to the exercise in all stages of implementation. Alongside ECNL's local partners, the Eastern Partnership Civil Society Forum will be consulted on the methodology, results of the baseline study and recommendations.

Component 2: Regional technical assistance project to act as integrator and capitalisation centre

The technical assistance project will aim to create synergies between the various ongoing and planned initiatives at regional and bilateral level. It will aim to act as a **capitalisation centre**, creating synergies between these initiatives and contributing to the replication and sustainability of some of the results.

The following activities will be carried out:

A4 (linking to R1): Building on the civil society mappings carried out by the first regional technical assistance project 'Civil Society. Dialogue for Progress' (2013-2015), new thematically or regionally focused mappings will be produced, on a request basis. These mappings will not include an analysis of the environment in which civil society organisations operate, as this will be covered by the monitoring tool and respective country and regional reports produced by ECNL. Additionally the indicators included in the Roadmaps for EU support to civil society will be monitored;

A5 (linking to R3): **E-learning courses and webinars** will be developed based on the most relevant/successful capacity development activities carried out bilaterally and regionally. This will entail a selection of best content, translation from local languages to English and Russian (and vice versa, if needed), adaptation to the e-learning environment, hosting and moderating the e-learning courses and webinars. New content may be developed particularly on issues of a cross-cutting nature, such as gender analysis or budgetary literacy. The courses will remain publically available and accessible at the end of the project, preferably through a partnership with an established e-learning platform. Additionally the content will also be promoted through the channels of the EaP Civil Society Forum Secretariat.

A6 (linking to R4) – **Analysis of ICT tools** for transparency and **organisation of a series of hackathons**⁴⁹ in the Eastern Partnership region.

⁴⁸ At a later stage, CSO-led advocacy campaigns could be financed based on the recommendations regarding legislation and practice.

Technology alone is not the solution, but it is an essential tool in holding governments to account and ensuring that public policies and services respond to citizen's needs. Examples of ICT tools for transparency, accountability and participation include:

- **Interactive mapping** for election monitoring, citizens reporting, crime mapping, human rights reporting, budget and financial transactions.
- The **application of mobile telephony and web technology** for information, dialogue and participation purposes. SMS, voice or web reporting for citizens reporting issues with service delivery, data collection (Community Scorecards and Citizen Report Cards), citizen journalism, election monitoring.

An analysis of existing ICT tools for transparency, accountability and participation in the Eastern Partnership region will be carried out and **solutions and recommendations proposed** for the development of future initiatives in this area which would contribute to an increased ability of CSOs to hold governments accountable for their action, as well as lead to the improvement of public services.

In parallel, a **series of hackathons**⁵⁰ will be organised in partner countries bringing together **young programmers and representatives of civil society organisations** in order to develop new ideas and tools for transparency, accountability and participation which would be relevant to the Eastern Partnership countries. The hackathons will be organised in Eastern Partnership countries and will last an average of 3 days. At the end of each event, participants will vote for the best ICT tool developed during the hackathon and the technical assistance team will then ensure that this idea will be fully developed and launched by the winning team in the following months. The new tools should become widely available free of charge for all CSOs and if relevant for the large public.

Taking into account the gender gap in the ICT sector in terms of employment, it is quite likely that the hackathons will attract a significantly higher number of men. However, in order to ensure that the ICT tools developed during the events will equally benefit women and will be equally used by them, focus groups will be organised in order to test the user friendliness of proposed solutions. Additionally during these events, ICT tools for reporting crimes particularly affecting women will also be developed.

A7 (linking to R5, R6 and R7): The beneficiaries of regional and bilateral EU grant funds will be supported in developing **communication activities** in order to increase the public awareness of CSOs, improve their public image and promote EU support to civil society in a more consistent and coherent manner. The technical assistance project will also initiate additional communication activities aiming to increase the visibility of EU support to civil society in the region, as well as the visibility of CSOs results. More concretely, examples include: media campaigns, press

⁴⁹ An event in which a large number of people meet to engage in collaborative computer programming.

⁵⁰ Transparency International has previously organised similar events: www.transparency.org/hackathon/.

conferences, CSO fairs, matchmaking events for CSOs from the partner countries and the EU⁵¹, exchanges of best practices, awareness rising campaigns on various issues, such as alternative sources of funding for CSOs (e.g. corporate social responsibility).

A8 (linking to R8): Pilot project - Twinning actions which aim to increase the capacity of public authorities to engage with CSOs will be supported.

Several EU Delegations have included capacity building for local authorities in the Roadmaps and some have already integrated this component into their programming. The technical assistance will aim to capitalise on these bilateral initiatives, as well as support other similar initiatives in those partner countries which have not yet tackled this issue. The technical assistance will also build on the experience and lessons learned under the Eastern Partnership Municipal Flagship Initiative (notably Covenant of Mayors and the Mayors for Economic Growth) in these countries. The technical assistance will facilitate exchanges of experience and issue recommendations on how future initiatives could be structured.

In those countries where capacity development for public authorities on engaging with civil society organisations is not yet financed from the bilateral allocation of 2014-2015, the technical assistance team will implement small pilot projects, i.e. facilitate and organise exchanges between EU and partner countries' civil servants on issues of CSO involvement, such as: developing CSO-government strategies, monitoring and reporting on CSO involvement in the line ministries activities, consultation procedures, inter-service coordination and mandate definition, quality standards and monitoring procedures for services, legal aspects of entrusting civil society organisations with services provision, etc.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months (indicative duration of contracts: 48 months) from the date of the adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

⁵¹ The involvement of newer EU Members States may be particularly relevant in this respect.

5.3 Implementation modalities

5.3.1. Grant: direct award for the implementation “Monitoring tool for enabling environment for civil society development in the Eastern Partnership countries” (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The grant implementation modality will be used for implementing component 1 as described in sections 4.1 and 4.2 above. The main objective is to contribute to an improvement of the environment in which civil society organisations operate in the Eastern Partnership countries, with the following planned results:

R1. The environment in which CSOs operate is regularly monitored, recommendations produced and changes introduced in order to ensure a more enabling environment for CSOs.

R2. Local stakeholders have a better understanding of issues on enabling environment for CSOs and solid basis for advocacy for improved legal framework for CSOs.

(b) Justification of a direct grant

Article 190(1) (f) of Commission Delegated Regulation (EU) No 1268/2012 authorises that grants be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation, on condition that the actions concerned do not fall within the scope of a call for proposals. On this basis and under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to the European Center for Not-for-Profit Law (ECNL).

Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because of ECNL competence, high degree of specialisation, strong proven experience in the field, and its unique methodology used to assess the environment in which civil society organisations operate.

In particular, ECNL gained unique expertise and experience in preparing similar monitoring tools for the Western Balkan region. The Monitoring Matrix on Enabling Environment for Civil Society Development in the Balkans was developed with leadership and expertise of ECNL, together with members of the Balkan Civil Society Development Network. ECNL also supported Commission services (ex-Directorate-General for Enlargement) in the development of the Guidelines for EU Support to Civil Society in Enlargement Countries, 2014-2020⁵². In addition, ECNL recently developed a monitoring tool specific for the processes of consultation in policy and law making in Turkey.

⁵² http://ec.europa.eu/enlargement/pdf/civil_society/doc_guidelines_cs_support.pdf.

The ECNL core team which will work on the monitoring tool for the EaP will be led by two experts who led the processes in Western Balkan and Turkey and a Russian speaking policy expert who has been implementing ECNL programmes in the EaP region for over 8 years. ECNL will also rely on the comparative expertise of other ECNL legal advisors and make it available to the partner CSOs.

ECNL, with its affiliate the International Centre for Not-for-Profit Law (ICNL)⁵³, currently has ongoing programmes in support of enabling CSO law reform in each country of the EaP region and has been engaged in the region directly since 2007.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the action; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

First trimester of 2016.

5.3.2. Procurement (direct management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Component 2 as described under section 4.2	Services	1	First trimester of 2016

⁵³ www/incl.org.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

Component	EU contribution (in EUR)	Beneficiary contribution (in EUR)	Total amount
Component 1 Grant – Direct award (direct management)	740,000	80,000	820,000
Component 2 Procurement (direct management)	4,260,000	Not applicable	4,260,000
TOTAL	5,000,000	80,000	5,080,000

5.6 Organisational set-up and responsibilities

This action will be managed by Commission Services (Directorate-General for Neighbourhood and Enlargement Negotiations) and, where relevant in close collaboration with other relevant EU institutional stakeholders (European Parliament, European External Action Service, EU Member States).

Civil society organisations from the Eastern Partnership region will be closely associated, in all stages of implementation, to the exercise of adapting the monitoring matrix for an enabling environment for civil society development. Alongside ECNL's local partners, the Eastern Partnership Civil Society Forum will be consulted on the methodology, results of the baseline study and recommendations.

Civil society organisations will be given preference for the implementation of the technical assistance project. The consortium leader will be required to have significant experience with implementing civil society projects of a similar nature.. A Project Steering Committee will be

created, bringing together the technical assistance team, representatives of EU institutions and the Eastern Partnership Civil Society Forum, as well as other civil society representatives, including women's organisations. The technical assistance project will be implemented in close cooperation with the EU Delegations and the Secretariat of the Eastern Partnership Civil Society Forum.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the nature of the action, mid-term and final evaluations may be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to launching potential follow-up actions.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), in particular taking into account the fact that the action will include a pilot project on twinning for public authorities.

The Commission shall inform the implementing partner at least 14 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on

the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.55 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries, contractors and/or, grant beneficiaries. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Visibility and communication in the partner countries will be carried out with the support of EU Delegations.

The EaP Civil Society Forum Secretariat will promote the action through its regular electronic newsletter, publications on the Civil Society Forum website⁵⁴ and social media (Facebook, Twitter and LinkedIn account).

Platforms such as the EU Neighbourhood Info Centre⁵⁵ (the websites of the EaP Civil Society Forum National Platforms, and the website of the regional technical assistance component will also be important channels for communication and visibility.

⁵⁴ www.eap-csf.eu/.

Relevant information will also be shared with the new EEAS East strategic communication team, which seeks to develop links with civil society, given the latter's role as media watchdog and information multiplier.

When information will be disseminated on project activities (e-learning, webinars, hackathons, etc.) particular efforts will be made to reach out to women's organisations.

⁵⁵ www.enpi-info.eu/.



This action is funded by the European Union

ANNEX IV

of the Commission Implementing Decision on the ENI East Regional Action Programme 2015
part.2

**Action Document for European Union Border Assistance Mission to the Republic of
Moldova and Ukraine (EUBAM 11)**

1. Title/basic act/ CRIS number	European Union Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM 11) CRIS number: ENI/2015/038-159 + ENI/2016/038-356 financed under European Neighbourhood Instrument
2. Zone benefiting from the action/location	Republic of Moldova and Ukraine
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) 2014-2020 Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)
4. Sector of concentration/ thematic area	Civilian peace-building, conflict prevention and resolution
5. Amounts concerned	Total estimated cost: EUR 16 million Total amount of EU budget contribution: EUR 16 million - EUR 8 million from the general budget of the European

	Union for 2015; and - EUR 8 million from the general budget of the European Union for 2016, subject to the availability of appropriations following the adoption of the relevant budget			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with the International Organization for Migration (IOM)			
7. DAC code(s)	15220 - Civilian peace-building, conflict prevention and resolution			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			

SUMMARY

In 2005, the EU Border Assistance Mission (EUBAM) began its operations as an emergency, Rapid Response Mission, funded on a six months basis. Since then, it has developed into a complex and unique undertaking, whose mandate includes providing technical advice, development of partner services, and organising confidence-building measures related to the technical aspects of the settlement of the Transnistrian conflict.

The Mission is a technical assistance, monitoring and advisory body focused on improved functioning at all levels in favour of national institutions from the Republic of Moldova⁵⁶ and Ukraine that are responsible for border management, customs control and related work. The basis of its intervention is a Memorandum of Understanding (MoU) concluded among Moldova, Ukraine and the European Commission in 2005. In line with the MoU, the main areas of Mission's activity were focused on enhancing border management, advancing on the settlement of the Transnistrian conflict, aligning the national standards in Moldova and Ukraine to those of the European Union, building capacities to counteract trans-national organised and cross-border crime, contributing to compliance and trade facilitation, the implementation of trade policy measures and the modernization of customs procedures, and supporting the anti-corruption efforts of partners, focusing on the implementation of EU principles of good governance.

⁵⁶ Hereinafter referred to as Moldova.

The 11th phase of the Mission which should start its implementation after the expiration of the previous phase on 30 November 2015 will give particular emphasis to further work on promoting border and customs cooperation between Moldova and Ukraine, stronger involvement of EUBAM in Confidence Building Measures, enhancement of border monitoring activities on the Transnistrian segment, monitoring of the implementation of Visa Liberalisation and of the Deep and Comprehensive Free Trade Area (DCFTA) agreements, including facilitation of the external trade from Ukraine and Moldova and verification of normative and legislative initiatives impacting on the Transnistrian region.

Moreover, EUBAM tripartite MoU is in the process of being adapted to a changed reality since 2005 and proposed changes are expected to be agreed by national authorities of the partner countries before the start of the new project phase. The new MoU also foresees the preparation of an exit strategy and transition for long-term sustainability. This should be based on a mid-term evaluation (to take place towards the end of 2016).

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

After the demise of the Soviet Union in early 90's of the past century, Ukraine and Moldova have encountered similar development challenges, such as political instability, limited economic growth, demise of socio-economic infrastructure, corruption, just to name a few. Moldova and Ukraine are, reportedly, among the poorest countries in Europe.

The region of Transnistria unilaterally proclaimed independence from Moldova in 1992, one year after the dissolution of the Soviet Union. A short conflict ensued, with some 1,000 casualties. A ceasefire brokered with Russian mediation left Tiraspol in control of the region east of Nistru River in a self-proclaimed Republic of Transnistria. Since then, the conflict has been “frozen”. Since September 2005, the EU and the United States have been participating as observers in the negotiation process in the enlarged format "5+2".

Following a request from Moldova and Ukraine in June 2005, the EU decided to launch an EU Border Assistance Mission (EUBAM) which was inaugurated on 30 November 2005 after the Commission had signed a Memorandum of Understanding with Moldova and Ukraine on 7 October 2005. Since then, EUBAM enjoyed high political support from all stakeholders. Importantly, the Mission has also enjoyed continued attention and political and financial support from the EU, including not only the Commission but also EU Member States. The latter's active

involvement as stakeholders in, and contributors to, EUBAM, has been a key element in the Mission's success to date. This has enabled EUBAM to operate effectively and help achieve improvements in cross-border cooperation and the fight against cross-border criminal activities, especially against large-scale smuggling and fraud. EUBAM's activities also proved that much needs to be done in order to bring border and customs control procedures in line with EU standards.

In 2010 passenger traffic was resumed between Chisinau and Odessa via Tiraspol and the Transnistria region. In 2012, rail freight was resumed between Moldova and Ukraine via Transnistria.

1.1.1 Public Policy Assessment and EU Policy Framework

A decisive step in upgrading EU bilateral relations with each of the partner countries was made by concluding in 2014 the Association Agreements, including a Deep and Comprehensive Free Trade Area (DCFTA). In addition to these, as of April 2014 Moldova enjoys a visa-free regime with the EU.

The EU's involvement increased trust and cooperation between Moldova and Ukraine and led to important results: (i) a Joint Declaration signed by the Prime Ministers of Moldova and Ukraine on 30 December 2005, set in place the May 2003 bilateral customs agreement which enforcement started on 3 March 2006; (ii) two Protocols on mutual exchange of preliminary, analytical, operational and statistical information on goods and persons were signed, one between the customs services and another between the border guard services at the 5th Trilateral meeting in Brussels on 21 November 2006; (iii) Moldova simplified the registration of Transnistrian enterprises with the State Registration Chamber in March 2006 and extended access to preferential trade certificates of origin to temporarily registered Transnistrian-based companies which has been an important step forward towards reintegration between the two banks of Nistru river. In December 2009, important progress was made with the start of the demarcation of the central segment of the Moldovan-Ukrainian state border. The technical process of demarcation is close to completion.

In Ukraine, the cabinet of Ministers of Ukraine approved the Integrated Border Management (IBM) Concept on 27 October 2010 and its Action Plan on 5 January 2011. By listing its five main dimensions, the IBM Concept contained a clear reference to the EU IBM Strategy approved by the Council Conclusions in December 2006. The IBM Concept of Ukraine is very closely linked to the implementation of the action plan on visa liberalization (in particular block II of the visa liberalization action plan "Illegal Migration including Readmission"), as well as to the Development Concept of the State Border Guard Service of Ukraine for the period till 2015 and

the Concept of Reforming the Performance of the State Customs Service of Ukraine "Facing the People".

In Moldova, the Government approved the National Strategy on Integrated State Border Management by a decision on the 27 December 2010 for the period of 2011-2013. The Action Plan for the implementation of the National Strategy on Integrated State Border Management was approved by a government decree on 16 May 2011. The IBM Strategy clearly referred to the dimensions of the EU IBM Strategy. The overall responsibility to implement tasks arising from the Strategy and action plan is vested in the National Council on IBM, which coordinates the activity of the agencies involved in the implementation of the IBM. Moldovan authorities have issued a new IBM Strategy for 2015-2018.

As a result of the reform process from 1 July 2012 the former Border Guard Service of Moldova has been integrated under the Ministry of Internal Affairs (MoI), remaining a separate authority with the name of MoI Border Police Department. The new agency is carrying out its tasks based on the new law on State Border and law on Border Police, which entered into force on 1 July 2012.

Both Ukraine and Moldova continued working towards a peaceful settlement of the Transnistria conflict and the effective implementation of the 2003 bilateral customs regime. Moreover, both countries expressed their satisfaction with EUBAM's work and the assistance which is provided by the Mission on numerous occasions; this resulted in a tripartite agreement to extend the Mission's mandate for further two years until November 2011. Moldova and Ukraine indicated their interest in an extension focused on a number of issues, most of which are already covered by the current mandate. Consequently, the mandate of the Mission was extended until November 2015. All relevant authorities cooperate with the Mission which is an important indicator regarding the project's consistency with the partner Government's policies and strategies.

The "5+2" negotiation process on the resolution of the Transnistrian conflict was resumed in 2011, although no significant outcome has been seen so far. The situation in the field remains very much as it has been for the last few years. The need for practical confidence-building measures is recognised by all parties and EUBAM should continue to propose and contribute to implementation of such measures in coordination with the current Confidence Building Measures programme implemented by the EU Delegation to Moldova (CBM IV programme under Annual Action Programme 2013 in favour of Moldova).

1.1.2 Stakeholder analysis

The project priorities are based on the MoU and have been discussed with the national stakeholders in the EUBAM Advisory Board meetings held twice a year, as well as in the meetings between the Head of Mission and national partners in Ukraine and since October 2009 with the authorities in Moldova.

The key stakeholders of the project are the Customs Service under the Ministry of Finance of the Republic of Moldova (Moldova CS), the State Fiscal Service of Ukraine (Ukraine SFS), the Border Police under the Ministry of Internal Affairs of the Republic of Moldova (Moldova BP), the State Border Guard Service of Ukraine (Ukraine SBGS), the Reintegration Bureau of the Republic of Moldova, selected law enforcement authorities, as well as food safety authorities (veterinary, sanitary, and phytosanitary agencies) from both countries.

Moldova CS is directly subordinated to the Ministry of Finance. Its organizational structure consists of the Headquarters, which includes the management, represented by Director General, 2 departments, formed by divisions and sections and separate divisions. Each division includes sections and/or sectors. On the territorial level there are 7 customs houses and 106 customs posts (internal and border ones). Customs houses and customs posts operate in the field, levy the import/export duties, conduct the customs control, fight the customs frauds and carry out other duties. Total manpower of Moldova CS is about 1,614 customs officers, 300 in the Central Apparatus and 1314 in the customs houses.

Border Police of the Republic of Moldova is the autonomous national authority subordinated to the Ministry of Interior of the Republic of Moldova. The Border Police is created on basis of reorganization of the Border Guards Service of Moldova (from 1 July 2012), which has at the moment a total manpower of 3,553 persons that were demilitarized and granted a special status.

The total manpower of the State Border Guard Service of Ukraine is about 50,000, including 8,000 civilians. The Ukraine SBGS switched to a contracted personnel system in 2008. The organisational structure of the Ukraine SBGS has four levels: Central Administration in Kiev, Regional Directorates (5), Border Guard Detachments (26 geographical and 10 mobile) under command of the Regional Directorates, and Border Guard (BG) Units (Border Crossing Points - BCPs, Border Surveillance Posts and Marine Guards).

After repetitive re-structuring of the customs administration, in 2014 the customs authorities were merged in the newly created State Fiscal Service (together with tax authorities). The service

consists of 27 administration departments (of which 4 are directly devoted to customs matters), and 27 regional customs departments.

The National Food Safety Agency of the Republic of Moldova under the Prime Minister of Republic of Moldova had been established on January 16, 2013 on the basis of the Law No.113 from May 18, 2012 through the reorganisation of a number of institutions responsible for the control and supervision in the food safety area. It is responsible for the implementation of the state policies related to the food safety in the sanitary-veterinary, animal breeding and plants protection standards. The Agency is also responsible for the control of the exports and imports of the food and animal and plant related products to ensure their compliance to the EU norms and food safety standards as per the EU- Moldova DCFTA commitments.

Ukraine's manpower in the food safety domain is about 32,000, among which 4,065 state officials. The organisational structure has three levels: central in Kiev, main Departments of Veterinary Medicine in the Autonomous Republic of Crimea, oblasts, Kyiv, and Sevastopol (27); departments of Veterinary Medicine in districts (486), Departments of Veterinary Medicine in cities of oblast level (100). Also there are Regional Services of State Veterinary and Sanitary Control at the State Border and Transport (6) and their structural units – border posts of state veterinary control (119). A number of hospitals and state laboratories also belong to the service.

The businesses, trade/travel-related organisations (traders, freight forwarders, customs brokers, and transportation industry and travel companies) and the population at large are the final beneficiary of the project. With the introduction of visa liberalisation in Moldova (2014) and hopefully Ukraine in 2015-2016, as well as the start of implementation of DCFTA in both countries in 2016, EU-aligned principles and practices of integrated border management should benefit the mobility and trade facilitation of passengers/businesses.

1.1.3 Priority areas for support/problem analysis

EUBAM's efforts to assist the four primary partner services in Ukraine and Moldova (and possibly other control agencies present at the border) in the adoption and application of EU standards in their operational capacities have been highly relevant and largely effective. After 10 years of implementation, however, EUBAM needs to redirect resources and efforts to new functions of verification and rectification of implementation of these EU standards, norms and practices on the ground (task for which it is uniquely qualified and placed alongside Frontex) rather than repetitively transferring these via new theoretical trainings.

Streamlining of the programme should not prevent EUBAM to intervene introducing EU innovations and updates (e.g. modifications as per the newly introduced Schengen Border Code in 2013). Moreover, the Mission shall focus on capacity development and not on capacity substitution. Therefore, measurable results should be entrenched in a revised action plan.

Monitoring, verification and correction could be a mid-term transitional measure to pave the way to an exit strategy, when the partner services have reached a sufficient sustainability point. In the transition period, certain activity domains should be transferred to other projects and programmes of regional or bilateral scope, which are not limited locally. An exit strategy would combine final monitoring, verification and rectification interventions with gradual handover of the ownership of certain activities to partner institutions (e.g. border situation reports drafting, sustaining various thematic working groups, preparation of risk profiles, etc.).

In this respect, Phase 11 of EUBAM shall be focused on the following areas of support:

1. Contribution to promoting border and customs cross-border and interagency cooperation between Moldova and Ukraine in line with the Integrated Border Management principles and respective strategies of both countries, as well as stronger links with other stakeholders (business community, trade-related professional organisations, etc.); EUBAM needs to assist the two countries in planning on how to continue the approximation, to the extent possible, towards the EU border management standards and the Schengen acquis, as well as to facilitate if necessary the establishment of a cooperation with EUROSUR;
2. Stronger involvement in the settlement of the Transnistrian conflict and promotion of the Confidence Building Measures; EUBAM needs to make sure that Moldova and Ukraine have established and are using all the necessary tools and dialogues to cooperate operationally on tackling the illegal movement of goods and people from and to the Transnistria region, and from and to the Odessa region. These are hubs of organised crime, probably the most prominent in the Black Sea, and are a clear crime threat for Ukraine and Moldova as well as the European Union;
3. Support to the implementation of border-related aspects of DCFTA in Ukraine and Moldova, including monitoring and assistance to facilitate the external trade from the Transnistrian region;
4. Support to the implementation of sanitary and phytosanitary import/export controls at the border from partner services on both sides through advanced tools (risk analysis, proportion of e-customs, simplified procedures, etc.);
5. Contribution to verification of normative and legislative initiatives impacting on the Transnistrian region;

6. Further enhancement of on-the-job operational capacities of partner services; EUBAM needs to make sure that Moldova and Ukraine understand and plan how to make the best use of the Frontex EaP regional project;
7. Monitoring of Visa Liberalisation implementation in Moldova and Ukraine.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<p>Geopolitical tensions and less favourable economic performance hamper political stability and post-electoral governments' actions.</p> <p>Lack of commitment and weaknesses in decision making to implement targeted reforms by Governments.</p>	H/M	<p>Intensified policy dialogue with the Governments following (and within) the framework of the Association Agreements, including DCFTA.</p> <p>Advocacy and awareness raising before the benefiting services on the benefits of the targeted reforms</p>
<p>Impact of adverse economic performance and trends.</p> <p>Loose fiscal policies.</p> <p>Weakened financial and budgetary basis.</p>	M	<p>Enhanced governments' capacity to develop, implement and monitor stability-oriented macro-economic policies. Donors' continued commitment and support to maintain or enhance existing external aid levels.</p>

<p>Lack of progress in the “5+2” negotiation process. Reluctance by the government of Moldova to engage with the Transnistrian region.</p> <p>Unwillingness of Transnistrian region authorities to cooperate.</p>	<p>M</p>	<p>Utilisation of alternative channels for intensified policy dialogue with all the partners within the "5+2" negotiation process.</p>
<p>Slow progress of extension of legislation and rules.</p> <p>Resistance to implementing anti-corruption measures.</p>	<p>M</p>	<p>Political pressure by EU and EU Member States and reinforced dialogue with governments based on extended performance monitoring enforced, on efforts of extended anti-corruption legislation and rules, as well as on corruption cases, their legal consequences and achievements.</p>
<p>Certain legislative primary and sub-acts, as well as other government documents prevent the implementation of advocated standards and practices</p>	<p>L</p>	<p>The mission will engage with counterparts, as well as other complementary national/regional assistance projects in order to address/resolve legislative pitfalls.</p>
<p>Beneficiary agencies do not employ standards and practices advocated and transferred by the mission due to internal and external factors</p>	<p>M</p>	<p>Mission will engage in constant cycle of transfer-monitoring-evaluation of implementing of practices and standards and will engage in more intensified corrective action in problematic areas.</p>
<p>Security Situation of the key area of operation of EUBAM significantly deteriorates, which will obstruct/suspend the activities of the</p>	<p>M</p>	<p>Implementing partner will take all measures guaranteeing the security of personnel and premises, and will have contingency plan in the description of</p>

mission		actions
Assumptions		
<ul style="list-style-type: none"> • Ukrainian and Moldovan authorities will remain committed to the reform of their border and customs services, as well as food safety authorities, the fight against corruption, and bilateral co-operation, and will accept (at central, regional and local level) the presence and tasks of the Mission personnel throughout its duration. • EU Member States customs and border police administrations will accept to prolong the secondment of the staff currently engaged in the Mission as well as to suggest further suitably qualified personnel for food safety border controls for reinforcing the Mission; EU Member States will continue contributing towards the successful operation of this Mission, notably through exchange of information. • The engagement of the Mission personnel at all levels of the partner services organisation will improve the management of the border between Moldova and Ukraine and will contribute to improving the effectiveness of controls towards EU standards and best practices, to diminishing risks of corruption, and to curbing the main illegal cross-border flows. • Improved border and customs controls and border surveillance along the whole border as well as inclusive approach towards Tiraspol authorities will be a crucial element in the peaceful resolution of the Transnistrian conflict. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

1. EUBAM has demonstrated that the innovative institutional compromise under which it was established is able to deliver significant results. The integrated interface between this European Commission Mission and the European External Action Service (EEAS), and the enhanced border team which includes personnel seconded directly by EU Member States has provided an excellent framework for the Mission.
2. EUBAM benefits from the mix of professional and national backgrounds and their authentic experience. Increased contextual awareness and attention to linguistic and cultural integration into the communities where mission members live and work has

facilitated institutional links/partnerships between Ukraine and Moldova beneficiary services and those of EU member states.

3. The tasks of a mission such as EUBAM are challenging, particularly in scenarios where there is no immediate accession perspective. The framing of the role of a mission as a partner was carefully created to make it perceived as an opportunity, not a threat. The Mission has an advisory nature and is assisting the partner services. In Phase 11, the EUBAM organisational structure and the number of the staff will be updated to correspond to the specific objectives and to optimise the usage of the Mission's human and administrative resources.
4. After the re-establishing of the May 2003 customs agreement based on the Joint Statement of Moldova's and Ukraine's Prime Ministers, dated 30 December 2005 and enforced as of 3 March 2006, another major success in the settlement process was the issuing of Decree no. 301 by Moldova Government on 17 March 2007 (later replaced by Decree no. 743/2007, establishing more favourable implementing procedures). This new decree amended the Decree no. 815 of 2 August 2005 extending access to preferential trade certificates of origin to companies located in the Transnistrian region of Moldova and temporarily registered in the Moldovan State Registration Chamber. Continued EU technical support to the implementation of the Joint Declaration is required (inter alia, through facilitating dialogue between the two countries, facilitating the exchange of information, risk analysis).
5. EUBAM has successfully contributed to the resumption of customs cooperation between Chisinau and Tiraspol customs structure, and the railway freight traffic across Transnistria, by providing technical analyses and proposals to both sides.
6. Targeting assistance to different law enforcement agencies in the country proved a good tool in facilitating trade and curbing border security risks (smuggling, trafficking in human beings, controlling food safety and countering public health threats, etc.). A more inclusive approach by partner services in line with IBM principles needed to be promoted, notably in the fight against organised crime.
7. Corruption continues to be a serious issue, notably in transport and trade facilitation hubs such as Odessa and Ilichivsk ports.
8. After significant issues with EU visibility under the EUBAM previous implementer (United Nations Development Programme - UNDP), the current one (IOM), agreed to all requirements of EU Delegation, including on the status of senior staff and visibility issues. The visibility of the implementing partner is currently extremely limited in favour of that of the EU. Only EU flags are displayed on stationery and publications of EUBAM, as well as on vehicles and premises.

9. An evaluation of the EUBAM was conducted in the late 2012. The evaluation raised the issue of EUBAM cost effectiveness as regards administrative and financial management. As proposed since 2013, the Mission applies multi-annual budget planning.

3.2 Complementarity, synergy and donor coordination

The Commission has been financing EUBAM-flanking measures under the Regional Action Programmes (RAPs) 2003, 2005 and 2006 as well as under the Cross Border Cooperation (CBC) 2006 with a total of EUR 11.5 million; furthermore, under the Annual Action Programmes (AAPs) 2007 and 2008 in favour of Moldova and Ukraine amounting to EUR 19 million and EUR 5 million respectively. The major objective of these projects is to support Moldovan and Ukrainian partner services in their efforts to approximate to EU standards.

From 2006 to 2010, the Commission was funding IOM implemented and United States co-funded projects aiming at reforming the Ukrainian State Border Guard Service's human resources management (AAP 2003, EUR 4.3 million; AAP 2006, EUR 1 million; HUREMAS projects). The projects targets border management legislation, as well as recruitment, training and career development of border guard personnel. The projects were supported by the Border Guard Services from Hungary and Poland.

At the Ukrainian-Moldovan state border, the United States Defence and Threat Reduction Agency is funding a programme amounting to USD 28 million targeting the fight against proliferation of weapons of mass destruction, nuclear material and components of dual use. Under the United States Millennium Challenge Account, USD 46 million was made available for anti-corruption measures in Ukraine until the end of 2009.

Under the AAP 2010 in favour of Ukraine, a EUR 60 million Sector Policy Support Programme is implemented in the field of border management, in support to the improvement of the sector's management in Ukraine, in particular of the integrated border management strategy. The general objective is to support the efforts of the Ukrainian government to achieve an effective balance between secure borders and the facilitation of legal movements of persons and goods, according to EU standards. As complementary measures, a Twinning project for the State Border Guards Service and customs administration are under preparation in attempt to further support the implementation of IBM elements in Ukraine and bringing state services to EU standards and norms. Several supply contracts for and the border guards are ongoing (EUR 6 million of surveillance and patrolling equipment).

As part of the 2013 AAP in favour of Moldova and in line with the priorities of the EU - Moldova political dialogue, EU allocated EUR 21 million through the Sector Policy Support Programme for the implementation of the EU – Moldova Visa Liberalisation Action Plan

(VLAP). The overall objective of this programme is to contribute to the improvement of the mobility of Moldovan nationals, while ensuring public order and security, consolidating the rule of law and strengthening human rights protection in line with European standards and best comparative practices. Besides this, EU has funded the implementation of the "Fixed and mobile network communications system for Moldovan Border Police", for a total amount of approximately EUR 22 million.

Under the Eastern Partnership - IBM - Flagship Initiative a substantial regional capacity building project is now being implemented, by Frontex in cooperation with the World Customs Organization (WCO), IOM and the International Centre for Migration Policy Development (ICMPD). EUBAM will pay special attention to coordination of activities with this project. Under the Flagship Initiative so-called pilot projects on IBM also target the Moldovan-Ukrainian border (projects on joint patrolling and the construction of a jointly operated BCP at Palanca were launched in December 2014).

Ukraine's and Moldova's state services benefit from large array of events within the TAIEX instrument.

The EU started developing a long-term policy in the field of justice, freedom and security with both countries since at least 2000. Besides the EU, the international actors involved in border-related assistance in Moldova and Ukraine include the Organisation for Security and Cooperation in Europe (OSCE) and the United States (including a programme to support customs and border guards in Moldova and Ukraine), as well as IOM and the United Nations System Agencies (United Nations High Commissioner for Refugees - UNHCR and UNDP). The EU and the United States are the biggest donors in the border management sphere in both countries. Close cooperation and coordination of activities are ongoing on a permanent basis in order to ensure synergy effects.

In Moldova, EUBAM will work with the European Union High Level Policy Advice Mission (EUHLPAM) in particular in terms of supporting the implementation of policies related to the work of the Border Police and Customs Service, National Anti-corruption Centre, Ministry of Economy, National Food Safety Agency and others. EUBAM should also, in close coordination with the EU Delegation to Moldova, participate in the overall and sector donor coordination meetings, as General Donor Coordination meetings, the anti-corruption and law enforcement donors meeting, as well as in the Donor Coordination meetings on Transnistria. Moreover, in case of border and customs management donor coordination meetings, EUBAM should take the lead in chairing and organisation of these.

In Ukraine, EUBAM will build coordination with the European Union Advisory Mission to Ukraine (EUAM) which main objective is to support the Government of Ukraine in the

preparation and implementation of comprehensive civil sector security sector reform, including aspects of border management and customs affairs, good governance and anticorruption.

EUBAM will participate in donor coordination in the area of border management capacity-development under national ownership by offering a platform for information exchange. This will not duplicate but assist national efforts of donor coordination.

Moldova and Ukraine were among the countries involved in the Söderköping process, aimed at facilitating cross-border co-operation between EU Member States and the Western NIS on asylum, migration and border management issues. Although the EU support to the Söderköping process has come to an end, the Secretariat of the Eastern Partnership Panel on Migration and Asylum managed by IOM continues acting as a resource centre for all countries and international organisations participating in the process.

3.3 Cross-cutting issues

The programme has a strong good governance dimension since prevention of and fight against corruption is targeted. EUBAM has placed a special focus on providing advice to the partner services in this area. Proper border management allows a better protection of victims of trafficking, and proper compliance with human rights standards, notably when dealing with vulnerable groups.

The project will promote and advocate professionalization of the border management in line with best EU practices, thus building of increasingly service-oriented administration based on professional and ethical standards and norms and respect of human rights.

Again by promoting inter-agency cooperation, the project will increase of level of accountability and supervision among services, thus decreasing corruption and other negative practises. The project will fall in the domain of the overall administrative reform.

The dimension of equal opportunity and gender equality will be integrated into all levels of the project. The project will establish a suitable foundation for mainstream gender equality in the future, treating both service women and female travellers/traders. Equal treatment of travellers and businesses should be further promoted by EUBAM.

Environmental aspects are not directly relevant to the project, but promoting e-communication tools and e-based systems (exchange of information, declaration, and learning) will ultimately benefit the environment. Increased capacities of customs/border officers as well as practices such as pre-arrival information could decrease waiting times at borders (notably land ones), which can ultimately result in less air pollution of vehicles fumes. Improvement of border control and management would also have positive impacts on the fight against environment related illegal trafficking (for example wildlife trafficking and illegal movements of waste and chemicals, including pesticides).

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

4.1.1 Main objective

The main objective of the Mission is to monitor, evaluate and provide advice on border and customs control measures and procedures implemented by Moldova and Ukraine, including in particular actively contributing to the settlement of the Transnistrian conflict.

4.1.2 Specific objectives (SO)

SO 1: To contribute to further improvement of border and customs cross-border and interagency cooperation between Moldova and Ukraine, including stronger links with other national and international stakeholders, in line with IBM strategies of both countries;

SO 2: Further enhancement of operational capacities of the partner services in line with the Integrated Border Management principles, including robust internal good governance and anti-corruption measures;

SO 3: Actively contribute to the settlement of the Transnistrian conflict through monitoring and reporting on developments at the border and technical support for the implementation and proactive coordination of Confidence Building Measures; to engage in drafting, verification and rectification of Moldova's legal acts having an impact on the Transnistrian region;

SO 4: To support the smooth implementation of border and customs related aspects of DCFTA in Ukraine and Moldova, including monitoring, technical advice and assistance to facilitate the external trade from the Transnistrian region;

SO 5: To support the effective implementation of efficient veterinary, sanitary and phytosanitary import/export controls at border from partner services on both sides through advanced tools (risk analysis, proportion of e-systems, simplified procedures, etc.)

SO 6: To monitor Visa Liberalisation implementation in Ukraine and post-visa liberalisation in Moldova.

SO 7: To inform and provide timely advice to various types of initiatives (EaP IBM Panel, high level meetings with national partner services, etc.) and in the preparation of an exit strategy and transition for long-term sustainability.

4.1.3 Expected results (ER)

SO 1

ER 1: Efficiency of cross border and customs controls increased as a result of simplified transparent procedures and interagency cooperation at central, regional and local level.

ER 2: Pilot models of IBM successfully replicated and institutionalised along the Ukraine-Moldova border (jointly operated border crossing points - JOBCP, joint control, real-time exchange of information, single window, one-stop shop, interagency mobile groups, etc.).

ER 3: Moldova and Ukraine are able to manage effective networks of cooperation with international partners to combat transnational and cross-border crime.

SO 2

ER 4: Veterinary, phytosanitary/sanitary, border and customs officials at BCPs and entry/exit air and sea-ports utilise correctly and efficiently modern tools for comprehensive situation analysis, risk analysis and profiling (common integrated risk analysis model - CIRAM) and border checks/clearance, in line with EU standards and norms.

SO 3

ER 5: Contribution to settlement of the Transnistrian conflict is achieved, including by enhancing EUBAM's mediator/facilitator role to all stakeholders.

ER 6: Normative and legislative initiatives impacting on Transnistrian region regularly verified.

ER 7: Promotion of Confidence Building Measures by encouraging contacts between both banks of the Nistru River at various levels and fostering dialogue at a technical level.

ER 8: Security measures at the Transnistria segment of the border comply with EU standards and factual information is provided on the movement of people and goods and other relevant developments.

SO 4

ER 9: External trade from Ukraine and Moldova, including from the Transnistrian region, permanently monitored and facilitated, contributing to smooth implementation of DCFTAs.

SO 5

ER 10: Harmonization of border and customs systems between Moldova and Ukraine is strengthened.

ER 11: Moldovan and Ukrainian customs, veterinary, sanitary and phytosanitary regulations, procedures and operations adapted and improved in line with the DCFTA, as well as EU rules and best practices in the area.

SO 6

ER 12: Travellers' checks/control at international and local BCPs are client-oriented and promote mobility while in line with the principles of VLAP, human rights and dignity, as well as replicating best EU standards and practices.

SO 7

ER 13: Comprehensive transition and phase-out Strategy of EUBAM designed and implemented.

4.2 Main activities (indicative)

The main activities will be developed with a global objective of aligning as far as possible with EU standards and best practices, and also in view of sustainability, meaning the progressive development of an exit strategy.

SO 1:

- To mobilise partner services in implementation and further development of Integrated Border Management rules and procedures (pre-arrival information exchange systems, single window, real-time exchange of information, one-stop shop, joint controls, etc.);

- To monitor and correct/adjust implementation of effective border and customs control measures in Moldova and Ukraine with particular attention to the Transnistrian segment (joint patrols, joint border control operations, etc.);
- To support Moldova's and Ukraine's authorities in strengthening bilateral and international cooperation through, among others, the development, implementation and monitoring of border control legislation in relation to the Schengen Acquis;
- To support partners in strengthening their law-enforcement and mutual legal assistance networks of international cooperation to combat transnational and cross-border crime, including IPR violations;
- To advise in the implementation and replication of jointly operated border crossing points;
- To assist in annual evaluation of implementation of IBM principles at Moldova-Ukraine border;
- To support partner services in the implementation of the Smart Border (Intelligent Borders) and e-border principles.

SO 2:

- To ensure the preparation of analytical products by partner services (Common Border Security Assessment Report - CBSAR etc.);
- Together with local partners assess current knowledge of EU practices (IBM principles) and technical capabilities of border agencies at local level;
- To fight corruption by adequate monitoring and by advising Border Guards (Border Police), Customs, other law enforcement agencies and other relevant state agencies on institutional and human resources aspects to prevent corruption;

- To advise on corrective actions local Moldovan and Ukrainian trainers in conducting local on-the-job trainings;

SO 3:

- To closely follow and actively support the "5+2" negotiation process, including participation in the activity and meetings of the thematic working groups;
- To monitor and advise on the implementation of the Joint Declaration and to monitor and assist the control of travellers and goods at the central segment along the Transnistrian segment of the border with Ukraine and the boundary line between the two banks of the Dniester;
- To support confidence building measures and visibility;
- External trade of the Transnistrian region permanently monitored and facilitated on local level with all parties;
- To contribute the process of drafting, verification, rectification and approval of normative and legislative initiatives impacting on the Transnistrian region;

SO4:

- To monitor compliance of the implementation of trade policy measures, especially in the field of veterinary, sanitary and phytosanitary (SPS) and the modernization of customs procedures aiding to the fulfilment of relevant EU requirements in line with DCFTA and EU Customs Blueprints (harmonization and simplification of customs procedures, rules of origin, classification and valuation, accession to relevant EU and international conventions); corrective actions in cases of non-fulfilment;
- To assist partner services in the implementation of the Single Window concept;

- To mediate mutual recognition of standards, procedures and categories of economic actors (Authorised Economic Operator - AEO etc.) between Ukraine, Moldova and Transnistria, and ultimately with EU

SO 5:

- To contribute to the implementation of effective sanitary and phytosanitary (SPS) controls based on risk assessment of goods (with animal or plant origin) at the border with particular attention to the Transnistrian segment;
- To contribute to the implementation of reliable testing, diagnostics and quarantine/destruction measures of goods (with animal or plant origin) by both food safety authorities;
- To contribute to the effective exchange of information (on presence of diseases and pests) between the partner services.

SO 6:

- To support the Moldovan and Ukrainian authorities in implementation of the EU Visa Liberalisation Action Plans (post-liberalisation in case of Moldova) benchmarks in the following areas: border management, migration management, combatting cross-border organized crime and freedom of movement of citizens of both countries;
- To monitor the respect of human rights and dignity of passengers/migrants, with focus on vulnerable groups (temporary facilities, reference mechanisms for refugees and asylum seekers, etc.) at Moldova-Ukraine border;
- To monitor and correct practices on guaranteeing document security (falsified documents, biometrics control, etc.) at Moldova-Ukraine border;
- To mentor partner services at tactical and operational levels in preventing and fighting trans-national organised and cross-border crime – observing and advising permanent Joint Working Groups, etc.;

SO7:

- On request, to support the European Commission and the partner services in the realisation of the Eastern Partnership Flagship initiative on Integrated Border Management;
- On request, to support the implementation of initiatives of EU agencies, Member States and international organisations.
- To submit EUBAM analytical reports and assessments such as special reports, briefings, technical analysis, alerts, newsletters and flash reports to the involved partner services for direct input and tactical purposes, EEAS / European Commission, Committees of the European Council, EU Member States and the administrative partner.
- Ensure close coordination with other projects financed by the EU, EU Member States and international partners including through active participation in established coordination fora.
- To implement a sustainable transition and design phase-out Strategy based on gradual exit of EUBAM activities.

4.3 Intervention logic

Recent developments (AA/DCFTA signatures, Visa Liberalisation for Moldova, advanced process of Visa Liberalisation in Ukraine) require maturity of border management and customs reform and implementation of all related norms, standards and practices in pursuit of EU level of excellence. The role of the mission would be to follow the implementation of these and provide advice in case of final adjustments.

The whole spectrum of the activities should boost the effect of introduced DCFTA and VLAP standards. Facilitating mobility and trade will alleviate burden from trading businesses (simplified procedures, increased e-services, waiting times at border) and provide to travellers client-friendly service, based on ethical and professional norms (treatment of passengers and vulnerable groups, reference mechanisms of irregular migrants and refugees, etc.). This will ultimately positively contribute to the economic development of the region and well-being of population.

The Mission will be responsible for the achievement of the main goal of the project, the seven specific objectives and the expected results are mentioned in points 4.1.1, 4.1.2 and 4.1.3. The main indicative activities required for the implementation and achievement of these are listed in the point 4.2. The indicative list of activities will evolve during the lifetime of the action: new activities will be added as well as new intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

After 10 years of presence and advice on the ground, EUBAM mission should be focused towards finalisation of objectives, set for the mission at its creation in 2005. The investment in a decade of trainings and on-the-job mentoring should be consolidated by monitoring, verification and evaluation of the level of professionalization and modernisation of services, as well as final corrective actions, where necessary. EUBAM should also continue to intervene as needed to introduce EU innovations and updates (e.g. modifications as per the newly introduced Schengen Border Code in 2013).

Along with specifically designed confidence-building measures for Transnistria, improved economic situation and stability will further stimulate interest of Transnistrian economic operators and citizens to benefit from the relaxed trade regime and mobility. Closer cooperation with Transnistrian authorities (agreement on exchange of information, presence of customs officers at BCPs located in Transnistrian) remains key priority of the action. Such probable developments would in turn contribute to the process of peaceful solution of the Transnistrian issue and decreasing hostilities by the three parties.

In the view of eventual phase out of the mission, the efforts of the mission will be equally concentrated on embedding various pre-conditions for sustaining the capacity and operation capability of services which benefited from the EUBAM intervention. Broadly promoting and proliferating intra-, inter-agency and cross border cooperation (single window, joint controls, joint operations, jointly operated border crossing points, sharing of resources), as well as technologically advanced e-tools (smart border, e-customs, etc.) would logically result in reduced need of human and financial resources (financial sustainability). Again, close cooperation and coordination, including trust building measures (exchange of information, joint situation/risk analysis of the border, etc.), would contribute to the more effective and efficient fight against all types of organised crime and corruption in border services. Coordination between agencies also would guarantee a comprehensive multi-dimensional approach to border management which affect various aspects of security, trade, public health and well-being.

While the mission will be implemented by the International Organization for Migration (IOM), genuine and lasting institutional links between beneficiary institutions and EU member states border management services, as well as FRONTEX, should be established by the end of the Phase. National seconded Experts would be natural intermediaries between their respective and beneficiary services. Partnerships would additionally guarantee knowledge transfer on the latest

developments in the field of border management in Europe, and further facilitate border management reform in Ukraine and Moldova, once the Mission has exited the region.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries.

5.2 Indicative implementation period

The maximum indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 32 months (indicative agreement duration: 24 months) from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modality

5.3.1 Indirect management with an international organisation

This action may be implemented in indirect management with the International Organization for Migration (IOM) in accordance with Article 58(1) (c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the management of the administrative, contractual, financial and logistic issues. This implementation is justified because cooperation with IOM would ensure a smooth transition from Phase 10 to Phase 11 and continuity for all the project related activities (IOM is the entity in charge of the current phase - EUBAM 10). IOM offers the specific capacity required for the management of such a specialised project. This is justified by their strong sector expertise (not only on migration but on most related matters of border management) and regional experience, including on bi-national projects involving Ukraine

and/or Moldova, their access to appropriate level of authorities in both countries and their neutral status recognised by all stakeholders.

The entrusted entity would carry out the following budget-implementation tasks: management of EU funds (contracting and payments (liquidation of eligible costs) and recovery); financial monitoring, preparation support for audits.

The entrusted would also carry out the following tasks: assistance with human resources-related documentation and procedures; guidance on procurement and logistics actions; IT and other technical expertise; security procedures; liaison and coordination assistance; and reporting.

The entrusted international organisation has successfully passed the ex-ante assessment in Accordance with Article 61(1) pf Regulation (EU, Euratom) No 966/2012. Considering this and based also on a long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management.

5.3.2 Procurement (direct management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Audit and evaluation	Services	Up to 3	Last trimester 2016* Third trimester 2017**

* using either funds from the budget 2015 or from the budget 2016

** using funds from the budget 2016

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply. The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article

9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

Module	Total	EU contribution
Indirect management with IOM (including visibility)	EUR 15,800,000	EUR 15,800,000
Audit and Evaluation	EUR 200,000	EUR 200,000
Totals	EUR 16,000,000	EUR 16,000,000

5.6 Organisational set-up and responsibilities

All operational and administrative activities which have been delegated to the EUBAM will be prepared, executed and followed-up by the EUBAM Headquarters in close consultation with the project partners. EUBAM will be guided by the Memorandum of Understanding concluded between the European Commission, Moldova and Ukraine, by European Commission/EEAS policy and strategic documents, by the present action definition, as well as by policy and strategic decisions made by the Advisory Board.

On matters related to security and administrative management, the EUBAM will be guided by the applicable Financial Rules and Procedures, Security and Safety guidelines, Internal Control Framework as well as project-specific delegation of authority.

The Mission's activities will take place in Moldova and Ukraine. Most personnel will be located in EUBAM premises in Odessa, while other personnel will be located in national partners' offices, and in the EUBAM Office in Chisinau.

An Advisory Board will provide advice to the Mission concerning the quality and adequacy of its tasks and the implementation of the Memorandum of Understanding, between the European Commission, Moldova and Ukraine, which is expected to be updated before the start of the new phase. The Advisory Board will be chaired by the Commission/EEAS, represented by the Head of EU Delegation to Moldova. The Chair will be supported by the Advisory Board Secretariat.

Advisory Board meetings will be held semi-annually. On behalf of the Chairperson, EUBAM will invite the Advisory Board members and the observers timely in writing.

The EU Delegation to Moldova will manage the contractual implementation of EUBAM. Regular meetings will take place between the EUBAM Offices and appointed staff at the EU Delegation to Moldova and Ukraine for the purposes of reporting, coordination, progress review, consultation and advice. The EU Delegation to Moldova will also facilitate communication and coordination with European Commission and EEAS Headquarters on relevant aspects of EUBAM implementation. Visibility and communication activities will be coordinated with the EU Delegations Communication officers.

The Head of EUBAM will at the same time serve as Senior Political Advisor to the Head of EU Delegation in Moldova, and will provide advice to Head of EU Delegation in Ukraine upon request.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference a log frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The Head of the Mission will submit to the EU Delegation to Moldova regular reports on EUBAM operational issues which are of interest for the EU Member States, the European Commission and EEAS. Indicative minimum requirements for regular reports are:

- Monthly activity reports.
- Monthly analytical reports related to EUBAM's mandate.
- Special reports, when a situation requires immediate information to be provided for EU Member States, the European Commission and EEAS.
- Annual activity report.

The actual reporting frequency will be agreed with the EU Delegation, inter alia taking into account particular circumstances.

The content and distribution of reports to interested partners will be coordinated and agreed with the EU Delegation.

5.8 Evaluation

Having regard to the importance of the action, a mid-term and/or final evaluation will be carried out for this action via independent consultants contracted by the Commission.

The evaluation will be carried out for problem-solving if relevant, for accountability and for learning purposes at various level (including for policy revision), in particular with respect to assessment of the efficiency and continuing need for EUBAM activity. The mid-term evaluation will encompass evaluation of results and impact of EUBAM 10 and mid-term results of EUBAM 11.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner countries and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project and exit strategy.

The financing of the evaluation will be covered with the budget indicated in section 5.5 above.

Where applicable the provisions included in the framework administrative agreement signed with IOM will apply.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for the agreements implementing the action.

In this regard, a financial audit of Phase 10 of EUBAM is foreseen to be contracted by the Commission in the first quarter of 2016.

The financing of the audit shall be covered by the budget indicated in section 5.5 above or by another measure constituting a financing decision.

Where applicable the provisions included in the framework administrative agreement signed with IOM will apply.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner countries, contractors and/or the entrusted entity. Appropriate

contractual obligations shall be included in, respectively, procurement contracts and the delegation agreement.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Where applicable the provisions included in the framework administrative agreement signed with IOM will apply.

