

ANNEX 1: ACTION FICHE FOR ENPI REGIONAL EAST ACTION PROGRAMME 2009

1. IDENTIFICATION

Title/Number	EAST-INVEST CRIS No. 19-654		
Total cost	EC contribution €7 million		
Aid method / Method of implementation	Project Approach - Centralised Management		
DAC-code	25010	Sector	Business Support Services and Institutions

2. RATIONALE

2.1. Sector context

Differences exist between the Eastern Neighbourhood partners¹ with regard to the level of contribution of SMEs to the economy, the degree of support given to the SME sector by the government, and the degree to which private sector SME support organisations are mobilised. Common constraints, faced to a greater or lesser extent by all six countries, are:

- Lack of developed inter-regional and international SME networking mechanisms;
- Lack of specific instruments to attract funding to SMEs;
- Weak investment climates;
- Obstructive business regulatory environments;
- Underdeveloped public-private sector dialogue;
- Lack of independent and competent arbitration judiciaries for the resolution of conflicts.

East-Invest, a regional trade facilitation project, will be launched in 2009 for a three-year period. It will contribute to the economic development of the Eastern ENPI region and to the improvement of its business environment within the context of developing networking: on one hand between the EU and the Eastern ENPI partners and on the other hand between the Eastern partners, in productive-sectors identified as priorities. EAST-Invest will also facilitate the internationalisation process for participating SMEs within the Eastern Partners and the EU.

East-Invest is designed in the context of the ENP which supports the Eastern Neighbours coming closer to the EU. It also comes within the framework of Article 25 of the Paris Declaration which stipulates that "*Partner countries commit to intensify efforts to mobilise domestic resources, strengthen fiscal sustainability, and create an enabling environment for public and private investments*".

In line with the Commission communication of December 2008, the European Council of March 2009 welcomed the establishment of an ambitious Eastern Partnership as a specific Eastern dimension of the European Neighbourhood Policy, to promote stability and prosperity among the EU's Eastern partners and to accelerate reforms, legislative approximation and economic integration. It endorsed the launch of Flagship Initiatives in order to give momentum and concrete substance to the Partnership. This project to be financed in the present Action Programme will support the operation of the Eastern Partnership multilateral framework and advance the development of the Flagship Initiative

¹ The ENP Eastern partners are Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine.

on a SME facility.

2.2. Lessons learnt

The achievements of, challenges facing, and lessons to be learnt from existing EC multilateral SME Networking/Trade Facilitation instruments in other regions where the EC supports similar programmes, are of particular relevance to the establishment of East-Invest, namely AL-Invest, Asia-Invest, PRO-Invest and Invest-in-MED. The lessons learned from these programmes and which should be integrated into East-Invest, are as follows:

- to be a truly demand-driven programme, East-Invest should harness private sector representative organisations in the target countries in self-sustaining networks ;
- to further ensure the demand-driven nature of the programme, its activities should be proposed by Eastern and EU private sector organisations;
- the East-Invest participants will have to take firm commitments, especially by contributing to the financial support of the organised activities;
- considerable effort and an appropriate pump-priming mechanism has to be deployed to ensure minimum time in establishing East-Invest networks ;
- East-Invest activities will have to engender multi-lateral activities ;
- an appropriate monitoring system is incorporated as a key management function.

2.3. Complementary actions

East-Invest activities will have to complement, and be complemented where relevant by bilateral, sub-regional and regional programmes supported by the EC and other donors in the region, especially those providing capacity building support to the private sector in Eastern Neighbourhood countries. Regional actions complementary to East-Invest, through the EC and other donors, are numerous.

East-Invest also plays a part in the framework of the new Eastern Partnership initiative which promotes an increased cooperation in the area of trade facilitation and supports the identification of key areas for enterprises development.

The EC, for example, has been facilitating SME development in the six Eastern Neighbourhood Countries, such as ‘SME Support Services in Priority Regions’ and ‘Building the Business Capacity of Ukrainian SMEs-International Dimension’ in Ukraine ; ‘SME Support in the Rural Sector’ in the Republic of Moldova; ‘Support to the Implementation of the State Programme on the Socio-Economic Development of the Regions’ and ‘Vocational Training with the Private National Confederation of Entrepreneurs (Employers) Organisations’, in Azerbaijan

2.4. Donor coordination

At a macro level, East-Invest activities will have to be carefully coordinated and avoid any duplication with the existing and planned actions in the Eastern Neighbourhood Region by other donor organisations. These notably include:

- The proposed establishment of the European Neighbourhood Small Business Growth Facility in ENP East, a regional fund for Micro and SMEs to be set up and financed by the Neighbourhood Investment Facility (€16 million);
- OECD’s ‘South-East European Regional Framework for Investment’, ‘Investment Compact for South-East Europe’ and ‘Private Sector Development Programme for Black Sea and Central Asian countries’ ;

- WB's activities, including the 'Second Foreign Investment & Export Facilitation Project', the 'Foreign Investment Advisory Service' in Armenia, the 'Business Development Project' and 'InfoDev' (Business Incubator) activities in Georgia ;
- The International Finance Corporation (IFC–WB Group) initiatives aiming at supporting SMEs, notably by improving business environment, access to finance, access to markets, business skills and information and by creating new opportunities through innovation.
- UNDP interventions, including the 'Black Sea Trade and Investment Promotion Programme', its initiative to establish a 'Special economic zone in Azerbaijan' and the 'Integrated Employment Generation and SME Development Programme' in Georgia ;
- EBRD actions such as its recently extended SME Financing Facilities in Belarus and the Republic of Moldova and the TAM/BAS program in Armenia and Azerbaijan.

In order to avoid any overlap and to create synergies between these initiatives, the Consortium will have to design a mechanism to ensure effective collaboration between the programmes' stakeholders, the EC headquarters and Delegations and the organisations in charge of the implementation of the above-mentioned initiatives.

3. DESCRIPTION

3.1. Objectives

The overall purpose of the East-Invest programme is to develop mechanisms encouraging new flows of FDI and to strengthen the ongoing investment promotion process between the EU and the Eastern ENPI countries as well as between the Eastern countries, which will contribute to the enhancement of trade in the region.

To reach its main purpose, East-Invest will focus on specific objectives aiming at:

- Strengthening public-private dialogue, notably by integrating SMEs, business facilitators and selected public-sector SME facilitators into the networking mechanisms;
- Facilitating exchange of best-practices and interconnections between EU and Eastern Neighbourhood companies in order to favour business co-operation agreements, mutual trade, transfer of technology, customs procedures, product standards and investment;
- Developing the capacity of Eastern Neighbourhood SME support organisations to facilitate improved SME networking and trade development.

3.2. Expected results and main activities

At the heart of the programme will be two articulating business networks, one in the EU (EURONET) and one in the Eastern Neighbourhood Region (EAST-NET).

The programme will be managed by a Consortium including key East-Invest stakeholders and which will appoint a National Focal Point to manage day-to-day programme operations in each of the six Eastern ENPI Countries.

The expected results of East-Invest are:

- SME support networks are consolidated and/or established, both in the Eastern Neighbourhood Region (EAST-NET), and in the EU (EURONET);
- Matchmaking meetings between EU and Eastern SMEs are organised to initiate partnerships, including participation in regional fairs.
- Technical Assistance (TA) is provided to SMEs within EAST-NET, to enhance their networking and trading competences and opportunities;

- TA is provided to business facilitators within EAST-NET, to enhance their abilities and opportunities in supporting network SMEs;
- TA is provided to selected public sector bodies within EAST-NET to enhance their capacity to create a more conducive business environment for SMEs within the entire East-Invest region.

Five specific instruments may be implemented to achieve these results:

SME Technical Assistance Facility ‘SME-TECH’ (ST)

The objective of ST is to provide TA, including capacity building and individual consultancy, notably financial consultancy, to participating SMEs in the Eastern Neighbourhood Countries, in areas which contribute to strengthening business links between SMEs in the Eastern Neighbourhood Countries as well as between the Eastern Partners and EU SMEs (such as customs regulations, market conditions).

Trade Fair Technical Assistance Facility ‘TRADE-TECH’ (TT)

Its objective is to stimulate initial contact between SMEs from the EU and the Eastern ENPI Countries, identifying business opportunities and market potential, and encouraging the SME participation in international/regional trade fairs. TT should be considered as a prospecting instrument by SMEs in the internationalisation process.

SME Business-to-Business Facility ‘EAST-MATCH’ (EM)

Its objective is to provide EU and Eastern Neighbourhood Country SMEs with the appropriate environment for business meetings, accelerating their internationalisation in commerce, technology, etc.

Business Facilitator (Operator) Technical Assistance Facility ‘BUS-TECH’ (BT)

Its objective is to train associations representing the private sector in the Eastern Neighbourhood Countries (EAST-NET) with the experience and good practice available in umbrella (partner) organisations, preferably from EU. Knowledge will be shared between institutions for the mutual benefit of both the EU and Eastern Neighbourhood Country business communities.

Institutional Exchange Facility ‘ORG-EXCHANGE’ (OE)

The objective of this staff exchange instrument is to improve the reciprocal knowledge of participating operators, from any participating countries within East-Invest, with a view to sharing work methods and contributing to a lasting and effective collaboration.

3.3. Risks and assumptions

The assumptions underlying East-Invest are as follows:

- Eastern Neighbourhood private and public sectors overcome reluctance to collaborate on trade and investment promotion;
- Eastern ENPI Partners governments demonstrate willingness to put the development of the private sector at the heart of their reform programmes;
- EU companies accept the principle of extending competitiveness by collaboration with Eastern Neighbourhood companies;

The risks associated with these assumptions are as follows:

- SME organisations are too ineffectually organised in the partner countries to serve the investor and perform their networking role.

- EU business will not acknowledge Eastern Partners as opportunities for international competitiveness due to regional stability concerns or inherent prejudices against the region;
- EU organisations are not fully involved in the project.

3.4. Crosscutting Issues

The activities of East-Invest, across all six Eastern Neighbourhood Countries, and within the EU, will be implemented according to the following principles. All activities will be:

- **Ethical:** The programme will not become engaged in unethical activities or products, including narcotics and illegal armaments;
- **Non-gender-biased:** The programme will not discriminate against any eligible entity on the basis of gender and will ensure a real involvement of women associations/entrepreneurs;
- **Environmentally acceptable:** Any commercial activities resulting from the programme will be required to adhere to the environmental legislation in force in the country of operation.

3.5. Stakeholders

The Eastern Neighbourhood stakeholders will be:

- Small and Medium Enterprises and their support organisations, notably the Associations for Entrepreneurs and Businessmen;
- Ministries that relate to economic development (i.e. Expatriates, Trade, Finance, Industry, Investment) as well as government enterprise development institutions (such as Investment promotion agencies, National development Agencies, Export Councils, etc);
- State Investment Companies and Foundations;
- Private sector and Civil society, including national and regional business organisations, Chambers of Commerce and Industry, etc;
- Eastern Neighbourhood women investors, women's business associations and where relevant expatriates who could generate investments through remittances to their home countries.

The European stakeholders will be:

- Business associations that establish sustainable links with counterparts in the Eastern Neighbourhood Countries and private sector companies – including SMEs - that enhance their international competitiveness by establishing business relations with companies in the region;
- Ministries that relate to economic development (i.e. Expatriates, Trade, Finance, Industry, Investment) as well as government enterprise development institutions (such as Investment promotion agencies, Export Councils);

International organisations working on trade facilitation and investment promotion in the beneficiary region.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The implementation method will be direct centralised management. In order to ensure effective management of the project, coordination between Delegations, Headquarters, and Partner countries (NFP), will be established.

4.2. Procurement and grant award procedures

The Commission will launch a call resulting in the award of one contract. The contract implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by ENPI Regulation N° 1638/2006.

4.3. Budget and calendar

The maximum EC amount to implement the project will be 7.000.000 € The project duration is 36 months as from the date of signature of the contract.

The Call will be launched in mid 2009.

4.4. Performance monitoring

Objectively verifiable indicators, both qualitative and quantitative, will have to be part of the methodologies included in the technical proposals.

Given the demand-driven character of the programme, the final OVIs must be designed properly, including more concrete baselines and deadlines, only as of the second year of project implementation. OVIs should be further revised at the start of the third year to make sure that they are ambitious enough without being overambitious.

An ad-hoc mechanism should be set up in order to enable the Contractor to revise the OVIs in due course with the approval of the EC Services. An evaluation mechanism for each of the five instruments should be put in place by the Consortium for the participants to evaluate the benefits of East-Invest for their business activity.

A Steering Committee will be established to endorse strategic orientations, oversee project execution, and facilitate implementation of the activities.

The project will be monitored according to standard procedures. Project management monitoring and evaluation will be based on periodic assessment of progress reports and deliverables. The internal monitoring process/strategy of the project and its activities shall be developed at the start of the project by the Contractor and shall include a consistent monitoring reporting system to be used as one input into the evaluation process.

4.5. Evaluation and audit

Expenditure incurred will have to be certified, as part of the obligations of the contracted parties in the framework of the implementation of this project. Evaluation of the results achieved will be entrusted to independent consultants, as well as external audits (which will be carried out if necessary). These evaluations and audits will be funded from other sources than the project budget, since no commitment will be possible once the validity of this decision has expired ("N+1" rule will apply).

A mid-term and a final project evaluation will be carried out to assess project performance, achievements and impact.

4.6. Communication and visibility

The project's Internet website shall be the main tool that ensures communication, visibility and dissemination of the project's achievements and of its current and forthcoming events. The Consortium will have to ensure that the EC visibility guidelines are strictly respected. In addition to the website, it is also envisaged to circulate an electronic newsletter intended not only for the key stakeholders, but also for prospection purposes.

The project will, in addition, work out its own communication strategy and develop specific awareness-raising, information and dissemination activities in order to inform partner countries and potential stakeholders of the opportunities that it provides.

ANNEX 2: ACTION FICHE FOR ENPI REGIONAL EAST ACTION PROGRAMME 2009

1. IDENTIFICATION

Title/Number	Air quality governance in the ENPI East countries – AIR-Q-GOV		
Total cost	7 M€		
Aid method / Method of implementation	Project approach – <i>Centralised direct management</i>		
DAC-code	41010	Sector Environmental policy and administrative management	

2. RATIONALE

2.1. Sector context

Air pollution represents a significant health concern. Across Europe, fine particulates of anthropogenic origin are responsible for 80% of the health impacts of urban air pollution. In addition to its negative effects on health, air pollution also influences public finance, both on the expenditure side (due to hospital admissions and increased medication use) and the revenue side (reduced fiscal receipts from reduced working time.. Air pollution also has negative effects on the environment, including biodiversity loss, and is linked to climate change.

Across the region people are exposed to levels of air pollution that exceed air quality standards set by the EU and WHO. A lack of monitoring data of sufficient quality precludes an in-depth assessment of the state of air quality in the region. Nevertheless, available data and modelling indicate that concentrations of pollutants in the atmosphere routinely exceed the maximum allowed. Recent WHO analyses indicate that 47 million Russians are exposed to NO₂ concentrations that are double the WHO guideline level, and in Azerbaijan authorities report that 27% of monitored samples breach the set limits.

Addressing emissions from the transport sector should be considered in addition to industrial sources and energy production plants. In capital cities transport has become the dominant source of air pollutants, as it now accounts for more than 80% of the total. The main causal factors of this include the age of the vehicle fleet, poor infrastructure and maintenance, and a declining share of public transport.

Industrial activities play an important role in ensuring national macroeconomic well-being. However, they account for a considerable share of total emissions of key atmospheric pollutants (e.g. 96% of NH₃, 88% of SO₂, 51% of particulate matter (PM)). The energy industries, in particular, account for 31%, 59% of volatile organic compounds emissions at EU level Emissions of most air pollutants have increased by more than 10 % since 2000 as a result of economic recovery, and the chronic ineffectiveness of air pollution protection policies. Emissions from industry, power production and households have contributed substantially to this increase in many of the region's urban areas.

Acidification and eutrophication of ecosystems by air pollutants, and the exposure of vegetation to excessive concentrations of ground-level ozone, continue to exceed critical loads and levels. They pose serious threats to the environment and agricultural production in many countries.

Air pollution is transported over long distances and across national boundaries, causing damage in areas that are far from its sources. Assessments made under the European Monitoring and Evaluation Programme (EMEP Status Report 2008/1) show that about 50% of the total SO₂ emissions of some 8 million tons from the EU 25 is deposited in non-EU countries. In Russia about half of the SO₂/SO₄

deposition comes from domestic sources and some 12 % from EU sources. Similar relationships are valid also for the EU emissions of NO_x, whereas only about 30% of NH₃ (ammonia) is deposited in the neighbouring countries.

The partner countries have all ratified the UNECE Convention on Long-Range Trans-boundary Air Pollution (CLRTAP), which aims to limit and gradually reduce and prevent air pollution. The Convention has been extended by eight protocols identifying measures to cut emissions of air pollutants, however, their implementation needs strengthening.

EU approaches with regard to air quality policy can provide a model for assessment and management of air quality.

In line with the Commission communication of December 2008, the European Council of March 2009 welcomed the establishment of an ambitious Eastern Partnership as a specific Eastern dimension of the European Neighbourhood Policy, to promote stability and prosperity among the EU's Eastern partners and to accelerate reforms, legislative approximation and economic integration. It endorsed the launch of Flagship Initiatives in order to give momentum and concrete substance to the Partnership. This project to be financed in the present Action Programme will support the operation of the Eastern Partnership multilateral framework, particularly in the area of economic integration and convergence to EU policies. This project will also contribute to the achievement of relevant objectives set in the frame of the Black Sea Synergy's main cooperation areas.

2.2. Lessons learnt

There is no evidence of progress on air pollution control during the period 2003-2007 in the region (European Environmental Agency's report "Europe's Environment – The fourth assessment"). Overall, the problems previously identified persist. Institutions suffer from weak authority, scarcity of resources, outdated management and frequent restructuring. Policies do not have specific targets and are often dominated by revenue-raising objectives. Environmental legislation is extensive but inconsistent and impossible to enforce, leading to low levels of compliance.

Approximately 4% of the total SO₂ emissions of some 20 million tons from Russia are deposited in the EU. Trans-boundary air pollution leads to the air quality (i.e. air concentration of pollutants) being mutually influenced between the EU and neighbouring countries.

Clearer and stricter rules are needed to ensure that industrial installations comply with the necessary high environmental standards. The IPPC Directive is a key tool for regulating industrial emissions. It sets general principles for the operation of installations concerned as well as requirements for granting permits and ensuring public participation. The directive is based on two key principles: (1) the integrated approach and (2) Best Available Techniques. Sectoral directives, such as the LCP Directive, outline minimum requirements for certain pollutants for the installations concerned. The provisions in [Directive 2008/50/EC](#) on ambient air quality and cleaner air for Europe and its daughter directives should also be taken into account.

The LIFE Programme (EU's Financial Instrument of for the Environment) and the 6th and 7th Research Framework Programme have funded innovative environmental projects, not only within the EU but also in the ENPI countries. Their demonstration value and cost-effectiveness give these experiences a high added value for being reproduced in other locations within the partner countries.

The projects on ENPI Waste Governance dealing partly with Sustainable Consumption and Production and on Collection of Environmental Data will be launched in 2009 and it is expected that experiences will be drawn from the results and synergies be exploited.

Furthermore, links with the planned activities of the "Task Force for the Implementation of the Environmental Action Programme for Eastern Europe, Caucasus and Central Asia countries"

(EECCA) and the "Regulatory Environmental Programme Implementation Network" (REPIN) will be identified.

The European Commission has supported the preparation of legislation, regulations and institution building of the partner countries, in the field of Water since 2004 and the field of Waste since 2006 , and the proposed activities will build on this experience.

2.3. Complementary actions

A Programme providing budget support to the environment sector reform process in Ukraine is under preparation by the EC and SIDA (Swedish International Development Cooperation Agency) with a budget of 45 M€ under ENPI 2008, and also the Sector Budget Support to the Implementation of the transport strategy of Ukraine (ENPI 2008, 79 M€). Their launch is planned for 2010.

In addition, there are clear linkages between this project and the project on "Support to the development of a comprehensive framework for international environmental co-operation in Belarus" under the ENPI 2008. This project aims at gradual convergence towards EU environment policy on integrated permitting and implementation of multilateral environment agreements.

Synergies with project activities in the partner countries that are implemented by both the EC and other donors at national level will also be exploited. In particular, synergies with actions implemented under the ENRTP (Environment and sustainable management of Natural Resources including energy Thematic Programme), the ENPI Cross-Border Cooperation Mediterranean Sea Programme will also be sought.

The project takes into account other projects that were recently implemented or are on-going in the involved countries, for example: i) TRACECA projects on Civil aviation safety and security (RAP 2006, €5M) and Land transport safety and security (RAP 2006 €3M); ii) Russia Harmonisation of Environmental Standards project (TACIS), phase 1 (AP1999) and 2 (2007-9); iii) District heating projects in Kaliningrad and Murmansk under NDEP (Northern Dimension Environmental Partnership) and the upgrading of the Moscow District Heating system through loans by EBRD/EIB.

2.4. Donor coordination

The program has been designed in accordance with the assessment and review of the principles of effective aid delivery, currently being undertaken by EuropeAid (i.e. the Backbone Strategy)

The IF has been distributed to all partner countries' Ministries of Environment. Comments have been received from Georgia, Ukraine and from the Republic of Moldova. Georgia and Ukraine's remarks have been taken into account in the development of the AF and activities have been added following their recommendations. Due to the nature of the comments received from the Republic of Moldova's Ministry of Environment these will first be considered during the ToR preparation stage. No other partner country has responded. All involved EC Delegations have been contacted for the submission of the IF to their respective government.

Collaboration will be sought with partner countries regarding on-going activities in parallel with this project: The awareness campaign planned by the Azerbaijani Ministry of Environment on Waste collection and improved public behaviour regarding littering and environmental concern.

3. DESCRIPTION

3.1. Objectives

The Overall Objective is the improved and sustainable management of natural resources including nature protection, reduced effects of climate change, and increased environmental cooperation and awareness.

Specific objectives are:

- To improve the convergence to European legislation and regulations contributing to the improved air quality and strengthen implementation and compliance.

- To improve the implementation of Multilateral Environmental Agreements

- To raise environmental awareness through cooperation at regional and sub-regional levels among decision makers, industry and civil-society.

3.2. Expected results and main activities

Results:

- The Partner Countries will pursue better implementation of legislation and regulations in the field of Air quality.

- Countries will comply better with international standards and gradually converge towards European policy principles and approaches and legislation as regards framework requirements to air quality.

- Better environmental awareness through regional and sub-regional cooperation and through the involvement of civil society (NGOs) and the private sector.

Activities:

- Gap analysis of existing relevant policy (air quality, industrial pollution and emissions from urban transport), legislation, institutions and capacity, and assistance to drafting policy papers and regulations. And gap analysis of International Conventions (CLRTAP and its protocols) signed and/or ratified and assistance to taking measures aiming at implementing them.

- Provide tools for policy makers for offering incentives for businesses and individuals to improve their environmental behaviour for example reduction of taxes, fees on emissions and other measures as applied in the EU Member States.

- Raise awareness of the possible gains from win-win investments and the economic and social costs of non-compliance, the environmental problems as well as rights, addressing not only decision makers, producers, consumers, administrations, but also the general public

- Development of a mechanism for accounting for local conditions and technological capacity in the course of setting emission limit values.

- Training on EMEP/CORINAIR Atmospheric Emission Inventory Guidebook with aim to collect, maintain, manage and publish information on emissions, taking into account the best practices of European countries.

- Preparation of pilot projects to be implemented at local level on e.g. awareness raising campaigns among producers and households; the potential of "greening" public administration fleets or public transport; monitoring of air quality in a region, city or coastal or trans-boundary zone. The selection of the pilots (themes and location) will reflect as much as possible the expressed interest of the participating countries. The collaboration between the countries should be encouraged. An equipment component could be foreseen to support the implementation of a pilot project.

Activities addressing the industrial sector:

- Support towards the implementation of integrated permitting, taking into account the whole environmental performance of industrial installations including large combustion plants.

- Support towards the implementation of Best Available Techniques and best practices for selected industrial sectors, where the effects of improved methods would have a significant impact on air quality in urban areas (to be further developed in collaboration with partner countries in the preparation of ToRs). The selection of sectors should build on previous work (e.g. Russia Harmonisation of Environmental Standards II project which has examined the feasibility of applying BAT to sectors given the differences in industrial techniques between the EU and Russia).

Activities addressing the transport sector:

- Development of transport related emission standards to combat pollution by light-duty vehicles as defined by Directive 98/69/EC.

- Develop mechanisms to encourage the use of public transport, and other environmentally friendly transport means, instead of private cars in the urban areas.

- Development of enforcement measures such as vehicle inspection programmes

3.3. Risks and assumptions

Lack of political stability and possible tensions between the countries of the region may negatively affect the implementation of activities.

The Ministry of Environment is not the only stakeholder with regard to Air quality management. The project will pay particular attention to the involvement of other public and private stakeholders in the project activities. Informative activities for sharing successful practices, but also for improving the involvement of all the relevant stakeholders into the decision-making process, must be carried out.

The possibility of unpredictable support from central government due to changes at central government level, coupled with a lack of coherence between local development strategies and policies at central level, may constitute a further potential barrier to the projects' success. The program will therefore have to ensure, whenever possible, that the support of central governments is maintained and that the project being financed is indeed coherent with policies at different government tiers.

3.4. Crosscutting Issues

Achieving environmental sustainability is the main objective of the project. The project will support improvements in environmental governance and environmental mainstreaming in sectoral policies such as transport and industry.

Institution building and support to better legislation, as well as the implementation of international conventions, will contribute to the development of good governance, human rights and gender equality. Moreover, the project will support democratisation and enhance the role of civil society and NGOs through participatory processes, and (assuming the countries' willingness) of fulfilling the commitments made through the Århus Convention, which incorporate access to environmental information and public participation in environmental decision making.

3.5. Stakeholders

The beneficiary countries will be the ENPI partners Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine, and the Russian Federation.

The main stakeholders will be the relevant Ministries such as Ministries of Environment, Ministries of Industry, Ministries of Energy and Transport, Ministries of Agriculture and the Ministries of Health and governmental institutions responsible for the development, implementation and enforcement of policies and legislation on air quality. Selected regional and local administrations and agencies involved in implementation of the air quality measures will be involved as well as NGOs and the private sector. The final target groups are the populations of the region.

The Regional Environmental Centres could be implicated at the regional and the local levels. The RECs will be consulted during the ToR preparation stage. RECs contribution would focus on capacity building, involvement of civil society and awareness raising.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Direct centralised management.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by ENPI Regulation 1638/2006 (Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument.).

4.3. Budget and calendar

The indicative budget is of €7 million. Indicative starting date: Beginning 2010. Planned duration is four years. The technical assistance will be provided through one or more service contracts, and possibly one supply contract to support the pilot projects, following a tender procedure. The tendering is planned to be launched by end of 2009. The ToR for the service contract(s) will be drafted in close collaboration with the relevant governments and stakeholders.

The project Identification Fiche has been presented to all partner countries in meetings during October and November 2008. Comments have been received from Georgia, Ukraine and the Republic of Moldova.

4.4. Performance monitoring

Besides the regular follow up by the EC Delegations and the Headquarters, the performance will be monitored by the ENPI Result Oriented Monitoring Team (ROM). The project manager and the implementing bodies will pay particular attention to the recommendations made by the ROM.

There are no "standard indicators" in the domain, however, one of the results envisaged in the programme is to identify and develop indicators. The project "Monitoring and Assessment of Environmental Data" (with EEA) which will start in 2009 will develop comparable indicators based on the EECCA methodological guides (developed with UNECE and UNEP support) in the field of air quality which will feed into this project. Existing monitoring statistics on air quality by the countries involved will be considered.

4.5. Evaluation and audit

Expenditure incurred will have to be certified, as part of the obligations of the contracted party/ies in the framework of the implementation of this project. Mid term and final evaluations of the results achieved will be entrusted to independent consultants, as well as external audits (which will be carried out if necessary). These evaluations and audits will be funded by sources that are separate to the project budget, since no commitment will be possible once the validity of this Decision has expired ("N+1" rule will apply).

4.6. Communication and visibility

A communication strategy, and specific activities dedicated to communication and visibility, will be developed for the project (website, possibly a Newsletter, specific publications, etc) in order to keep the stakeholders regularly informed and to ensure the visibility of the programme.

Visibility and communication activities in the partner countries will be implemented in collaboration with the EC Delegations, in line with the Communication and Visibility Manual for EU External Actions.

The EU visibility guidelines must be followed by the project.

ANNEX 3: ACTION FICHE FOR ENPI REGIONAL EAST ACTION PROGRAMME 2009

1. IDENTIFICATION

Title/Number	Programme for the Prevention, Preparedness and Response to Natural and Man-Made Disasters (PPRD-East) CRIS: 2008/020-528	
Total cost	EC contribution: €6 M	
Method of implementation	Project approach – centralised direct management	
DAC-code	72010	Sector: Disaster Prevention and Preparedness

2. RATIONALE

2.1. Sector context

World-wide natural and technological disasters are on the rise, many of which have led to loss of lives, long-term injury (physical and psychological), and temporary/permanent displacement of inhabitants. These disasters can have dramatic negative effects on the economic growth potential of a country, when it does not actively promote the prevention, preparedness, mitigation and response to disasters within its economic and social planning and development.

Furthermore, in recent years it has become clear that climate change is a serious global threat, which demands an urgent response. In the well-known Stern Review: *The Economics of Climate Change*, the evidence gathered leads to a simple conclusion: the benefits of strong and early action far outweigh the economic costs of inaction. The need to improve hazard management is now recognized world-wide and incorporated in one of the UN's Millennium Development Goals.

The Eastern ENPI region in particular is exposed to several serious disasters which could critically undermine the region's efforts for sustainable development. For example, the Caucasus is highly vulnerable to floods, earthquakes, and landslides. **Armenia's** population is one of the most exposed in the world to earthquakes. **Azerbaijan** is also highly exposed to floods and earthquakes, and it lacks permanent institutional arrangements for mitigating risk and planning for disasters. The absence of flood monitoring and alert systems in **Georgia**, and the deterioration of infrastructure increases her vulnerability to floods and landslides. Floods and landslides cause estimated average annual economic losses of 300 million USD in the **Russian Federation** (about 700 towns are at risk from landslides). It is to be noted that Russia has a unified emergency response system, including training and emergency preparedness. However, measures for disaster planning and mitigation need upgrading, such as comprehensive flood management measures. Floods are the major risk in **Belarus** and **Ukraine**. Flood infrastructure in Ukraine is not always well maintained and the flooding of abandoned mines presents an important risk in this country. Conversion of wetlands to other uses has contributed to serious flood risks in Belarus, and her flood forecasting facilities need to be upgraded. Finally, the **Republic of Moldova** is vulnerable to a range of natural hazards, including landslides, floods and earthquakes, particularly in areas of high population density. A single department handles emergencies, but financial constraints have severely limited implementation or systematic approaches to detailed risk assessment, early warning, and mitigation measures.

The project aims to strengthen the capacities of ENPI East partner countries in terms of their prevention, mitigation, preparedness and response to these disasters (as well as others, such as

CBRN, forest fires, marine and coastal pollution). The focus will be on the risks that are most relevant to the geographical region concerned, and on those risks that can be exacerbated as a result of climate change.

Moreover, in the **ENPI East Regional Programme (Strategy Paper 2007-2013)** climate change is identified as one of the important environmental challenges to be addressed. Building our Eastern neighbours' capacity in the prevention, preparedness and response to natural disasters as well as developing a more coordinated disaster response approach is a key aspect of adaptation to the effects of climate change

In line with the Commission communication of December 2008, the European Council of March 2009 welcomed the establishment of an ambitious Eastern Partnership as a specific Eastern dimension of the European Neighbourhood Policy, to promote stability and prosperity among the EU's Eastern partners and to accelerate reforms, legislative approximation and economic integration. It endorsed the launch of Flagship Initiatives in order to give momentum and concrete substance to the Partnership. This project to be financed in the present Action Programme will support the operation of the Eastern Partnership multilateral framework and advance the development of the Flagship Initiative bearing the same name.

2.2. Lessons learnt

The approach used for this program takes into account the lessons learned from the evaluation of similar programs implemented in other regions (in the Mediterranean and the Balkans for example). It therefore proposes to use a **multi-stakeholder approach** in order to build more coherence and transparency among disaster management efforts. It also intends to follow a demand-driven approach where activities proposed will be **based on a needs analysis**, and the assistance will be tailor-made in order to account for different capacity levels in the various countries covered by the program. In accordance with lessons learned from previous programmes, this program will concentrate not only on building capacity for disaster response but also on strengthening capacity for disaster **preparation, mitigation and prevention**. Furthermore, this program will also seek to draw the ENPI Neighbours progressively closer to the EU Mechanism of Civil Protection in order to build a more coherent disaster response strategy at international level and provide better and faster assistance to the population when a disaster strikes. A long-term goal of the program would be to prepare and conclude formal agreements on Civil Protection cooperation with certain countries that do not already have them in place.

2.3. Complementary actions

First of all, the program will be closely linked to the Civil Protection activities carried out (in EU and third countries) by **DG Environment** and more specifically with the EU Civil Protection Mechanism (and the Monitoring and Information Centre, MIC). In addition, the program will ensure synergies with the activities carried out by **DG ECHO**, which provides humanitarian assistance to disaster victims (general and emergency humanitarian aid, food aid, aid to refugees and displaced persons as well as disaster prevention and preparedness measures).

The program will also ensure complementarities/synergies with the actions implemented bilaterally by the EC Delegations, and under the various EC financial instruments. For example, with the initiatives implemented through the Instrument for Stability (IfS), and other activities implemented through the ENPI instrument such as the PPRD- South regional program and also the CBC Disaster Risk Reduction Initiative to support capacity building of the Western Balkan countries and Turkey, as well as the Civil Protection cooperation programme for the candidate and potential candidate countries.

The program will also ensure coordination with initiatives being implemented by other donor or International Organisations. In particular, activities will be coordinated with the **UN/ISDR** (International Strategy for Disasters Reduction) which is the focal point in the UN system to

promote links and synergies with disaster reduction activities; with the **World Bank** activities (such as the WB and ISDR “**Global Facility for Disaster Reduction and Recovery**” which aims at reducing the impact of disasters caused by natural hazards on populations and their livelihoods; with the activities of the International Federation of the **Red Cross and Red Crescent Societies (IFRC)**; with the initiatives undertaken by the **Council of Europe**, and so on.

The program will also seek to contribute indirectly to the strengthening and implementation of activities under the **Hyogo Framework for Action**.

2.4. Donor coordination

Coherence with the Paris Declaration, EU Commitments on the aid effectiveness agenda, the European Consensus on Development, and the Backbone Strategy:

National ownership will be guaranteed: The Partner Countries (PC) will take an active role in the implementation of this program. They will be represented in the Steering Committee (with rotating EU and PC presidency), in the program management team (with a suitable mix of EU and PC experts involved in the project) and every effort will be made to ensure that PC take on the leading role whenever possible.

Alignment with local institutional and legal structures will also be guaranteed. The program will build on existing structures and initiatives whenever possible, rather than creating new ones.

Harmonisation of efforts will be ensured: The program will start with a review of all existing initiatives in the field of disaster response, in view of making all the appropriate linkages and synergies. Harmonisation will be ensured both internally (The internal Communication on Reinforcing the Union's Disaster Response Capacity Action Plan (11.07.2008) approved by the Secretary General contains a comprehensive list of EC actions in the field of disaster response) and externally (with the initiatives undertaken by other organisations such as the UN, World Bank, IFRC, and the Council of Europe). The program will seek to promote cross-fertilization among all existing activities in the field.

The program has been designed in accordance with the assessment and review of the principles of effective aid delivery, currently being carried out by EuropeAid (i.e. **Backbone Strategy**).

The Partner Countries have been involved in the first stages of the process, through informal consultations (either directly, as with Ukraine², or through the Delegations) and will be consulted formally in the following stages as well. They will be invited to comment on the ToRs for the program and they will be involved in the review and evaluation of the programs' results after it is completed.

It is to be noted that two new legal bases for European civil protection cooperation (the Civil Protection Financial Instrument and the recast of the Decision establishing a Community Civil Protection Mechanism) introduce the possibility of cooperation with third countries where agreements between these third countries and the EU so allow. The time is therefore right to initiate a strengthened cooperation not only among the Eastern ENPI partner countries (PCs), but also between the EU and the Eastern ENPI partner countries, in view of bringing them progressively closer to the European civil protection mechanism. Some of these countries (such as Russia and Ukraine) have recently signed Administrative Agreements with the EU in order to facilitate mutual assistance in case of emergencies, cooperate on disasters' assessment and strengthening cooperation on civil protection capacities (the latest of these AA was signed by the Ukrainian Ministry of Emergencies and the EC on December 8th, 2008).

²This project was presented and discussed in December 08 during a meeting between Minister Shandra, of the Ukrainian Ministry of Emergencies and EuropeAid.

3. DESCRIPTION

3.1. Objectives

Objectives:

The **overall objective** is to contribute to the peace, stability, security and prosperity of the Eastern ENPI region and to protect the environment, the population, the cultural heritage, the resources and the infrastructures of the region by strengthening the countries' resilience, preparedness and response to man-made and natural disasters.

Purpose:

The **project purpose** is to develop and reinforce the capacity for disaster prevention, mitigation, preparedness and response in the Eastern ENPI region by strengthening capacities at local, national and regional level, and developing an effective cooperation in this field between the EU and the Partner Countries and among the Partner Countries themselves, as an instrument of political and social stability.

3.2. Expected results and main activities

Expected results:

- 1) Better **knowledge** of risk exposure, preparedness and response capacities in the region
- 2) Strengthened **prevention and preparedness** mechanisms at local, national and regional level
- 3) Improved capacity for a coordinated, effective and efficient disaster **response**
- 4) Improved **information and awareness** of populations regarding risk exposure, prevention and response
- 5) Improved **coordination** between the Eastern ENPI Civil Protection Authorities and the EU Civil Protection Mechanism. A long-term goal of the program would be to conclude Administrative Agreements with certain countries (already concluded with Russia and Ukraine).

Indicative main activities to be implemented:

- carry out a review of existing resources and available mechanisms working on disaster prevention, mitigation, preparedness and response
- prepare a regional Risk Atlas
- organise training workshops, study visits and expert exchange programs tailor-made for the different types of stakeholders involved in disaster prevention, mitigation, preparedness and response on a variety of topics
- organise technical assistance missions on the basis of specific demands by the partner countries' authorities
- establish contact points in every national operational centre in view of creating a network of national correspondents and operational 24/7 contact points for sharing early warning information
- implement table-top and full-scale simulation exercises
- organize information and awareness-raising activities for targeted stakeholders and the general population

-organize special information sessions for Civil Protection Authorities in the partner countries concerning the EU CP Mechanism

These activities will be implemented using a multi-disciplinary approach and will focus on a number of different topics (for example, building codes and legislation, urban and land planning, early warning systems, host nation support, reinforcement of critical infrastructure, definition of safe areas, recovery strategies, emergency planning, developing a lessons-learned approach to risk management, etc) relating to disaster prevention, mitigation, preparedness and response, and to a number of different risks (as relevant to the area).

3.3. Risks and assumptions

The occurrence of a major disaster at the beginning of the implementation of the project may be an obstacle to its successful implementation since it would mobilise the very resources and structures of this program, in response to the urgent crisis. This might lead to delays in the implementation.

The political situation in the Caucasus region may hamper the successful implementation of the project. Furthermore, experience has shown that cooperation on a topic as political as Civil Protection can sometimes be quite delicate. The program will only be successful if it succeeds in fostering a climate of cooperation and transparent data sharing. As political commitment appears to be relatively strong, there are good reasons to believe that cooperation will be effective.

3.4. Crosscutting Issues

Good governance and human rights: Several civil society actors are involved in the field of disaster prevention and response. These actors will be closely associated in the program and encouraged to work in a participative and transparent manner, and to take into account the special needs of most vulnerable groups of people (women, children, disabled, elderly, destitute, or vulnerable because of their work/geographical location, etc).

Gender equality: Women have a key role to play in the disaster prevention and response. Efforts will be made to promote strong women's participation in the programme.

Environmental sustainability: The impact of disasters on the natural environment is evident. Therefore, environmental sustainability is considered to be a main objective rather than a cross-cutting issue. Strategic Environmental Assessments will be conducted as necessary.

3.5. Stakeholders

National Civil Protection Authorities are main stakeholders since they play a key role in disaster response. However, Civil Society Organisations (local and international NGOs, volunteer groups, community-based organisations, the private sector, etc), International and donor Organisations (the UN specialized agencies, the World Bank, etc), as well as key local and national actors (such as municipal authorities and relevant Ministries) also play vital roles in the field of disaster prevention, preparation, and response. These stakeholders will also be targeted by the program. Finally, the local population is the ultimate beneficiary of the program and the importance of community awareness and community involvement in preparation and mitigation activities is inestimable. Vulnerable population groups will be targeted more specifically.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Direct centralised management

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the ENPI Regulation.

4.3. Budget and calendar

Total budget=EUR 6 M. The technical assistance will be provided through one or more service contracts. Launch of the Calls for Tenders: Last quarter of 2009.

Foreseen operational duration: 48 months

4.4. Performance monitoring

Objectively verifiable indicators (qualitative and quantitative) will have to be part of the methodology included in the technical proposal submitted for the programme.

Besides the regular follow up by the EC Delegations and Headquarters, monitoring missions (contracted by the EC) will ensure an external follow-up.

4.5. Evaluation and audit

Expenditure incurred will have to be certified, as part of the obligations of the contracted parties in the framework of the implementation of this project. Mid term and final evaluations of the results achieved will be entrusted to independent consultants, as well as external audits (which will be carried out if necessary).

Evaluations and audits will be funded from other sources than the project budget, since no commitment will be possible once the validity of this Decision has expired ("N+1" rule will apply).

4.6. Communication and visibility

Special attention will be given to communication aspects.

A specific Communication and Awareness Raising Strategy will be defined and implemented as part of the project in order to ensure the visibility of the programme. The EuropeAid's ENPI Newsletter will also be used regularly and press releases will be prepared when appropriate.

Visibility and communication actions in the Partner Countries will also be carried out in collaboration with the Delegations, in line with the Communication and Visibility Manual for EU External Actions.

ANNEX 4: ACTION FICHE FOR ENPI REGIONAL EAST ACTION PROGRAMME 2009

1. IDENTIFICATION

Title:	European Union Border Assistance Mission to the Republic of Moldova and Ukraine – EUBAM 7 CRIS N° ENPI/2008/20643		
Total cost:	EUR 12 million		
Aid method / Management mode:	Project approach – joint management		
DAC-code:	15220	Sector:	Civilian peace-building, conflict prevention and resolution

2. RATIONALE

2.1. Sector context

The region of Transnistria proclaimed its independence from the Republic of 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 the Dniestr River in a self-proclaimed Republic of Transnistria. Since then, the conflict has been “frozen” in place.

The arrival in power of the administration of President Yushchenko in Ukraine in 2005, and the launching of the so-called “Yushchenko Plan” created a window of opportunity for further advance the resolution of the “frozen” Transnistria conflict. Since September 2005, the EU and the U.S. participate as observers in the negotiation process in the enlarged format “5+2”; the EU is represented by the EU Special Representative for the Republic of Moldova.

Following a request from the Republic of Moldova’s President Voronin and Ukraine’s President Yushchenko 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 the Republic of 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 side, 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 activities. EUBAM’s activities also evidenced that indeed much needs to be done in order to bring border and customs control procedures in line with EU standards. In October 2008 EUBAM came up with revised 41 recommendations on measures required to improve control standards and to approximate them to those of the EU.

The EU’s involvement increased trust and cooperation between the Republic of Moldova and Ukraine and led to remarkable results: a joint declaration signed by the Prime Ministers of the Republic of Moldova and Ukraine, Tarlev and Yekhanurov, set in place the May 2003 bilateral customs agreement which enforcement started on 3 March 2006; two Protocols on mutual exchange of pre-arrival, analytical, operational and statistical information on goods and persons were signed between the Customs services and between the Border Guard services at the 5th Trilateral meeting in Brussels on 21 November 2006; the Republic of Moldova simplified the registration of Transnistrian enterprises with the Moldovan Chamber of Commerce in March 2007 and extended access to preferential trade certificates of origin also to temporarily registered Transnistrian-based companies which has been an important step forward towards Transnistria’s economic integration.

Both countries showed continued commitment to a peaceful settlement of the Transnistria conflict and the effective implementation of the 2003 bilateral customs regime. Moreover, both countries expressed at a number of occasions their satisfaction with EUBAM's work and the assistance which is provided by the Mission; this resulted in a tri-partite agreement to extend the Mission's mandate for further two years until November 2009. A request for further extension until 2011 is currently being handled by the Commission. All relevant authorities fully cooperate with the Mission which is an important indicator regarding the project's consistency with the partner Government's policies and strategies.

In line with the Commission communication of December 2008, the European Council of March 2009 welcomed the establishment of an ambitious Eastern Partnership as a specific Eastern dimension of the European Neighbourhood Policy, to promote stability and prosperity among the EU's Eastern partners and to accelerate reforms, legislative approximation and economic integration. It endorsed the launch of Flagship Initiatives in order to give momentum and concrete substance to the Partnership. This project to be financed in the present Action Programme will support the operation of the Eastern Partnership multilateral framework and advance the development of the Flagship Initiative on Integrated Border Management.

2.2. Lessons learnt

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 Council, through the EUSR, and the enhanced border team which includes personnel seconded directly by EU Member States (which also constitutes a considerable equivalent financial contribution), has provided an excellent framework for the Mission to provide technical advice and assistance, while maintaining awareness of, and responsiveness to, the context in which it operates. The enhanced credibility that EUBAM has gained through the employment of seconded, serving officers from EU Member States has been complemented by a cohesive, supranational culture on the Mission.

EUBAM has benefited from dynamic, ambitious and imaginative leadership, which would help any mission, but this needs to be backed up with sufficient managerial, analytical, planning and organisational capacity from the outset. The creation of mission "start-up kits" including readymade management reporting systems and products may help to enhance the institutional learning process and prevent unnecessary reinvention of wheels.

EUBAM benefits from the mix of professional and national backgrounds, taking in both "older" and "newer" EU Member States, enabling it to give practical expression to the phrase "United in Diversity". Increased contextual awareness and attention to linguistic and cultural acclimatisation and integration into the communities where mission members live and work may pay dividends in future.

The effectiveness of non-executive missions could be increased by improving the mechanisms for escalating issues, and particularly obstacles, from the technical level to the political. If this were explicitly clear to all parties, it would leverage the influence of the Mission in its dealings with counterparts, through the creation of a credible and empowered accountability mechanism.

Excellent public relations, as EUBAM has had, are essential in promoting the role of the Mission, maintaining momentum and ensuring that publics and customers are aware of the value of such a mission, which also supports the confidence building process with partner services.

The nature of the tasks of a non-executive mission such as EUBAM are challenging, particularly in scenarios where there is no immediate accession perspective, and careful framing of the role of a mission as a partner, not an auditor and as an opportunity, not a threat needs to inform all dealings with host countries. The increasingly systematic approach to capacity building has paid dividends, particularly in tandem with the newly streamlined planning process, which creates clearer objectives for each unit, while enhancing the possibilities for devolved decision making, with improved quality management facilitating the necessary supervision and support from the headquarters.

After the re-establishing of the May 2003 customs agreement based on the Joint Statement of the Republic 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 the

Republic of Moldova Government on 17 March 2007 (later replaced by Decree no. 743/2007, establishing more favourable implementing procedures) amending Decree no. 815 of 2 August 2005 extending access to preferential trade certificates of origin to companies located in the Transnistrian region of the Republic of Moldova and temporarily registered in the Moldovan State Registration Chamber. Continued EU technical support to the implementation of the Joint Declaration is required (i.a., facilitating dialogue between the two countries, facilitating the exchange of information, risk analysis). EUBAM has been providing this technical support.

Targeting only border guard and customs services in the fight against smuggling has proven being not sufficient. Smugglers have been released and the smuggled goods were returned to the smugglers. Corruption continues to be a serious issue. This calls for including the Prosecutor's offices, the courts and the Ministry of Justice either in EUBAM activities or in accompanying technical assistance projects. For this purpose, an Investigation Advisory Unit was established under EUBAM 4, and will continue under EUBAM 7, corruption will be tackled more prominently. However, there is also a need to include these topics regularly at political-level meetings between the EU and the Republic of Moldova and Ukraine.

Implementation and practical backstopping of the Mission's logistic set-up by UNDP proved to be an effective way to manage complex operations of this nature. In particular, the flexibility and organisational capacity of UNDP proved to be of essence to the Mission of this size and nature. It has to be noted that both the EU and UNDP showed commendable flexibility in finding a compromise that combined adherence to procedure, while reflecting the unique character and needs of the Mission, which made this arrangement workable.

2.3. Complementary actions

The Commission is financing EUBAM-flanking measures (BOMMOLUK projects) under the RAPs 2003, 2005 and 2006 as well as under the CBC 2006 with a total of €11.5 million; furthermore under the ENPI NAPs 2007 for the Republic of Moldova and Ukraine amounting to €11 million and €5 million respectively. These interventions build upon EUBAM's 41 recommendations of May 2006 and October 2008 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 is funding IOM implemented and U.S. co-funded projects aiming at reforming the Ukrainian State Border Guard Service's human resources management (NAP 2003, € 4.3 million; NAP 2006, €1 million; HUREMAS projects). The projects target border management legislation, as well as recruitment, training and career development of border guard personnel. The projects are supported by the Border Guard Services from Hungary and Poland.

At the Ukrainian-Moldovan State border, the U.S. 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 U.S. Millennium Challenge Account, USD 46 million was made available for anti-corruption measures in Ukraine which could have a certain impact on EUBAM's work.

2.4. Donors' coordination

Under the Paris Pact Declaration, a sub-working group on border management issues has been established in which donor activities are being coordinated. As regards border management improvement, apart from the EC, the U.S. is the only other serious donor active. U.S. assistance covers the period from 2005 - 2010, amounting to USD 39 million³. A follow-up project is under consideration. The programme is implemented by U.S. consultancy Raytheon.

³ 2005 - 2007: 7 MUSD; 2008: 7 MUSD; 2009: 10 MUSD; 2010: 15 MUSD). Effectively only 50% of the funds mentioned above covers assistance to the border guards, the rest covering Raytheon's project management costs).

Close cooperation and coordination of activities are ongoing on a permanent basis in order to ensure synergy effects. Coordination is also achieved through semi-annual EUBAM Advisory Board and monthly EUBAM Coordination meetings.

3. DESCRIPTION

3.1. Objectives

3.1.1 Overall objectives

To contribute to enhancing the overall border and customs management capacities and the abilities of the Republic of Moldova and Ukraine to fight against cross-border and organised crime and to approximate the border and law enforcement authorities' standards to those of the EU.

To assist the Republic of Moldova and Ukraine in fulfilling their commitments under the European Neighbourhood Policy Action Plans (ENP AP) and the Partnership and Cooperation Agreements (PCA).

To contribute to a peaceful resolution of the Transnistria conflict.

3.1.2 Specific objectives

- a) Enhancing the effectiveness of border guard and customs controls: To build up appropriate tactical, operational, administrative and institutional capacity in the Republic of Moldova and Ukraine to ensure effective border and customs controls and surveillance as well as effective fight against criminal cross-border activities and organised crime with particular attention to the Moldovan-Ukrainian state border, including relevant inland areas and locations.
- b) Confidence building and contribution to the Transnistria conflict settlement process: To help promoting cooperation between the agencies involved in border and customs controls and fight against crime in the Republic of Moldova and Ukraine through transparency, exchange of analytical and tactical information, close cross-border cooperation, support to the border demarcation process, and development of an atmosphere for extended economic relations, as well as to promote post conflict consolidation in case of a settlement within the duration of this action.
- c) Public relations: To contribute to improve public relations skills and capabilities of the partner services' public relations sections, and to provide objective information to the local population in the Republic of Moldova and Ukraine regarding EUBAM's tasks and assistance provided to the countries, ongoing activities at the border of which travellers and/or the local population benefits, rights and responsibilities of persons crossing the border (in order to complement anti-corruption measures), health risks of purchasing smuggled food (in order to complement consumer protection measures), etc.

3.2. Expected results and main activities

- a) Professional capacity of border, customs and law enforcement officials enhanced: EUBAM found clear indications that the Moldovan-Ukrainian border is frequently used for illegal activities, in particular smuggling. EUBAM experts also identified, together with their national counterparts, a number of cases of large-scale cases related to drug trafficking, trafficking of stolen vehicles, cigarette smuggling, etc. which remained undetected before the Mission's operation due to a lack of professional skills of the competent authorities. EUBAM will therefore continue providing on-the-job training and coaching to border guard, customs and law enforcement personnel at operational / tactical level at relevant locations (at border crossing points, inland customs houses, and main transit points) with a view to upgrade the personnel's skills and make them acquainted with EU standards and best practices regarding border and customs controls and the investigation of crime. Furthermore, EUBAM will pay particular attention to the partner services' middle management which management knowledge will be increased through advice and mentoring.
- b) Cross-border cooperation between border, customs and law enforcement authorities increased: Criminal groups still benefit from a lack of cross-border cooperation between border, customs and law enforcement authorities (though cooperation improved considerably since EUBAM's operation) and use this circumstance to their advantage. EUBAM will continue supporting Republic of Moldova's and Ukraine's authorities to strengthen bilateral cooperation and information exchange on statistical, analytical and tactical data through a variety of measures such

as initiating/ participating in joint cross-border operations, facilitating the exchange of liaison officers in such operations, offering training for conducting joint border and customs controls, drafting of joint border security assessment reports, etc. In particular the installation of an automatic information exchange on the pre-arrival of goods, based on an agreement signed at the 5th Trilateral meeting on border issues on 21 November 2006 in Brussels, has improved customs controls and the fight against smuggling and undervaluation; once efficiently used, it will become an important tool to fight smuggling and undervaluation effectively. All measures will lead to an improved fight against cross-border crime and will, at the same time, facilitate legal movement of persons and goods across the border. Border and customs services will also get an increased understanding of an integrated approach to border management.

- c) Analytical overview on border security and cross-border movement of goods and persons improved: EUBAM will perform visits and inspections to relevant locations including along the green border by joining border surveillance activities. This monitoring activity will encourage partner services to strictly implement the 2003 customs regime agreed between Ukraine and the Republic of Moldova as well as to take serious counter-measures when criminal activities are detected. This will lead – in the mid-term – to a considerable reduction of illegal cross-border activities due to the increased risk of being detected, apprehended and prosecuted.
- d) Corruption of border guards and customs officials at operational / tactical level decreased: The permanent cooperation with and being monitored by EUBAM experts will motivate partner services' personnel to carry out their duties objectively and according to existing laws. This will reduce the border and customs staff preparedness to demand or accept bribes. All activities will be coordinated with other anti-corruption initiatives, in particular those initiated by the Commission and the United States.
- e) Level of information in the local population of EUBAM's activities and the partner services' efforts increased: Awareness in the local population of, for instance, the scale of smuggling and health risks, as well as the losses for the State budget when consuming smuggled food stuff, is extremely low. Targeted and objective information shall help the local population and policy makers to better understand the dimension of the scale of illegal activity and the results of the assistance rendered to the partner countries.
- f) Public relations capabilities of partner services enhanced: Border Guard and Customs Services will be further familiarised with public relations methodologies and tools as well as with the principles of public information. This will, on the one hand, promote a positive image of the services and, on the other hand, help the services to inform citizens professionally about border and customs related issues. The intervention will be completed by supporting partner services in drafting technical specifications for related equipment for the services' public relations sections and, if appropriate, by supplying such equipment.

3.3. Stakeholders

3.3.1 Border Guard Service of the Republic of Moldova

The border guard service of the Republic of Moldova is structured into four regional departments, and its transformation from a military structured entity into a fully professional law enforcement service should be completed by 2010. It still includes a proportion of conscripts, being gradually replaced by professional border guards, with staffing number generally adequate. Passport controls at BCPs appear to be carried out in a satisfactory manner, but there seems to be little expertise in the identification of forged documents or in search methods to fight smuggling or illicit products. Surveillance of the green and blue border is generally inadequate, due also to a lack of means (communication network, vehicles, and patrol boats).

3.3.2 Customs Service of the Republic of Moldova

The customs service is structured in a Central Administration and, after a reform in 2007, 8 subordinate offices. Currently EUBAM assists the Moldovan Customs Service in implementing a new restructuring program and developing its Strategic Development Action Plan 2009-2011. There exist 113 customs points across the country. The customs service employs 1,550 customs officers. The customs service has overall adequate administrative capacity / staffing and adequate knowledge of

customs rules; customs procedures appear to be normally in line with international standards (Republic of Moldova is a member of WTO). However processing capacities are low and certain specialised skills are lacking (e.g. the implementation of transit procedures, the use of modern techniques of selectivity or risk analysis, etc). A considerable part of customs clearance of commercial traffic takes place in inland customs houses rather than at BCPs.

3.3.3 State Border Guard Service of Ukraine

The State Border Guard Service is structured into five regional departments, with the Odessa one in charge of nearly the entire border with the Republic of Moldova. The SBGS has been – to a large extent – demilitarised but, in addition to classical tasks of control and surveillance of persons and goods, and the fight against cross-border crime and irregular migration, still also has the function of defending the state border. The SBGS has the overall responsibility for border management, including coordinating the work of customs and other law enforcement agencies present at the border, and green and blue border surveillance. Staff numbers and professional capacity appear as mostly adequate. Passport controls appear to be carried out in a satisfactory manner, with some specific problems noted due to short control time of trains. Surveillance of the green / blue border has generally better means at its disposals but could be significantly improved.

3.3.4 State Customs Service of Ukraine

The State Customs Service is generally adequately staffed, but comparably less well equipped than border guards. The overall border management responsibility lies with the border guards, with daily meetings taking place. The State Customs Service lacks investigative powers and is only allowed to handle administrative offences. Criminal cases have to be transmitted either to the State Security Service or to the police. The State Customs Service has developed an advanced level of risk management and is able to produce high quality analysis. EUBAM is of the view that this advanced capacity is not fully used for assisting customs clearances and in addition could be used to provide more assistance to strategic decisions. Risk management including risk analysis at custom house level needs to be developed, however the effectiveness of risk analysis depends above all on the extent and quality of information and intelligence which is available to customs officers. It is important to note that access to information is restricted and the ability to use it effectively is on a rather low level.

3.4. Risks and assumptions

3.4.1 Assumptions underlying the project intervention

***Assumption 1:** Ukrainian and Moldovan authorities will remain committed to the reform of their border and customs services, 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.*

The realisation of this assumption is likely, as the countries' political commitment emanates from the highest political level and was confirmed by the signature of the Memorandum of Understanding on the Border Assistance Mission between Ukraine, the Republic of Moldova, and the Commission, as well as by the agreement of all parties to extend the Mission's mandate for further two years. Continued commitment and cooperation at the level of services was good during the two years of implementation, and will continue being regularly reported on by the Mission. Moreover, the President of Ukraine adopted the State Border Guard's development strategy up to 2015 in June 2006, a reform document aiming at achieving Schengen standards within the set time horizon. A similar reform strategy is underway for the Moldovan Border Guard Service. Also the State Customs Service of Ukraine is considering elaborating a strategy paper for the service's development for the next decade.

***Assumption 2:** 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 reinforcing the Mission and will continue contributing towards the successful operation of this Mission, notably through exchange of information.*

The realisation of this assumption is likely. EU Member States demonstrated strong support during 2006 and 2007 for EUBAM and a healthy interest in continuing / enhancing their contribution to this joint EU endeavour, through seconding own personnel as "field personnel" of the Mission, and

accepting to allow continued detachment from national service of the contracted “core” personnel of the Mission.

***Assumption 3:** The presence of the Mission personnel alongside counterpart operational services along this border 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.*

The two years of the Mission’s operation demonstrated the counterparts’ sincere interest to improve the effectiveness of border and customs controls. All services cooperate closely with the Mission and implement their recommendations. The practitioner-to-practitioner training in a live work environment is proving to be the right approach. This logic has underpinned all EC twinning projects deploying Member States practitioners in the pre-accession context.

***Assumption 4:** Improved border and customs controls and border surveillance along the whole border is a crucial element in the peaceful resolution of the Transnistrian conflict.*

This assumption intervenes at the level of wider / overall objectives. Clearly the realisation of this overall objective is beyond the remit of this Mission alone and depends also on other external factors. There is already a clear indication that the expected results and the achievement of specific objectives will significantly contribute to this overall objective. Moldovan-Ukrainian relations improved considerably after the signing and implementing of a Joint Declaration of both countries’ Prime Ministers dated 30 December 2005 and implemented since 3 March 2006 as well as the adoption of Decree no. 301/2007, later replaced by Decree no. 743/2007, by the Moldovan Government allowing companies located in the Transnistrian region of the Republic of Moldova and temporarily registered in the State Registration Chamber fully benefiting from the Republic of Moldova’s preferential trade certificates of origin.

3.4.2 Risks

The evident high level of corruption in all services could reduce the positive impact of EUBAM’s operation. EUBAM is addressing this challenge through assisting the partner services in implementing anti-corruption strategies. These activities will be coordinated with an EC-funded anti-corruption project, as well as with an U.S.-funded anti-corruption initiative financed under the Millennium Challenge Cooperation. However, without a clear commitment from Ukrainian and Moldovan Authorities in carrying out anti-corruption measures a decrease in the level of corruption of border guards and customs staffs is extremely difficult, thus a high level of ownership of programme activities by beneficiary countries is needed.

3.5. Crosscutting Issues

The programme has a strong good governance dimension since prevention of, and fight against corruption is targeted.

4. IMPLEMENTATION ISSUES

4.1. Implementation method

Joint management through the signature of an agreement with an international organisation, either the United Nations Development Programme (UNDP) who was the Commission’s implementing partner for the previous six phases, or the International Organization for Migration (IOM).

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.

4.3. Budget and calendar

Indicative breakdown of overall amount by main components:

Supplies (in EUR)	Services (in EUR)
1,000,000	11,000,000

The project is planned to be implemented within 12 months after conclusion of a joint management agreement, with the possibility of an extension of up to 6 months, if required.

4.4. Performance monitoring

Performance will be monitored by the EC Delegation and the ENPI Monitoring Team. The implementing partner will have to submit regular progress reports.

4.5. Evaluation and audit

An ex-post / impact evaluation will be carried out within a year after the end of the Mission's mandate.

4.6. Communication and visibility

EUBAM and the Commission's implementing partner will follow the communication and visibility strategy already in place. No additional measures will be required since EUBAM ensures a high degree of visibility of EU intervention.

ANNEX 5: ACTION FICHE FOR ENPI REGIONAL EAST ACTION PROGRAMME 2009

1. IDENTIFICATION

Title/Number	Eastern Partnership Culture Programme Part I CRIS: 2008/ 020-541		
Total cost	<i>€3M EC contribution (Part 1 of 2 part €12M global programme, with the remaining €9M expected from decision 2010 ENPI East)</i>		
Aid method / Method of implementation	Project approach – <i>Direct centralised management</i>		
DAC-code	16061	Sector	Culture

2. RATIONALE

2.1. Sector context

The beneficiary countries of this programme are: Ukraine, the Republic of Moldova, Georgia, Azerbaijan and Armenia, and Belarus, although its participation to the programme depends on its internal political developments and its full reintegration into the ENP process.

The ENP East countries have a rich cultural diversity and an important cultural heritage that can play a role in political, economic and social development, but which at present is not adequately mobilized. The cultural sector of EU neighbouring countries reveals common characteristics, including a renewed interest in cultural heritage and a potential for regional cooperation among civil societies across the region despite the persistence of regional “frozen conflicts” and political tensions between countries.

In the region, civil society organisations support a number of innovative and effective cultural activities, many of which remain however at small scale and without relevant structural impact. The **main problems of the cultural sector in this region** include skills shortages, lack of training and exchange opportunities, in particular in strategic planning related to the culture sector; cultural project preparation, business planning and budgeting; audience analysis and development; public information strategies; presentation and interpretation for sites and museums; cultural site management, including World Heritage Sites; and tools such as social and environmental impact assessment. During the needs assessment missions civil society organisations and the relevant ministries underlined that efficient training tools and resources are not in place to meet current needs, although they are becoming more aware of the benefits of sound management and the necessity to explore new models of training and cooperation at regional level.

The current programme will help cultural organisations to meet these needs at regional level, through:

- **strengthening regional links and dialogue** within the ENP East region, and between the EU and ENP Eastern countries' cultural networks and actors;
- supporting cultural policy reform and modernisation of the cultural sectors in the ENP region;

- supporting **awareness raising and cultural initiatives** having a regional impact on sustainable economic and social development, democratization and conflict prevention.

In line with the Commission communication of December 2008, the European Council of March 2009 welcomed the establishment of an ambitious Eastern Partnership as a specific Eastern dimension of the European Neighbourhood Policy, to promote stability and prosperity among the EU's Eastern partners and to accelerate reforms, legislative approximation and economic integration. It endorsed the launch of Flagship Initiatives in order to give momentum and concrete substance to the Partnership. The Eastern Partnership recognises the value of cultural cooperation and inter-cultural dialogue as an integral part of all external policies and, has underlined the importance of cultural cooperation in addressing political processes and challenges⁴. Therefore the Eastern Partnership calls for a specific EP Culture Programme that will strengthen the capacity of cultural operators in the region and enhance the role of culture as a force for reform, promotion of inter-communal tolerance and social cohesion.

2.2. Lessons learnt

This Eastern Partnership Culture Programme builds upon the experience of existing regional and national culture programmes of other regions. In particular, this Programme built upon the recommendations highlighted in the evaluation of several programmes, such as the Euromed Heritage Programme to the benefit of the ENP South countries such as : put more effort in coordination and promotion of the programme; carry out systematic needs assessment of the sector to determine critical needs and opportunities; find a balance between tangible and intangible cultural heritage; put more emphasis on education components, in particular children's cultural education; ensure interaction opportunities between projects. Moreover priorities and results of other relevant EC programmes, such as the Call for Proposals "Investing in People -Access to local culture, protection and promotion of cultural diversity" were taken into account for the identification of complementary priority areas.

2.3. Complementary actions

To date EC cultural initiatives in the region are few, but coordination with existing initiatives will need to be ensured. In Georgia, the elaboration of a Twinning project is planned to support institutional development of Georgian National Museum's Restoration-Conservation Centre and the Museum of Fine Arts. In Ukraine, a few EC-funded projects are implemented to support the development of cultural tourism in Bukovyna (Chernivtsi region) and to promote joint cultural heritage as a way of cultural dialogue between communities in cross-border regions of Chernivtsi and Suceava. Moreover, through the EC programme "Investing in People - Access to local culture, protection and promotion of cultural diversity", only very few proposals in the sector of culture are being financed in the ENP East region so far. In addition, the Erasmus Mundus programme finances four European Masters courses in the cultural sphere focusing amongst other on the training and development of future human resource managers and programmers in the cultural sphere. These masters courses are open to participation of students from the ENP East region.

Finally, within the EC Culture Programme 2007-2013 managed by DG Education and Culture (EAC), a Special Action (strand 1.3) will be used in 2009 and 2010 to support a limited number of cultural cooperation projects between cultural operators from the EU and the countries that are part of the European Neighbourhood Policy (ENP), which have ratified the

⁴ EU Presidency Conclusions of the European Council of June 2008, paragraph 78.

2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and have signed an Association or Partnership and Cooperation Agreement with the EU (Armenia, Belarus, Georgia, the Republic of Moldova for the ENPEast region). With a limited budget (around 2M€ for the two years), this action allows cooperation projects mainly centered around a minimum of three partners from countries participating in the Programme, to reach out to one further partner in one of the eligible countries of the neighbourhood. .

2.4. Donor coordination

A dynamic coordination process was implemented during the needs assessment review, involving the relevant EC Delegations, the Ministries of Culture, cultural institutions and civil society organisations. Roundtables and bilateral meetings were organised with all targeted structures and with other donors in the sector of culture in all beneficiary countries. Previous and ongoing initiatives were discussed with all stakeholders and the coordination process revealed common priority needs of both governmental and civil society counterparts and potential positive outputs of a regional programme in this sector. Additionally, an overview of activities of other donors in the culture sector in the region was conducted (details on relevant programmes of the Council of Europe's Kyiv Initiative, UNESCO World Heritage, World Bank, Open Society Institute's Arts and Culture Program, the European Cultural Foundation, and EU Member States were included in the Identification Fiche).

In accordance with the Paris Declaration and the EC Backbone Strategy on "Reforming Technical Cooperation and Project Implementation Units for External Aid", the ENP East Culture programme will be demand-driven and will respect a principle of ownership. The needs assessment implemented in the identification period ensured an analysis of priority needs and a consultation of a broad range of stakeholders in the beneficiary countries. The Call for Proposals with a co-financing requirement will ensure a strong local ownership.

3. DESCRIPTION

3.1. Objectives

The overall objective of the Eastern Partnership Culture Programme is to support the role of culture in the region's sustainable development and to promote regional cooperation between civil society cultural organisations in the ENP Eastern region and with the EU.

The programme will target the following specific objectives:

- Support cultural policy reform at government level, capacity building and professionalization of cultural operators in the Eastern ENP region;
- Contribute to exchange of information and experience among cultural operators at a regional level and with the EU ;
- Support regional initiatives/partnerships which demonstrate positive cultural contributions to economic development, social inclusion, conflict resolution, intercultural dialogue;

3.2. Expected results and main activities

The Programme will provide both technical assistance to address specific priority needs of public institutions and the region's cultural sector and grants to civil society cultural organisations for regional cooperation projects. The Programme will target all cultural sectors,

including cinema and audiovisual and possibly support heritage conservation projects such as the Council of Europe's Kyiv Initiative

Component 1

Expected results:

- Policy-making, project and resource generating capacities are strengthened both at the public sector and cultural operators
- Dialogue and co-operation mechanisms are developed within the sector across the region

This component will include a **regional supporting mechanism** that will provide specific technical assistance to public institutions and the cultural sector of the Eastern ENP countries (through a standard service contract). To this end, technical assistance will be provided in all targeted countries – taking into account the country specific needs - to ensure local ownership and long-term impact, with the following main outputs:

- providing technical assistance to the Ministries of Culture to formulate inclusive cultural policies, develop cultural policy reforms and to improve/develop a legal and regulatory framework for the modernisation of the cultural sectors.
- contributing to develop more linkages between cultural activities & policies and their contribution to other or wider regional agendas ranging from employment creation to social inclusion, environmental conservation, conflict prevention/resolution and intercultural dialogue.
- providing capacity-building and training to address the identified skills shortages in the cultural sector, with a focus on strategic planning; cultural project preparation, business planning and budgeting; audience analysis and development; public information strategies; presentation and interpretation for sites and museums; cultural heritage conservation, management and valorisation, including World Heritage Sites; and tools such as social and environmental impact assessment;
- providing information on the European cultural programmes and initiatives, including the below-mentioned Call for Proposals, notably to encourage regional networking and to develop the regional component of the programme;
- ensuring monitoring, coordination and visibility of the selected projects, in order to develop complementarities and synergies between cultural actors and initiatives in the region. For each project, the mechanism will help in setting performance indicators, providing training on evaluation tools, measuring the projects' progress and impact. A dedicated website and regular newsletters will provide information on the projects and the related events at regional level.

Component 2

Expected results:

- Intra-regional and inter-regional (EU-ENP) cultural initiatives and partnerships developed.
- Management skills and networking capacities of the cultural organisations and operators are strengthened.

This component encompasses **Demand-driven projects** from ENP civil society cultural organisations which will be selected through a Call for Proposals. The programme will support projects of a regional nature, including organisations from at least 2 countries of the ENP region and 1 EU country. A co-financing requirement will ensure commitment and sustainability of the selected projects. Regional projects focusing on networking, capacity-building, training and exchange of good practices in the following priority areas will be considered for selection:

- Developing regional tourism oriented towards the arts and cultural sites and increasing public access to cultural resources, cultural participation
- Supporting audience-development actions, with particular attention to children, and youth as well as non-majority cultures;
- Supporting conservation and valorisation of regional cultural resources and heritage, including film resources and strategic digitalization projects;
- Supporting regional initiatives promoting the mobility of artists and of works of art in the field of contemporary creation, as well as partnerships devoted to joint creation/production
- Developing contemporary approaches to cross-border education and outreach programmes in the areas of arts and culture;
- Supporting new and existing cultural networks within the ENP East region, and integration of ENP East cultural organisations into wider European cultural networks;
- Training and capacity-building for cultural media contributing to the development of specialised media in the culture sector;
- Encouraging multi-disciplinary and cross-sectoral exchanges between government (local and national levels), civil society and the private sector in order to stimulate reform and modernize cultural institutions and to develop innovative advocacy mechanisms in the field of culture;
- Supporting the formation of the region's cultural operators in particular in the areas of strategic management and leadership skills, research, marketing and audience development, business planning, communications and public relations, advocacy, fundraising and sponsorship;

3.3. Risks and assumptions

The needs assessment has pointed out specific risks related to the culture sector, along with possible mitigation measures.

The risks linked to regional instability and to frozen conflicts between governments in the region should be mitigated by the strong commitment of civil society organisations towards regional cooperation and by efficient coordination with the relevant institutions in each beneficiary country, including the Ministries of culture.

In the cultural sector, the risks linked to the low capacity of cultural institutions to present good projects will be mitigated by broad public information campaign before launching the Call for Proposals and by targeted training for staff in project management. The Programme will encourage a demand-driven approach and local level participatory activities, in order to compensate little experience of cultural institutions in community participatory processes and regional cooperation. In order to ensure transparency the supporting mechanism will ensure broad dissemination of information so that most potential beneficiaries are informed of the launch of the Programme and Call for Proposals.

3.4. Crosscutting Issues

This programme is expected to contribute to the transverse issues of democratisation, social and economic development, governance, gender and environment:

Social and Economic Development: The programme is designed to raise awareness on the role of cultural cooperation in mutual understanding and social cohesion and help the culture sector and cultural institutions become a potent force in social and economic matters.

Democratisation and governance: The programme will help to strengthen the civil societies and their cooperation in the cultural area. Regional cooperation and support to new advocacy mechanisms in the cultural sector will encourage civic and political reforms, as well as improve good governance in the countries.

Gender. The programme will address gender imbalances in several ways, including equal opportunity for training and support for development of livelihoods (in tourism, creative industries etc.). Staffing of the project unit would be carefully monitored so that there is no gender bias.

Environment. While the programme is unlikely to have a direct impact on the environment, it is probable that activities that promote tourism and regeneration of historic areas would have an indirect and positive impact. Improving site management of cultural sites should also have a beneficial environmental impact.

Cultural Diversity: The programme will enhance the recognition of the value of cultural diversity by providing opportunities for cultural expression to cross boundaries and by involving all communities including cultural minorities.

3.5. Stakeholders

Stakeholders include public institutions (ministries and other institutions) as well as other non governmental and private organisations that contribute to cultural creation and to the management and promotion of culture and cultural heritage. It equally includes other organisations linked to culture (youth, education, environment, tourism, urban planning, rural development), museums, culture houses, and creative industries and culture or tourism-based business.

Target groups are civil servants, artists and cultural operators, non-governmental, educational and community organizations in the area of culture. Particular attention will be given to youth and audience of cultural services.

Civil Society Organisations. This People-to-People programme specifically promotes the participation of civil society actors in the partner countries, but also in the EU who will act as catalysers for regional dialogue and good governance reform in the area of culture.

The governments of the ENP East countries are faced with important cultural conservation and cultural policy development issues and inadequate resources to address them. Their primary interest in these projects is the exchange of experience with their regional and EU partners, which will enable them to update and improve their capacity to manage cultural assets and to develop modern and inclusive cultural policies.

The population, with a focus on the youth and audience/users of cultural services, is the ultimate target group of this programme. Public outreach, education and programming are therefore promoted as an important aspect of the programme.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Direct centralised management – The proposed programme will combine both technical assistance (Tender/Service contract) and grants (Call for Proposals). The technical assistance will be provided through a service contract which will be managed by Headquarters to maintain an overview of the whole regional programme.

For the grants, the choice of launching a Call for Proposals will ensure the widest possible participation, a good geographical spread of projects, and ends up with projects of a good quality and good potential for sustainability and exemplarity. Whenever relevant, the grant projects will be managed by the EC Delegations, who will be able to provide better management quality by being closer to the people and the projects.

4.2. Procurement and grant award procedures

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the ENPI Regulation. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in *article 21(7) ENPI*.

2) Specific rules of grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the general budget. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities.
- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 112 of the Financial Regulation applicable to the general budget.

4.3. Budget and calendar

The total amount of the Programme is of €12 Mio, to be funded under two Decisions: ENPI East 2009 and ENPI East 2010-subject to future approval.

The indicative split between the Call for Proposals and the Call for Tender is as follows:

- Part I: Call for Tenders for the Supporting Mechanism: € 3 M – Indicative date for the launch of the Tender is September 2009 – Implementation period: 4 years. This part is financed by ENPI East 2009
- Part II: Call for Proposals (CfPs). EC Contribution: € 9 M – Indicative date for the launch of the Call is September 2010 – Implementation period: 2 to 3 years. This part is expected to be financed by ENPI East 2010 subject to a new Commission Decision.

4.4. Performance monitoring

There are no EuropeAid Standard Indicators defined for the cultural sector. However, several key indicators and monitoring arrangements will provide solid evidence for the expected positive achievements of the programme. Result indicators of the programme will be related to:

- measuring the number of local & EU partner artists and organisations/cultural operators benefiting from regional initiatives (mobility of artists, exchanges of know-how, trainings etc.) implemented within the region ;
- cultural networking and exchanges at regional level, with the number of new adhesions to ENP and European cultural networks and the number of sustainable partnerships initiated between local actors in the region and with the EU;
- participation of audience in regional cultural events;
- increase in audience and visit rates at the cultural institutions and tourism-with-culture centres that are involved/benefiting from the present programme;

For the whole programme, performance indicators will be further developed in line with the pilot regional initiatives of the programme. Moreover, a performance monitoring scheme and related key indicators will be defined for the monitoring and evaluation of each project to be selected through the Call for Proposals. The Component I will support this process, including setting performance indicators, providing training on evaluation tools, monitoring the projects' implementation and measuring their progress and impact.

4.5. Evaluation and audit

A midterm and final external evaluation of the project will be carried out in the course of the project's implementation. This evaluation will be based specifically on the objectively verifiable indicators of achievement, as they appear in the LogFrame

Expenditure incurred will have to be certified, as part of the obligations of the contracted parties in the framework of the implementation of this project. Mid term and final evaluations of the results achieved will be entrusted to independent consultants, as well as external audits (which will be carried out if necessary). These evaluations and audits will be funded from other sources than the project budget, since no commitment will be possible once the validity of this Decision has expired ("N+1" rule will apply).

4.6. Communication and visibility

The EU visibility guidelines must be followed by all projects. The supporting mechanism project will develop a specific communication strategy and activities dedicated to communication and visibility of the programme.

In support of the launch of the CfP, "Info Days" will be organised in Brussels and in beneficiary countries in order to raise awareness of potential beneficiaries about the programme and provide them with all details about its characteristics and requirements. EC

Delegations will participate in the dissemination of information in the partner countries to raise awareness about this opportunity). Existing cultural networks will be used for the dissemination of information and results. A programme website will be developed under the supporting mechanism, in order to provide potential applicants with all necessary information and to facilitate networking among programme participants.

Visibility and communication actions in the Partner Countries will also be carried out in collaboration with the Delegations, in line with the Communication and Visibility Manual for EU External Actions

ANNEX 6: ACTION FICHE FOR ENPI REGIONAL EAST ACTION PROGRAMME 2009

1. IDENTIFICATION

Title	ENPI-East Global Allocation		
Total cost	EUR 5,000,000		
Aid method / Management mode	Project approach – direct centralised management CRIS n. 020-584		
DAC-code	99810	Sector	

2. RATIONALE

The ENPI-East Global Allocation 2009 is a flexible mechanism, a "facility" giving the EC the possibility to decide on the financing of small-scale actions that are in keeping with the objectives of the Eastern dimension of the ENPI programme as well as its operational and policy priorities. It follows the ENPI-East Global Allocation 2007 and 2008.

Based on the ENPI Regulation, and in particular Article 16 "Support measures" thereof, the ENPI-East Global Allocation 2009 provides funding directly necessary for the implementation of the ENPI Regulation and for the achievement of its objectives.

In line with the Commission communication of December 2008, the European Council of March 2009 welcomed the establishment of an ambitious Eastern Partnership as a specific Eastern dimension of the European Neighbourhood Policy, to promote stability and prosperity among the EU's Eastern partners and to accelerate reforms, legislative approximation and economic integration. It endorsed the launch of Flagship Initiatives in order to give momentum and concrete substance to the Partnership. This project to be financed in the present Action Programme will support the operation of the Eastern Partnership multilateral framework, e.g. support activities and studies to the country or multi-country programmes, the organisation of the ENPI-East meetings, primarily those related to the launching of the four platforms, activities in the fields of information and communication as well as ad hoc operations.

3. DESCRIPTION

3.1. Objectives

The objective of the ENPI-East Global Allocation 2009 is to ensure rapidity of the commitment decision on actions and projects, while enabling the European Commission to act with flexibility through the use of an instrument capable of adapting to evolving circumstances, such as dealing with unforeseen situations.

3.2. Expected results and main activities

The Global Allocation will be used as a framework for financing activities in the following fields:

- **Support to the project cycle management**

This component includes activities linked to:

- identification and formulation of bilateral and regional projects which may result in funding from ENPI-East (e.g. sector studies, country or region studies, studies on cross-cutting issues or in specialised areas, preparatory activities, etc.);
- projects and other small-scale activities to back up major projects during their implementation (programmes carried out under the country or multi-country programmes);
- audit and evaluation / impact assessment of projects for which financing of such activities could not be foreseen due to the N+1 rule, or is no longer available.

The indicative budget for this component is **EUR 2,500,000** to be contracted by means of framework contracts. In the very few cases where the existing framework contracts would be impossible (e.g. budget over the EUR 200,000 threshold, experts unavailable for various lots, etc.), other procedures laid down in the Financial Regulation will be followed.

- **Information activities**

This component covers activities of the EC delegations in the ENP East countries and Russia in the following areas:

- publications and other information and awareness-raising activities about the European Neighbourhood Policy and the Strategic Partnership EU-Russia, designed and implemented in coherence and complementarity with the regional Information and Communication programme, in order to enhance the visibility of EC activities in each ENP East country and Russia

This component will have an indicative budget of **EUR 1,500,000** to be split among the EC delegation based on their annual programme of activities. These activities will be implemented by means of grant and service contracts. All grant contracts will be awarded following calls for proposals launched locally by the EC delegations. The required procedures for service contracts will be applied in accordance with the Financial Regulation.

- **Organisation of meetings**

This component covers the different kinds of meetings organised by the EC in the framework of the ENPI-East, primarily related to the launching of the Eastern Partnership initiative (EaP), including the work of EaP thematic platforms, civil fora, sector preparation meetings and other related events.

The indicative budget for this component is **EUR 700,000**. The technical preparation of the meetings as well as their logistical organisation will be done through framework contracts.

- **Ad hoc operations**

This component will be used to finance operations for specific cases, e.g. emergency or crisis situations, which fall outside the scope of the standard country or multi-country programmes.

The indicative budget for this component is **EUR 300,000** to be split between service contracts, grant contracts and/or operations jointly managed with international organisations according to the needs of each activity.

4. IMPLEMENTATION ISSUES

4.1. Implementation method

Direct centralised management.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

4.3. Budget and calendar

Contracts can be financed under this ENPI-East Global allocation as soon as the Commission decision is adopted, until 31 December 2010 in accordance with the N+1 rule.

4.4 Evaluation and audit

Certifications of expenditure will have to be submitted as part of the contracts implementing this decision. Evaluations of the results achieved by some of the projects financed under this decision may be done by external experts entrusted by the EC as well as external audits at the initiative of the Commission, if necessary. These evaluations and audits will be funded from other sources because of the "N+1" rule applying to the contracting-out period of this decision.