

**ACTION PROGRAMME
FOR
TACIS CROSS-BORDER CO-OPERATION (CBC) PROGRAMME 2005
NEIGHBOURHOOD PROGRAMMES COMPONENT**

1. Identification

Budget heading	19 06 02 Cross-Border Co-operation in structural matters
Total cost	EUR 39 M
Legal basis	The Council Regulation (Euratom, EC) N° 99/2000 of 29 December 1999 sets up the criteria for the implementation of a programme of assistance to the partner States in Eastern Europe and Central Asia.

2. Regional update

The Neighbourhood Programmes component of the Tacis Cross-Border Co-operation (CBC) Programme directly reflects the policy objectives of the Commission Communications on **Wider Europe** (11/03/2003) and on the **New Neighbourhood Instrument** (01/07/2003).

A strategic framework for the Tacis Support to Cross-Border Cooperation and an analysis of the EUs external borders in the East can be found in the Multi-annual Indicative Programme for 2004-2006. The document was presented to the EU Member States at the Tacis Management Committee of 15 October 2003 and adopted by the Commission on 21 November 2003. This assessment is still valid and constitutes the basis of this proposal.

The Neighbourhood Programmes benefiting from Tacis funding will provide support in those regions of **Belarus, Moldova, Russia and Ukraine**, which border the EU and the accession countries.

Each Neighbourhood Programme (NP) involving these countries has defined its specific eligible areas within a list of regions (as described in the Tacis NP CBC Action Programme 2004).

3. Summary of the Action Programme

The above-mentioned policy orientations led to the inclusion of Tacis funding for the four Western NIS countries in 12 Cross Border and Multi-country Neighbourhood Programmes in 2004.

Neighbourhood Programmes are bi/trilateral programmes and regional/multilateral co-operation programmes involving both sides of the European Union's external borders. They support authorities and organisations inside and outside the Union to work together to improve the economic and social conditions of the areas concerned, to address common challenges (environment and communicable diseases, the prevention of and fight against organised crime), ensuring efficient and secure borders (border management including the fight against illegal migration, organised crime, trafficking) , and people-to-people contacts (support of social and cultural links, enhancing exchanges).

Cross-border programmes are focussed on the local and regional level on either side of a border, whereas regional/multilateral programmes cover much larger geographic areas (e.g. the regions around the Baltic Sea) and concentrate on **more** strategic issues, such as transport and environmental matters.

The 12 Neighbourhood Programmes benefiting from Tacis funding were prepared by the respective partner countries for the period 2004-2006 and respect the Neighbourhood Programme Implementing Guidelines developed by the Commission services in 2004.

The support for the external component of the NPs (Tacis) is provided by means of grants up to a maximum value of EUR 1 m in principle with the duration of projects generally being 12-24 months.

The NPs are adding value to cross-border, trans-national and regional co-operation and are preparing the ground for the implementation of the European Neighbourhood and Partnership Instrument (ENPI), which will be introduced in 2007.

The NPs benefiting from Tacis funding are moving towards the programming approach practiced in relation to the Structural Funds (INTERREG), linking external priorities and funding from Tacis to the INTERREG Programmes.

However, since the existing regulations for INTERREG, Phare and Tacis will continue until 2006, the NPs will still rely on different (but fully co-ordinated) funding instruments. As a result, procedures regarding contracting and payments will remain as before (per INTERREG, Phare and Tacis rules).

A list of NPs benefiting from Tacis funding and the proposed allocations per NPs are provided in Annex 1.

3.1 Structure and implementation of the Neighbourhood Programmes benefiting from Tacis funding

The NPs operate both with EU internal and EU external funding, through procedures, which have been harmonised as far as possible.

The external aid guidelines allow for a single application process and joint selection of projects.

Where relevant, the NPs have been built on current INTERREG and Phare CBC programmes and include the following key features:

- the NPs enable funding to be allocated on both sides of the external border
- the NPs' priorities take account of necessary objectives and activities on both sides of the border
- the rules governing the NPs' management and committee structures ensure a balanced membership from both sides of the border, and include appropriate Commission representation. A single application procedure and joint decision making for project selection operate, covering both sides of the border

The NPs have established administrative capacity through the creation of joint management structures and have become operational at the end of 2004. The first Calls for Proposals were launched as from early 2005.

Details on the implementation arrangements have been included in the Tacis CBC Action Programme 2004. These remain valid for the NP component of the 2005 CBC Action Programme. Implementing Guidelines are included in Annex III.

3.1.1 Type of Actions:

Each Neighbourhood Programme has established priorities which are in conformity with one of the following four objectives:

- promoting sustainable economic and social development in the border regions;
- working together to address common challenges, in fields such as environment, public health, and the prevention of, and fight against, organised crime;
- promoting an integrated border management, including the fight against illegal migration, aiming at ensuring efficient and secure borders
- promoting local "people-to-people" type actions with a view, among other, to support democracy and the rule of law.

3.1.2 Implementation Procedures

- Neighbourhood Programme Management Structures

In short, the NPs involve:

- the joint programming of measures,
- the adoption of a single application process,
- a single call for proposals on both sides of the border,
- a joint selection process for projects,
- a separate contracting process (i.e. there is one contract for the internal part of each project and one for the external part).

Each Neighbourhood Programme operates under the same management structure. There are three main groups of structures: for internal funding, the Managing Authority and the Paying Authority; for external funding, the Programme Co-ordination Unit and the Contracting Authority; and three joint management structures, namely the Joint Monitoring Committee, the Joint Selection Committee and the Joint Technical Secretariat.

Where existing INTERREG programmes have been converted into Neighbourhood Programmes, the existing Managing Authority and Paying Authority will continue. Also, the location of the existing INTERREG Joint Technical Secretariat has not changed.

However, up to 5% of the Tacis funding allocated to each Neighbourhood Programme may be used to establish a branch office of the Secretariat in the non-Member State participating in the programme.

- Implementation at Project Level

There was a need to harmonise procedures to allow the efficient functioning of the NPs in the period 2004-06, while staying within the constraints of the respective existing legal bases.

The Call for Proposals and the selection process have been fully harmonised. After projects have been selected, the management of the projects is done in accordance with Structural Funds rules for the EU internal funding and in accordance with the Commission's "Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions" (the PRAG) for external funding.

All projects should be implemented in line with EU competition policy (including state aid principles).

Cooperation related policy of beneficiary countries

The national and regional authorities of the beneficiary countries took active part in the preparation of the NP.

Coherence with EC cooperation policy

The Programme is in line with the following Communications of the European Commission:

- Wider Europe Communication (11 March 2003)
- Paving the Way for a New Neighbourhood Instrument (1 July 2003)
- Commission proposal for a Regulation establishing a European Neighbourhood and Partnership Instrument (29 September 2004)

Coherence with the CBC IP 2004-2006:

The specific priorities and activities to be supported under the cross-border co-operation programme, as described in the CBC IP, are addressing two key priority areas, namely support for the Neighbourhood Programmes and support for larger border crossing infrastructures. This Border Crossing component will be presented in a separate Financing Proposal.

4. Past EC assistance and lessons learnt

From 1997 to 2003, the Tacis Cross-Border Co-operation Small Project Facility (Tacis CBC SPF) has supported small-scale co-operation projects (grants) between local and regional authorities in the Western border regions of Belarus, Moldova, Russia and Ukraine on the one hand, and their neighbours in the enlarged European Union on the other.

Significant efforts to increase the interoperability between the different instruments (INTERREG, Tacis and Phare) led to an increase in the number of joint/parallel projects on both sides of the border.

A key element of the Wider Europe Communication was the idea of a specific Instrument which would support cross-border co-operation along the external borders of the Union, and which would not suffer the co-ordination difficulties faced by different programmes trying to combine funding from INTERREG, Phare, Tacis, CARDS and MEDA. Therefore, the NPs constitute the first stage of the development of a new instrument.

5. Complementary EC Assistance or co-operation

A separate financing proposal for € 4 million for border crossings will be presented later this year. In addition, Tacis is undertaking a number of complementary measures on the external borders of the European Union through the relevant Tacis National Action Programmes.

Due account will also be taken of EC-NIS scientific and technological cooperation activities in the same field of sustainable development (including, inter alia, environment, public health etc.) through the Framework Programme activities, the INTAS activities and the ISTC/STCU activities.

6. Donor coordination

Donor co-ordination as regards the external component (Tacis) will be ensured by the EC Delegations in Moscow (Russian Federation) for the NPs involving Russia and Kyiv (Ukraine) for the NPs involving Belarus, Moldova and Ukraine.

7. Cost and financing

The overall allocation for the Tacis CBC programme in 2005 is € 43 million.

The Neighbourhood Programmes benefiting from Tacis funds will be financed through a Community grant of € 39 million. The original allocations to the Tacis CBC Neighbourhood Programme component have been increased; this is due to the gradually enhanced importance of cross-border co-operation and the preparations for the future ENPI.

A breakdown of allocations per Neighbourhood Programme is provided in Annex 1.