Neighbourhood Programme Romania - Moldova 2004 – 2006
2005 fiche for project for Priority 2 – ‘People to people’ JSPF

1. Basic information

CRIS number: 2005/017 – 537.01.02
Title: Neighbourhood Programme Romania - Moldova 2004-6, ‘People to people’ 2005 Joint Small Projects Fund
Sector Code (DAC): 15050
Geographical Location: Eligible regions of the Neighbourhood Programme Romania-Moldova: Galati, Vaslui, Iasi, Botosani Judets in Romania, and all of Moldova

2. Objectives

2.1. Overall Objectives

The Global Objective of the Neighbourhood Programme 2004 - 2006 is

• to achieve the sustainable socio-economic development on the border area between Romania and Moldova by developing the principle of cross-border co-operation.

Two strategic objectives will reinforce the global objective:

• to increase the overall level of cross-border social and economic co-operation, and
• to improve the coherence in cross border infrastructure as it contributes to the populations’ quality of life.

The key objective of the Joint Small Projects Fund (JSPF) is to help the eligible regions to overcome specific development problems resulting from their relative economic isolation by way of developing and sustaining networks between actors in the two countries.

The specific objective of the ‘People to people’ actions component are:

• to improve cross-border cooperation at the local level between the two countries
• to support the further development of economic potential of the eligible regions

2.2. Purpose of the project

The ‘People to people’ actions shall support development particularly in the field of small-scale activities (strengthening people-to-people co-operation) across the border, according to the priorities and measures laid down in the Joint Programming Document.

The immediate tasks of the ‘People to people’ actions are as follows:

• Strengthening of local co-operation across the border;
• Stimulation and support to creation of permanent structures among the local and regional organisations in the border regions;
• Building and development of specialist resources of local and regional institutions involved in regional development and cross-border co-operation;
• Development of local/regional economic and employment;

2.3. Accession Partnership

The ‘People to people’ actions plays a key part in the process of preparation of Romania for the Accession, in particular through the capacity building dimension of local/regional actors. These funds are part of a process of creating “cooperation-minded” border regions. The project represents thus an important element in the preparation of Romania for the adoption of Structural Funds. In addition, the project supports the social and economic co-operation within the eligible area of both countries.

2.4. Cross-border Impact of the Project
The ‘People to people’ actions will contribute to the removal of existing disparities between regions on both sides of the border and thus to the gradual alignment of economic and social development. This is particularly important in view of future integration into the European Union. Full membership will require the approximation of levels of economic activity and living standards in particular in border regions in order to avoid undue problems connected to the removal of borders and the introduction of the principle of free movement.

The ‘People to people’ actions promotes the elaboration of projects with a cross-border impact and encourages the development of linkages between the communities/organisations/ institutions on both sides of the border. In general, the “people-to-people” aspects of the individual projects and the general direction of the fund guarantee a high degree of cross-border relevance of the scheme.

This project fiche is in line with the priorities defined in the Neighbourhood Programme Romania-Moldova Joint Programming Document 2004-2006

3. Description

3.1 Background and justification

The measure is primarily aimed at encouraging cross-border contacts and co-operation at regional and local level, mainly in the fields of cultural, social and sports co-operation, as well as institution building.

One of the key objectives of the strategy is to get people working closer to each other. It is also important that a new external EU border is not seen as a barrier to existing contact and co-operation at the local level. This can only be achieved, if co-operation is perceived as a natural part of the everyday life of people living in the border area. This requires people-to-people actions: specific occasions for people to get to know each other, to work together and to take part in various other forms of joint activities on a regular basis.

The analysis of the border area has identified the multicultural traditions of the eligible area and the common historical and cultural heritage as a major strength. It has also pointed out, that as a result of previous cross-border co-operation programmes; there are already existing strong cross-border initiatives in the form of the joint actions of institutions, communities and NGOs, primarily on the Romanian – Moldovan border. Furthermore, the experiences from the implementation of both the PHARE and TACIS funded Joint Small Project Fund have clearly demonstrated that there is an abundance of people-to-people co-operation projects seeking support in the eligible border area. Since such projects play a pivotal role in creating favourable environment for long-term cross-border cooperation, there is a need for an instrument supporting a wide variety of small scale co-operation initiatives.

It is also a requirement of beneficiaries to receive the provision of assistance in the preparation of future projects (of a larger scale than JSPF: ESD Grant Scheme projects). Beneficiaries should have the opportunity to apply for the funding of feasibility studies, EIA’s etc, under the JSPF. The Technical Assistance priority of the Neighbourhood Programme Romania-Moldova will provide support in this context.

This measure will build upon the positive experiences of the PHARE Joint Small Project Fund and TACIS Micro-Project Facility, successfully implemented on the Romanian Moldovan border.

The Joint Small Project Fund will implement the Priority "People to People actions" (priority 2 in the 2004-6 JPD). This scheme will only finance Institution Building projects: business co-operation, enterprise development, technology transfer and marketing for small and medium size enterprises, training, employment, measures for health and cultural exchanges, improvement of information flow and communications between border regions etc.

In order to reach a sufficient impact, these schemes need to be implemented in a multi annual perspective.

3.2 Linked activities

The ‘People to people’ actions are implemented by a JSPF grant scheme which forms an integral part of the Neighbourhood Programme. It complements other projects of the NP, primarily by creating a flexible mechanism for the support of small-scale activities and in some cases by preparing future large-scale CBC projects.
The Neighbourhood Programme, and its linkages between Phare CBC and TACIS CBC is a new approach from the European Commission, thus in the context of Phare CBC and TACIS CBC working so closely together, there is little continuity from previous activities.

However, in 2003, an "External Border Initiative" (EBI) was set up, intended for helping Romania to prepare the new cross-border co-operation Neighbourhood Programmes at its borders with Moldova, Ukraine and Serbia & Montenegro. The EBI provides, *inter alia*, for € 1.35 million technical assistance for the three new Romanian Neighbourhood Programmes (preparation of programmes, information and publicity, training of local staff, support to programme management structures, etc.) and for a project preparation facility. Moreover, the EBI provided for a pilot JSPF to be implemented on Romanian side of the border with Moldova. Although implemented only on the RO side of the border (no Tacis co-financing), the 2003 JSPF (0.5 M€, including € 35,000 for Technical Assistance) would prepare the ground for the JSPF to be jointly implemented with Moldova in the context of the 2004-06 Neighbourhood Programme.

### 3.3 Results

The JSPF for ‘People to people’ actions will provide financial support to small-scale actions in the border regions:

- Development of cross border economic and cultural co-operation
- Enhanced co-operation between local authorities and NGOs in the border regions
- Development of tourism activities
- Raising level of public awareness and co-operation on cross border co-operation and on the process of EU integration.
- Establishing permanent structures for co-operation of local and regional organisations in the border regions
- Skilled human resources of local and regional institutions involved in regional development and cross border co-operation.
- Projects prepared for potential funding under the ESD Grant Scheme under the Neighbourhood Programme

### 3.4 Activities

The project fiche will support the financing of the Joint Small Project Fund,

The grants will only be made for projects whose immediate objective is non-commercial and strictly non profit-making. Under no circumstances may grant give rise to profits (i.e. it will be restricted to the amount required to balance income and expenditure for the project).

The indicative allocation for this measure will be 3.13 M€ (Phare contribution: 2.40 M€) during the 2004-2006 period.

For 2005, the allocation for this measure will be 0.82 M€ (Phare contribution: 0.65 M€)

The Joint Small Project Fund shall provide grants in an amount of € 5,000–50,000 for soft activities.

#### 3.4.1 Eligible activities

Eligible activities will be the following

- Support of cross-border events and people-to-people actions, including – among others - conferences, joint seminars, sports events, joint social activities, study tours, joint cultural events, etc.
- Support for the co-operation of institutions, communities, joint institution building, transfer of knowledge and experience in various areas, such as:
  - Economic development
  - Environment
  - Tourism
  - Cultural exchanges
  - Local Democracy
  - Planning and development studies
  - Education and youth
  - Health and social services
3.4.2 Selection Criteria

When selecting from the initial group of applications, priority will be given to activities fulfilling the following criteria:

- involve direct interactions of people at least from two of the eligible border areas;
- build upon and/or strengthen the multicultural traditions of the eligible border area;
- involve and mobilise a large number of people
- prepare/lay the foundation of a long-term co-operation;
- directly linked to other intervention of the programme;
- Activities must be coherent with national policies, or demonstrate coherence with the relevant chapters of the National Development Plan, or the Association process (when appropriate with the nature of the project proposal);
- Activities should clearly demonstrate a cross border character via the involvement of a partner institution in the other country, or by benefits accruing to communities on both sides of the border (joint projects, especially where co-financed jointly by Romanian and Moldovan project partners, will be particularly prioritised), preferably be implemented close to the border;
- availability of co-financing. Minimum co-financing by the beneficiary will be 10% of the cost of projects,
- if possible, contain innovative approaches (e.g. pilot projects).

On this basis, detailed selection criteria will be included in the Call for proposals/Guidelines for applicants

3.4.3 Priority areas

The Fund will support small-scale people-to-people actions across the following priority areas:

**Economic Development**: Support for small projects focusing on economies, which enhance the economic base of the border region. For example proposals for the development of small-scale enterprise, marketing initiatives, markets, exhibitions and advertising events, and so forth; the creation of cross-border co-operation structures and partnerships among supporting organisations;

**Environment**: Projects focusing on specific problems of the environment of the region, such as the drafting of studies, assessment of problems, environmental training, actions aiming at increasing public environmental awareness and so forth.

**Tourism**: The JSPF will provide funding for a range of "soft" actions for tourism development - studies, planning, institutional strengthening measures, specific SME training and related HRD programmes.

**Cultural Exchanges**: Those cultural exchanges that already exist and that are being newly established between local groups on both sides of the border region. Meetings and exchanges among youth; artistic and supporting activities; folk events and similar actions with the emphasis on the establishment of traditions and long-term co-operation;

**Local Democracy**: Schemes will be supported that help create and intensify the skills of organisational structures in local and regional public administration and other elements of a democratic society (chambers of commerce, trade associations, trade unions, NGOs). Relevant training courses and information will be provided supporting exchange visits, project preparation and procedural matters. Joint projects may also involve the elaboration of materials for distance learning and so forth. Exchange of know-how and experience in education at various levels will also be supported.

**Planning and development studies**: Projects providing a basis for planning within a border region. Projects can be supported that create the preconditions for joint planning in a border region, for framing joint research programmes, for drawing up joint strategies for regional development in a border area with the aim to jointly define the development priorities and so forth. Development of project applications and feasibility studies are also included;

3.4.4 Potential Beneficiaries

The potential beneficiaries of this measure will be:

- Municipalities in the eligible area
• Associations of legal entities
• Organisations founded and administrated by the municipalities
• Professional associations and chambers (e.g. business, economic, agriculture chambers, etc.)
• Schools and universities
• Foundations
• Public associations and non-governmental organisations

Profit-making organisations, political parties and private persons are not eligible. National organisations that do not play a role in the development of the border region are not eligible either. Organisations without any partners from the other side of the border will not be eligible.

3.4.5 General criteria for eligibility

Projects already part-financed by another EC funded programme may not be granted support from this PHARE programme.

• Projects will have to be "joint" in the meaning of this programme (integrated projects will be particularly prioritised)
• be financially assessed realistically and transparently,
• be ready for implementation,
• the grant contribution must be between 5,000 EUR and 50,000 EUR,
• under no circumstances be in contradiction with the long-term development plans of the municipality or the region (projects that are part of an overall strategy/plan for the development of the region/town/municipality will be prioritised),
• Results of the proposal are in line with the objectives of the grant scheme.
• Justification of supplies and works components must be available in the application. Works can include modernisation or construction of infrastructure closely related to the training, innovation and tourism activities (e.g. technical training places, laboratories, presentation rooms, tourist sites and the related public utilities). Projects including only works or supplies components will not be supported.

Required documentation

• Studies (feasibility study, cost-benefit analyses, environmental impact study) justifying the rationality of the infrastructural developments
• Availability of the necessary permits and construction plans.
• Training/curricula/research plan when applicable

Basic CBC eligibility criteria:

Projects have to be joint in the meaning of the programme. Generally speaking, the following should be considered as joint projects:
(a) Simple projects with a cross-border effect taking place mostly or exclusively on one side of the border but for the benefit of both partners;
(b) Complementary projects where an activity on one side of the border is accompanied by a similar activity on the other side;
(c) Integrated projects where partners on either side of the border contribute different elements to a single project

Only the projects falling into one of these categories should be considered eligible to the Neighbourhood Programme.

Relevance:

• Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the RO-MO Neighbourhood programme)
• Compliance with the objectives of this grant scheme. The applicants must justify that the proposed programmes are adapted to the demands of the cross-border region with special regard to the market
• Clearly defined, strategically chosen target groups
• Relevance of the project to the needs of the target group
• Coherent, appropriate and practical activities
• Added value, new, innovative approaches

Methodology:

• The preparedness and elaboration of the project proposal.
• Involvement of the partners in the elaboration and implementation of the project proposal.
• Realistic time-schedule for implementing the project proposal.
• Objectively verifiable indicators for the project outcomes, methodology for follow-up of the project results

**Sustainability:**
• Further utilisation and long-term sustainability of the project results.
• Beneficial social, economic impacts of the project results.
• Possible multiplier effects of the project results.

**Budget and cost effectiveness:**
• To what extent is the budget clear and detailed?
• To what extent are the proposed expenditures necessary for the implementation of the project?

**Management capacity and expertise:**
• Availability of the necessary personal, organisational and institutional capacity for the implementation of the project proposal.

3.4.6 **Administrative costs for operating the fund.**

Administrative costs for operating the fund are supported through 2005/017 – 537.01.03 Programme Support under the 2005 RO-MO Neighbourhood Programme
3.4.7 Indicative * multi-annual Support

<table>
<thead>
<tr>
<th>Component</th>
<th>Phare Support</th>
<th>National Co-financing</th>
<th>TOTAL Public support</th>
<th>Beneficiaries contribution</th>
<th>Total project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>People to people JSPF</td>
<td>Investment Institution Building Total Phare</td>
<td>NB&gt;=INV/3</td>
<td>BEN&gt;=0.1*TPS/0.9</td>
<td>TPV=TPS+BEN</td>
<td></td>
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<tr>
<td></td>
<td>INV</td>
<td>IB</td>
<td>PH</td>
<td>NB</td>
<td>TPS</td>
</tr>
<tr>
<td>2004</td>
<td>0</td>
<td>0.65</td>
<td>0.65</td>
<td>0.22</td>
<td>0.87</td>
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<tr>
<td>2005</td>
<td>0</td>
<td>0.75</td>
<td>0.75</td>
<td>0.25</td>
<td>1.00</td>
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<tr>
<td>2006 (indicative)</td>
<td>0</td>
<td>1.00</td>
<td>1.00</td>
<td>0.33</td>
<td>1.33</td>
</tr>
<tr>
<td>2004-2006</td>
<td>0</td>
<td>2.40</td>
<td>2.40</td>
<td>0.80</td>
<td>3.20</td>
</tr>
</tbody>
</table>

²All references to Phare funding for 2006, or to final total for 2004-6 are purely indicative and do not in any case constitute a commitment on the part of the Commission.

The grant scheme will be jointly co-financed between Phare and government resources and the beneficiaries following the rules set out in the Financing Memorandum on the 2005 Phare Cross border Cooperation programmes of Romania.

4. Institutional Framework

Romania

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

Moldova

- **PCU (Programme Co-ordination Unit):** is the national authority responsible for coordinating Moldova participation in the Neighbourhood Programme
- **EC Delegation (Kiev):** acts as the Contracting Authority for Tacis funds.

The Joint Co-operation Committee (JCC)

The JCC is the strategic body of the NP. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operation of the NP. The JCC includes an appropriate representation of the European Commission.

The Joint Steering Committee JSC

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

JSC includes an appropriate representation of the European Commission which acts as observer.

Joint Technical Secretariat (JTS)

The JTS is located on the eligible area of the Romanian side of the and includes staff from Moldova. The JTS will be responsible for the day-to-day management tasks related to the NP, with due account of the roles and responsibilities of the IA and PCU.
Rules, procedures and formats: The implementation of this project fiche will be carried out according to the "NP Implementing Guidelines for Phare CBC/Tacis and Phare CBC/Cards borders", issued by the Commission on 15 July 2004 and the Grant section of the Commission Practical Guide (see details in Annex 5: Template for the Institutional framework/ implementation arrangements in case of grant schemes)

5. Budget (in M€):

<table>
<thead>
<tr>
<th>Year 2005 Institution Building support</th>
<th>Phare support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National Public Funds</td>
<td>Other Sources Benef'y contr’n</td>
<td>Total Co-financing of Project</td>
</tr>
<tr>
<td>Project 2 People to people JSPF</td>
<td>0.750</td>
<td>0.250</td>
<td>0.110</td>
</tr>
<tr>
<td>Total project 2005</td>
<td>0.750</td>
<td>0.250</td>
<td>0.110</td>
</tr>
</tbody>
</table>

(*) Maximum 7% of PHARE allocation may be used for expenditure relating to the preparation, selection, appraisal and monitoring of assistance, but not for remuneration.

5.1 Co-finance

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

The grant scheme will be jointly co-financed between Phare and government resources, plus a contribution from the beneficiaries following the rules set out in the Financing Memorandum on the 2005 Phare Cross border Cooperation programmes of Romania.

National co-financing may be made by contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities or funds from public enterprises NB only in those cases where the public organisation providing funds is not also the beneficiary of the specific project concerned. This is to say that the beneficiary contribution shall be a separate – and in any case additional - amount.

The Beneficiary Contribution minimum shall be calculated as total of Phare and national co-finance, multiplied by 0.1111.

The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs.

6. Implementation arrangements

6.1 Implementing agency

The Romanian CBC Implementing Agency is the Ministry of European Integration, Department for Cross-Border-Co-operation (MIE), which retains overall responsibility for the implementation of the project (approval of: terms of reference, of tender documents, of evaluation criteria, of evaluation of offers; signature of contracts, authorisation and payments of invoices).

Ministry of European Integration
Cross Border Cooperation Directorate
Bdul Libertatii nr 12, sector 5
Bucuresti, Romania.

6.2. Non-standard aspects

There are no non-standard contracts or tender procedures envisaged within this project. The "NP Implementing Guidelines for Phare CBC/Tacis and Phare CBC/Cards borders" and the "Practical Guide to contract procedures financed from the general Budget of the European Communities in the context of external actions" (PRAG) will be strictly followed.
6.3. Contracts:

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

7. Implementation schedule

The activities scheduled for Year 1 (using CBC 2005 funds) are the presented in the tables below. The timing and activities for Year 3 will be similar but remains to be confirmed in the 2006 updates to the fiche.

Co-ordination with the Moldovan authorities will be ensured so that the call for proposals are launched in the same time with identical deadlines.

<table>
<thead>
<tr>
<th>First Call for Proposals</th>
<th>03/2006</th>
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<tbody>
<tr>
<td>Completion of Projects</td>
<td>11/2009 (or earlier)</td>
</tr>
</tbody>
</table>

8. Equal opportunity

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

9. Environment

Environmental aspects will be asses individually for each of the proposed projects. Only projects without any negative impact on the environment will be selected for funding.

10. Rates of return

N/A

11. Investment criteria:

11.1. Catalytic effect: N/A

11.2 Co-financing:

The rate of the generally available maximum support (Phare and national co-financing) is 90 % of the total cost of the projects to be supported, and at least 10 % has to be provided as own resources by the beneficiaries in cash.

11.3 Additionality:

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

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

11.4 Project readiness and size:

A draft of the Co-operation Agreement, Call for Proposal, Application form, Guidelines for applicants and Grant Contracts will be elaborated by all concerned organisations by the time of signing the Financing Memorandum. All documents shall be prepared according to the PRAG template and submitted to the Delegation for endorsement prior to the launch of the Call for proposals. Only projects ready for tendering can be supported. The Fund will provide grants to projects in an amount of €5,000-50,000

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

11.6 Compliance with state aids provisions:
All actions financed by Phare will respect the state aid and competition provisions of the European Agreement.

12. Conditionality and sequencing:

ANNEXES TO PROJECT FICHE

1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter
4. Feasibility studies and preparatory work
5. Template for the Institutional framework/ implementation arrangements in case of grant schemes
## ANNEX 1 - LOGFRAME PLANNING MATRIX

### LOGFRAME PLANNING MATRIX FOR
**Joint Small Projects Fund**

### Programme Name: NP RO MO JSPF
- **Contracting period expires:** November 2007
- **Disbursement period expires:** November 2009

### Intervention logic

#### Overall objective
To promote institution building and partnership developments amongst individuals and groups in the border region;

- More than 25 Neighbourhood Programme People-to-people actions completed by 2006;
- 100% NP People-to-People Actions allocation absorption
- At least 3 participating local institutions from each country

### Project purpose
To encourage communities on both sides of the border in playing a joint role in addressing common challenges and promoting long-term cooperation in social, economic, educational, cultural and sporting activities.

- 25 formally constituted cross-border neighbourhood partnerships or other long-term cooperation arrangements by 2006
- NP data;
- Publications and reports by participating institutions;
- Media coverage of NP People-to-People actions

### Results
- **20 to 30 People to People Actions consistent with the priorities of the 2004-2006 Joint Programming Document have been completed**

### Objectively verifiable indicators

#### Sources of verification
NP implementation data
Phare CBC/TACIS (IA/PCU) data

#### Assumptions
- Sustained interest of the border region’s population in development and co-operation
- Continued commitment of the government towards the priorities of the programmes and regional development
- Continued commitment of local and regional actors

### Objectively Verifiable Indicators

#### Sources of Verification
- NP data;
- Publications and reports by participating institutions;
- Media coverage of NP People-to-People actions

#### Assumptions
- Pipeline of eligible People-to-People actions identified during project selection processes
### Supporting projects in the fields of:

- Regional Planning and Development: spatial development studies, regional development strategies and studies, all in a cross-border perspective for the participating regions; improvement of cross-border accessibility development studies on integrated emergency system, co-operation in health.
- Economic Development and Co-operation Including Tourism: joint marketing activities, PR activities and publications; counseling activities and organising public discussions; small business development schemes including marketing initiatives, trades fairs and promotional actions;
- Human Resources Development: Training; Cultural exchanges; Local democracy;
- Environment and Nature Protection: initiatives aimed at the improvement of natural environment and moderating environmental problems; elaborating schemes for environmental investment, environmental planning and monitoring; etc.

### Establishment and operation of Joint Small Project Fund

- The Joint Small Projects Fund is in operation and used.
- 1.00 MEUR of funding, 0.75 MEUR Phare funding in 2005
- 3.13 MEUR of funding, 2.40 MEUR Phare funding in 2004-2006 (indicative)

### Assumptions

- Good quality of the proposed projects regarding their readiness for tendering
- National resources are available in the planned time
- Unchanged regulations for the project implementation
- Unchanged institutional structure under the implementation period
- Functioning co-ordination between NNP RO and NNP MO as well as between all relevant partners
- Availability of qualified staff and institutional support

### Preconditions

- Good quality of Call for Proposal
### ANNEX 2: IMPLEMENTATION SCHEDULE

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D = Design  
C = Contracting  
I = Implementation  
R = Review / evaluation

### ANNEX 3 CONTRACTING & DISBURSEMENT SCHEDULES

#### PRIORITY 1 – People to people actions

<table>
<thead>
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<th>Components</th>
<th>2005</th>
<th>2006</th>
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<th>2008</th>
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Total EC Allocation
ANNEX 4  *Feasibility Studies and Preparatory Work*

N/A

ANNEX 5. *Template for the Institutional framework/ implementation arrangements in case of grant schemes*

The Neighbourhood Programme (NP) will operate on the basis of single calls for proposals and single selection process covering both sides of the border.

Under this approach, individual projects to be financed are identified through the grant scheme mechanism.

The following should be considered as joint projects:
- Simple projects with a cross-border effect taking place mostly or exclusively on one side of the border but for the benefit of both partners;
- Complementary projects where an activity on one side of the border is accompanied by a similar activity on the other side;
- Integrated projects where partners on either side of the border contribute different elements to a single project

Hence, only the projects falling into one of these categories should be considered eligible to the NP.

Once the Commission has adopted the yearly Financing Memorandum, the relevant project fiches will be implemented through calls for proposals. The grant scheme objectives and core eligibility/selection criteria will be defined in the Financing Memoranda, whereas detailed eligibility and selection criteria, evaluation procedures and implementation arrangements are laid down in the project fiches.

The Commission developed specific Neighbourhood Programmes Implementing Guidelines in order to harmonise the Phare and Tacis award procedures of the PRAG. This Implementing Guidelines, in conjunction with the PRAG, shall govern the implementation of the Neighbourhood Programme.

The standard and basic selection, implementation and monitoring process will be as follows:

| Except when stated differently, the award procedures provided in the PRAG will be implemented, as amended by the Neighbourhood Programme Implementing Guidelines Phare CBC/Tacis |

1. **PREPARATION OF THE PACKAGE OF CALL FOR PROPOSAL, GUIDELINES FOR APPLICANTS AND APPLICATION FORM ACCORDING TO THE PRACTICAL GUIDE**

   - The JTS, under the supervision of the JSC, will draft the call for proposals and the Application Pack;
   - The IA and PCU submit the Application Pack to the respective Commission Delegations for approval prior to publication.

2. **PUBLICATION OF THE CALL FOR PROPOSAL**

   The IA and the PCU, with the assistance of the JTS, take all appropriate measures to ensure that the nationally and regionally publicised call for proposals reaches the target groups.

   In certain circumstances, a Call for proposals might be launched with suspensive clause, if the EC funding is not yet available (e.g. prior to Commission Decision approving the Financing Proposal).
The IA and the PCU should ensure adequate publicity of call for proposals to attract as many as possible qualified proposals from potential beneficiaries and trying to ensure proposals quality.

Potential eligible beneficiaries will submit project proposals according to project fiches settings, i.e. eligible actions, co-financing rules and budgets. Projects application will have to indicate for what specific measure is competing.

The JTS will be responsible for answering questions from potential applicants. JTS will provide advice to potential project applicants in understanding and formulating correct application forms.

3. PROJECT SELECTION PROCESS

- The JTS collects and registers incoming project proposals.
- The Romanian IA and the Moldovan PCU designate a joint Evaluation Committee for the assessment of administrative compliance and eligibility and the technical and financial quality of proposals. In its tasks, the Evaluation Committee is assisted by the JTS.
- Members of the joint Evaluation Committee come from both countries. A balanced membership from either side of the border is required. Members of the Evaluation Committee are designated exclusively on the basis of technical and professional expertise in the relevant area.
- The composition of the Evaluation Committee must be submitted for prior approval to the EC Delegations. EC Delegations’ representatives will participate as observers in the proceedings of the Evaluation Committee. Prior approval is needed from EC Delegations for the participation of other observers.
- The Evaluation Committee will adopt its rules of procedure.
- If necessary, the Evaluation Committee could be assisted by Assessors designated by the RO IA and the MD PCU and endorsed by the Commission.
- The joint Evaluation Committee (with the support of Assessors, as appropriate), will assess each proposal on the basis of the published evaluation grid (approved by EC Delegations as part of the Application Pack), draws up its recommendations and decisions in the form of an evaluation report and transmit it to the Joint Steering Committee.
- Proposals will be processed ensuring, inter alia:
  - Eligible beneficiaries source
  - Eligible regions source
  - Coherence and relevance with overall program and targeted measure
  - Programme-measure-fiche budget constraints
  - Other budget constraints and co-financing requirements
  - Eligible planned actions according to targeted measure.
- The application format should allow:
  - An easy and timely admission-selection process
  - Readability for potential applicants
- The Evaluation body will have to use an appropriate evaluation methodology ensuring:
  - Independent and objective evaluation
  - High efficiency and timing
  - Readability of outcomes also for non-experts.
The Joint Steering Committee formally ratifies the Evaluation Report and the award proposals and transmits them (with recommendations, as appropriate) to the RO IA and MO PCU for submission to the EC Delegations. Under no circumstances the JSC is entitled to change the Evaluation Committee's scores or recommendation and must not alter the evaluation grids completed by the evaluators.

The EC Delegations approve the Evaluation Report and the final list of grants to be awarded.

4. CONTRACTING

Given the different financial rules applicable to each side of the border (decentralised versus centralised), the contracting procedures will be different for the projects (or part of them) co-financed by Phare CBC or Tacis:

In Romania:

- The EC Delegation only approves the evaluation report, the list of proposed projects (budget, duration, beneficiaries etc as per Practical Guide), and the standard contract format, not the contracts themselves irrespective of their budget.
- The IA signs the grant contracts with the selected beneficiaries based on the final list of Phare CBC grants approved by the EC Delegation. The language of the grant contract is English.
- The grant contracts should normally be issued within 3 months of the decision of the Joint Steering Committee.

In Moldova

- The EC Delegation formally confirms the decision of the Joint Steering Committee/PCU.
  In all cases, the Delegation will retain the right of final approval of projects (or part of projects) co-financed by Tacis. In doing so, it will ascertain that the conditions for Community financing are met
- The EC Delegation issues the grant contracts with the selected beneficiaries, normally within 3 months of the decision of the Joint Steering Committee.

The JTS will notify in writing the successful and unsuccessful applicants of the result of the call for proposals.

The implementation of selected projects by final beneficiaries through the procurement of works, supplies and services, shall be subject to EC external aid procurement rules or as otherwise defined in the Financing Memorandum.

5. MONITORING AND CONTROL OF THE SELECTED PROJECTS

Project implementation will be monitored through the Joint Steering Committee. The project monitoring and reporting process will be harmonised so that all projects will be monitored according to standard procedures. Project monitoring and evaluation will be based on periodic assessment of progress on delivery of specified project results and towards achievement of project objectives. All reporting and evaluation must differentiate between Phare CBC and Tacis expenditure, although in the framework of a single reporting structure. Monitoring reports are submitted to the Joint Co-operation Committee.

The JTS will collect and verify the technical reports and requests for payments from the beneficiaries and forward them to the relevant Contracting Authority for payments.
The EC Delegations reserve the right to organise field visits and to monitor on a case-by-case basis the projects selected.

6. ELIGIBILITY OF PROPOSALS

6.1 Eligibility of Applicants

The list of eligible applicants should be established in the Application Pack (Guidelines for Applicants) according to circumstances (objective of the Call for proposal, local administrative structure, etc.). It should generally include: national, regional, local public authorities; regional and local public organisations; municipalities and communities within the defined border area; professional associations; chambers of commerce; regional associations; non-governmental bodies; trade unions; etc.

*The grant cannot have the purpose or effect of producing a profit for the beneficiary. In order to implement the project, grant beneficiaries may need to procure services, supplies or works. To this effect, private companies may be sub-contracted.*

Participation from third countries is also possible as project partners on the basis of own funds contributions and as subcontractors, in line with the terms of the legal requirements stipulated in the legal bases of the EC external funding.

6.2 Size of projects (Community Contribution)

- For people-to-people projects: up to 50,000 Euro
- For other projects (selected through Call for proposal): no less than 50,000 Euro

In keeping with the above limits, min-max threshold of projects selected through call for proposals will be indicated in the Application Pack in conformity with the Project Fiche, on a case-by-case basis, according to circumstances (objectives of the measure, etc.). Within the same measure, min-max threshold could be differentiated according to the Phare and Tacis side of the border to take account of specific circumstances (e.g. differences between Phare CBC and Tacis available funds).

For any scheme, and particularly with regards to people-to-people, it will be important to set the min-max thresholds so as to keep the overall number of projects manageable.

6.3 Co-financing rules

Different co-financing rules apply for Phare CBC and Tacis.

Minimum requirements are as follows:

**Phare CBC:**

- people-to people projects: 10 % co-financing by the beneficiary;
- institution building projects: as a general rule, 10% co-financing by the beneficiary and/or public funds
- investment projects: at least 25% co-financing from public funds.

**Additionally, in the context of the NP Romania-Moldova, the following rules will apply:**
The grant schemes will be jointly co-financed between Phare and government resources. The rate of Phare support within the total support will be 75%, while the Romanian government will contribute 25 %. The ratio between the Phare and the national amount is binding and has to be applied to the “final contract price”. The rate of the generally available maximum support (Phare and national co-financing) is 90 % of the total cost of the projects to be supported, and at least 10 % has to be provided as own resources by the beneficiaries.

**Tacis**
• Individual projects financed under the People-to-People / JSPF Grant Scheme (priority 2) projects: min 5% co-financing by the beneficiary

• Individual projects financed under the main (ESD) Grant Scheme (priority 1)
  • projects from 50,000 to 300,000 Euro: min 10% co-financing by the beneficiary
  • projects over 300,000 Euro: min 25% co-financing by the beneficiary

* Clarification pending

6.4 Length of Projects

The average duration of projects is expected to be between 12-24 months, depending on the overall size and objectives of the project.