1. Basic Information

1.1 CRIS Number: 2005/017/539.01.03
1.2 Title: Neighbourhood Programme Romania – Ukraine 2004-06, 2005 Programme Support Technical Assistance
1.3 Sector: 43010
1.4 Location: Eligible regions of the Neighbourhood Programme Romania-Ukraine
1.5 Beneficiary: Ministry of European Integration
1.6 Duration: This project fiche covers 2005 implementation of the Neighbourhood Programme 2004-2006.

2. Objectives

2.1 Overall Objective

To ensure efficient, effective and transparent management and a smooth implementation of the programme.

The priority of Technical Assistance consists of two measures:

- measure 1 – programme management, and implementation (expenditure relating to the management, implementation and monitoring and control of the Programme, costs of organization and participation in meetings of joint management services and translation, audits, costs of the Joint Technical Secretariat, etc.)
- measure 2 – programme publicity and evaluation, project preparation (expenditure for assisting potential applicants in project preparation (feasibility studies, business plans, etc.) and expenditures relating to evaluation, studies, seminars, information, publicity concerning the Programme

2.2 Project purpose

To assist the NP's management structures in the preparation, implementation, monitoring and evaluation of the programme, including the funding of the Joint Technical Secretariat.
To support awareness raising and information activities among stakeholders, and to provide assistance to potential beneficiaries in project preparation.

2.3 Accession Partnership and NPAA priority

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

Regional Policy and Coordination of Structural Instruments
Strengthen the institutional and administrative capacity of the bodies in charge of programming and managing funds for cross-border co-operation in line with the Structural Funds approach.
NPAA (Medium-term priority):  
Promotion of cross-border co-operation

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

The Managing Authority/National Authority (within CBC Directorate) will delegate a certain part of its responsibilities and attributions related to programming, project implementation, monitoring and evaluation to an Intermediate Body, located in the border area. For undertaking tasks involved with the Neighbourhood Programme (NP) Romania-Ukraine the Regional Development Authorities (RDA’s) which have counties in the border eligible area have associated for establishing a regional CBC Office (with legal status) to be based in Suceava; This concerns the RDA North East, RDA North West and RDA South East.

2.4. Contribution to the National Development Plan  
As a key enabler for the Neighbourhood Programme by supporting its intervention strategy and actions, this priority will contribute to achieving the following objectives of the NDP established for 2004-2006.
- Promoting a balanced participation of all Romania’s regions to the socio-economic development process.

2.5 Cross Border Impact  
Apart from programme management provision, the Technical Assistance will also support the preparation of quality projects to be submitted to future call for proposals and, as such, will promote the key objectives of the Neighbourhood Programme between Romania and Ukraine. Special attention will be given to the preparation of joint projects and to projects with a strong cross-border co-operation character which will be planned in close co-operation with the regional and local authorities in the border areas.

3. Description  

3.1. Background and justification  
EC interventions supporting cross border co-operation between Romania and Ukraine are in their early stages of elaboration. In the first phase (2004-2006), the Neighbourhood Programme is aimed at the more co-ordinated use of the existing instruments, PHARE CBC and TACIS. The Neighbourhood Programme will permit a single application process, including a single call for proposals covering both sides of the border, and will have a joint selection process for projects. The funding for the NP will come from allocations already earmarked for existing programmes, and the formal decision processes would remain as at present. The second phase (as of 2007) would imply a fully-fledged new Neighbourhood Instrument. This would completely integrate the use of internal and external European Union funding to ensure an integrated approach to cross-border and interregional co-operation. The aim of Technical Assistance is to ensure efficient, effective and transparent management as well as a smooth implementation of the Programme. The smooth and efficient administration of the programme strictly depends on the capacity in management and in properly dealing with procedures in
order to prevent and avoid bottlenecks. Hence, a limited percentage of the EC resources can be used for technical assistance.

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

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

3.2. Identification of Projects

Technical assistance will be implemented through two specific measures, one focusing on programme operation activities (Programme management and Implementation), the other one focusing on programme support type activities (Programme publicity and evaluation; Projects preparation).

The indicative allocation of for the Technical Assistance priority will be 1.15 M€ (100% Phare contribution) during the 2004-06 period. For 2004, the indicative allocation for this priority will be 0.30 M€ (100% Phare contribution).

The corresponding indicative Tacis allocation for this priority will be 325,000 Euro during the 2004-06 period.

3.2.1 Measure 1 Programme Management and Implementation

This measure will provide the necessary support to NP’s management structures (Joint Co-operation Committee, Joint Steering Committee, etc.) covering the eligible expenditures of the operations of these structures (e.g. travel expenses for participation in the Committees, other administrative costs for meetings, etc.). In particular, this measure will cover the costs of the Joint Technical Secretariat, located in the eligible area on the Romanian side of the border, except the salary/fees of the Ukrainian representative(s) to the JTS, which will be covered with Tacis TA funds. Technical assistance to the JTS could also be provided, as appropriate, through training, provision of specific expertises, availability of data and information. The JTS will carry out most of the administrative tasks and day-to-day management of this NP and be responsible for the secretariat function of the JCC and JSC.

Results

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

Activities

Eligible actions are the following (non exhaustive list):

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

3.2.2 Measure 2: Programme publicity and evaluation; projects preparation

This measure provide for activities to increase awareness and information among potential beneficiaries as well as suitably promoting programme’s results achieved and aimed pursued. In addition other eligible activities in support of Programme activities are studies, seminars, information and publicity measures and programme evaluation.

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1 A JTS Branch office may be opened in parallel at a location within the Ukrainian territory. This would be solely funded by the TACIS Technical Assistance funds
Moreover, this measure will provide assistance and support to wider stakeholders to provide information and to facilitate participation, and to assist potential beneficiaries in carrying out feasibility studies, business plan, etc. through a "Joint Small Project Fund" type mechanism.

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

Moreover, a pipeline of mature projects to be submitted to future RO/UA call for proposals will be available.

**Activities**
- Technical assistance for evaluation, information events (seminars, etc.), studies, publicity concerning the NP;
- Actions to support the potential applicants in project preparation (relevant background documentation, feasibility studies, project technical designs, environmental impact assessment, cost benefit analysis, terms of references, technical specifications and tender dossiers etc)

### 3.3 Linked activities
Owing to the need to front load TA funds at the beginning of the three-years period in order to set up and equip the JTS, and to prepare and launch the 2004 NP Call for proposals, the 2003 PHARE External Border Initiative will provide an allocation for the start-up period, up to a sum of € 300,000. This TA will be contracted prior to the contracting of NP 2004 funds, and should take place as soon as possible.

### 3.4 Indicative multi-annual allocation of funds

<table>
<thead>
<tr>
<th>TA Phare</th>
<th>Total EU (MEURO)</th>
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<tr>
<td>2004/ Phase 1</td>
<td>Measure 4.1 Technical Assistance</td>
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<td>2005/ Phase 2</td>
<td>Measure 4.1 Technical Assistance</td>
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<tr>
<td>2006/ Phase 3</td>
<td>Measure 4.1 Technical Assistance</td>
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<tr>
<td><strong>TOTAL 2004-2006</strong></td>
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</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.

<table>
<thead>
<tr>
<th>Year 2005</th>
<th>Romania (Phare CBC)</th>
<th>Ukraine (Tacis CBC)</th>
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</thead>
<tbody>
<tr>
<td>Programme Support</td>
<td>Total Cost</td>
<td>Total Cost</td>
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<tr>
<td>Technical Assistance</td>
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<td>0.40</td>
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</table>
3.5 Lessons learnt

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

According to the Interim Evaluation Report no R/RO/CBC/03037 issued by EMS Romania, in July 2003, regarding the Cross Border Cooperation programmes, namely the JSPF, the capacity of beneficiaries to prepare project proposals was overestimated and preparatory training activities (under a parallel Phare programme) did not significantly improve the quality of the proposals.

The efficiency was adversely influenced by poor cooperation and coordination between all partners involved. Skilled assistance is required and effective communications are expected.

The partnership and networking supported by the projects should endure as long as the relationship remains productive. The activities undertaken by the organizations should raise their profile and therefore should help secure further support both internally through recruitment and externally by attracting donors.

The recommendations of the 2003 EMS Report Final Assessment for lessons learned can be summarised as follows:

- Increase Institutional capacity at central level
- Extended technical assistance for entire project control and management at local and central level
- As revealed during the implementation phase, international technical assistance needs to be provided to increase the design skills and the quality of the tender documents produced by local designers and to ensure that the preparation of design and tender documents meets international practice to eliminate poor programme preparation with design
- Feasibility studies to EU standards to be included in the project proposals and assistance provided

4. Institutional framework

Romania

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

Ukraine

- **PCU (Programme Co-ordination Unit):** is the national authority responsible for coordinating Moldova participation in the NP
- **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 observers.

**Joint Technical Secretariat (JTS)**
The JTS is located on the eligible area of the Romanian side of the border, and includes staff from Ukraine. 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.

5. Budget (in M€)

<table>
<thead>
<tr>
<th>JPD Priority &amp; Title</th>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
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<td>Year 2005 Institution Building support</td>
<td>National Public Funds</td>
<td>Other Sources Benef’y Contr’n</td>
<td>Total Co-financing of Project</td>
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<tr>
<td>Total project 2005</td>
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6. Implementation Arrangements

6.1 Implementing Agencies

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<tr>
<th>Romania</th>
<th>Ukraine</th>
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</thead>
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<tr>
<td>For PHARE CBC Romania: Implementing Agency (IA) and Contracting Authority</td>
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<tr>
<td>Ministry for European Integration (MIE)</td>
<td></td>
</tr>
<tr>
<td>Cross Border Co-operation Directorate</td>
<td></td>
</tr>
<tr>
<td>12, Libertatii Blvd</td>
<td></td>
</tr>
<tr>
<td>Bucharest 5, Romania</td>
<td></td>
</tr>
<tr>
<td>Dr. Daniela Chisiu, Director</td>
<td></td>
</tr>
<tr>
<td>Tel: +40 21 3355374</td>
<td></td>
</tr>
<tr>
<td>E-mail: <a href="mailto:daniela.chisiu@dr.mie.ro">daniela.chisiu@dr.mie.ro</a></td>
<td></td>
</tr>
<tr>
<td>For TACIS Ukraine: Contracting Authority (CA)</td>
<td></td>
</tr>
<tr>
<td>EC Delegation</td>
<td></td>
</tr>
<tr>
<td>10-Kruhlo-Universitetska st.</td>
<td></td>
</tr>
<tr>
<td>01024 Kiev</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
</tr>
<tr>
<td>For Ukraine: Programme Co-ordination Unit (PCU)</td>
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</tr>
<tr>
<td>Ministry of Economy and European Integration</td>
<td></td>
</tr>
<tr>
<td>12 - 2, Grushevskovo Street</td>
<td></td>
</tr>
<tr>
<td>01008 Kiev</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
</tr>
<tr>
<td>Mrs. Larissa Pekarska, Deputy NCU Director</td>
<td></td>
</tr>
<tr>
<td>Tel: +380 44 2969895</td>
<td></td>
</tr>
<tr>
<td>e-mail: <a href="mailto:pekarska@ncu.kiev.ua">pekarska@ncu.kiev.ua</a></td>
<td></td>
</tr>
</tbody>
</table>

- 6 -
6.2. Twinning Arrangement
Not Applicable

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

6.4 Contracts
Tendering and contracting of the required services, works and supplies will comply with the PRAG manual

7 Implementation Schedule

Start of tendering/call for proposals
ToRs ready by December 2005
Announcement for tender launched in March 2006

Start of project activity October 2006

Project completion November 2008

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
N/A

10 Rates of return
Not Applicable

11. Investment criteria

11.1. Catalytic effect:
Without TA support, the steps and objectives included in the programme could be implemented only much later and at a much slower speed.

11.2. Co-financing
There is no co-financing.
11.3. Additionality
Financial support to be provided by PHARE will not replace any other financial sources.

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

Also, the Managing Authority and subordinate agencies shall take particular care to ensure that all actions under this programme shall be recorded, for example in PERSEUS, in such a way as to make readily identifiable the specific sub-measure and budget year under which they are contracted.

Moreover, that specific registration shall be organised in such a way as to facilitate a readily traceable connection with the results of each contract, including notably the demonstration in terms of results of the abovementioned additionality.

11.4. Project readiness and Size
The project can be launched according to the implementation chart (Annex 2).

11.5. Sustainability
The development of the border region is part of both governments’ strategy of maintaining good relations with their neighbours.

11.6. Compliance with state aids provisions
All actions financed will respect the competition provisions of the European Agreement.

12. Conditionality and sequencing
The MoEI undertakes to finance any additional costs, which may arise in order to ensure timely completion and implementation of this project.

In addition to the ideal conditions mentioned under “Lessons learnt” (paragraph 3.6), in the event that agreed commitments are not met for reasons which are within the control of the Government of Romania, the Commission may review the programme with a view, at the Commission’s discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Phare programme.

Prior to any grant scheme contract being signed, the Regional Office for CBC Management, Implementation and Monitoring foreseen by the Implementing Agency for the CBC with Ukraine must be operational.

The implementation will follow the implementation schedule.

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

Also, the Managing Authority and subordinate agencies shall take particular care to ensure that all actions under this programme shall be recorded, for example in PERSEUS, in such a way as to make readily identifiable the specific sub-measure and budget year under which they are contracted.

Moreover, that specific registration shall be organised in such a way as to facilitate a readily traceable connection with the results of each contract, including notably the demonstration in terms of results of the abovementioned additionality.
ANNEXES TO PROJECT FICHE

ANNEX 1 - Logical framework matrix in standard format
ANNEX 2 - Detailed implementation chart
ANNEX 3 - Contracting and disbursement schedule by quarter for full duration of programme including disbursement period
ANNEX 4 - Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached (not applicable)
ANNEX 5 - List of relevant Laws and Regulations (not applicable)
ANNEX 6 - Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc) (not applicable)
ANNEX 7 - Template for the institutional framework/implementation arrangements in case of grant schemes. (not applicable)
<table>
<thead>
<tr>
<th>PRIORITY 4 TECHNICAL ASSISTANCE</th>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Neighbourhood Programme Romania - Ukraine 2004-2006</td>
</tr>
<tr>
<td>Contracting period expires:</td>
<td>November 2007</td>
</tr>
<tr>
<td>Disbursement period expires:</td>
<td>November 2009</td>
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<tr>
<td><strong>Objectively Verifiable Indicators</strong></td>
<td>Sources of Verification</td>
</tr>
<tr>
<td>Overall objective</td>
<td></td>
</tr>
<tr>
<td>• NP Purpose and Results Indicators at least 75% overall achievement level;</td>
<td>NP implementation data</td>
</tr>
<tr>
<td>• 100% of NP allocation absorption</td>
<td>NP Monitoring and Evaluation reports</td>
</tr>
<tr>
<td></td>
<td>Phare CBC/TACIS (IA/PCU) data</td>
</tr>
<tr>
<td>To support the NP's management structures in the preparation, implementation, monitoring and evaluation of the Neighbourhood Programme Romania-Ukraine 2004 - 2006.</td>
<td></td>
</tr>
<tr>
<td><strong>Objectively Verifiable Indicators</strong></td>
<td>Sources of Verification</td>
</tr>
<tr>
<td>Project purpose</td>
<td></td>
</tr>
<tr>
<td>• Project applications throughout duration of NP (2004-2006) sufficient to absorb 120% of NP budget;</td>
<td>- NP internal reports and analyses;</td>
</tr>
<tr>
<td>• Number of participating local institutions and authorities increases each year.</td>
<td>- Publications and reports by participating institutions;</td>
</tr>
<tr>
<td>To support the NP management and implementation, including the funding of the Joint Technical Secretariat; to provide assistance for programme publicity and evaluation</td>
<td>Assumptions</td>
</tr>
<tr>
<td><strong>Objectively verifiable indicators</strong></td>
<td>Sources of verification</td>
</tr>
<tr>
<td>Results</td>
<td></td>
</tr>
<tr>
<td>• Number and type of projects successfully carried out;</td>
<td>• NP internal reports and analyses;</td>
</tr>
<tr>
<td>• Programme and Project deadlines</td>
<td>• EC and TACIS reports on NP</td>
</tr>
<tr>
<td></td>
<td>• Reports by participating institutions</td>
</tr>
<tr>
<td></td>
<td>Assumptions</td>
</tr>
<tr>
<td>Activities</td>
<td>Means</td>
</tr>
<tr>
<td>------------</td>
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</tr>
<tr>
<td>CBC Regional Office/JTS staff well trained and prepared to undertake tasks such as: - performing secretariat function for the JCC, JSC and JEC. Drawing up reports reviewing programme implementation; - preparing decisions of the JCC and JEC; - acting as the main channel of communication between the authorities,</td>
<td>• Number of applications resulting from promotional and publicity activities; • Number and quality of reports and communications and organisations; • Media coverage of NP SPF activities</td>
</tr>
<tr>
<td>All programme support tasks will have been performed satisfactorily and completed within deadlines</td>
<td>Grant Scheme Guidelines and Application packages will have been prepared and distributed in accordance with NP Implementing Guidelines/PRAG rules</td>
</tr>
<tr>
<td>Advice and problem solving services will have been effectively provided throughout the programme</td>
<td>All administrative and secretariat tasks will have been performed to the satisfaction of the NP JSC, JCC and IA</td>
</tr>
<tr>
<td>Publicity and promotional activities concerning the NP in the eligible areas implemented</td>
<td></td>
</tr>
</tbody>
</table>

Assumptions
CBC Regional Office/JTS staff well trained and prepared to undertake tasks such as:

- performing secretariat function for the JCC, JSC and JEC. Drawing up reports reviewing programme implementation;
- preparing decisions of the JCC and JSC;
- acting as the main channel of communication between the authorities, final beneficiaries, and implementation bodies;
- carrying out publicity and public relations on behalf of the NP;
- preparing the application package for joint call for proposal;

Covering the eligible expenditures of the operations of the JCC, JSC, JEC;

Ensuring the functioning of the Regional Office for CBC Suceava, including the JTS, by covering its operational costs

Ensuring the management, implementation, monitoring and control of the project/programme, including, inter alia, the costs of services like translation, audits and on-the-spot checks of the operations

Covering the costs of information events (seminars, etc), studies, publicity, publicity concerning the NP
- providing advice to potential project applicants and assisting in project development
- collecting and registering the project proposals
- conducting on-the-spot checks to follow project implementation progress and submit reports to the IA / PCU and JCC adequately equipped offices
ANNEX 2 – IMPLEMENTATION SCHEDULE / PRIORITY 4 - TECHNICAL ASSISTANCE

Project title: Programme Management and Implementation of Phare CBC/NP Programmes Romania-Ukraine

T: Tender Procedures  C= Contracting  I= Implementation

This schedule is fixed for the 2005 programme

<table>
<thead>
<tr>
<th>Priority 4</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
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ANNEX 3 – CONTRACTING AND PROJECT COMPLETION SCHEDULES PRIORITY 4 - TECHNICAL ASSISTANCE

Cumulative contracting and disbursement schedule for Priority 4 by quarter (2005 Phare budget only)

<table>
<thead>
<tr>
<th>Components</th>
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<th>2006</th>
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<th>2008</th>
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Annex 4  Reference list of feasibility/pre-feasibility studies, in depth ex ante evaluations or other forms of preparatory work Not applicable

Annex 5  Reference list of relevant laws and regulations

ROMANIAN LEGISLATION

1. Law 31/1990 regarding commercial companies;
2. Commercial Code;
3. Law 571/2003 regarding the Fiscal Code;
5. Law 509/2002 regarding commercial agents;
6. Governmental Ordinance 51/1997 regarding leasing operations;
7. Governmental Ordinance 130/2000 regarding the legal status of long – distance contracts;
8. Law 193/2000 regarding abusive provisions concluded between traders and consumers;
9. Governmental Ordinance 21/1992 regarding consumer protection;
10. Law 84/1992 regarding free zones;
11. Governmental Decision 449/1999 regarding the setting – up of Free Zone Curtici-Arad and RA „Administration of Free Zone Curtici-Arad”;
12. Governmental Decision 682/1994 regarding the approval of the Methodology for land and building concessions in the free zone;
13. Order 1431/2002 for the approval of the Instructions regarding the granting of work licences and access permits in the Free Zone;
14. Governmental Ordinance 24/1998 regarding the disadvantaged areas;
15. Governmental Ordinance 65/2001 regarding the setting up and functioning of the industrial parks;
16. Law 21/1996 regarding competition;
17. Law 11/1991 regarding the unfair competition;
18. Law 141/1997 regarding Customs Code;
19. Governmental Decision 1114/2001 regarding the approval of the Rules regarding the implementation of the Customs Code;
21. Decision 471/2002 regarding the implementation of the common transit on the Romanian territory;
22. Methodological Norm regarding the implementation of the suspension of the VAT duty in customs for equipment, installations, industrial and agricultural machines, that are imported for the purpose of carrying out investments (M.O. 327/1997);
23. Law 64/1995 regarding judicial reorganisation and bankruptcy;
25. Law 32/1994 regarding sponsorship;
26. Governmental Ordinance 80/1999 regarding the amendment of Law 56/1990 regarding the border of Romania;

Annex 6 Reference list of relevant strategic plans and studies Not applicable
Annex 7  
Template for the institutional framework/implementation arrangements for Grant Scheme implementation

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 NCU 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 Ukrainian NCU 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 observer 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 UA NCU 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 UA NCU 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 Ukraine

- The EC Delegation formally confirms the decision of the Joint Steering Committee/NCU. 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-Ukraine, 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 3) projects: min 5% co-financing by the beneficiary
- Individual projects financed under the main (ESD) Grant Scheme (Priority 1&2)
  - 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

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.