

### ANNEX 3

of the Commission Implementing Decision on the ENPI East Regional Action Programme 2013  
Part II

#### **Action Fiche for Eastern Partnership Integrated Border Management project - Construction of jointly operated border crossing point Palanca on the territory of the Republic of Moldova**

#### **1. IDENTIFICATION**

Title/Number	Eastern Partnership Integrated Border Management project - Construction of jointly operated border crossing point Palanca on the territory of the Republic of Moldova CRIS number: 2013/024-869		
Total cost	Total estimated cost: EUR 5 million  Total amount of EU budget contribution: EUR 4.5 million  This action is co-financed in joint co-financing by the Republic of Moldova for an amount of EUR 500,000		
Aid method / Method of implementation	Project Approach  Joint management with the United Nations Development Programme(UNDP)		
DAC-code	15220	Sector	Civilian peace-building, conflict prevention and resolution

#### **2. RATIONALE AND CONTEXT**

##### **2.1. Summary of the action and its objectives**

The project supports trade facilitation in the region of Palanca with the creation of a jointly operated border crossing point (JOBCEP) at Palanca, on the territory of Republic of Moldova (hereinafter Moldova), which meets all EU standards and principles of a JOBCEP, and can contribute to the economic stabilization and sustainable development of the region.

##### **2.2. Context**

###### **2.2.1. Regional context**

###### **2.2.1.1. Economic and social situation and poverty analysis**

After the demise of the Soviet Union in the early 90's of the past century, Ukraine and Moldova go through similar development challenges such as limited economic growth, poverty, corruption and conflict of interest. In spite of positive growth rates, the majority of population of Moldova and Ukraine face difficult living conditions linked to poor infrastructure, low salaries, limited work opportunities and poor housing, educational and health facilities, as compared to the soviet times. High emigration rates and decreasing population figures confirm that both countries remain among the poorest in Europe.

These factors also explain the continuous flow of irregular migrants and the development of cross border crime including smuggling and trafficking of human beings, weapons and drugs.

The self-proclaimed Transnistrian republic has been for the last twenty-two years a grey area where Moldovan authorities are not recognised, increasing the risks of illegal activities in the region, particularly along the Ukrainian-Moldovan border.

### **2.2.1.2. Regional development policy**

Moldova and Ukraine are partner countries of the European Union within the European Neighbourhood Policy (ENP). The EU-Moldova and EU-Ukraine ENP Action Plans, signed in 2005, lay out the strategic objectives based on commitments to shared values and effective implementation of political, economic and institutional reforms.

The EU is currently discussing an Association Agreement with the Republic of Moldova as well as with Ukraine to replace the Partnership and Co-operation Agreements (PCA). These Association Agreements will significantly deepen Moldova's and Ukraine's political association and economic integration with the EU.

### **2.2.2. Sector context: policies and challenges**

#### Moldova

In Moldova the Government approved the National Strategy on Integrated State Border Management<sup>1</sup> (IBM Strategy) by a decision on the 27 December 2010 for the period of 2011-2013. The Action Plan<sup>2</sup> for the implementation of the National Strategy on Integrated State Border Management was approved by a Government Decision on 16 May 2011. The IBM Strategy clearly refers to the dimensions of the EU IBM Strategy.

The overall responsibility to implement tasks arising from the Strategy and Action Plan is on the National Council on IBM that coordinates the activity of the agencies involved in the implementation of the IBM, on which the Border Police of Moldova annually presents an assessment report. Five working groups have been set up to deal with the specific tasks stipulated in the Strategy and Action Plan: Border Control and Surveillance, Customs, Visa Liberalization, Infrastructure and Equipment, Prevention of Corruption. The involved organizations created and approved their own institutional plans.

The action plan lists 92 specific tasks in the field of enhancement of the regulatory framework, improvement of the institutional system, enhancement of the state border control and surveillance, intra-agency, interagency and international cooperation, implementation of the best human resources system, ensuring logistic development and development of the risk analysis system.

In the Republic of Moldova IBM Strategy is a part of visa liberalization process ( block II of the visa liberalization action plan is creating the integrated border management system), and

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<sup>1</sup> Approved by Government Decision No 1212 of 27.12.2010

<sup>2</sup> Approved by the Government Decree No 342 as of 16.05.2011.

it is strongly linked to the Institutional Development Plan<sup>3</sup> of the Border Guard Service under the Reformation Concept of the Ministry of Internal Affairs (MoI).

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

### Ukraine

In the IBM Concept of both states the priority issue is enhancing cooperation with the neighbouring countries, which could contribute to improvement of border management and security at common border. In Ukraine, the Cabinet of Ministers has approved the Integrated Border Management Concept on 27 October 2010<sup>4</sup>. The Action Plan on the implementation of the IBM Concept was approved by the Cabinet of Ministers on the 5 of January 2011<sup>5</sup>. With listing the five main dimensions, the IBM Concept contains a clear reference to the EU IBM Strategy approved by the Council Conclusion on 4-6 December 2006. According to the Concept the Ukraine State Border Guard Service (UA SBGS) has the overall responsibility for implementation of the tasks arising from it.

The Action Plan on the implementation of the IBM Concept consists of a list of specific tasks in the field of enhancement of the legal framework (national and international as well), creating a four-tier control system for entry and stay in Ukraine of foreigners and stateless persons, enhancing cooperation with national and international stakeholders, creating a single information system of subjects of integrated border management, bringing the procedure of border crossing of persons, vehicles and goods in line with EU standards, improving the system of border protection, improving the professional level of personnel and ensuring cooperation and coordination of activities of subjects of IBM.

The IBM Concept of Ukraine is very closely linked to the implementation of the action plan on visa liberalization (under the title “illegal immigration of block II of the visa liberalization action plan”), as well as to the Concept of Development of the State Border Guard Service of Ukraine for the period till 2015.

Both countries’ IBM Concept papers consider as a priority the enhancement of the cooperation with neighbouring countries, which can contribute to the improvement of border management and border security along the common border. More specifically, constructing/reconstructing border crossing points (BCPs) according to the needs, organizing JOBCP using EU principles, or optimizing the number of control agencies are important objectives followed continuously by both parties, as it is prescribed in the Strategic Development Program of the Border Guard Service of the Republic of Moldova

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<sup>3</sup> Resolution of the Government of the Republic of Moldova No 476 of 28.06.2011

<sup>4</sup> Order of the Cabinet of Ministers of Ukraine as of 27.10.2010. no. 2031-r

<sup>5</sup> Order of the Cabinet of Ministers as of 5<sup>th</sup> January, No. 2-p

for the period 2012-2014<sup>6</sup>, and in the Development Concept of the Ukraine Border Guard Service for the period up to 2015.<sup>7</sup>

### Palanca

After many years, the territorial dispute about the Palanca border crossing point has been settled recently, thanks to the compromises accepted by both countries and with the support of the EU-funded EUBAM mission. This agreement is be considered a very significant achievement, allowing both countries to consider the establishment of a jointly operated border crossing point on the territory of the Republic of Moldova.

## **2.3. Lessons learnt**

In Ukraine, a multi-project Result Oriented Monitoring (ROM) report, published in 2008, gave a positive assessment of the work of the border guard service, in particular regarding the implementation of the strategy on becoming fully compatible with the Schengen system by 2015. A sector readiness assessment was carried in 2010, analysing the Ukrainian border management sector in the context of the sector budget support.

Lessons learned from previous assistance provided in this area include:

- Assistance in a sensitive area such as border management needs to be developed through a constant and often time-consuming dialogue with beneficiary governments.
- A regional approach provides coherence and encourages harmonisation of global procedures among beneficiary countries.
- Assistance projects have to be tailor-made and needs have to focus on each country's specific requirements.
- The provision of equipment has to be linked to training sessions dedicated to the equipment's use and maintenance.
- Assistance in a particular area needs a mid- to long-term perspective. "One-shot" interventions, implemented over a period of two-three years often lack sustainability.
- Assistance provided needs to be coordinated with other assistance projects: this is being guaranteed by the fact that the "IBM FIT" (Flagship Initiative Training) project is being implemented by the International Centre for Migration Policy Development (ICMPD).

The European Court of Auditors (CoA) Special Report No. 9 of 2008 "The Effectiveness of EU Support in the Area of Freedom, Security and Justice for Belarus, Moldova and Ukraine" confirms "satisfactory achievements" of the EU technical assistance in the area of border management in the region. In the report's "conclusions and recommendations", the Court identified two main issues highly relevant for this particular intervention:

- Lack of speed: "Progress was slower than expected by the Commission, the great majority of projects was extended by several months, some even by over a year."
- Need to focus more on management- and EU practice questions: "The long term goal of a modern system of border management approximating European good practice is still some way off."

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<sup>6</sup> Internal order of the Head of the Border Guard Service

<sup>7</sup> Resolution of the Cabinet of Ministers on State Targeted Law-enforcement Programme "State Border Development and Reconstruction" for the period till 2015 as of 13th June 2007 Ref. No. 831

In addition, the CoA rightly pointed to the need to ensure sustainability through credible commitments from the partner services regarding the use of procured equipment. Before the launch of any supply procurement notices, a formal commitment regarding the running costs (fuel, maintenance etc.) will be sought.

The need of further EU-funding for the improvement of the border management sector continues to be fundamental for the protection and security of Moldova's and EU's external frontiers. Funds should be focused and directed on activities that have been already initiated and need continuous allocation of resources in order to achieve a more significant impact. These actions proved to be essential to the development of the integrated border management approach, as well as to the development of the border infrastructure (in line with the Infrastructure Development Plan of state borders for 2011-2014 approved by the Government of Moldova in June 2011).

#### **2.4. Complementary actions**

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

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

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

The EU-funded EUBAM programme (European Border Assistance Mission to Moldova and Ukraine) has been supporting improvements of border management standards in Moldova and Ukraine by providing technical input in the settlement process of the Transnistrian conflict since late 2005.

EUBAM supported partners in introducing the tool of jointly operated border crossing point along the Moldovan-Ukrainian border.

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

The overall objective of this programme is to contribute to the improvement of the mobility of Moldovan nationals, while ensuring public order and security, consolidating the rule of law and strengthening human rights protection in line with European standards and best comparative practices.

Under the 2010 AAP in favour of Ukraine, a EUR 66 million Sector Policy Support Programme is implemented in the field of border management, in support to the improvement of the sector's management in Ukraine, in particular of the integrated border management strategy. As complementary measures, a Twinning project for the State Border Guards Service and one for the Customs are under preparation. Several supply contracts for both the customs and the border guards are ongoing.

The Integrated Border Management (IBM) Flagship Initiative under the Eastern Partnership (EaP) is now in its implementation phase, with a large regional training project and six pilot projects on border management, three of which involve Ukraine and two involve the Republic of Moldova. An extension of the FIT project focused on capacity building and possibly managed by Frontex as well as more pilot projects are considered for implementation over the next few years.

## **2.5. Donor coordination**

In Ukraine, besides the European Union, there is only one major donor active on border management, the United States. In the frame of the Paris Declaration agenda, a sub-working group on border management issues was established by the Government of Ukraine to coordinate donor assistance. Although this working group is not active at the moment due to continuous changes in the aid coordination mechanisms, the EU Delegation and the US Embassy maintain close contacts at technical level.

Coordination with beneficiaries and donors in both countries is also achieved through EUBAM Advisory Board and bi-annual EUBAM coordination meetings on border management training with the participation of all donors and implementing agencies involved in the sector

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

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

#### **Overall objective:**

To facilitate trade in the Palanca area with the creation of a jointly operated border crossing point at BCP Palanca, on the territory of Moldova, respecting all EU standards and principles of a JOBCP, thus contributing to the economic stabilization and sustainable development of the region.

The project will contribute to a wider objective, namely "safer and more open borders" between Ukraine and Moldova.

### **Specific objectives:**

1. Acceleration of traffic flow due to simplified border crossing procedures. With unification of joint activities and by avoiding duplication of functions, with using the hand-to hand and one-stop-shop principle at BCPs, the average time of the border crossing can be reduced with 20%.
2. Enhancing cooperation among the two countries' agencies responsible for border control. Carrying out activities "under one roof" gives the opportunity for the border control agencies (border guard and customs agencies) and other relevant authorities (veterinary, phyto- sanitary agencies) to raise the level of trust and to come to a common understanding. With a common, well-coordinated activity agencies can reach a higher level of efficiency in trade facilitation and combating cross-border crime.
3. Establishment of a more rapid and secure exchange of information on persons, vehicles and goods, as well as other issues related to border control procedures. The JOBCP offers the possibility to create local inter-agency networks for direct information exchange which can significantly contribute to efficiency.
4. Reduction of risks related to such phenomena as corruption. As all border control agencies are working in the same environment, the level of transparency is higher, therefore JOBCP in itself is an effective tool for fight against corruption.
5. Reaching a higher level of efficiency and transparency of border guard and customs control through common procedures, and commonly accepted standard operational procedures.
6. Improvement of combating cross border crime by the enhanced level of cooperation and possibility to solve these issues on the spot, immediately involving all relevant agencies.
7. Reduction of functioning costs of BCPs.

### **3.2. Expected results and main activities**

#### **Results of establishing JOBCP Palanca:**

1. By implementing EU principles on excluding duplication of functions, new methods of cooperation based on mutual trust as well as by introduction of one-stop-shop and single window concept the border traffic is accelerated, which is auspicious as the BCP is located on the busy TRACECA route aiming to reach the Black Sea.
2. The advanced level of cooperation raises the efficiency of the control agencies in the fight against cross-border crime, in coordination with other on-going projects in the region, in particular EUBAM and other capacity building projects.
3. The establishment of the JOBCP gives the possibility to Ukraine to close Mayaki and Udobnoe BCPs, which are located on domestic transit roads and equipped with temporary premises. After terminating checks in these places passengers, using the domestic transit road will not be stopped any more by border control agencies.
4. With the establishment of the jointly operated border crossing point "Palanca", UA CS and UA SBGS can reduce costs related to human resources, as border control can be terminated in two BCPs (Mayaki and Udobnoe). After relocating the necessary number

of personnel to Palanca JOBCP, the remaining personnel can be employed in other places.

### **Activities:**

#### **Component 1: Infrastructural work**

1. For construction of a new jointly operated BCP the area is going to be extended by 1,074 hectares from the adjacent land. Total area of the new JOBCP is estimated to 2,182 hectares, 1,749 being allocated for customs and border control zone. JOBCP will comprise five lanes for entrance and exit into/from Moldova. For each direction it is planned to have three pavilions: two for passenger and one for cargo customs and border control. The pavilions are going to be equipped with modern computers, real-time traffic video-surveillance systems, etc.
2. At the entrance into Moldova a separate lane for a block of detailed inspection of trucks, inspection with mobile scanner, as well as a scale for all vehicle types is going to be built. At the border on both direction parking lots are going to be provided.
3. Two-floor service building, for all four customs and border services of Moldova and Ukraine is planned between entrance/exit lanes, the old one being demolished. The first floor of the service building will contain: counters for document control, control rooms, inclusively with 1 luggage control scanner for each direction, Moldovan and Ukrainian bank's offices and other offices necessary for control purposes.
4. The second floor is offered for the working and auxiliary rooms for all control services of Moldova and Ukraine.
5. Administrative building which is currently under repair will contain offices for control services of Moldova and Ukraine and a conference room.

#### **Component 2: Procurement of equipment:**

New JOBCP will be equipped with modern informational systems and tools for technical control, such as real-time traffic video-surveillance system, scanners for examination of luggage and vehicles, equipment for advance examination of documents and vehicles and so on. Training on the use of equipment will be provided.

### **3.3. Risks and assumptions**

#### **Assumption underlying the project intervention**

Ukrainian and Moldovan authorities will remain committed to the reform of their border and customs services, the fight against corruption, and bilateral co-operation.

#### **Risks**

1. Project counterparts may not fully endorse, or take considerable time when endorsing, the programme components, assigning institutions and experts for participation in the project's activities (low risk)

Mitigation measures: Experience shows that the timely involvement of beneficiaries in project activities is the best way to address this risk. This risk appears to be quite low since beneficiaries have been consulted from the beginning and have frequently



expressed support. In addition, EUBAM recommendations will be taken into consideration in the initial and further assessments of the needs.

2. Common understanding regarding the draft Agreement on Joint Control may take time to reach; therefore this bilateral document may not be signed by the governments of the parties. The lack of a proper bilateral agreement may hamper the establishment of jointly operated border crossing points operating in line with EU standards.

Mitigation measure: to facilitate dialogue between the beneficiaries and support them with presenting European practice on agreements on joint control. EUBAM working group on JOBCP may be a good instrument for this task.

### 3.4. Cross-cutting issues

Good governance: The project is based on good governance principles (particularly ownership, equity, transparency and anti-corruption). It will promote the dialogue between different levels of the state administration. Also, it will help strengthen the partner countries' capacities to better deal with the management of their international borders as well as bilateral and multilateral co-operation issues through the organisation of regional training sessions and actions (main ideas of the IBM principles).

Human rights and gender: The project will promote the respect of best practice in border management, including fight against trafficking in human beings and protection principles for asylum seekers. This project supports the on-going efforts by both countries aimed at raising awareness of border management officials on the needs of particularly vulnerable parts of the population, especially women, minors and individuals at risk of falling victim to human trafficking.

The expected long-term impact is to contribute to the strengthening of good neighbourly relations as well as the facilitation of trade and migration flows.

### 3.5. Stakeholders

The four key stakeholders are the Customs Service of the Republic of Moldova, the Customs Service of Ukraine, the Border Police of the Republic of Moldova and the State Border Guard Service of Ukraine.

**1. Customs Service of the Republic of Moldova (MDCS)**: is directly subordinated to the Ministry of Finance. Its organizational structure consists of the Headquarters, which includes the management, represented by Director General, two departments and customs local units<sup>8</sup>. Each division includes sections and sectors. On the territorial level there are seven customs houses and 106 customs posts (internal and border ones). Customs houses and customs posts operate in the field, levy the import/export duties, conduct the customs control, fight the customs frauds and carry out other duties. Total manpower of MDCS is about 1614 customs officers, 300 in the Central Apparatus and 1314 in customs houses. MDCS extends its efforts in increasing the efficiency of customs administration, particularly in collection of customs revenues, fighting the illegal cross-border traffic, simplification of customs procedures and development of the international customs cooperation.

**2. Border Police of the Republic of Moldova (MDBP)** is the autonomous national authority subordinated to the Ministry of Interior of the Republic of Moldova. The Border Police is created on basis of reorganization of the Border Guards Service of Moldova (from

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<sup>8</sup> Governmental Decision nr. 4 of 02.01.2007 on approving the structure, personnel of the Customs Service

1 July 2012) which has at the moment a total manpower of 3.553 persons that were demilitarized and granted a special status.

3. The total manpower of the **State Border Guard Service of Ukraine (UASBGS)** is about 50,000, including 8,000 civilians. The UA SBGS switched to a contracted personnel system in 2008. The organisational structure of the UA SBGS has four levels: Central Administration in Kiev, Regional Directorates (Northern, Western, Eastern, Southern and Azov-Black Sea), Border Guard Detachments under command of the Regional Directorates and Border Guard (BG) Units (BCPs, Border Surveillance Posts and Marine Guards). The UA SBGS is currently going through an intensive organisational and logistical reform process based on the Concept for the UA SBGS Development until 2015.

4. At present, the **State Customs Service of Ukraine (UASCS)** is under reformation process in accordance with the Decree of the President of Ukraine as of 24.12.2012. By reforming the UA SCS and the State Tax Service of Ukraine, the **Ministry of Revenues and Duties of Ukraine** has been created. This merging is likely to require substantial efforts from the Customs services and may complicate the implementation of the project. However, at local level, the staff support the creation of the Palanca JOBCP.

5. The final target groups of this action will be **individuals and economic actors** that cross borders legally. In addition, improved border management will also contribute to the fight against cross-border crime.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. Financing agreement

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

##### 4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is **48 months**, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

#	Planned events	Terms of implementation	Indicators of monitoring	Risks
1	Filling the documents and purchase of the design services	not later that 2 months after allocation of finances	Documents are filled in, design services are purchased	Documentation is not duly/in timely elaborated (medium)
2	Design of the new BCP	2 months after elaboration of necessary documentation	The design work of the new BCP is done	The four beneficiaries cannot come to a common (low) understanding on design
3	Preparation of documents for acquiring additional land	not later that 2 months after allocation of finances	Documents are prepared	Procedure on land acquisition is longer than estimated due to bureaucracy (medium)
4	Compensation of the losses caused by exclusion of the land from agricultural category,	one month after taking decision on compensation	Losses are compensated	Compensation procedure is longer than estimated due to

	according to the Law nr. 1307-XIII of 25.06.1997			bureaucracy (medium)
5	Conclusion of the Contract of sale. Land acquisition	within two months after taking decision on compensation	Land is acquired	Procedure on land acquisition is longer than estimated due to bureaucracy (medium)
6	Filling the documents and payment for the construction works and appointment of the contractor	three months after approval of design and cost estimates for construction	Documentation on construction work is filled and contractor is appointed	There will be no appropriate contractor (low)
7	Authorisation for construction works	within 12-13 months after contractors are defined	Construction work is authorized	Authorization procedure is longer than estimated due to bureaucracy (low)
8	Procurement of construction works	in compliance with the contract	Construction works are done	Tender procedure fails (low)
9	Acceptance of construction works and works on equipment installation	in compliance with the contract	Equipment is installed	Tender procedure fails (low)

### 4.3. Implementation components and modules

#### *Joint management with an international organisation*

This action with the objective of trade facilitation in the region of Palanca with the creation of a JOBCP at BCP Palanca, on the territory of Moldova will be implemented in joint management with UNDP.

This implementation is justified because UNDP (Moldova office) offers the specific capacity required for the management of such a large and specialised project. This organisation has a regional experience, including on bi-national projects involving Ukraine and/or Moldova and their strong sector expertise (including the management of EUBAM during the last seven years), their neutral status recognised by all stakeholders and their access to appropriate level of authorities in both countries.

Joint management with this international organisation in accordance with Article 53d of Financial Regulation 1605/2002 is possible because it is bound by a long-term framework agreement (FAFA) and the project is elaborated jointly between the organisation and the Commission.

UNDP will be in charge of the management of EU funds, payments (liquidation of eligible costs) recovery and cancellation of debts. UNDP will perform such budget implementation tasks as launching calls for tenders and proposals, award of contracts and financial instruments, concluding and managing contracts, carrying out payments.

The change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the international organisation.

#### 4.4. Scope of geographical eligibility for procurement in direct centralised and decentralised management

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies and materials purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21(7) of the ENPI Regulation on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### 4.5. Indicative budget

	Amount in EUR	Government of Moldova <sup>9</sup> contribution in EUR (indicative)
Joint management with UNDP	4,500,000	500,000
Total	5,000,000	

#### Detailed budget

Components	EU contribution	Republic of Moldova indicative contribution	Total
<b>1. Infrastructure works</b> Supervision contract and works contracts	EUR 2.25 million	EUR 0.25 million	<b>EUR 2.5 million</b>
<b>2. Equipment</b> Supply contract(s)	EUR 2.25 million	EUR 0.25million	<b>EUR 2.5 million</b>
<b>TOTAL</b>	<b>EUR 4.5 million</b>	<b>EUR 0.5 million</b>	<b>EUR 5 million</b>

#### 4.6. Performance monitoring

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

##### Indicators of both components:

- Signature of the contracts by the EU Delegation during the first semester of 2014;
- Updated needs assessment at the beginning of the project.

##### Indicators of Component 1:

- Completion of the works covered by the different lots according to schedule

<sup>9</sup> As 100% of the infrastructure and equipment will be located at the territory of the Republic of Moldova, therefore - on the basis of the preliminary agreement of all beneficiaries – the co-financing will be provided only by the Republic of Moldova.

- Quality of the works as assessed by monitoring/evaluation missions

**Indicator of Component 2:**

- Delivery of the equipment as stipulated in the supply contract(s) concerning timing, quantity and quality.

**4.7. Evaluation and audit**

An ex-post / impact evaluation will take place within one year after the completion of the project. Where applicable, the provisions included in the framework agreement signed with the international organisation will apply.

**4.8. Communication and visibility**

The implementing organisation will ensure that actions that are funded by the European Union incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action and the EU support for the action in Moldova and Ukraine, as well as the results and the impact of this support along the Communication and Visibility Manual for EU External Actions. Where applicable, the provisions included in the framework agreement signed with the international organisation will apply.