

Annex 4 - Action Fiche for ENPI East Regional Action Programme 2011 part II

1. IDENTIFICATION

Title/Number	Eastern Partnership Territorial Cooperation Support Programme (CRIS: ENPI/2011/023-067)		
Total cost	EUR 5.5 million		
Aid method / Method of implementation	Stand-alone project approach Direct centralised management		
DAC-code	15112	Sector	Decentralisation and support to subnational government

2. RATIONALE

2.1. Sector context

The Eastern Partnership was inaugurated in Prague on 7 May 2009 and aims to define a cohesive set of mechanisms to further strengthen the relationship between the European Union and its Eastern Neighbourhood countries. The Eastern Partnership is meant to provide an institutionalised framework for discussing a range of critical issues including: enhanced visa agreements; deep and comprehensive free trade; energy sustainability; regional peace and security; and strategic partnership agreements with the EU's eastern neighbours. Its geographical scope consists of Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova (hereafter Moldova) and Ukraine.

Of the range of options available to the countries of the Eastern Partnership, both bilateral (such as association agreements) and multi-lateral initiatives (such as the thematic platforms), territorial cooperation has emerged as an important mechanism to promote enhanced cooperation between Eastern Partnership countries and between Eastern Partnership countries and the EU.

In general, the concept of territorial cooperation can be defined as any form of cooperation (economic, environmental, social, etc) between regions in recognised nation states, which occurs across borders with a clear mutual benefit of regions on both sides of the border.

Given the broad nature of territorial cooperation, it is additionally important to differentiate its specific nature in the Eastern Partnership region. Territorial cooperation in the Eastern Partnership region has both commonalities and unique aspects, which make defining the sector in the Eastern Partnership region a unique challenge. The sector in the Eastern Partnership region has strong similarities: highly centralised governmental/fiscal control; significant disparities between the centre and the periphery; the regions tend to be normally agricultural/rural in nature; possessing strong neo-soviet development mechanism (which are strongly linked to regional / territorial control mechanisms developed in the soviet era); and for the most part are economically underperforming.

This being said, the sector in the Eastern Partnership region has also unique manifestation, with certain countries having a very vibrant civil society (in particular Georgia) with other countries (such as Azerbaijan) possessing a weaker civil society matrix. The relative geographical and demographic conditions also represent divergent conditions, which have to be confronted with unique approaches to local, regional and cross border initiatives.

For numerous reasons, primarily related to ineffective distribution of national resources to regions (due in part to inadequate financial resources) and inefficient distribution of existing economic resources, there are serious regional disparities between the centres in all Eastern Partnership countries and their regions with respect to both social and economic development. Periphery regions (especially border regions) are particularly affected due to outmigration, underfunded social and economic supports / infrastructure, underutilisation of economic assets (including agricultural and industrial potential), declining infrastructure in dire need of rehabilitation / repair, ineffective / corrupt border management regimes in most countries which can dramatically impact cross border trade and interaction, geo-political tensions across the regions, etc.

These challenges aside, territorial cooperation aims to support partner countries to better identify and jointly address common challenges at those border regions, thus having a positive impact on their economic and social development, which in turn has a positive impact on regional development and on reducing disparities between the periphery and the centre.

The Communication on the Eastern Partnership mentioned the idea, also included under the "territorial cooperation" sub-priority of the ENPI East Regional Strategy Paper and ENPI East Regional Indicative Programme for 2010-2013, of a wider intervention to support **the creation of effective and operational territorial cooperation programmes between border regions of the Eastern Partnership countries, modelled after the existing ENPI cross-border cooperation (CBC) programmes.** Two components are envisaged:

Component 1: a capacity building component, targeted at reinforcing the capacities of local and regional authorities to effectively manage as well as optimally participate in future cross-border programmes between Eastern Partnership countries;

Component 2: aiming to establish three Eastern Partnership cross-border programmes (indicatively):

- a Ukraine and Belarus programme;
- a Georgia and Armenia programme; and,
- a Georgia and Azerbaijan programme.

Indicatively, component 2 will focus on the following priorities:

- Improving the living conditions of local communities, in the target cross-border regions, through joint projects supporting economic and social development;
- Addressing common challenges in fields such as environment, employment, public health or any other field of common interest;

- Support local cross-border “people-to-people” actions and rapprochement between local populations.

This Action Fiche will focus only on the capacity building component which will set the basis for the establishment of the future Eastern Partnership cross-border programmes in the coming years.

2.2. Lessons learnt

With respect to the operation of territorial cooperation programmes in Eastern Partnership countries, experience exists, albeit related to traditional CBC initiatives, donor interventions over the years (initiated by bilateral donors, such as USAID or UN agencies such as the UNDP) and EU interventions related to the implementation of regional and local development in specific regions of the Eastern Partnership countries. Much of this experience has been localised on large economic centres or capital regions with minimal experience existing in other regions of Eastern Partnership countries (implementation of programmes and projects for the central state authorities and in the regions having borders with ex-PHARE and EU Member States).

The main lessons learnt from the last years of territorial cooperation programmes in the Eastern Partnership countries prove:

- **the critical importance of targeted information programmes / awareness campaigns**
- **the importance of capacity building programmes based on the careful selection of participating organizations and individuals** especially in regions where a minimal number of external technical assistance projects have operated in the past.

2.3. Complementary actions

With respect to the wider Eastern Partnership region numerous complementary actions at the trans-national, national, regional and local levels encompass a vast diversity of EU programmes, EU Member State initiatives and other donor initiatives (other national programmes) including significant International Financial Institutions (IFI) and international and local NGO interventions.

Some of the most relevant multi-sector complementary actions on both an inter-regional and specific country level include:

1. **ENPI CBC Programmes 2007-2013** covering specific geographical region of the Eastern Partnership countries (Baltic Sea Region, Black Sea Basin, Latvia-Lithuania-Belarus, Poland-Belarus-Ukraine, Hungary-Slovakia-Romania-Ukraine and Romania-Ukraine-Republic of Moldova) **and large scale projects** covering issues of border and migration management, the fight against transnational organised crime and customs;
2. **The South-East Europe (SEE) Transnational Cooperation Programme:** EUR 2 million extra ENPI funds have been allocated in 2010 to support the participation of Moldova and Ukraine in the 3rd and 4th call of the SEE programme;

3. The **Pilot Regional Development Programme (PRDP)** built on the cohesion policy model will provide extensive support and an enhanced dialogue process with all of the Eastern Partnership countries. Implementation is planned to commence in 2012, with significant interventions planned for 2013;

4. **Black Sea Synergy** is a regional cooperation initiative covering five Eastern Neighbours as well as the Russian Federation and Turkey;

5. **TAIEX and Twinning** remain valuable support instruments for advancing transition and reform at the central state level but are not directly applicable to regional and local governmental levels;

6. The **Comprehensive Institution Building programmes (CIBs)** will become increasingly important in the context of wider development related to systemic challenges linked to administrative and institutional reform, more particularly in areas relevant to the negotiation of Association Agreements.

7. Various initiatives on regional development planned under individual Eastern Partnership partner country Annual Action Programme (AP). These include:

- **Azerbaijan** (AP2011), Rural Development Support Programme (EUR 19.5 million);
- **Belarus** (AP2011), Regional Development Programme (EUR 13 million);
- **Georgia** (AP2010), Support to Regional Development Reform in Georgia (EUR 19 million);
- **Moldova** (AP2008), Twinning programme on Capacity Building in Regional Development to the Ministry of Construction and Regional Development (EUR 1.2 million);
- **Ukraine** (AP2010), Community Based Approach to Local Development (EUR 17 million); (AP2010), Joint Co-operation Initiative on Crimea (EUR 12 million); and (AP2011), Support to Sustainable Regional Development II (EUR 10 million).

Of the existing sector specific EU initiatives special attention should be given to:

1. The **TRACECA** programme (transport sector development and regional integration between 12 TACIS countries including 5 Eastern Partnership countries);

2. The **INOGATE** programme (energy policy cooperation between the EU and 12 ex-TACIS countries including all Eastern Partnership countries);

3. **‘Regional Environmental Centres’ (RECs), CIUDAD** programme, **EU Water Initiative** (EUWI) in Eastern Europe Caucasus and Central Asia and forthcoming large programme on **Forest Law Enforcement and Governance (FLEGT)** (sustainable management of natural resources);

4. The **European Union Border Assistance Mission to Moldova and Ukraine (EUBAM)** and **Support to Integrated Border Management Systems in the South Caucasus (SCIBM)**;

- 1.1. The integrated nature of territorial cooperation and the multiple sector impact requires coordination with specific sector programmes and actions at trans-national and national levels as well as with geographically specific multi-sector programmes and actions at regional and local levels. Ensuring effective coordination of all actions with other EU initiatives, in particular the Pilot Regional Development Programme, and other initiatives funded from individual partner country National Action Programmes or wider programmes (in particular Eastern Partnership related) is of critical importance.

2.4. Donor coordination

Due to the number of ongoing programmes in the field of territorial cooperation (including regional, local and CBC initiatives), and the broad, multi-sector nature of territorial cooperation, effective donor coordination will be a critical component of this wider intervention. Unfortunately, the state of donor coordination activities / systems is highly variable on the specific country environment with government led donor coordination systems being more effective than the norm in Georgia, Armenia and Moldova and deficient in Ukraine, Belarus and Azerbaijan. Missing in the region is a solid **analysis of Eastern Partnership donor coordination structures on issues relating to territorial cooperation. Such an analysis will be carried out during** the first phase of implementation, when a **working group/s (informal or formal) in all Eastern Partnership countries** involving relevant EU structures, Member States, Committee of Regions, relevant UN bodies (UNDP in particular), other donors/IFI and relevant partner country organizations (both state and non-state) will also be developed in order to ensure a more effective and efficient coordination.

3. DESCRIPTION

3.1. Objectives

Overall objective is to promote sustainable cross-border cooperation between border regions of the Eastern Partnership partner countries, so as to allow for the development of joint solutions to common challenges in their border areas.

Specific objective is to develop or enhance capacity of local and regional actors in the bordering regions of the Eastern Partnership countries in relation to the development and implementation of cross-border actions without the involvement of EU Member States.

3.2. Expected results and main activities

The programme will provide technical assistance for capacity development of state and non-state actors in all Eastern Partnership countries and particularly in the target regions¹, allowing these actors to engage in future cross-border programmes, thus preparing the ground for next years' activities.

¹ *Belarus-Ukraine Cross Border Region* – Brest and Gomel oblasts (Belarus) and Volyn, Rivne, Zytomyr and Chernigiv Oblasts and the northern border Rayons of Kiev Oblast(Ukraine); *Armenia-Georgia Cross Border Region* – Shirak, Lori and Tavush regions (Armenia) and Samtskhe-Javakheti and Kvemo Kartli Regions (Georgia); *Azerbaijan-Georgia Cross Border Region* – Genje-Gazakh and Sheki-Zaqatala regions (Azerbaijan) and Kvemo Kartli and Kakheti Regions (Georgia).

Taking into account the specificities of different types of actors involved, the technical assistance programme will have two (2) different strands: one for local authorities and one for non-state actors, each customized to the different needs of targeted actors.²

Expected results:

At transnational level

1. Developed opportunities for wider transnational information dissemination and exchange of best practices.

At the national level

2. Developed and/or strengthened enabling frameworks for bilateral and multilateral cross-border projects:

- A functional donor coordination mechanism on cross-border issues is established and its sustainability ensured;
- An institutional set-up for the implementation of the cross-border programmes is agreed upon;

At the regional/local level

3. Introduced or improved local planning practices with regards to cross-border cooperation at the programming and action level:

- The capacity of local actors to access funding and manage joint programmes is enhanced;
- Effective programming processes ensuring wider access of local stakeholders are established;
- Local and regional actors are able to more effectively identify priorities and actions to the common benefit of both sides of the border;
- Based on a bottom-up approach, the operational documents of the future cross-border programmes are developed for each target region;
- Local and regional actors are able to develop and implement territorial cooperation projects in more efficiently.

Indicative list of activities:

1.1. Exchange of information and best practices regarding cross-border cooperation through dedicated events or forums, publications and media including Internet based;

² Cooperation between local authorities and non-state actors will also be allowed.

- 1.2. Development of dissemination networks related to cross-border structures such as 'Euro-regions' and international NGOs;
- 2.1. Analysis of Eastern Partnership donor coordination structures on issues relating to territorial cooperation involving EU structures, Member States, and other donors/IFI and proposals for improving donor coordination;
- 2.2. Development of an effective territorial cooperation donor working group in the Eastern Partnership region, involving EU structures, Member States and other donors/IFI;
- 2.3. Development and/or strengthening of inter-regional network(s) of regional and local authorities as well as Inter-regional network(s) of NGOs / non-state actors promoting joint cooperation agreements and activities;
- 2.4. Training of local and regional actors for the development and implementation of joint transnational programmes (including work placements and study tours, staff exchanges between Eastern Partnership countries and EU Member States);
- 3.1. Mapping of State and Non State Actors relevant to territorial cooperation in the programme areas;
- 3.2. Ad-hoc support for funding applications, as well as for any another issues identified by stakeholders;
- 3.3. Facilitation of coaching of local and non-state actors in the Eastern Partnership region by peers in the EU;
- 3.4. Organization of programming processes ensuring wider access of local stakeholders;
- 3.5. Regional stakeholders consultations for the identification of common challenges that would be better addressed through the future Eastern Partnership cross-border programmes;
- 3.6. Support for drafting operational programmes (by the relevant stakeholders for each of the envisaged bilateral programme), commissioning an in-depth analysis of each bi-lateral programme, elaborating priorities and sub-priorities, outlining target regions and stakeholders, defining an effective training and communications plan, etc.
- 3.7. Monitoring of projects financed under the future Eastern Partnership cross-border programmes.

3.3. Risks and assumptions

Risks

1. Escalation of frozen regional conflicts prevents participation of some stakeholders from some regions or countries. Political embargos and sanctions impede programme / project implementation.

Risk mitigation: Use of broad based capacity development activities including indirect (observers, members of informational networks and opportunity for transnational cooperation). Ensure that activities may continue in non-affected regions/areas.

2. National authorities block participation of certain key regional/local stakeholders.

Risk mitigation: Careful consideration with respect to informing and direct involvement of central state authorities.

3. Over-participation of the most active and experienced structures at both the national, regional and local levels leading to an over-subscription of programme benefits by specific entities and a 'crowding out' of newer participants ("elite's capture" phenomenon).

Risk mitigation: The mapping exercise should help identify those local actors that are generally less visible and direct support will be provided to these actors through technical assistance.

4. Insufficient financial resources to ensure participation of all key stakeholders in capacity building initiatives.

Risk mitigation: Provide a varying degree of flexibility to stakeholders objectively lacking internal resources to support broad sector participation in capacity development initiatives.

Assumptions:

1. The Eastern Partnership region remains relatively politically stable allowing the programme to be implemented.

2. National central state and regional/local authorities have pronounced interest in development of closer cross-border cooperation and are actually ready to participate in the joint programming and programme implementation process.

3. Other donors and partner states are willing to offer information about their ongoing activities in the region and to participate to participate in possible donor working group meetings on matters relating to territorial cooperation.

4. NGOs and local authorities are able to (allowed to) participate in regional networks.

5. National regulatory frameworks allow effective joint planning process with wide involvement of relevant stakeholders.

6. Consensus building in regions/structures across borders is possible with regards to major issues relating to future joint programmes and actions.

7. At the local/regional level there is an interest for jointly addressing common challenges identified in the future operational programmes.

3.4. Crosscutting Issues

The proposed programme supports good governance and the development of democratic processes in the Eastern Partnership countries by enhancing the capacities of local and regional actors, especially in the border regions, to get involved in defining future actions to be funded under the Eastern Partnership cross-border programmes, as well as in other planning activities at the local level.

3.5. Stakeholders

One of the main challenges in implementing effective cross-border programmes in the Eastern Partnership countries is the **wide range of state and non-state stakeholders**. This is due to the **multi-sector nature** of territorial cooperation, the **multiple functional subdivisions and subordination levels in the decision making process** and **peculiarities of political spectra in every Eastern Partnership country**.

The mapping exercise carried out at the beginning of the programme will be crucial in better identifying the relevant stakeholders (state and Non State Actors) in the programme areas and in assessing their capacity level. Complementarities will be sought with the similar exercise undertaken in the framework of the Civil Society Facility.

Based on a preliminary analysis of stakeholders, it seems that the biggest potential exists in the educational and research sector, albeit universities and research organizations which are traditionally concentrated on internal routine training and research activities and rarely built cross sector partner clusters. Communal and social services institutions as well as institutions of culture are open to cooperation but in the past they had very narrow eligibility frames and their experience of work with international donors and funding is insufficient.

Due to general deficiencies of international best practice in regional policy planning in Eastern Partnership countries, central state authorities often neglect local interests and needs. Regional/local authorities in some cases have limited functional opportunities as the result of strict central subordination, limited organizational or economic capacity (Belarus, Armenia). Local authorities in all Eastern Partnership countries have very low capacity and high economic and operationally dependence on regional and central state authorities.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The method of implementation will be **direct centralised management through a service contract awarded as a result of a call for tender**.

4.2. Procurement and grant award procedures

1) Contracts

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

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the ENPI Regulation 1638/2006 (Regulation [EC] No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument). Further extensions of this participation to other natural or legal persons by the concerned authorizing officer shall be subject to the conditions provided for in Article 21(7) ENPI.

4.3. Budget and calendar

- The total budget allocated to the Eastern Partnership Territorial Cooperation Support Programme 2011 is EUR 5.5 million, funded under the ENPI East Regional Action Programme 2011. The programme envisages a Call for Tenders for Technical Assistance (Technical Assistance and Support Project)
- Indicative implementation period: 3 years from the signature of the contract.
- Tender launch expected for February/March 2012 and contract signature in May/June 2012.

4.4. Performance monitoring

Overall objective indicators:

- multiple joint planning processes at transnational, inter-state and interregional level
- multiple, flexible and sustainable clusters of partner organisations
- multiple transnational, inter-state and interregional territorial cooperation networks

Specific objective indicators:

- all key local and regional actors in eligible regions of Eastern Partnership countries regardless their state, public, political, gender, cultural or any other attribution have sufficient capacity for development and implementation of cross-border programmes and actions.

Result indicators:

- number and quality of information resources and organised events (trainings, forums, seminars, meetings etc.) relating to territorial cooperation issues;
- number of participants in these events and their qualitative ratings (evaluation) of these events;
- number and quality of ad-hoc support and coaching activities;
- number and quality of successful project applications as result of these activities (a success rate of over 50% is expected);
- functional donor coordination mechanism on territorial cooperation issues (working group established and its sustainability ensured);

- improved operational capacity: sufficient number of specifically appointed institutions, divisions and staff members/officers (contact persons) having assignments and responsibilities relevant to cross-border cooperation;
- number and quality of mapping studies regarding local and non state actors at the border regions;
- increased number of local actors involved in programming processes;
- increased number of stakeholder consultations and their quality;
- number and quality of operational programmes jointly drafted and agreed upon by the relevant parties in the Eastern Partnership countries;
- number and quality of joint territorial cooperation programmes;
- number and quality of monitoring reports.

4.5. Evaluation and audit

A mid-term and final external evaluation of the project will be carried out in the course of the project's implementation. The evaluation will be based specifically on the objectively verifiable indicators of achievement, as they appear in the Logical Framework. Expenditure incurred will have to be certified, as part of the obligations of the contracted parties in the framework of the implementation of this project. Mid-term and final evaluations of the results achieved will be entrusted to independent consultants, as well as external audits (which will be carried out if necessary). These evaluations and audits will be funded from other sources than the project budget, since no commitment will be possible once the validity of this Decision has expired ("N+1" rule will apply).

4.6. Communication and visibility

All information materials developed, publications made as well as events organised within the frames of the programme implementation must have clear visual identification developed with regards to Communication and Visibility Manual for European Union External Actions. In the case of this intervention, visibility, transparency and the timely dissemination of information will be critical.

Understanding the number of stakeholders and the geographical scope of the programme, a web site will be established in the early days of the project.