

**THE ENI CROSS-BORDER COOPERATION PROGRAMME  
POLAND-BELARUS-UKRAINE 2014-2020**

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## LIST OF ACRONYMS

AA	Audit Authority
AaE check	Administrative and eligibility check
AF	Application Form
BO	Branch Office
CBC	Cross-border Cooperation
CCP	Control Contact Point
CfP	Call for Proposal
EC	European Commission
ERDF	European Regional Development Fund
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
FAQ	Frequently Asked Questions
GoA	Group of Auditors
IB	Intermediate Body
IR	Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument
JMC	Joint Monitoring Committee
JOP	Joint Operational Programme
JPC	Joint Programming Committee
LIP	Large Infrastructure Project
MA	Managing Authority
MS	Member State
NA	National Authority
NUTS	Nomenclature of Territorial Units for Statistics
OLAF	European Anti-Fraud Office
PMCS	Programme Management and Control System
PSB	Project with small budget
PSC	Project Selection Committee
RoP	Rules of procedures
SEA	Strategic Environmental Assessment
SME	Small and Medium-sized Enterprise
TA	Technical assistance
TO	Thematic objective
ToR	Terms of reference
TWG	Thematic Working Group

## 1. INTRODUCTION

The Cross-border Cooperation (CBC) Programme Poland-Belarus-Ukraine 2014-2020 (Programme) operates under the framework of the European Neighbourhood Instrument (ENI). It continues and expands the cooperation in the border areas of the three involved countries, which so far has been developed within the framework of the Neighbourhood Programme Poland-Belarus-Ukraine INTERREG IIIA / Tacis CBC 2004–2006 and ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013.

The Programme has been elaborated by the Joint Programming Committee (JPC), which consisted of representatives of central and regional authorities of the three countries. The programming process started in March 2013 when the first meeting of the JPC took place. In total seven meetings of the JPC were organized:

1. Warsaw, 6 march 2013.
2. Lviv, 28-29 October 2013.
3. Warsaw, 25 April 2014.
4. Warsaw, 25 September 2014.
5. Warsaw, 5 November 2014.
6. Warsaw, 19-20 February 2015.
7. Warsaw, 22 April 2015.

In addition to the work of the JPC, three special Thematic Working Groups (TWG) were set up by the JPC:

1. TWG on Large Infrastructure Projects (LIPs), which met in Warsaw, 9 October 2014.
2. TWG on Strategic Objectives and Thematic Objectives (TOs), which met in Warsaw, 24 April 2014.
3. TWG on Technical Assistance (TA), which met in Warsaw, 26 March 2015.

On the 1<sup>st</sup> meeting of JPC its Rules of Procedures (RoP) were adopted as well as the indicative plan and framework of its work. The 1<sup>st</sup> version of the socio-economic analysis for the new Programme was presented during the 2<sup>nd</sup> JPC meeting. The selection of the four TOs that Programme shall focus on were discussed during the 2<sup>nd</sup> TWG and approved during the 3<sup>rd</sup> JPC. On the same meeting the Programme area was also decided together with the nomination of the Managing Authority (MA) and Audit Authority (AA). During the 4<sup>th</sup> meeting of the JPC, representatives discussed the division of each TO into priorities. Then, the division of the Programme budget into four TOs as well as the construction of the LIP list to be included in the Joint Operational Programme (JOP) were the crucial topics of the 5<sup>th</sup> JPC. Most of the fundamental decisions on the Programme institutional framework were taken during the 6<sup>th</sup> JPC meeting, during which also a list of Programme indicators and details for implementation of the so called "projects with small budgets" were approved by the representatives of the three countries. The draft JOP for public consultation as well as the organisation of these consultations in all participating countries, together with the TA budget framework for the new Programme, were approved during the 7<sup>th</sup> JPC.

The Programme has been drawn in a legal framework composed of the following documents:

- Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument (IR);
- Regulation (EC) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI Regulation);
- Programming document for EU support to ENI Cross-Border Cooperation (2014-2020);

- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union.

Public consultations on the draft JOP were organized on the whole Programme area. The draft Programme was posted on the website of the MA, NAs, regional authorities and on the ENPI CBC Poland-Belarus-Ukraine Programme website. Public consultation conferences were organized in each of the participating countries:

1. Belarus: Minsk (21 May 2015).
2. Ukraine: Lviv (2 June 2015).
3. Poland: Lublin (3 June 2015).

The Programme was presented to local governments, social and economic partners, nongovernmental organisations, educational institutions and other potential beneficiaries as well as the national institutions responsible for sectoral policies. Feedback from public hearings and consultations, as well as comments received via internet have been taken into account and reflected in the final JOP.

The Strategic Environmental Assessment (SEA) was developed in dialogue between external environmental experts, the MA, the JPC and the wider audience via public hearings and consultation events, arranged in all participating countries. In addition to the public hearings and consultations, the SEA was published on the ENPI CBC Poland-Belarus-Ukraine Programme website, which facilitated access to the document by all interested parties.

In addition to the legal framework described above, separate financing agreements shall be signed between Belarus and Ukraine and the European Commission after the JOP is adopted. These agreements shall be setting the basic joint principles for the implementation of the Programme.

The overall aim of the Programme is to support cross-border development processes in the borderland of Poland, Belarus and Ukraine, in line with the objectives of ENI laid down in ENI Regulation.

As both its predecessors, the Programme is directed at Polish, Ukrainian and Belarusian border regions and all non-profit oriented institutions coming from these regions.

## 2. DESCRIPTION OF THE PROGRAMME AREA

The Programme is directed at Polish, Belarusian and Ukrainian border regions. It will be implemented on the area covering NUTS3 units on the Polish side (2008) and territorial units at the level of oblasts in Belarus and Ukraine.

The area of the Programme is divided into core and adjoining regions:

- **in Poland:**
  - core area subregions: Krośnieński and Przemyski (in Podkarpackie voivodeship), Białostocki, Łomżyński and Suwalski (in Podlaskie voivodeship), Bialski and Chełmsko-zamojski sub-regions (in Lubelskie voivodeship), Ostrołęcko-siedlecki sub-region (in Mazowieckie voivodeship);
  - adjoining regions: Rzeszowski and Tarnobrzeski subregions (in Podkarpackie voivodeship); Puławski and Lubelski subregions (in Lubelskie voivodeship);

- **in Belarus:**
  - core area: Grodno and Brest oblasts;
  - adjoining regions: Minsk Oblast (including the city of Minsk) and Gomel Oblast;
- **in Ukraine:**
  - core area: Lvivska, Volynska, Zakarpatska oblasts;
  - adjoining regions: Rivnenska, Ternopilska and Ivano-Frankivska oblasts.

In order to ensure the continuation of existing cooperation schemes applied in the frame of the ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013, and with a view to contribute to the Programme's objectives, bring substantial added value and achieve stronger CBC impact in the core eligible area, some territorial units adjoining to the Programme core regions were allowed to participate in ENI CBC Programme Poland-Belarus-Ukraine 2014-2020.

Despite the division of the area into core and adjoining regions, the institutions from both of these areas applying for Programme funding will be treated equally. Core and adjoining regions will have equal opportunity to apply for Programme financing.

The financing of the projects activities partially implemented outside of the Programme area will be also possible, provided that:

- the projects are necessary for achieving the Programme's objectives and they benefit the Programme area;
- the total amount allocated under the Programme to activities outside its area does not exceed 20 % of the Union contribution at Programme level.

The total Programme area made of these territorial units amounts to 316.3 thousand km<sup>2</sup>, comprising:

- 75.2 thousand km<sup>2</sup> (including 17.9 thousand km<sup>2</sup> in adjoining regions) in Poland;
- 138.5 thousand km<sup>2</sup> (including 80.6 thousand km<sup>2</sup> in adjoining regions) in Belarus;
- 102.5 thousand km<sup>2</sup> (including 47.8 thousand km<sup>2</sup> in adjoining regions) in Ukraine.

The length of the border between Poland and Belarus is 418 km, between Poland and Ukraine 535 km and between Belarus and Ukraine, the part of the border in the Programme area equals 1084 km. The selected regions are coherent with the definition of the eligible regions in line with the *Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)* (and NUTS3 division 2008). The map below presents the Programme area.



**Map 1. Area of the Cross-border Cooperation Programme Poland - Belarus - Ukraine 2014-2020 (dark green – core area; light green – adjoining area)**

The Programme area is inhabited by 20.9 million people (2013/2014), of which 6.2 million in the Polish part, 7.2 million in the Belarusian part and 7.5 million in the Ukrainian part.

The detailed information on the Programme regions in relation to their area, population and density is presented in the table below.

POLISH REGIONS	AREA (km <sup>2</sup> )	NUMBER OF INHABITANTS	DENSITY (persons/km <sup>2</sup> )
<b>Main subregions</b>			
białostocki	5 132	510 785	99,53
łomżyński	8 818	407 497	46,21
suwalski	6 237	276 683	44,36
ostrołęcko-siedlecki	12 090	754 786	62,43
białski	5 977	307 475	51,44
chełmsko-zamojski	9 291	643 525	69,26
krośnieński	5 538	485 911	87,74

przemyski	4 292	396 312	92,34
<b>subtotal</b>	<b>57 375</b>	<b>3 782 974</b>	<b>65,93</b>
<b>Adjoining subregions</b>			
rzeszowski	3 552	627 206	176,58
tarnobrzieski	4 464	619 865	138,86
puławski	5 633	491 459	87,25
lubelski	4 221	713 691	169,08
<b>subtotal</b>	<b>17 870</b>	<b>2 452 221</b>	<b>137,23</b>
<b>Total</b>	<b>75 245</b>	<b>6 235 195</b>	<b>82,87</b>
Lenght of the border with Belarus and Ukraine - 953 km			
	with Belarus - 418	With Ukraine -535	

Source: Demographic Yearbook of Poland 2014, GUS.

BELARUSIAN REGIONS	AREA (km <sup>2</sup> )	NUMBER OF INHABITANTS	DENSITY (persons/km <sup>2</sup> )
<b>Main regions</b>			
Hrodno	25 118	1 053 600	41,95
Brest	32 791	1 390 500	42,40
<b>subtotal</b>	<b>57 909</b>	<b>2 444 100</b>	<b>42,21</b>
<b>Adjoining regions</b>			
Minsk	39 900	1 407 200	35,27
Minsk city	349	1 929 300	5530,62
Gomel	40 400	1 424 200	35,25
<b>subtotal</b>	<b>80 649</b>	<b>4 760 700</b>	<b>137,23</b>
<b>Total</b>	<b>138 558</b>	<b>7 204 800</b>	<b>82,87</b>

Source: Национальный статистический комитет Республики Беларусь: Demographic situation in January-September 2014, <http://belstat.gov.by> (Accessed 1.10.2014).

UKRAINIAN REGIONS	AREA (km <sup>2</sup> )	NUMBER OF INHABITANTS	DENSITY (persons/km <sup>2</sup> )
<b>Main regions</b>			
Volynska	20 100	1 041 300	51,81
Lvivska	21 833	2 538 100	116,25
Zakarpatska	12 777	1 259 260	98,56
<b>subtotal</b>	<b>54 710</b>	<b>4 838 660</b>	<b>88,44</b>



<b>Adjoining regions</b>			
Ivano-Frankivska	13 928	1 382 658	99,27
Rivnenska	20 047	1 161 143	57,92
Ternopil'ska	13 823	1 070 792	77,46
<b>subtotal</b>	<b>47 798</b>	<b>3 614 593</b>	<b>75,62</b>
<b>Total</b>	<b>102 508</b>	<b>8 453 253</b>	<b>82,46</b>

Source: <http://www.ukrstat.gov.ua/> (Accessed 1.10.2014).

**Table 1. The area, population and density of the eligible regions in the Programme**

### 3. PROGRAMME STRATEGY

#### 3.1. DESCRIPTION OF THE PROGRAMME STRATEGY

The Programme Strategy which is described below was adopted following the socio-economic analysis carried out at the request of the MA (point 3.2.1 below), in which the common national and regional priorities of the participating countries and their regions were identified. It is also based on the experience from the current programming period (point 3.2.3 below). The Programme Strategy takes also into account the opinions of the various stakeholders on the common needs and challenges the Programme area is facing. It finally reflects the decisions taken by the JPC in order to focus on the thematic areas in which the participating countries can address common problems and deal with the joint assets.

The overall aim of the Programme is to support cross-border development processes in the borderland of Poland, Belarus and Ukraine. The Programme Strategy responds to the national and regional strategies for socio-economic development which shall be implemented by the strategic objectives of the Programme. The *Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)* sets out three ENI CBC strategic objectives for CBC activities:

- A. Promote economic and social development in regions on both sides of common borders
- B. Address common challenges in environment, public health, safety and security
- C. Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

The *Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)* also lists 10 Thematic Objectives (TO) out of which participating countries can select four for CBC activities.

The Programme contributes to all of the above mentioned strategic objectives and to the identified regional needs by financing the implementation of non-commercial projects referring to the following four TOs and related priorities:

1. Promotion of local culture and preservation of historical heritage (TO3)
  - Priority 1.1 Promotion of local culture and history
  - Priority 1.2 Promotion and preservation of natural heritage
2. Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems (TO7)
  - Priority 2.1 Improvement and development of transport services and infrastructure
  - Priority 2.2 Development of ICT infrastructure

3. Common challenges in the field of safety and security (TO8)
  - Priority 3.1 Support to the development of health protection and social services
  - Priority 3.2 Addressing common security challenges
  
4. Promotion of border management and border security, mobility and migration management (TO10)
  - Priority 4.1 Support to border efficiency and security
  - Priority 4.2 Improvement of border management operations, customs and visas procedures

### 3.1.1. PROMOTION OF LOCAL CULTURE AND PRESERVATION OF HISTORICAL HERITAGE (TO3)

TO3 aims at preserving and promoting the cultural and historical heritage of the cross border region, strengthening of cultural links and cooperation, improving the region's image and attractiveness, and increasing the vitality of local communities. Presence of well-maintained cultural and natural heritage objects is closely linked to the development of cross border tourism. Therefore, tourism has been defined as a sector with the highest potential to become one of the main income generating sectors and a growing source of employment and investment, especially in rural areas. To better use the regional heritage and increase the number of incoming and local tourists various cultural and natural sites need improvement and the tourism infrastructure shall be further developed. Support under the two Priorities of TO3 will therefore focus on development of cross border cultural, historical and natural potentials, as well as at development of cross border tourism. Priorities will concentrate on improving the physical state of culture and heritage "objects" as well as on "soft" activities. The development of physical infrastructure shall be supported by strengthening contacts and networks among the stakeholders in culture and tourism sectors. In addition, tourism attractiveness and sectoral growth are strongly influenced by the diversity and quality of tourism services, the region's image and a proper seasonal spread of tourism activities. Therefore activities aiming at promotion and diversification of tourism products will also be covered by this TO.

Support under TO3 shall also include financing projects with small budget (PSBs). The minimum single grant value for such project shall not be smaller than 20 000 EUR and it cannot be higher than 60 000 EUR. More details on the PSBs implementation is provided in point 5.3.2 of the JOP.

Implementation of projects within TO3 will contribute to Strategic Objective A "Promote economic and social development in regions on both sides of common borders" of ENI CBC.

#### **Priority 1.** Promotion of local culture and history

Proposed indicative actions within the priority:

- Joint initiatives and events regarding promotion, development and preservation of local culture and history;
- Joint projects to support, promote and preserve the traditional crafts and skills;
- Joint projects promoting tourism values;
- Joint projects concerning preparation and realisation of investments in tourist infrastructure and services increasing the use of cultural heritage in the tourism (e.g. cycle routes; educational paths, etc.), including complementary tourist infrastructure to facilitate the use of cultural heritage (e.g. bike racks, signage, infrastructure for people with special needs etc.);
- Joint creation of tourist products respecting the need to protect the cultural heritage;
- Stimulating cooperation between institutions in the field of historical and cultural heritage (exchange of best practices, joint trainings and other related capacities);

- Conservation, preservation and adaptation or development of cultural heritage for tourism purposes and social, cultural, educational and other community purposes;
- Joint initiatives directed at improvement of the objects functioning in a culture sphere;
- Joint training of staff and exchange of staff aiming at increase of capacities in the field of cultural and historical heritage management, development of joint tourism products and services, marketing of the heritage resources of Programme area and other related capacities.

**Priority 2.** Promotion and preservation of natural heritage

Proposed indicative actions within the priority:

- Joint initiatives and events regarding promotion and preservation of natural heritage;
- Joint creation of tourist products referring to promotion and protection of the natural heritage;
- Joint development of skills and cooperation between local and regional authorities in the field of natural resource management;
- Common development of cross-border strategies for preservation and use of natural sites, areas, and landscapes;
- Stimulating cooperation between institutions in the field of natural heritage protection (exchange of best practices, joint trainings);
- Joint investments in the environmental infrastructure particularly in waste and water management in order to preserve natural heritage;
- Conservation, preservation and adaptation or development of natural heritage for tourism purposes and social, cultural, educational and other community purposes;
- Joint training of staff and exchange of staff aiming to increase the capacities in the field of natural heritage management, development of joint tourism products and services, marketing of the heritage resources of Programme area and other related capacities;
- Construction, reconstruction or modernization of infrastructure increasing the use of natural heritage in the tourism (e.g. bike paths, nature trails, etc.), including complementary tourist infrastructure to facilitate the use of natural heritage (e.g. bike racks, signage, infrastructure for people with special needs, etc.).

The implementation of Large Infrastructure Project (LIP) related to the modernization of historic architectural objects is also possible under TO3 (the list of all LIPs to be financed in the Programme is presented in Annex no. 1).

**3.1.2. IMPROVEMENT OF ACCESSIBILITY TO THE REGIONS, DEVELOPMENT OF SUSTAINABLE AND CLIMATE-PROOF TRANSPORT AND COMMUNICATION NETWORKS AND SYSTEMS (TO7)**

The Programme area is characterized by a weak connectivity and insufficient communication networks and systems which hamper the cross-border contacts and impede transit traffic, and in consequence cripple the region's attractiveness for investors. Some support was provided to alleviate these deficiencies by the previous ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013, nevertheless the needs in this respect remain noticeable. Therefore, TO7 shall finance actions related to improvement of transport accessibility, development of environmental-friendly transport, construction and modernization of communication networks and systems and improvement of the informational and communication infrastructure on the Programme area.

Implementation of the TO7 will be complementary to the activities foreseen under TO3 through the improvement of the communication and informational accessibility within the tourism sector and access to the cultural and natural heritage sites. The activities planned under TO7 will also be

complementary to those implemented under TO8, as far as access to security/safety services as well as health services is concerned (eg. shortening of the reaction time of safety/security/health services).

The focus should be on development of local roads offering important cross-border effects and influence. Equally important is to integrate various transport modes and transport operators to make the passenger and cargo transit through the Programme area faster and more customer-oriented. All initiatives and efforts improving transport accessibility shall be based on environmentally friendly solutions.

Comparatively distanced and peripheral locations of many parts of the Programme area hinder the full usage of their potential. The activities carried out within the TO shall improve the connectivity and information flow between regions, concurrently contributing to the economic growth and enhancing socio-economic cohesion of the Programme area. Support under TO7 will contribute to Strategic Objective C “Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital” of ENI CBC.

#### **Priority 1.** Improvement and development of transport services and infrastructure

Proposed indicative actions within the priority:

- Joint investments in the quality and accessibility of social and economic infrastructure, with a focus on transport, logistic systems and transport safety;
- Common development of multi-modal transport systems;
- Joint developing and improving the quality of existing communication links;
- Joint preparation of feasibility studies of transport systems;
- Joint initiatives on promotion of sustainable passenger and freight transport;
- Common projects on improvement of the mobility of persons and goods;
- Joint actions aimed at supporting the sustainable development of cities and regions;
- Developing and improving environmentally friendly low-carbon transport systems (including reducing noise level).

#### **Priority 2.** Development of ICT infrastructure

Proposed indicative actions within the priority:

- Joint initiatives on development and improvement of the quality of existing ICT infrastructure;
- Joint projects on preparation of feasibility studies related to creation of broadband networks;
- Common creation of broadband networks;
- Joint initiatives on development of digital resources and data sharing;
- Joint initiatives on ensuring the interoperability of ICT infrastructure.

The implementation of LIPs related to the building/modernization of the transport infrastructure of cross-border importance is also foreseen under TO7 (the list of all LIPs to be financed in the Programme is presented in Annex no. 1).

### **3.1.3. COMMON CHALLENGES IN THE FIELD OF SAFETY AND SECURITY (TO8)**

Peripheral border areas are characterised by a low quality of life of their residents in a number of aspects ranging from difficult material conditions and worse access to the labour market, through the insufficient provision of social infrastructure to the poor access to the health care system.

The implementation of the TO8 shall serve the improvement of the quality of life of the Programme area inhabitants through the facilitation of access to health care system, the counteraction of the spread of diseases across the borders as well as the development of social services and labour market, along with the unemployment minimization. Support under TO8 will contribute to Strategic Objective B “Address common challenges in environment, public health, safety and security” of ENI CBC.

**Priority 1:** Support to the development of health protection and social services

Proposed indicative actions within the priority:

- Joint initiatives on enhancing the access to health;
- Joint actions aimed at preventing the spread of human, animal and plant diseases across the borders;
- Joint initiatives to support the development of public health;
- Joint initiatives to support the development of social services;
- Joint projects on stimulating cooperation between institutions in the field of fighting with unemployment.

**Priority 2:** Addressing common security challenges

Proposed indicative actions within the priority:

- Joint initiatives to improve the safety of users of the transport network;
- Joint initiatives regarding preparatory actions in case of natural and environmental disasters and emergency situations;
- Joint initiatives on prevention of natural and man-made disasters;
- Joint projects in the field of prevention and fight against serious and organized crime;
- Joint actions regarding law enforcement, police and customs cooperation (exchange of intelligence information);
- Improving qualifications of the staff in charge of rescue actions and developing the ability to participate effectively in a joint response to incurred risks;
- Development of joint prevention, monitoring, response and disaster recovery systems.

The implementation of LIPs is also foreseen under TO8 (the list of all LIPs to be financed in the Programme is presented in Annex no. 1).

### **3.1.4. PROMOTION OF BORDER MANAGEMENT AND BORDER SECURITY, MOBILITY AND MIGRATION MANAGEMENT (TO10)**

Implementation of this objective shall serve the enhancement of the effectiveness of the border infrastructure and procedures as well as the improvement of border security. The increased throughput capacity of the border crossings and their safety improvement condition the achievement of other Programme’s objectives.

The removal of the administrative, institutional and infrastructural obstacles in the movement of goods, services and people through the borders are the conditions of the full usage and enlargement of the socio-economic potential of the Programme area. Under TO10 activities supporting transparency and effectiveness of customs and border clearance procedures will be supported. The aim of these activities is the acceleration of the procedures and their expected effect – the faster and safer border crossing.

The activities related to the prevention and combating of illegal migration and smuggling, fight against organized crime as well as counteraction and elimination of illegal trade of rare and endangered species will be financed under TO10. Moreover, the actions devoted to local border traffic as well as the border services will be supported under this objective. Support under TO10 will contribute to Strategic Objective C “Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital” of ENI CBC.

**Priority 1:** Support to border efficiency and security

Proposed indicative actions within the priority:

- Joint initiatives on adaptation and extension of the existing border crossings for pedestrian and bicycle traffic;
- Joint initiatives on improving border-crossing infrastructure;
- Joint creation of a coherent system of signs and visual identification of border crossings;
- Joint projects regarding equipment of existing border crossings allowing streamlining of their operation;
- Joint development and modernisation of border crossings’ supporting infrastructure.

**Priority 2:** Improvement of border management operations, customs and visas procedures

Proposed indicative actions within the priority:

- Common initiatives to create the possibility of an accelerated clearance of travellers who rarely cross the border;
- Joint initiatives for facilitating border crossing procedures and training of border and customs services’ personnel;
- Joint initiatives to increase transparency and efficiency of customs and clearance procedures;
- Joint initiatives to support border management in the field of prevention and combating of illegal migration and trafficking and fight against organized crime.

The implementation of LIPs related to the modernization of the border crossing infrastructure is foreseen under TO10 (the list of all LIPs to be financed in the Programme is presented in Annex no. 1).

### 3.1.5. LARGE INFRASTRUCTURE PROJECTS (LIPs)

According to Art. 2 (p) of the IR a Large Infrastructure Project (LIP) means “*project comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2.5 million is allocated to acquisition of infrastructure*”.

Within the Programme, LIPs are selected only through a direct award procedure and this procedure applies only to the LIPs. It means that support within this procedure is awarded:

- to bodies with a *de jure* or *de facto* monopoly;
- for actions with specific characteristics that require a particular type of body based on its technical competence, high degree of specialisation or administrative power.

For these purposes, *de jure* or *de facto* monopoly means that the beneficiary (which also may be a consortium):

- has exclusive competence in the field of activity and/or geographical area to which the grant relates pursuant to any applicable law; or

- is the only organisation operating or capable of operating in the field of activity and/or geographical area to which the grant relates by virtue of all considerations of fact and law.

The LIPs to be financed within the Programme were selected and agreed by the JPC. The list of proposed LIPs is enclosed in Annex no. 1. No other projects may be selected through direct award procedure.

More details on the LIPs implementation is provided in the chapter dedicated to the implementation of the Programme.

### 3.1.6. PROGRAMME INDICATORS

Achievement of the Programme will be measured by way of objectively verifiable indicators. Taking into account the relevant provisions of the IR, the Programme includes in particular:

- The expected results for each priority, and the corresponding **result indicators**, with a baseline value and a target value;
- The **output indicators** for each priority, including the quantified target values, which are expected to contribute to the results.

Some of output indicators come from the ENI CBC ‘**Common Output Indicators**’ developed by the European External Action Service (EEAS) with the support of the Interact ENPI project in order to increase accountability and facilitate reporting on progress at instrument level.

THEMATIC OBJECTIVE	PRIORITY	OUTPUT INDICATOR	TARGET VALUE <sup>1</sup>	RESULT INDICATOR	BASELINE VALUE / TARGET VALUE <sup>2</sup>
TO 3 – Promotion of local culture and preservation of historical heritage	Promotion of local culture and history	<ul style="list-style-type: none"> <li>• Number of improved cultural and historical sites as direct consequence of Programme support (ENI/CBC 7)</li> <li>• Number of cross-border cultural events organized using ENI support (ENI/CBC 8)</li> </ul>	•	<ul style="list-style-type: none"> <li>• Increased number of visitors of the historical heritage and cultural sites</li> </ul>	•
	Promotion and preservation of natural heritage	<ul style="list-style-type: none"> <li>• Number of cross-border events organized using Programme support</li> <li>• Number of promoted and/or preserved natural sites as direct consequence of Programme support</li> <li>• Number of persons participating in actions and awareness raising activities promoting preservation of natural heritage</li> </ul>	•	<ul style="list-style-type: none"> <li>• Increased number of visitors of the natural heritage sites</li> </ul>	•
TO 7 – Improvement of accessibility to the regions,	Improvement and development of transport	<ul style="list-style-type: none"> <li>• Total length of newly built roads (ENI/CBC 26)</li> <li>• Total length of reconstructed or upgraded</li> </ul>	•	<ul style="list-style-type: none"> <li>• Decrease of travel/transportation time in the</li> </ul>	•

<sup>1</sup> Target values for output indicator will be defined at the latest when the first call for proposals is launched.

<sup>2</sup> Baselines and target values for result indicators will be defined at the latest when the first call for proposals is launched.

development of sustainable and climate-proof transport and communication networks and systems	services and infrastructure	roads (ENI/CBC 27) <ul style="list-style-type: none"> <li>• Number of districts benefitting from modernized/created transport services and infrastructure</li> <li>• Number of partnerships established in order to modernize/create the environmentally friendly transport systems or services</li> </ul>		regions	
	Development of ICT infrastructure	<ul style="list-style-type: none"> <li>• Number of partnerships established in order to develop the ICT</li> </ul>	•	<ul style="list-style-type: none"> <li>• Increase in usage of ICT</li> </ul>	•
TO 8 – Common challenges in the field of safety and security	Support to the development of health protection and social services	<ul style="list-style-type: none"> <li>• Population covered by improved health services as direct consequence of the support (ENI/CBC 30)</li> <li>• Population benefiting from the newly created or improved social services</li> </ul>	•	<ul style="list-style-type: none"> <li>• Enhanced access to health care and social services</li> </ul>	•
	Addressing common security challenges	<ul style="list-style-type: none"> <li>• Population benefiting from fire protection measures services as direct consequence of the support</li> <li>• Number of security institutions cooperating across the borders.</li> </ul>	•	<ul style="list-style-type: none"> <li>• Reduction of waiting time for safety and security services response</li> </ul>	•
TO 10 – Promotion of border management and border security, mobility and migration management	Support to border efficiency and security	<ul style="list-style-type: none"> <li>• Number of border crossing points with increased throughput capacity (ENI/CBC 35)</li> </ul>	•	<ul style="list-style-type: none"> <li>• Acceleration of passengers and cars border clearance</li> </ul>	•
	Improvement of border management operations, customs and visas procedures	<ul style="list-style-type: none"> <li>• Increased throughput capacity of persons on land border crossing points (ENI/CBC 38)</li> </ul>	•	<ul style="list-style-type: none"> <li>• Increased efficiency of border clearance</li> </ul>	•

**Table 2. Programme indicators**

### 3.2. JUSTIFICATION FOR THE PROGRAMME STRATEGY

The aim of the analysis is to provide a diagnosis of the current economic, social and natural conditions of the border regions concerned. The data used for this analysis primarily come from the national offices for statistics.



### 3.2.1. SOCIOECONOMIC AND ENVIRONMENT ANALYSIS<sup>3</sup>

#### Population and settlement structure

Save for its Belarusian part, the core eligible area of the Poland-Belarus-Ukraine Programme is relatively densely populated and has a population of 12.4 million. In 2013, the population on the Polish side of the border totalled 3.783 million (34.2%), on the Belarusian – 2.444 million (22.1%), and on the Ukrainian – 4.839 million (43.7%), which corresponds to the population density at a level of 65.9 residents/km<sup>2</sup> in Poland, 42.2 residents/km<sup>2</sup> in Belarus and 88.4 residents/km<sup>2</sup> in Ukraine.

The major cities on the Polish core area side are: Białystok (295 000), Suwałki (69 000), Łomża (63 000), Ostrołęka (54 000), Siedlce (77 000), Biała Podlaska (58 000), Chełm (65 000), Zamość (65 000), Przemyśl (63 000) and Krosno (47 000). Altogether, these main urban centres represent 22,6% of the border region's population. The cities which play a key role in the Ukrainian settlement network are Lviv (757 000), and, though to a lesser extent, Lutsk (213 000) and Uzhhorod (116 000). The most notable smaller cities include: Mukachevo (82 000), Drohobych (80 000), Chervonohrad (70 000) and Stryi (62 000). The main cities on the Belarusian include Brest (311 000) and Grodno (314 000), whilst the remaining cities play a rather insignificant role, with the exception of Baranovichy (168 000), Pinsk (130 000) and Lida (98 000). It should be noted that a sizeable part of the population still live in rural areas, and the rate of urbanisation remains much lower than in Western European countries.

#### Economic capital

The eligible area of the Programme strongly varied in terms of affluence expressed as regional income per capita, which in 2012 was ca. EUR 9265 on the Polish side, ca. EUR 3294 on the Belarusian side and ca. EUR 1921 on the Ukrainian side of the border. These differences first and foremost expressed wide disparities observable between these three countries. In parallel, the border areas in all these countries were among the least developed regions, and in 2012 reached 68.67% of the national average on the Polish side (save for Mazowieckie Voivodship, which is the most developed in Poland and whose regional income per capita constitutes 165% of the national average), 67.06% on the Belarusian side and 63.25% on the Ukrainian side. It should also be noted that in the period 2010-2012 the situation of the border regions was rather stable; their rate of growth did not differ significantly from the overall national figures. In addition real statistic data for Ukrainian regions at the moment of Programme development (2014-2015) may be much worse due to the economic and political crisis in Ukraine, which started in 2014 and whose impact is acutely visible in the Ukrainian part of the eligible area.

The low development level can first and foremost be attributed to unfavourable economic structure, with a persisting high share of traditional labour-intensive sectors in gross value added (GVA), which ranged from 8.2% on the Polish side to 14.9% on the Belarusian side, as compared to the UE average of approximately 2.0%. The main difference between the individual components of the eligible area was the considerable industrialisation on the Belarusian side, with its 45% share of industry and construction in the regional income, as compared to approx. 28% and 21% in Poland and Ukraine respectively, i.e. 5pp and 8pp less than the (respective) national averages. The structural changes in this regard were progressing rather slowly in the recent years. In the Polish part of the eligible area, they were manifested by the diminishing significance of agriculture and a growing share of industry, whilst in the Ukrainian part the significance of agriculture and industry was diminishing relatively fast, a process which was accompanied by an increasing role of the service sector.

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<sup>3</sup> Sources of information for the analysis: <http://ukrstat.org/>, <http://www.belstat.gov.by>, <http://stat.gov.pl/>. Amounts set in national currency were converted into EUR by using exchange rates of the competent national bank at the beginning of the next year – 1<sup>st</sup> January.

The use of workforce was not very efficient in the eligible area, and was manifested by excessive employment in the unproductive agriculture sector. This was particularly true for the Polish part of the eligible area, where the share of employment in the primary sector surpassed 40%, as compared to over 21% in Ukraine and approx. 15% in Belarus. Relatively high unemployment was another problem, especially in the Polish part of the eligible area, which in 2012 ranged from 11.7% in the Lublin subregion to 17.4% in the Krosno subregion. Furthermore, since 2008 unemployment on the Polish side showed an upward trend. On the Ukrainian side of the border, the unemployment rate was considerably lower, oscillating between 7.7% and 9.6% and showing a great deal of stability in the recent years (with the exception of the Zakarpatska oblast, where it grew considerably). In contrast, according to the national statistics, unemployment did not pose a problem in the Belarusian part of the eligible area as it remained under 1% of the population able to work.

The eligible area did not attract any considerable volumes of foreign capital. It should also be noted that the countries participating in the Programme were not equally attractive for inward capital: in the period 2008-2012, Poland recorded an influx of USD 52 billion, as compared to Ukraine's USD 35 billion and Belarus' USD 10 billion. Nevertheless, the differences in the per capita values of invested capital were not significant, and amounted, respectively, to USD 1400, USD 800 and USD 1100. The share of the Polish part of the eligible area in the number of registered companies with foreign shareholdings was only 3.7%, but it increased noticeably in the recent years, from 3.4% in 2009. Nonetheless, there are only 5.3 entities with foreign shareholdings per 10 000 population, as compared to the national average of 19.5. Similarly, the Belarusian part of the eligible area attracted a mere 2.8% of all FDIs in 2012. In case of Ukraine, in total 4.41% of all FDI of Ukraine in 2012 were attracted by Ukrainian eligible regions.

To date, tourism has not been a sector of significance in the eligible area, with the exception of a few local systems. Domestic tourists made up the bulk of overall tourist traffic, with a rather insignificant role of foreign tourists, who accounted for 16% of tourists using accommodation facilities. Moreover, in 2012 the number of tourists with overnight stays per 100 residents was 33 on the Polish side (with a total of 60 000 beds), as compared to the national average of 55. In Ukraine, the number of tourists using accommodation facilities was comparable, and, depending on the oblast, ranged between 10 and 20 tourists per 100 residents. In Belarus, foreign tourism mainly had the form of organised tours, but the scale of this activity was rather limited.

The potential for endogenous development of the eligible area varied from country to country, which was due, amongst others, to different penetration rates of SMEs, including businesses run by individuals, in the respective border regions. In the Polish part of the eligible area, the number of business entities registered in the REGON system was approximately 395 000, which corresponds to 77 businesses per 1000 residents, as compared to 109 000 businesses in Ukraine, i.e. 23 businesses per 1000 residents, and to only 19 000 in Belarus, i.e. 8 businesses per 1000 residents. The degree of innovativeness of the regional economy in the Polish part of the eligible area was similar to that of the national economy, which was manifested inter alia by a similar percentage of those employed in the R&D sector. This can be explained by the improved situation in the Podkarpackie voivodship. Even so, while in the Polish part of the eligible area this percentage was 0.5%, it reached 0.2% in Ukraine and a meagre 0.1% in Belarus. This means that the border regions in the two eastern countries clearly lagged behind the country's core areas, notably the capital city regions.

The transport infrastructure is also of special significance for the development of the border areas because of the need to service the transit traffic across the border. A number of major European transport corridors run through the eligible area. These include: No. 2 Berlin-Moscow (E30 road and E20 railway route); No. 3 Dresden-Kiev (E40 road and E30 railway route), as well as Road No. 17

Warsaw-Lviv; Road No. 12 Lublin-Kiev, Road No. 19 Białystok-Grodno, the Warsaw-Kiev and Warsaw-Lviv railway routes, and the LHS railway line No. 65 (wide-gauge track). It should be noted that, in the recent years, a number of investments were made in connection with these corridors, aimed to improve their quality and increase capacity. It should also be noted that the eligible area has a relatively high density of the road network, albeit with strong differences across the countries concerned. The road density in the Polish part of the eligible area is nearly two times as high as in the Belarusian and Ukrainian parts. Importantly, some of the existing road infrastructure still remains rundown and neglected, particularly in the Ukrainian part of the region concerned. The same can be said for the rail network, which in addition is losing in competition with the road transport, owing to long travel times and a low quality of the supporting infrastructure.

There are fourteen border crossings at the Polish-Ukrainian border handling regular passenger traffic, including six rail border crossings, and twelve such border crossings at the Polish-Belarusian border, including five rail border ones. The main streams of passenger traffic, however, are concentrated around several border crossings only. At the Polish-Ukrainian border, these were: Dorohusk/Yagodyn, Hrebenne/Rava Ruska, Korczowa/Krakivets and Medyka/Shehyni (representing 77% of crossings), and at the Polish-Belarusian border: Terespol/Brest, Kuźnica Białostocka/Bruzgi and Bobrowniki/Berestovitsa (representing 72% of crossings). The significance of rail border crossings except Terespol (ca. 650 000 crossings) for passenger traffic was only marginal, with the number of crossings ranging from 250 000 in Kuźnica Białostocka/Bruzgi to 100 000 citizens per year in Dorohusk/Yagodyn and Przemyśl/Mostyska. The most dynamic border traffic, at a level of 20 million crossings at the Ukrainian border, was recorded in the years 2006 and 2007. It fell to 11.6 million in 2009, to increase again up to 16.5 million in 2013. In the case of Polish-Belarusian border, the greatest volume of traffic, 13 million crossings, was recorded in 2000, and the subsequent years saw its gradual fall, down to a level of 7.2 million crossings in 2013. Nonetheless, the capacity of border crossings for all types of traffic is still insufficient, which leads to periodic bottlenecks, resulting in longer waiting times to cross the border.

### **Human and social capital**

In the Polish part of the cross-border region, the number of the population in the recent years was constant, as opposed to that in the Belarusian and Ukrainian parts. In the period 2004-2012, the number of the population on the Belarusian side of the border decreased by over 5%, and on the Ukrainian side it fell by 1.4%. In the latter case, the fall in the number of the population resulted both from natural decrease (in the Ukrainian part, the decrease in 2004-2012 was -0.5‰, and as much as -2.4‰ in the Belarusian part) and from emigration (in the period at hand, 22 000 residents emigrated from the Belarusian part of the cross-border region, and over 28 000 – from the Ukrainian part). Migration was also a serious problem in the Polish part, but it was compensated by natural increase.

In terms of the demographic structure, the relatively most favourable situation could be observed in the Polish part of the cross-border region, and the least favourable - in the Belarusian part. At the beginning of 2013, the share of the working-age population was, respectively, 63.9% in the Polish part, 46,44% in the Ukrainian part, and 79,05% in the Belarusian part. The year before, the highest share of the pre-working age population in the total number of the population was recorded on the Polish side of the border (19.3%), lower on the Ukrainian side (18.3%), and the lowest – on the Belarusian side (17.2%). In consequence, in the Belarusian and Ukrainian parts of the eligible area, there is a high share of the post-working age population, 21.2% in the Ukrainian part and 23.2% in the Belarusian part of the eligible area. By comparison, the situation in the Polish part of the cross-border region can be viewed as rather favourable, with 17.2% of the population in post-working age.

Nonetheless, in a broader perspective, it should be concluded that even on the Polish side of the border, the problem of population ageing is very acute and likely to worsen in the coming years.<sup>4</sup>

In the Polish and Ukrainian parts of the cross-border region, access to higher education is at a relatively good level (mainly thanks to the existence of academic institutions in Lviv, Lublin, Rzeszów and Przemyśl). In 2013/2014, there were nearly 52 students per 1000 population on the Polish side of the border, and nearly 36 on the Ukrainian side. Visibly lower values were noted in the Belarusian part of the cross-border region, with 25 students per 1000 population. However, the national statistics for Belarus are significantly better, and comparable with the results from Poland and Ukraine, which probably means that the residents of the Belarusian part of the cross-border region relatively frequently choose universities located outside of this area (most often in Minsk).

The level of human capital, measured by the share of the population with higher education, is relatively low in the Polish-Belarusian-Ukrainian cross-border region. On the Polish side of the border, only 13.7% (2011) of the population had higher education. In the Belarusian part of the eligible area, the respective value was similar, at a level of 13.8% (2009). Both in Poland and Belarus, the situation in the cross-border region was worse in that regard than the respective national average. For Ukraine, there are no statistics showing the educational attainment of the population at regional level.

The development of social capital, measured by the number of registered NGOs, is markedly varied in the Polish-Belarusian-Ukrainian cross-border region. The highest share of NGOs in relation to the demographic potential was noted in the Polish part of the eligible area: in 2012, there were slightly over 30 NGOs per 10 000 population. In contrast, there were nearly half this number of NGOs on the Ukrainian side of the border (16.4 per 10 000 population). Both on the Polish and Ukrainian sides of the border, the third (non-governmental) sector developed dynamically in the recent years (in 2004-2012, the increase in the Polish part of the eligible area was 48%, and it reached nearly 80% in the Ukrainian part). The situation in that respect in the Belarusian part of the eligible area is completely different. Any thorough evaluation of the condition and significance of the third sector on the Belarusian side of the border is not possible due to the lack of relevant official statistics and analyses. However, on the basis of the number and structure of the beneficiaries of the CBC programmes implemented so far it can be concluded, that the NGO sector in Belarus is at a very low level of development.

In terms of public safety, the situation in the cross-border region was the most favourable on the Ukrainian side of the border (6.6 registered crimes per 1000 population in 2011) and somewhat less favourable on the Belarusian side (10.9). The highest number of crimes and offenses was registered in the Polish part of the eligible area (22). In 2004-2011, in the Polish and Belarusian parts of the cross-border region, the crime rate fell noticeably, but in the Ukrainian part the situation in that regard did not improve. It should be stressed, however, that these data show only crimes registered by competent authorities and that the actual scale of such phenomena is probably greater. In addition to that, the differences in the statistical data across countries may be due to the dissimilarities in the regulations of law and methodologies.

### **Natural capital**

The Programme area has outstanding environmental assets, associated mainly with the well preserved mountain, wetland and primeval forest ecosystems. Many national parks can be found here – eight on the Polish side of the border (of a total of 23 in the country), eight on the Ukrainian

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<sup>4</sup> Miszczyk Andrzej, Smętkowski Maciej, Płoszaj Adam, Celińska-Janowicz Dorota *Aktualne problemy demograficzne regionu Polski wschodniej. Raporty i Analizy EUROREG 5/2010*, s. 65.

side (of 40) and two on the Belarusian side (of 4). The share of the area protected in this way ranges from 2.4% in the Polish part of the eligible area and 3% in the Belarusian part to 3.9% in the Ukrainian part, and is significantly higher than the respective national averages. Importance of some of these areas surpass the national scale, as demonstrated by their being inscribed on The Ramsar List of Wetlands of International Importance (4 areas in the Polish part and 4 in the Ukrainian part) and on the UNESCO Biosphere Reserve List (5 areas). In the latter case, cross-border cooperation is of cardinal importance. In 2012, the West Polesie Biosphere Reserve (Poleski NP, Szacki NP and the Nadbużańskie Polesie Reserve) was accorded the status of a transboundary Polish-Ukrainian-Belarusian reserve; in 1998, a similar status was granted to the Polish-Slovakian-Ukrainian East Carpathians Biosphere Reserve. Two more biosphere reserves protecting the Białowieża Forest/Belovezhskaya Pushcha are situated near the border, and were inscribed separately in the Polish and Belarusian UNESCO list. This area is also a natural habitat for many rare animal species such as the European bison, bear, wolf, lynx and elk.

The afforestation rate for the area in question is approximately 33% (as compared, on average, to 29.3% in Poland, 36% in Belarus and 15.6% in Ukraine), a considerable area is also occupied by lowland wetlands. Some of these ecosystems have been preserved on a scale unprecedented in Europe, particularly the Białowieża Forest/Belovezhskaya Pushcha, the Biebrza Wetlands and Polesie/Polesia. High-quality soils, found e.g. in the Lublin Upland and the Volhynia-Podolia Upland, are yet another important natural asset of the region in question. Nearly one-fourth of Poland's soils from the 1<sup>st</sup> and 2<sup>nd</sup> valuation class are found in the Lubelskie voivodship.

The major cross-border ecosystems include the Białowieża Forest/Belovezhskaya Pushcha, East Carpathians, Polesie/Polesia and the Bug River. The East Carpathians and Polesie/Polesia are protected by cross-border biosphere reserves, but some of the species which are under protection on the Polish side of the border do not enjoy such status on the other side of the border (e.g. wolf, elk, beaver). In the case of the Carpathians, the most serious threats include the growing human pressure caused by the increasing volume of tourist traffic and development of infrastructure, and illegal logging (in the Ukrainian part). In case of the Białowieża Forest/Belovezhskaya Pushcha, there is also a problem of dissimilar protection status of migrating animals. Due to the unique nature of the Forest, some opinions are also voiced that the Forest is not sufficiently well protected. On the Polish side of the border, only 16% of the Forest's area is covered by the Białowieżyński NP; on the Belarusian side, the entire Pushcha is protected as a national park, but with a lower protection regime than in Poland's national parks. The Bug River is Poland's border along a distance of 363 kilometres, and its drainage basin covers an area of 39 400 km<sup>2</sup> (19 400 km<sup>2</sup> in Poland, 10 800 km<sup>2</sup> in Ukraine and 9200 km<sup>2</sup> in Belarus). Water quality in the river is moderate along its central section, and poor along its lower section, due to an insufficient degree of municipal waste treatment and run-off from the farmland. Flood threat is another issue; this problem is the most acute during the thawing period and in those places where the river valley is relatively narrow.

There are various environmental hazards in the area concerned, linked predominantly to water and air pollution and characteristics of energy sector. Water pollution is associated with a relatively poorly developed water management infrastructure. The share of the population served by sewerage system is 67% in the Belarusian part of the eligible area (and 73% for the whole of Belarus) and 60% in the Polish part (with 66% for the whole of Poland); there are no detailed statistics for Ukraine. Both in case of Ukraine and Belarus the insufficient quality and overload of sewage treatment plants remains an important challenge. The level of development of the water management infrastructure remains less advanced than is the case in the remaining parts of the respective countries, but the situation is improving relatively fast. For instance, in the period 2007-2011, 3700 km of new sewage network was put into operation in the Polish part of the eligible area, which represented 12% of such investments nationally. Currently, the capital expenditure on environmental protection projects totalled EUR 55 per capita in the Polish part of the eligible area, as compared to EUR 17 on the

Belarusian side. These values represented, respectively, 72% and 164% of the average national values. The positive result in the Belarusian part of the eligible area can be viewed as a consequence of a consistent increase in the expenditure made, starting from a level of 24% in 2005.

Air pollutants emission per capita is the highest in the Ukrainian part of the eligible area, at 31 kg, as compared to 27 kg in the Belarusian part and 14 kg in the Polish part. These values indicate a higher level of industrialisation in the Ukrainian and Belarusian parts of the eligible area. In the border belt, the major industrial centres which are significant sources of pollution are mainly found in the Lviv-Volhynia Coal Basin and in Grodno (nitrogen fertilizer plant), and in Poland (on a smaller scale) – in the vicinity of Chełm (cement industry). Planned investments in the energy sector can potentially exert a negative impact on the natural environment: Belarus' first nuclear power plant is being built in the north-eastern part of the Grodno oblast, while gas from unconventional sources is planned to be extracted in Poland's Roztocze.

The character of the energy sector is of cardinal importance for the natural environment. In the Polish part of the eligible area, coal-fired power plants prevail, although none of the three border voivodships is self-sufficient in terms of energy provision. In case of the Podlaskie voivodship, only 30% of the demand is satisfied by power generated locally. At the same time, renewable power sources are best developed there, mainly wind power plants. Renewable energy sources are also significant in the Podkarpackie voivodship (hydro-plants). Gas-fired power plant in Belaażorsk (over 1000 MW) is the main energy source in the Belarusian part of the eligible area. Renewable energy is only in a nascent state; in 2011, the country's first wind farm (1.5 MW) was put to operation in the Grodno oblast, and in 2012, a 17 MW hydro-plant was launched. One 600 MW hard coal-fired plant operates in the Ukrainian part of the eligible area. Renewable energy is not well developed, with the only significant source of this type being a 27 MW hydro-plant in the Zakarpatska oblast.

## **Culture**

Joint cultural heritage is one of the crucial strengths of the region. Culture has been one of the most popular fields of cooperation in 2007-2013 edition of the Programme, especially among the local communities initiatives. Regional culture and heritage has been, generally, conceptualised in a forward-looking way namely by tangible and intangible cultural heritage. Numerous monuments, including some of global significance, and many forms of intangible culture provide development advantages not only for tourism but also for local communities living in the area. Cultural infrastructure is abundant (theatres, operas, cinemas, libraries, local cultural centres), but requires money for essential upgrading.

Cultural events were and are also the form of maintaining national or regional identity. Cultural heritage is also one of the crucial factors boosting the tourism industry in the region. Culture is therefore seen as one of the key elements to tackle the regions problems on out-migration.

In 2013 the number of cultural institutions (theatres, museums, cinemas, libraries, local cultural centres) per 1000 residents was 0,72 on the Polish side. In Ukraine, the number of cultural institutions per 1000 residents was higher (1,17) mainly because of the cultural centres availability in almost each small village, however such cultural centres often just do not operate due to the lack of financing. On the Belarusian side of the Programme area the number of cultural institutions per 1000 residents in 2013 was 0,80. It should be noted that in all Programme countries libraries and local cultural centres constituted the vast majority of cultural institutions in 2013.

In 2013 public expenditures on culture and national heritage protection amounted to 2209,12 mln USD in Poland (0,50% of the GDP of Poland), in Ukraine – 1056,83 mln USD (0,60% of the GDP of Ukraine, in Belarus – 702,3 mln USD (1,04% of the GDP of Belarus).

### 3.2.2. SWOT ANALYSIS

Based on the completed diagnosis and the analysis of cross-border interactions briefly above highlighted above, strengths and opportunities, possibilities and limitations relating to cross-border cooperation in the Programme area can be identified, as well as opportunities and threats which might arise from the external environment (weights in brackets out of a total of 100 in each category, represent the relative significance of the given issue):

#### **STRENGTHS:**

- Development of regular trade exchange that is replacing trading in open-air marketplaces (45);
- Well-developed socio-cultural cooperation, largely reflecting the potential of the border regions in this sphere (25);
- Interest in developing institutional cooperation, expressed by partners on both sides of the border (15);
- Numerous cross-border ecosystems with significant environmental assets (15).

#### **WEAKNESSES:**

- Border regime associated with the external border of the European Union, with various dysfunctions that occur at border crossings and which considerably hamper cross-border interactions (35);
- Differences in the legislative and institutional systems, which hinders the development of cross-border cooperation (25);
- Underdevelopment of technical infrastructure (transport and border crossings), which poses a barrier to the development of cross-border interactions (15);
- Noticeable cultural barriers (including negative stereotypes), which obstruct the development of cross-border cooperation (10);
- Cross-border environmental pollution, particularly in the drainage basin of the Bug River (10);
- Wide disparities in the level of economic development, which does not facilitate the development of cross-border cooperation (5).

#### **POSSIBILITIES:**

- Existence of large cities in the eligible area, which opens up possibilities for endogenous development based on stimulating entrepreneurship and innovation (30);
- Existence of higher education institutions, which opens up possibilities for the development of academic and research cooperation and student exchange (25);
- Potential for the development of tourism, also inbound tourism, in selected local systems (20);
- Potential for the development of logistics functions associated with the transit location (20);
- Improved quality of human capital, providing the basis for socio-economic development and cross-border cooperation (5).

#### **LIMITATIONS:**

- Low competitiveness of the border regions caused by an unfavourable economic structure and ineffective use of the labour resources (35);
- Low attractiveness of the border regions for inward capital (20);
- Poorly developed transport infrastructure, including inefficient use of the potential of rail transport (20);
- Lack of binding local border traffic (LBT) agreement between Poland and Belarus (15);
- Population ageing, particularly on the Belarusian and Ukrainian sides of the border (10).

#### **OPPORTUNITIES:**

- Development of trade exchange between the European Union, Belarus and Ukraine (80);
- Alignment of the legislative and institutional systems of Poland and the neighbouring countries (20).

#### **THREATS:**

- Little progress in the processes of integration with the European Union in the neighbouring countries (40);
- Metropolisation processes leading to diminished significance of peripheral areas (30);
- Unfavourable geopolitical situation (30).

### **3.2.3. LESSONS LEARNT**

The ENI CBC Programme Poland-Belarus-Ukraine 2014-2020 builds on experience of cooperation between Polish, Belarusian and Ukrainian local, regional and national governments in the eligible area that started to develop actively in the 1990s. Cross-border co-operation from the very outset has concentrated on the common problems of the neighbouring regions and aimed at making the regions more competitive and attractive.

Within the Neighbourhood Programme Poland-Belarus-Ukraine INTERREG III A / Tacis CBC 2004-2006 158 projects were implemented with the total value of ERDF and Tacis of 44 million EUR. The ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013 with the budget of 186 million EUR for cross-border support resulted in 117 projects.

Although a lot has been done, the main conclusions from the analysis of the Polish-Belarusian-Ukrainian border region remain similar to those presented in previous years. Programme should still focus on the increase in the economic development in its area, on improvement in tourism, transport, border and environmental protection infrastructure and on social awareness increase of population.

Regardless of the fact that the ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013 was not finished when the ENI CBC Programme Poland-Belarus-Ukraine 2014-2020 was being developed, some key issues for a successful Programme implementation have already been identified and will be taken into account for the new period:

- Close involvement of and cooperation between the national/regional authorities is essential at every stage of Programme implementation process;
- The full structure of all Programme bodies (especially of the Intermediate Body and both Branch Offices) should be set up as soon as possible in order to support the potential applicants with development of projects at an early stage;
- Although all official Programme documents are in English, manuals, instructions etc. should be prepared and be available in national languages before the contracting process starts;
- Electronic Submission of the Application Form should be allowed in order to streamline the application procedure and to more efficiently organise projects evaluation process;
- Capacity building measures should be provided not only to beneficiaries but also to Programme bodies involved in project management and control. Trainings shall be conducted in national languages and organised in all the Programme regions;
- Umbrella structure for micro-projects turned out to be too complicated and had several weaknesses which shall be improved;
- The delay in launching the Programme shortened its implementation period which limited the possibilities for project extension in case of delays and to use savings.



Nevertheless, the main lesson learnt from the programmes of the previous financial perspectives, both from the programming period which is now coming to an end, and from the period 2004-2006 is that joint cross-border initiatives play an important role in building good neighbourly relations between the residents of the border areas and help enhance mutual understanding. The CBC programmes are useful in addressing common challenges and solving common problems of trans-border character, i.e. in the field of the environment, transport, etc. In addition, CBC projects can help establish lasting contacts and lay the foundation for collaboration as part of larger-scale initiatives under other financing instruments than CBC.

#### 3.2.4. COHERENCE WITH OTHER PROGRAMMES, STRATEGIES AND POLICIES

The Programme is intended to continue the cooperation in the border region of Poland, Belarus and Ukraine which was earlier developed under the CBC Programme Poland-Belarus-Ukraine 2007-2013.

The Programme TOs comply with the *Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)*. It should be pointed out that the Programme puts emphasis on enhancing integration in the cross-border region while striving to support the cultural, historical and natural heritage preservation, improve transport accessibility of the regions, address the common challenges in the field of safety and security and promote the border management.

The Programme is coherent with two Eastern Partnership Flagship Initiatives:

- with the Programme on Prevention, Preparedness and Response to man-made and natural Disasters in the ENPI East Region (PPRD East). The PPRD East will contribute to the peace, stability, security and prosperity of the Eastern Partner Countries, including Ukraine and Belarus, and protect the environment, the population, the cultural heritage, the resources and the infrastructures of the region by strengthening the Partner Countries' resilience, prevention, preparedness and response to man-made and disasters caused by natural hazards;
- with activities undertaken under the initiative 'integrated border management' (IBM) aimed at facilitation of the movement of persons and goods across borders in the six EaP countries (including Ukraine and Belarus), while at the same time maintaining secure borders through the enhancement of inter-agency cooperation, bilateral and multi-lateral cooperation among the target countries, EU member states and other international stakeholders.

The Programme is coherent with other INTERREG and ENI CBC Programmes and Transnational Programmes such as:

- Poland-Russia;
- Latvia- Lithuania-Belarus;
- Hungary-Slovakia-Romania-Ukraine;
- Romania-Ukraine;
- Lithuania-Poland;
- Poland-Slovakia
- Baltic Sea Region;
- Central Europe;
- DANUBE.

The Programme is also coherent with Eastern Partnership Territorial Cooperation Programme Belarus-Ukraine, which enables cross-border cooperation by bringing the different actors closer

to each other, in order to better use the opportunities offered by the joint development of the cross-border area.

Furthermore, the Programme intends to contribute to the objectives and priorities of the European Union Strategy for the Baltic Sea Region (EUSBSR), in particular:

- TO3 and TO8 of the Programme will contribute to the EUSBSR's objective "Increase prosperity" (culture, tourism, health);
- TO7 of the Programme will contribute to the EUSBSR's objective "Connect the region" (transport).

It is also foreseen to ensure the coordination between the Programme and the EUSBSR by participation of the National Coordinator of the EUSBSR in Poland in meetings of the JMC of the Programme (as a non-voting observer).

The coordination and synergy of the Programme with the Internal Security Fund (ISF) shall be also ensured. The implementation of the Programme shall contribute to achievement of objectives of both instruments constituting the ISF (Borders and Visa and ISF Police) by financing projects under *Priority 3.2 Addressing common security challenges* (TO8) and both priorities of TO10 - *Priority 4.1 Support to border efficiency and security; Priority 4.2 Improvement of border management operations, customs and visas procedures*. In order to provide direct coordination between the Programme and ISF activities, the participation of the ISF Polish Responsible Authority (Ministry of the Interior of the Republic of Poland) in the JMC of the Programme (as a non-voting observer) will be possible.

The Programme TOs and priorities are complementary to the wider development priorities of the three countries which territories fall into the Programme area. The Programme is fully compliant with the following national strategies:

- *National Development Strategy 2020* (Poland);
- *Long Term Development Strategy. Poland 2030 – the Third Wave of Modernity* (Poland);
- *National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas* (Poland);
- *National Spatial Development Concept 2030* (Poland);
- *Strategy for Sustainable Development "Ukraine-2020"* (Ukraine);
- *National Regional Development Strategy for the period up to 2020* (Ukraine);
- *National Strategy for Sustainable Socio-Economic Development of the Republic of Belarus for the period up to 2030* (Belarus).

In Poland the Programme's priorities are also in line with operational programmes for 2014-2020, especially with Eastern Poland Programme and particular regional operational programmes for relevant voivodeships.

*The National Development Strategy 2020* was adopted by the Council of Ministers of the Republic of Poland on 25 September 2012. This is the main strategic document with a medium-term perspective, based on a sustainable development scenario. It defines strategic tasks for Poland, crucial for expediting the development process in the next few years. This document defines three strategic areas (effective and efficient state, competitive economy, social and territorial cohesion) on which the main operations should be focused. The Programme fits into the abovementioned strategic area, especially focusing with its intervention on competitive economy and territorial cohesion.

*The Long Term Development Strategy. Poland 2030 – the Third Wave of Modernity*, accepted by the Council of Ministers on 5 February 2013, was developed in the years 2011-2012 as an answer to the financial crisis. Its main goal is to improve the quality of life in Poland thanks to stable, high economic growth. The main goal of the Strategy should be reached through three strategic

areas: competitive and innovative economy, balancing of development potential of Polish regions, effectiveness and efficiency of the state. The Programme especially places emphasis on balancing of development potential of Polish regions while striving to improve transport accessibility and regional development.

*The National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas* - was adopted by the Polish Council of Ministers on 13 July 2010. This document strengthens the role and importance of regional policy in the implementation of spatial development. It will ensure greater consideration of specific needs and potentials of individual areas of Poland under public policies.

*The National Spatial Development Concept 2030* (NSDC 2030) was approved by the Council of Ministers on 13 December 2011. This document combines spatial development with socio-economic development and formulates demands in order to restore spatial organization and to improve spatial development in Poland. It sets out a spatial policy for Poland for the next twenty years. The document addresses current and future challenges faced by Poland, such as economic, demographic, climatic and those related to infrastructure. The NSDC 2030 is based on the assumption that the richness of Polish regions – urban and rural areas – is linked to the use of their internal territorial assets such as natural and cultural heritage, economic potential and scientific innovation. The NSDC 2030 offers measures aiming at reshaping the Polish spatial development system in order to facilitate the development of each region and the country as a whole.

*The Strategy for Sustainable Development “Ukraine-2020”* was approved by the President of Ukraine on 12 January 2015. It determines goals and indicators for their achievement, as well as directions and priorities of state development. The purpose of this strategy is to achieve the European standards of life and decent place in the world for Ukraine.

*The National Regional Development Strategy for the period up to 2020* was adopted by the Cabinet of Ministers of Ukraine on 6 August 2014. The Strategy presents the range of challenges that are currently affecting regional development in Ukraine. The main objective of the regional policy is defined as the creation of conditions for increasing the competitiveness of the regions, the promotion of balanced and sustainable development, the introduction of advanced technologies, as well as the facilitation of high productivity and employment of the population.

*The National Strategy for Sustainable Socio-Economic Development of the Republic of Belarus for the period up to 2030* was adopted by the Presidium of the Council of Ministers of the Republic of Belarus on 10 February 2015. The strategic goal of sustainable development of the Republic of Belarus is to ensure high living standards of the population and conditions for the harmonious development of the individuals on the basis of the transition to high-performance economy based on knowledge and innovation, while maintaining a favourable environment for future generations.

The Programme has been prepared and will be implemented in collaboration with the regions from the Programme area which hereby ensures conformity with the regional development goals and strategies, mainly with:

- *Podlaskie Voivodeship Development Strategy 2020 (Poland)*
- *Strategy of Development of the Mazowieckie Voivodeship till 2030 – Innovative Mazowsze (Poland)*
- *Development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective) (Poland)*
- *Cross Border Cooperation Strategy of the Lubelskie Voivodeship, Lviv, Volyn and Brest Oblasts for 2014-2020 (Poland)*

- *Region Development Strategy – Podkarpackie 2020 (Poland)*
- *Strategy for Lviv Oblast Development until 2015 (Ukraine);*
- *The Strategy for Volyn Oblast Development until 2020 (Ukraine);*
- *Strategy for Regional Development of Zakarpattya Oblast until 2020 (Ukraine);*
- *Strategy for Rivne Oblast Development until 2020 (Ukraine);*
- *Strategy for Ivano-Frankivsk Oblast Development until 2020 (Ukraine);*
- *Strategy for Ternopil Oblast Development until 2015 (Ukraine);*
- *Programme of Socio-Economic Development of Brest region for 2011-2015 (Belarus);*
- *Programme of Socio-Economic Development of Grodno region for 2011-2015 (Belarus);*
- *Programme of Socio-Economic Development of Gomel region for 2011-2015 (Belarus);*
- *Programme of Socio-Economic Development of Minsk region for 2011-2015 (Belarus);*

*The Podlaskie Voivodeship Development Strategy 2020* was adopted by the Regional Council of Podlaskie Voivodeship in 2006 and revised in September 2013. The Podlaskie Voivodeship is entitled as the “Gateway to the East”. The revised document puts stronger focus of public intervention on strengthening the region’s competitiveness and unblocking the growth processes by a fuller use of competitive advantages and development potential (concentrating attention on endogenous territorial features instead of exogenous investments and transfers, and opportunities for development are emphasised rather than barriers). It also proposes to move from the short-term model of top-down subsidy distribution to a model of long-term, decentralised development policies geared towards supporting all regions, regardless of how wealthy they are, by methods including mobilisation of local resources and funds in such a way that particular competitive advantages can be exploited without excessive reliance on domestic transfers and subsidies. It also calls for a change from diffused intervention towards more selective (concentrated) investments.

*The Strategy of Development of the Mazowieckie Voivodeship until 2030 – Innovative Mazowsze* adopted by Sejmik of Mazowieckie Voivodeship on 28<sup>th</sup> October 2013 - is providing an indication of actions that could in the best way prepare the economy and society of the region to the needs and challenges of the future. The document is a response to the challenges that the region has to meet in order to improve the quality of life, reduce social exclusion and unemployment, while pursuing a policy of territorial cohesion and policy of smart and sustainable development. The primary objective of the Strategy is territorial cohesion, defined as a reduction of disparities in the Mazowieckie development and as the growing importance of the Warsaw Metropolitan Area in Europe, which in turn will improve the quality of life of residents.

*The development Strategy for the Lubelskie Voivodeship 2014-2020 (with a 2030 perspective)* was approved by the Regional Council on 24 June 2013. 7 Strategic Intervention Areas (OSIs) are identified in the document. The ENI CBC Programme is consistent with the 3<sup>rd</sup> Strategic Intervention Area called “Border Areas”. The activities of this specific priority area aim to:

- develop logistics, border infrastructure, border services and social infrastructure;
- improve the safety;
- support human resources and enterprises;
- open new and develop existing border crossings and create seasonal border crossings.

*The Cross Border Cooperation Strategy of the Lubelskie Voivodeship, Lviv, Volyn and Brest Oblasts for 2014-2020* was approved by the Regional Council on 30 April 2014. The general goal of the strategy is the increase of the socio-economic competitiveness of the cross border area by effective use of endogenous potentials and mitigating the limitations of the functioning of the external EU border.

*The Region Development Strategy – Podkarpackie 2020*, was adopted by Sejmik of Podkarpackie Voivodeship on 26<sup>th</sup> August 2013. It is the main strategic document determining directions and priorities of the regional development. Its main objective is efficient use of internal and external

resources for intelligent and sustainable socio-economic development as the way to improve the quality of life of the inhabitants of the region. The following Strategic action areas of the Strategy are compliant with the Programme TOs:

- Competitive and innovative economy;
- Social and human capital;
- Settlement network;
- Environment and power industry.

*The Strategy for Lviv Oblast Development until 2015* was adopted by the Lviv Oblast Council on 13 March 2007. The main goal of the Strategy is to create opportunities for residents, organisations and enterprises through the sustainable socio-economic development of the Oblast.

*The Strategy for Volyn Oblast Development until 2020* is the main planning document for long-term perspective regional development. It was adopted by the Volyn Oblast Council on March 20, 2015. The Strategy sets regional policy goals and objectives, and proposes tools for solving social problems and increasing the economic potential of the territories which will result in comprehensive improvement of social standards and quality of life. The following Strategy priority action areas are in compliance with the Programme TOs:

- Transport and infrastructure;
- Development of human capital;
- Support to projects in a field of culture;
- Promoting access to quality health services and providing healthy population;
- Facilitating tourism.

*The Strategy for Regional Development of Zakarpattya Oblast until 2020* was adopted by the Zakarpattya Oblast Council on 6 March 2015. The document presents the strategic plan of regional development setting goals, tasks and priorities for development of Zakarpattya Oblast for the indicated period based on national priorities.

*The Strategy for Rivne Oblast Development until 2020* was adopted by the Rivne Oblast Council on 18 December 2014. The document describes strategic aims, priorities and courses of development of the region. Its main objective is to improve the living standards of the Rivne region residents by implementing structural economic change, assuring sustainable economic growth and high quality of life.

*The Strategy for Ivano-Frankivsk Oblast Development until 2020* was adopted by the Ivano-Frankivsk Oblast Council on 17 October 2014. It determines the region's objectives and suggests how to reach them as well as proposes long-term prospects taking into consideration the needs of future generations. The issue of constant development takes a very important place in the Strategy being focused on economic and social unity of the Ivano-Frankivsk region.

*The Strategy for Ternopil Oblast Development until 2015* was adopted by the Ternopil Oblast Council on 27 May 2008. The Strategy aims at transforming Ternopil into a region with a competitive economy, a high level of human resource development, productive employment, effective system of social and housing services, clean environment and highly developed tourist and recreation area.

*The Programme of Socio-Economic Development of Brest region for 2011-2015* was adopted by the Brest Oblast Council of Deputies on 16 September 2011. It describes main regional development policy objectives such as increase of real income and improvement of standard of life of the population, increase of healthcare standard, culture and quality of education, improvement

of economy structure on the basis of priority development of resource-saving and high-tech production.

*The Programme of Socio-Economic Development of Grodno region for 2011-2015* was adopted by the Grodno Oblast Council of Deputies on 28 June 2011. It presents main regional objectives such as creation of conditions for development of human potential on the basis of real income growth and improvement of life standard of the population, increase of healthcare standard, culture and quality of education, creation of advantageous conditions for the implementation of business initiative of market participants.

*The Programme of Socio-Economic Development of Gomel region for 2011-2015* was adopted by the Gomel Oblast Council of Deputies on 26 July 2011. It describes main regional objectives such as creation of conditions for development of human potential on the basis of real income growth and improvement of life standard of the population, increase of healthcare standard, culture and quality of education, modernization of organizational and economic mechanisms and institutions, increase of agricultural sector performance, further development of social village infrastructure.

*The Programme of Socio-Economic Development of Minsk region for 2011-2015* was adopted by the Minsk Oblast Council of Deputies on 10 June 2011. It describes main regional objectives such as the creation of preferable living and working conditions, providing harmonious combination of personal interests, interest of the society and the State, increase of competitiveness of the real sector of economy, development of human potential, increase of wellbeing, strengthening of the health of the population and creation of conditions for the development of a competitive, dynamic and high-tech economy, providing sustainable economic development of Minsk region.

As the Programme budget is limited and not sufficient to address all common challenges and problems of the Programme area, the Programme shall focus on the most crucial ones by the means of selected Thematic Objectives, relevant to meet the goals provided for in the ENI regulation and addressing the common problems of the cross-border area, characteristic for the Programme area and deemed important for the countries participating in the Programme. It shall also contribute to solving those problems in compliance with other programmes and strategies implemented in the Programme area.

### 3.3. RISKS

The Programme prepared an analysis of potential risks. The risks and their cause were described and their impact identified. After that the relevance of each risk factor was assessed. The risks have been evaluated according to their probability and impact with a scale (high, medium, low).

Description and cause of the identified risk	Impact of the identified risk	Relevance assessment of the identified risk	Proposed mitigating measures
Joint principles of Programme implementation cannot be agreed by partner countries due to different visions of CBC cooperation	Programme cannot be started or is started with heavy delay. Programme funds are not spent.	Low	Joint decisions of partners on the Programme goals and its implementation mechanisms. Regular meetings of the representatives of partner countries
Inconsistent Programme management and control system is installed as result	The projects expenditures are verified erroneously. There is a	Low	Entrusting of new functions to bodies with experience in CBC/ EU

of creation of new Programme bodies required by the ENI CBC instrument	risk of ineligible expenditure, including fraud.		funds management. Capacity building measures / trainings provided to Programme bodies on ENI requirements. Defining responsibilities and obligations between the partner countries.
No agreement on selection of projects can be reached due to disregard to the selection criteria and results of project evaluation.	Selection of projects of poor quality and/or with poor CBC effect. Delay in start of projects implementation. Achievement of Programme goal is at risk.	Low	Selection of projects in compliance with selection criteria. Ranking list prepared by assessors as the basis for project selection.
Small amount of projects apply for funds due to complicated Programme requirements and low interest of stakeholders	Selection of project of poor quality. High number of projects are rejected due to formal criteria. The scope of beneficiaries is mainly limited to beneficiaries of the previous programme.	Medium	Conducting information campaigns and trainings for stakeholders. Simplified and beneficiary-friendly procedures for applying for Programme funds put in place.
Slow and poor implementation of contracted projects due to complicated and overblown procedures.	Projects do not receive funds in line with their action plans. Projects loose financial liquidity and stop implementation. Projects do not reach their objectives.	Medium	Preparation of simple and transparent procedures and documents for reporting and requesting for funds. Conducting capacity building / trainings for beneficiaries and Programme bodies.

**Table 3. Risks for the Programme**

Based on documented cases and on the update of identified risks and of risk management measures the monitoring and evaluation will be performed and reported to the JMC annually in connection with the drafting of the annual report.

### 3.4. MAINSTREAMING OF CROSS-CUTTING ISSUES

Environmental sustainability is an important cross-cutting issue in the Programme implementation. It shall be reflected at all stages of the Programme implementation, starting from the evaluation of applications and selection process, through project implementation phase. Projects with a direct negative environmental impact shall not be financed within the Programme.

A Strategic Environmental Assessment (SEA) was prepared simultaneously with the preparation of the Programme document in order to ensure that environmental impacts are assessed and considered during preparation of the Programme.

Respecting the human rights need to be ensured within the whole Programme implementation and all activities financed within the Programme need to reflect this important cross-cutting issue. Gender equality for men and women is a human basic right. The Programme needs to promote the same rights, opportunities and obligations in all fields of the society. The Programme should promote the elimination of horizontal and vertical segregation of women and

men on the labour market, the reduction of disparities between urban and rural areas in the field of access to kindergartens and support women from rural areas to become more independent, promote their access to health services, education, employment and social services. It shall be reflected at all stages of the Programme implementation. Projects with a direct negative impact on equality between men and women shall not be financed within Programme.

The IR states that each programme should precise ways of mainstreaming such important cross-cutting issue as HIV/AIDS. The Programme within its whole duration needs to focus on rising awareness of society in the field of health. The Programme is able to reach that objective inter alia by supporting the economic development of its eligible area. More economically advanced society is more inclined to care about its health. This element shall be reflected at all stages of the Programme implementation. Projects with negative impact in the abovementioned issues shall not be financed within the Programme.

Other important element which should be reflected during the Programme preparation and implementation period is democracy. In order to share the idea of democracy the public hearings of the draft Programme documents were organised in all three countries. The Programme at all its stages will promote the idea of active participation, transparency, partnership and responsibility of various stakeholders.

#### **4. STRUCTURES OF THE PROGRAMME BODIES**

In accordance with the legal basis of the Programme, the representatives of the three participating countries decided to arrange the following joint and national institutional structure for the Programme implementation.

The management functions shall be performed by the following institutions:

- Joint Monitoring Committee (JMC);
- Managing Authority (MA) located in the Ministry of Infrastructure and Development of the Republic of Poland;
- National Authority (NA) in Poland located in the Ministry of Infrastructure and Development;
- National Authority in Belarus located in the Ministry of Foreign Affairs;
- National Authority in Ukraine located in the Ministry of Economic Development and Trade;
- Intermediate Body (IB) located in the Center of European Projects in Poland;
- Branch Office in Brest – located in Institution “Brest Transboundary Infocentre”;
- Branch Office in Lviv – located in the Information and Cross-border Cooperation Support Centre “Dobrosusidstvo”.

The control functions shall be performed at the following levels:

- Independent auditors who will be selected by the project beneficiaries and who will be responsible for expenditure verification at the project level;
- MA and the IB who will be assisted by the Control Contact Points (CCP) in each country:
  - CCP in Poland – located in the Center of European Projects;
  - CCP in Belarus – located in the National Coordinating Unit for the EU Tacis Programme in Belarus;
  - CCP in Ukraine – located in the Ministry of Finance of Ukraine



The audit functions shall be performed by the following institutions:

- Audit Authority (AA) – General Inspector of Treasury Control in the Ministry of Finance of the Republic of Poland;
- Group of Auditors (GoA) which shall be composed by the following members:
  - Poland shall be represented by the Ministry of Finance;
  - Belarus shall be represented by the Ministry of Finance;
  - Ukraine shall be represented by the Accounting Chamber.

Detailed roles and responsibilities of the abovementioned Programme bodies are stipulated in further chapters of the JOP and in the description of the Programme Management and Control System (PMCS).

## 4.1. JOINT MONITORING COMMITTEE (JMC)

The JMC is the main decision-making body of the Programme. The JMC is responsible for the quality and efficiency of the implementation of the Programme. It shall be set up within 3 months after adoption of the Programme by the European Commission.

### 4.1.1. COMPOSITION OF JMC

The JMC composition is as follows:

POSITION	INSTITUTION
<b>Chairperson (Non-voting)</b>	Managing Authority (Ministry of Infrastructure and Development of the Republic of Poland)
<b>Secretary (Non-voting)</b>	Intermediate Body (Center of European Projects)
<b>Poland (max. 7 voting members)</b>	<p>Voting members:</p> <ol style="list-style-type: none"> <li>1. National Authority (Ministry of Infrastructure and Development).</li> <li>2. Ministry of Foreign Affairs.</li> <li>3. Marshal Office of Podlaskie Voivodship.</li> <li>4. Marshal Office of Mazowieckie Voivodship.</li> <li>5. Marshal Office of Lubelskie Voivodship.</li> <li>6. Marshal Office of Podkarpackie Voivodship.</li> <li>7. Relevant euroregions, i.e. Niemen, Puszcza Białowieska, Bug, Karpacki (one representative of all euroregions on a rotation basis).</li> </ol> <p>Non-voting observers:</p> <ol style="list-style-type: none"> <li>1. Control Contact Point (Center of European Projects).</li> <li>2. Audit Authority (Ministry of Finance).</li> </ol>
<b>Belarus (max. 8 voting members)</b>	<p>Voting members:</p> <ol style="list-style-type: none"> <li>1. National Authority (Ministry of Foreign Affairs).</li> <li>2. Ministry of Economy.</li> <li>3. Brest Regional Executive Committee.</li> <li>4. Grodno Regional Executive Committee.</li> <li>5. Minsk Regional Executive Committee.</li> <li>6. Gomel Regional Executive Committee.</li> <li>7. City of Minsk Executive Committee.</li> <li>8. Relevant euroregions, i.e. Nieman, Belovezhskaya Pushcha, Bug (one representative of all euroregions on a rotation basis).</li> </ol>

	<p>Non-voting observers:</p> <ol style="list-style-type: none"> <li>1. Control Contact Point (National Coordinating Unit for the EU Tacis Programme in Belarus).</li> <li>2. Ministry of Finance.</li> </ol>
<b>Ukraine (max. 9 voting members)</b>	<p>Voting members:</p> <ol style="list-style-type: none"> <li>1. National Authority (Ministry of Economic Development and Trade).</li> <li>2. Government Office for European Integration.</li> <li>3. Ministry of Foreign Affairs of Ukraine.</li> <li>4. Volynska Oblast State Administration.</li> <li>5. Lvivska Oblast State Administration.</li> <li>6. Zakarpatska Oblast State Administration.</li> <li>7. Rivnenska Oblast State Administration.</li> <li>8. Ternopilska Oblast State Administration.</li> <li>9. Ivano-Frankivska Oblast State Administration.</li> </ol> <p>Non-voting observers:</p> <ol style="list-style-type: none"> <li>1. Control Contact Point (Ministry of Finance).</li> <li>2. Relevant euroregions, i.e. Bug and Karpaty (one representative of both euroregions on a rotation basis).</li> </ol>
<b>Other non-voting observers</b>	European Commission

**Table 4. Composition of the JMC**

In addition to the duly appointed representatives, in order to ensure the close association of different stakeholders or experts in the implementation of the Programme, other participants may be invited to participate in the meetings of the JMC (as the non-voting observers) according to the issues of the JMC concern and subject to the approval of the chairperson of the JMC. Among these observers, in order to ensure that the Programme implementation process is appropriately aligned with the EU Strategy for the Baltic Sea Region as well as that the synergies of the Programme with the EU Internal Security Fund actions are provided, the representatives of Polish coordinator of the EUSBSR and ISF Responsible Authority may be invited to the JMC meetings.

#### **4.1.2. JMC TASKS**

JMC shall follow the Programme implementation and progress towards its priorities using the objectively verifiable indicators and related target values defined in the Programme (Programme indicators, point 3.1.6). The JMC shall examine all issues affecting the Programme performance.

JMC may issue recommendations to the MA regarding the Programme implementation and evaluation. It shall monitor actions undertaken as a result of its recommendations.

JMC shall in particular:

- approve the MA's work programme and financial plan, including planned use of TA;
- monitor the implementation by the MA of the work programme and financial plan;
- approve the criteria for selecting projects to be financed by the Programme;
- be responsible for the evaluation and selection procedure applicable to projects to be financed by the Programme;
- approve any proposal to revise the Programme;
- examine all reports submitted by the MA and, if necessary, take appropriate measures;
- examine any contentious cases brought to its attention by the MA;

- examine and approve the annual report referred to in Art. 77 of the IR;
- examine and approve the annual monitoring and evaluation plan referred to in Art. 78 of the IR;
- examine and approve the annual information and communication plans referred to in Art. 79 of the IR.

#### **4.1.3. JMC FUNCTIONING**

The JMC shall as a rule take decisions by consensus. In justified cases, when consensus cannot be achieved as a result of prior consultations between the delegations of participating countries, the decisions of the JMC may be put to a vote. Each participating country shall have one vote, regardless of the number of members within its delegation. Details on the functioning of the JMC shall be described in details in the RoP of the JMC which shall be unanimously approved during its first meeting.

The representative of the MA shall chair the JMC. The representative of the IB shall act as a secretary of the JMC.

The JMC shall meet as often as necessary, but not less than once a year. It shall be convened by the MA or following a duly justified request from one of its appointed members or from the EC. It may also take decisions through written procedure at the initiative of the MA or one of the participating countries. In case of disagreement any member may request that the decision will be discussed at a meeting.

The IB will be responsible for secretariat and organisation of the JMC meetings. After each meeting, the minutes shall be drawn and circulated to all members for approval. Final version of the minutes will be sent to each member and observer.

The MA and national bodies will support the members of the JMC in obtaining visas.

## **4.2. MANAGING AUTHORITY (MA)**

The role of the MA is entrusted to the Ministry of Infrastructure and Development of the Republic of Poland.

The MA is particularly responsible for managing the Programme in accordance with the principle of sound financial management and for ensuring that decisions of the JMC comply with the regulations and provisions in force.

### **4.2.1. DESIGNATION**

The Programme preparation was launched in spring 2013, when the first meeting of the JPC took place and respective NAs of Poland, Belarus and Ukraine jointly decided to draw up and submit to the EC a CBC Programme under the ENI. During the same meeting it was jointly decided to appoint the Ministry of Infrastructure and Development of Poland to act as MA of the Programme.

After JOP submission to the EC, MA shall undergo a designation procedure. It shall be based on an opinion and report produced by an independent audit body, i.e. the AA. This audit shall assess the compliance of the PMCS, including the role of the IB, with the designation criteria laid down in Annex to the IR. The AA shall take into account, where relevant, whether the PMCS is similar to that in place

for the previous programming period, as well as any evidence of its effective functioning. The AA shall carry out its functions in accordance with internationally accepted audit standards.

The EU MS hosting the MA shall submit the formal designation decision to the Commission as soon as possible after the Programme adoption by the Commission. Within two months of receipt of the formal decision, the Commission may request the report and the opinion of the AA and the description of the management and control system as regards, in particular, those parts concerning project selection. If the Commission does not intend to request these documents, it shall notify the MS as soon as possible. If the Commission requests these documents, it may make observations within two months of receipt of these documents which shall be reviewed taking into account the observations. When the Commission does not have any initial or further observations it shall notify the MS as soon as possible.

Where existing audit and control results show that the designated authority no longer complies with the designation criteria specified in IR, the MS shall, at an appropriate level, set the necessary remedial action and fix a period of probation according to the severity of the problem, during which such remedial action shall be taken. At the same time, where the designated authority fails to implement the required remedial action within the period of probation determined by the MS, the MS, at an appropriate level, shall end its designation.

The MS shall notify the Commission without delay when:

- a designated authority is put under probation, and provide information on the remedial actions and the respective probation period, or
- following implementation of remedial actions the probation is ended, or
- the designation of an authority is ended.

The notification that a designated body is put under probation by the MS shall not interrupt the handling of payment requests.

Where the designation of the MA is ended, the participating countries shall appoint a new authority or body to take over the functions of the MA. That body or authority shall undergo the designation procedure described above and the Commission shall be notified thereof in conformity with article 25.4 IR. This change shall require a revision of the Programme pursuant to Art. 6 of the IR.

#### **Specification of the legal form of the designation decision:**

The role of the body which is responsible for designation procedure is entrusted to the Minister of Infrastructure and Development of the Republic of Poland. The designation tasks are carried out by the unit in Certification and Designation Department of the Ministry of Infrastructure and Development, which is subordinated to Director General in the Ministry of Infrastructure and Development. The unit is separate and functionally independent from the MA.

The role of the independent audit body which shall issue a report and an opinion assessing the compliance of the management and control system with the designation criteria laid down in Annex to the IR is entrusted to the General Inspector of Treasury Control, also responsible for performing a function of the AA.

#### **Steps of the designation process and estimated timeline:**

- the MA submits to the independent audit body the declaration of readiness to undergo a designation procedure. With the declaration of readiness the MA submits to the independent audit body and to the body which is responsible for the designation procedure the description of the PMCS and other relevant documents;
- the independent audit body performs the audit work required and issues an opinion and report that shall assess the compliance of the PMCS with the designation criteria laid down in Annex to the IR.

The opinion and report are submitted to the MA and to the body which is responsible for designation procedure;

- the body which is responsible for designation issues the decision on designation of the MA. The formal designation decision is issued by the body which is responsible for designation in written form and submitted to the MA and to the EC.

It is estimated that the decision on designation of the MA would be issued within approximately 10 months after the Programme adoption by the Commission.

#### **4.2.2 MA STRUCTURE AND TASKS**

The Minister of Infrastructure and Development of the Republic of Poland performs the duties of the MA.

For the needs of the Programme implementation, the MA is divided into three functionally independent units: an operational unit, a financial and control unit(s) and a paying unit. They cooperate with one another in executing their specific tasks.

The Authorising Officer is the Undersecretary of State at the Ministry of Infrastructure and Development, or authorised director or deputy director of the Certification and Designation Department. The MA in implementation of its tasks is supported by the IB.

##### **Operational unit**

A separate unit within the Certification and Designation Department of the Ministry of Infrastructure and Development shall act as the operational unit. Its responsibilities include:

- supporting the work of the JMC;
- providing the JMC with the information it requires to carry out its tasks, in particular data relating to the progress of the Programme in achieving its expected results and targets (with IB support);
- drawing up and, after approval by the JMC, submitting operational annual/final reports to the Commission;
- sharing information with the IB, the AA, the NAs and beneficiaries that is relevant to the execution of their tasks or project implementation;
- establishing and maintaining a computerised system to record and store data on each project necessary for monitoring, evaluation, financial management, control and audit, including data on individual participants in projects, where applicable. In particular, it shall record and store technical and financial reports for each project. The system shall provide all data required for drawing up payment requests and annual accounts, including records of amounts recoverable, amounts recovered and amounts reduced following cancellation of all or part of the contribution for a project or Programme (in cooperation with the financial and paying units, IB, CCPs and AA);
- carrying out where relevant environmental impact assessment studies at Programme level (with support of IB);
- implementing the information and communication plans in accordance with Art. 79 of the IR (with support of the IB and BOs);
- implementing the monitoring and evaluation plans in accordance with Art. 78 of the IR (in cooperation with the financial and paying units);
- draw up and launching calls for proposals (with support of IB);
- managing the project selection procedures, the organisation of Project Selection Committees (PSCs), providing the lead beneficiary with a document setting out the conditions for support for

- each project including the financing plan and execution deadline (with support of IB, as well as submitting recommendation of PSC to the JMC and to EC (with support of IB);
- signing grant and service contracts, and then, if necessary, signing annexes to concluded contracts (with support of IB);
  - managing the MA TA contracts and projects.

#### **Financial and control unit(s)**

A separate unit of the Certification and Designation Department of the Ministry of Infrastructure and Development shall act as the financial and control unit. Its responsibilities include:

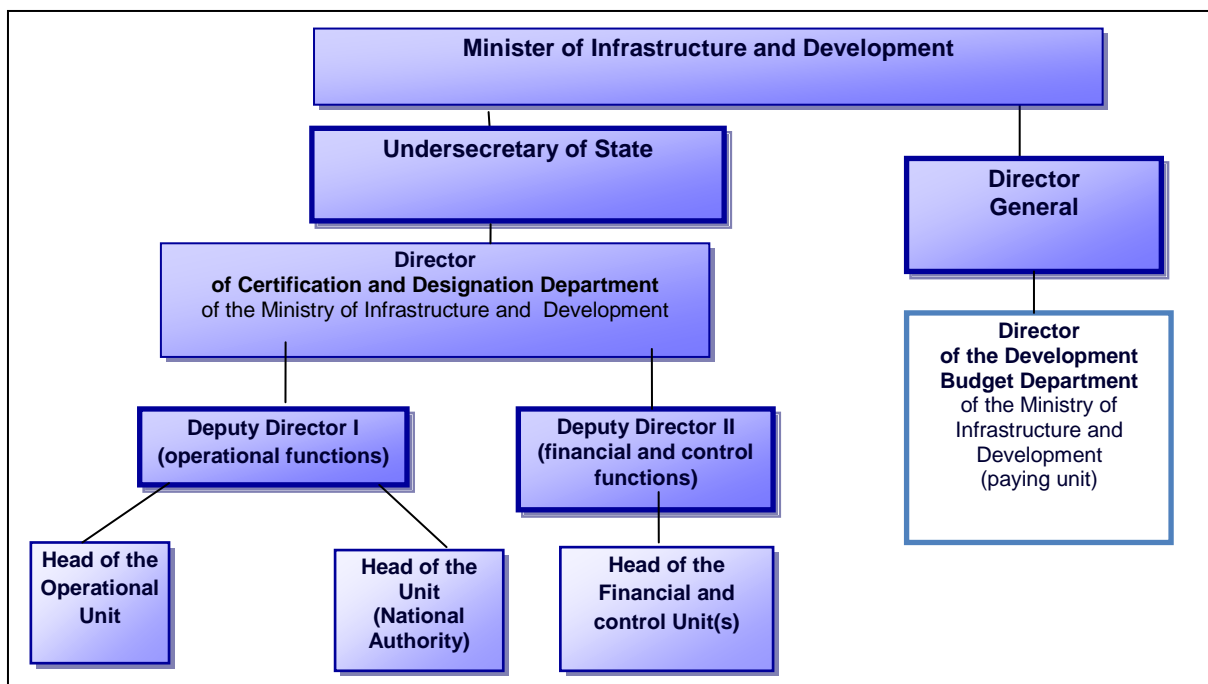
- verifying that services, supplies or works have been performed, delivered and/or installed and whether expenditures declared by the beneficiaries have been paid by them and that this complies with applicable law, Programme rules and conditions for support of the projects in accordance with the requirements of Art. 26 of the IR (in cooperation with the IB and CCPs);
- ensuring that beneficiaries involved in project implementation maintain either a separate accounting system or a suitable accounting code for all transactions relating to a project;
- putting in place effective and proportionate anti-fraud measures taking into account the risks identified;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure a suitable audit trail are held in accordance with the requirements of Art. 30 of the IR;
- drawing up the management declaration and annual summary referred to in Art. 68 of the IR;
- drawing up and submitting payment requests to the Commission in accordance with Art. 60 of the IR;
- drawing up the financial part of the annual/final financial reports;
- taking account of the results of all audits carried out by or under the responsibility of the AA when drawing up and submitting payment requests;
- maintaining computerised accounting records for expenditure declared to the Commission and for payments made to beneficiaries;
- keeping an account of amounts recoverable and of amounts reduced following cancellation of all or part of the grant;
- carrying out financial corrections and follow-up of the recoveries.

#### **Paying unit**

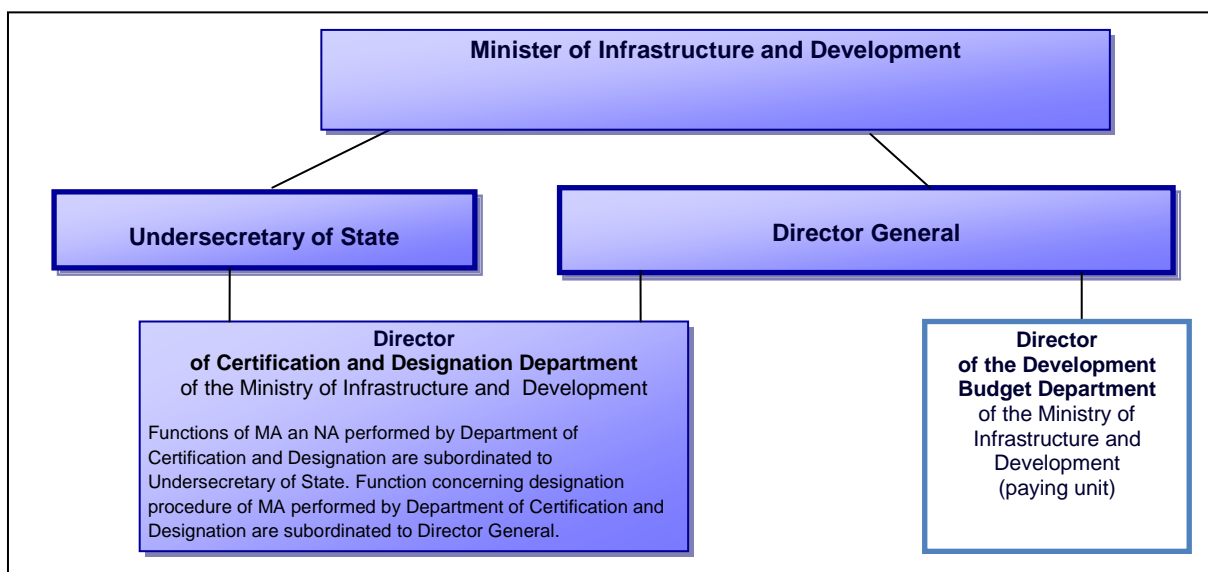
The Accounting Officer is the chief accountant of the Ministry of Infrastructure and Development.

A separate unit of the Development Budget Department of the Ministry of Infrastructure and Development shall act as the paying unit. Its responsibilities include:

- setting-up and managing the single bank account of the Programme;
- establishing the accounts of the Programme (the accounting system is specific and separate and exclusively deals with operations related to the Programme, allowing for the analytical follow-up per TO, priority and project);
- receiving payments from the EC;
- executing payments to beneficiaries and contractors.



MA and NA structure



Extract from organisational structure of the Ministry of Infrastructure and Development of Poland in regards to the ENI.

### 4.3. NATIONAL AUTHORITIES (NAs)

NAs cooperate with MA during the Programme preparation and implementation periods, and are responsible for coordination of programming and implementation process on their territories in fields of Programme management, control, audit, irregularities and recoveries issues.

The following institutions will play the role of the NAs:

- In Poland: a functionally independent unit of the Certification and Designation Department of the Ministry of Infrastructure and Development;
- In Belarus: the Ministry of Foreign Affairs;

- In Ukraine: the Ministry of Economic Development and Trade.

The NAs shall support the MA in the management of the Programme in accordance with the principle of sound financial management. They shall inter alia:

- be responsible for the set up and effective functioning of management and control systems at national level;
- ensure the overall coordination of the institutions involved at national level in the Programme implementation, including, inter alia, the institutions acting as CCPs and as member of the GoA;
- represent the country in the JMC.

The assistance of NAs in Programme management may include:

- supporting the MA in providing specific national data related to Programme implementation;
- supporting the MA in the organisation of environmental impact assessment consultations on their territory (with the support of the relevant institutions);
- supporting the MA/IB in carrying out the eligibility/administrative check (providing opinions in relation to e.g.: eligibility of the respective applicant/partner, compliance of the respective supporting document with the national legislation, etc.);
- facilitating the setting up of branch offices on their territory e.g. providing necessary information regarding: the institution that may host/ take up responsibilities of BO and other support, if needed and agreed;
- supporting the MA/IB in solving possible challenges and problems in projects implementation in respective countries, supporting the MA in prevention, detection and correction of irregularities, including fraud and the recovery of amounts unduly paid, together with any interest pursuant to Art. 74 of the IR on their territories. They shall notify these irregularities without delay to the Managing Authority and the Commission and keep them informed of the progress of related administrative and legal proceedings. Responsibilities of participating countries for amounts unduly paid to a beneficiary are laid down in Art. 74 of the IR.

Support provided to the MA by the NAs in preventing, detecting and correcting irregularities as well as recoveries on their territory may include:

- prevention: contribution to the elaboration of guidelines on the eligible expenditure for project beneficiaries, etc;
- detection: management verifications of its own and/or support to management verifications of MA/IB, expenditure verification of its own or support to verifications of the MA (role of the CCP);
- correction: support to the MA in implementing the corrections of the cases detected;
- notifying irregularities to the MA without delays;
- defining together with the MA effective and proportionate anti-fraud measures to be put in place on their territory;
- supporting the MA in recovering the amounts from project beneficiaries (private and public entities) established on their territory and other support, if needed and agreed.

In the case of Belarus' and Ukraine's NAs, the terms of liability for recovery of the amounts unduly paid to the beneficiaries operating in the Belarusian and Ukrainian part of the Programme area, where these amounts cannot be recovered, as well as the mechanisms for such recovery, will be stipulated in the Financing Agreements to be concluded between the Government of the Republic of Belarus and Government of Ukraine and the EC.



#### 4.4. INTERMEDIATE BODY (IB)

The MA has set up the IB to carry out the practical implementation of the Programme. The IB shall assist the MA, the JMC and where relevant also the AA in carrying out their respective functions. In particular, the IB shall inform the potential beneficiaries about funding opportunities under the Programme and shall assist beneficiaries in the project implementation.

The IB is located in the state-owned body Center of European Projects (CEP). The relevant arrangements between the MA and the IB will be formally recorded in writing.

The IB will be located in the separate unit of CEP which shall be functionally independent from the other unit which is to be involved as the Polish CCP.

The IB shall employ Polish, Belarusian and Ukrainian experts. The internal structure of the IB will be set up in the PMCS. Operational management functions and financial management functions shall be organised separately within the IB.

The costs of IB functioning shall be covered from the Programme TA budget.

The IB shall be responsible for performance of the following tasks:

1. Supporting the organisation of calls for proposals:
  - preparation in cooperation with the MA of model documents for Programme beneficiaries (guidelines, manuals, instructions to binding documents);
  - launching calls for proposals;
  - receiving and registering application forms of projects;
  - carrying out and coordination of administrative, quality and eligibility assessment of application forms;
  - contracting impartial external experts for the purpose of assessment of applications and organising, if necessary, meetings of experts;
  - preparation of the ranking list;
  - informing each applicant about results of assessment of its application form.
2. Supporting the work of Programme managing structures (JMC, NAs, CCPs, GoA etc.) including:
  - preparation of necessary materials, documents, expert opinions and other contribution for meetings of the Programme managing structures;
  - drawing up invitations, minutes of meetings and other documents from meetings;
  - assistance to MA/JMC in carrying out written procedure in accordance with the RoP of the JMC.
3. Providing assistance to applicants and beneficiaries, including:
  - providing all information related to the principles of applying for EU co-financing, eligibility of expenditure, project application forms, procedures on granting co-financing for a project, providing assistance and support at each stage of project implementation;
  - organisation of necessary trainings, partner search forums, workshops etc.
4. Information and promotion of the Programme, including:
  - publication and distribution of leaflets and other informational materials promoting the Programme;
  - organization of conferences and seminars addressed to applicants and beneficiaries;
  - organization of trainings and workshops for beneficiaries;
  - maintaining and updating the web site of the Programme;
  - dissemination of publications;

- cooperation with media within the scope of informing about the possibility to obtain assistance under the Programme;
  - preparation of the annual plan of information and promotion activities of the Programme along with the indicative budget and submitting to the MA the above mentioned plan;
  - ensuring that beneficiaries meet Programme visibility requirements (using the Programme logo, the EU flag and the information about ENI co-financing in publications as well as during conferences and other meetings, etc.).
5. Communication, information, assistance to the MA in project management and follow-up of the projects implementation including assisting beneficiaries inter alia as follows:
- cooperation with the MA in the process of implementation and use of the electronic system for the purposes of collecting and processing the financial and statistical data concerning Programme and projects;
  - preparation of analyses, lists and current reports as well as annual and final reports on the Programme implementation and forwarding them to the MA;
  - preparation, management and monitoring of service contracts with BOs (in cooperation with MA financial and paying units);
  - monitoring of TA budget funds (e.g. IB contracts with service providers, usage of funds, reallocations etc);
  - preparation of drafts of grant contracts in cooperation with the paying unit, submitting them to the MA for signature and sending them on behalf of the MA to lead beneficiaries in order to sign them and then, if necessary, preparation of annexes to concluded contracts;
  - supporting the GoA; formal and financial check on the grounds of adequate checklists of interim and final reports received from beneficiaries as well as sending the verified reports to the paying unit of the MA;
  - verifying requests for payments and sending them to the paying unit;
  - conducting on-the-spot checks in accordance with the requirements of art. 26 of the IR and monitoring visits in accordance with the requirements of art. 78 of the IR;
  - verifying of changes proposed by lead beneficiaries in their projects (both minor and major);
  - co-operation with organisations, institutions and networks relevant for meeting the objectives of the Programme;
  - informing the MA on the detected irregularities.
6. Keeping all documents related to the project and Programme implementation, in particular documents concerning expenditure and control required for ensuring adequate audit trail.

## 4.5 BRANCH OFFICES (BOs) AND THEIR FUNCTIONS

Following a decision of the participating countries, two BOs were set up in partner countries in order to assist the IB in its functions:

1. Branch Office in Brest (Belarus) which shall be located in the Institution “Brest Transboundary Infocentre”.
2. Branch Office in Lviv (Ukraine) which shall be located in the Information and Cross-border Cooperation Support Centre “Dobrosusidstvo”.

Their role may include among the others:

- the implementation of the information and communication plan;
- support in the organisation of the meetings of the JMC and other important Programme events;
- collection of data to improve the monitoring of projects;
- other tasks supporting MA and IB in their day-to-day implementation of the Programme;
- providing support to the NAs and CCPs in Belarus and Ukraine in performance of their tasks.

At any rate, the BOs may not be entrusted with a task involving exercise of public authority or the use of discretionary powers of judgment regarding projects. Relevant arrangements between the MA and BO shall be formally recorded in writing (service contract) based on the Procurement and Grants for European Union external actions - a Practical Guide (PRAG) applicable at the moment of the JOP adoption by the EC. This service contract will be awarded under negotiation procedure with a single tenderer on the basis of the case where, for technical reasons, the contract can be awarded only to a particular service provider.

Not more than 3 experts (but not more than 2 full-time positions) will be employed in each BO. Minimum necessary qualifications of the BO experts shall also be laid down in Terms of Reference.

## 4.6 AUDIT AUTHORITY (AA)

The AA ensures that audits are carried out on the PMCS, on an appropriate sample of projects and on the annual accounts of the Programme.

The role of the AA is performed by the General Inspector of Treasury Control. The functions of the General Inspector of Treasury Control are performed by the Undersecretary of State in the Ministry of Finance. The General Inspector of Treasury Control carries out its tasks through the Department for the Protection of the European Union Financial Interests in the Ministry of Finance (Department DO) and 16 Treasury Control Offices.

As required in the Art. 32 (4) of the IR, the AA is independent from the MA as well as from the CCPs. Functions of the AA, MA and CCPs are performed by separate and independent bodies.

All audit bodies are in every circumstance fully independent in their audit work in relation to the MA, to the CCPs and to the IB as well as from other bodies involved into the implementation of the Programme. This shall be clearly stated in the RoP of the Group of Auditors (GoA).

Each participating country has set the minimum qualifications and experience for the nationally designated members in the GoA and for the auditors carrying out the auditing duties. All of them must be qualified in audit work.

The AA in particular:

- shall ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the Programme;
- where audits are carried out by a body other than the AA, shall ensure that this body has the necessary functional independence;
- ensure that the audit work complies with internationally accepted auditing standards;
- shall submit an audit strategy for performance of audits to the Commission within 9 months of the signature of the first financing agreement in accordance with Art. 8(2) of the IR. The audit strategy shall set out the audit methodology on the annual accounts and on projects, the sampling method for audits on projects and the planning of audits for the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2017 until end 2024. Where a common management and control system applies to more than one Programme, a single audit strategy may be prepared for the Programmes concerned. The updated audit strategy shall be submitted to the Commission together with the Programme annual report;
- shall draw up in conformity with Art. 68 of the IR an audit opinion on the annual accounts for the preceding accounting year and an annual audit report.

## 4.7 GROUP OF AUDITORS (GoA)

Members of GoA shall assist the AA in the assessment of the national part of the system and during the performance of sample checks of project expenditure. It also assists the AA in the elaboration of the audit strategy for the Programme either by preparing it jointly or by endorsing the one prepared by the AA.

GoA comprises a representative of each participating country. It shall be set up within three months of the designation of the MA. The GoA shall draw up its own RoP. The GoA shall be chaired by a representative of the AA.

The designated civil servants representing the following institutions and positions are nominated to the GoA:

1. Poland: General Inspector of Treasury Control (Ministry of Finance, Department for Protection of EU Financial Interests).
2. Belarus: Ministry of Finance.
3. Ukraine: Accounting Chamber.

The following topics relating to audit work will be discussed at the meetings of the GoA:

- Audit Strategy (including sampling method, audit methodology on the annual accounts and on projects etc.);
- audit opinion on the annual accounts;
- annual audit report;
- other relevant issues raised by member(s) of the GoA.

## 4.8 CONTROL CONTACT POINTS (CCPs)

CCPs are set up in each of the participating country in order to support the MA in verification of expenditures declared by the beneficiaries.

Each participating country has appointed the CCP (pursuant to Art. 4(4)f and Art. 32 of the IR). The following institutions will play the role of CCPs:

1. In Poland – Center of European Projects (the CCP will be located in the separate unit of Center of European Projects which shall be functionally independent from the other unit which is to be involved as the IB).
2. In Belarus – National Coordinating Unit for the EU Tacis Programme in Belarus.
3. In Ukraine – Ministry of Finance of Ukraine.

The following responsibilities are to be entrusted to CCPs:

### Poland:

CCP responsibilities may include:

- Supervising the expenditure verification at the project level by:
  - setting up the criteria for the auditors to be contracted by beneficiaries;
  - endorsing independent auditors contracted by beneficiaries;
  - at the request of MA, conducting quality control of the work of the auditors (in cooperation with the other respective institution) in case of any suspicion that work of the auditor is not reliable;
  - assistance to IB/MA in conducting trainings for auditors contracted by beneficiaries;
- Providing clarifications to the NA/IB/MA on national rules (procurement, VAT, labour law, etc.) in cooperation with relevant public bodies;

- Answering possible requests for clarification put forward by the IB/MA in order to give due course to payment requests;
- Supporting the IB/MA/NA in recovery procedures;
- Supporting the IB/MA in the drafting of a *Guidance on expenditure verification*;
- Assistance to IB/MA in performing on-the-spot checks in projects as stipulated in Art. 32 (2) of the IR on the national territory.

#### Ukraine:

- Supervising the expenditure verification at the project level by:
  - preselecting independent auditors, which includes launching a call for expression of interest by auditors, quality check of requirements' fulfilment by auditors (in cooperation with the Chamber of Auditors) and creation of an open long list of independent auditors that may be selected by beneficiaries for project expenditure verification as well as introducing changes to the list (adding or removing of auditors);
  - endorsing independent auditors contracted by beneficiaries;
  - on the request of MA, conducting quality control of the work of the auditors (in cooperation with the other respective institution) in case of any suspicion that work of the auditor is not reliable;
  - assistance to IB/MA in conducting trainings for auditors contracted by beneficiaries;
- Providing clarifications to the NA/IB/MA on national rules (procurement, VAT, labour law, etc) in cooperation with relevant public bodies;
- Answering possible requests for clarification put forward by the IB/MA in order to give due course to the payment request;
- Supporting the NA in recovery procedures;
- Supporting the IB/MA in the elaboration of a *Guidance on expenditure verification*;
- Assistance to IB/MA in performing on-the-spot checks in projects as stipulated in Art. 32 (2) of the IR on the national territory.

#### Belarus:

##### CCP responsibilities:

- Coordinating the development of criteria for drawing up the list of auditing companies, services of which Belarusian partners should use to verify expenditures under the projects in accordance with requirements and Implementing rules for the CBC Programmes (jointly with the Ministry of Finance and others concerned);
- Coordinating the drafting and approval of the list of auditing companies taking due account of previously developed criteria (jointly with the Ministry of Finance and others concerned). Submitting this list to the MA of the Programme and to the NA, as well as ensuring its actualisation during the Programme implementation;
- At the request of the MA of the Programme or the NA, initiating the verification of the compliance of implemented activities under the project of the Programme, including, when necessary, the verification of the project implementation at the sites, as well as ensuring the submission of appropriate clarifications to the MA of the Programme or to the NA;
- At the request of the MA, providing preparation of clarifications to application of the national legislation under the implementation of international technical assistance projects, as well as the CBC Implementing Rules;
- Timely informing the MA of the Programme or the NA of arisen or possible challenges and problems in the project implementation by Belarusian partners;
- Assisting in the organisation of training activities for the representatives of auditing companies from the list of auditing companies;
- Participating in the JMC meetings of the Programme;
- Supporting the IB/MA in the drafting of a *Guidance on expenditure verification*;

- Supporting the NA in recovery procedures.

The costs borne by the CCPs shall be covered from the Programme TA budget.

#### **4.9. INDEPENDENT AUDITORS**

Expenditure declared by the beneficiary in support of a payment request shall be examined by an auditor being independent from the beneficiary and independent from MA/IB. The auditor shall examine whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the contract.

The independent auditors entitled to verify project expenditures will be either selected by the beneficiary and then endorsed by CCP (in case of Polish beneficiaries) or selected by the beneficiary from a list endorsed by relevant CCP (in case of Belarusian and Ukrainian beneficiaries). Independent auditors should act in accordance with grant contract expenditure verification requirements and Programme control procedures.

### **5. PROGRAMME IMPLEMENTATION**

#### **5.1. SUMMARY DESCRIPTION OF THE PROGRAMME MANAGEMENT AND CONTROL SYSTEM (PMCS)**

This section presents the structures and procedures concerning the Programme implementation as well as the main tasks and responsibilities of the Programme bodies. Details are provided in the full PMCS.

##### **5.1.1. PROGRAMME BODIES AND THEIR MAIN FUNCTIONS**

**Programme bodies has been set up at three different levels mentioned in the IR:**

- **management level;**
- **audit level;**
- **control level.**

##### Management level structures include:

##### **Joint Monitoring Committee (JMC)**

The JMC is the main body responsible for the quality and efficiency of the implementation of the Programme. In accordance with Art. 21 of the IR, the participating countries will set up a JMC within three months from the date of the adoption of the Programme by the Commission. The composition and main tasks of the JMC correspond to those set out in Art. 22, 23 and 24 of the IR and are laid down in point 4.1 of the JOP.

##### **Managing Authority (MA)**

The participating countries have appointed Ministry of Infrastructure and Development of Poland to act as the MA of the Programme. The functions of the MA correspond to those set out in Art. 26 of the IR and are laid down in point 4.2 of the JOP.

##### **National Authorities (NAs)**

Each participating country has nominated a body, which will act as a NA of the Programme. The following institutions will play the role of the NAs:

- In Poland: a functionally independent unit of the Certification and Designation Department of the Ministry of Infrastructure and Development;
- In Belarus: the Ministry of Foreign Affairs;
- In Ukraine: the Ministry of Economic Development and Trade.

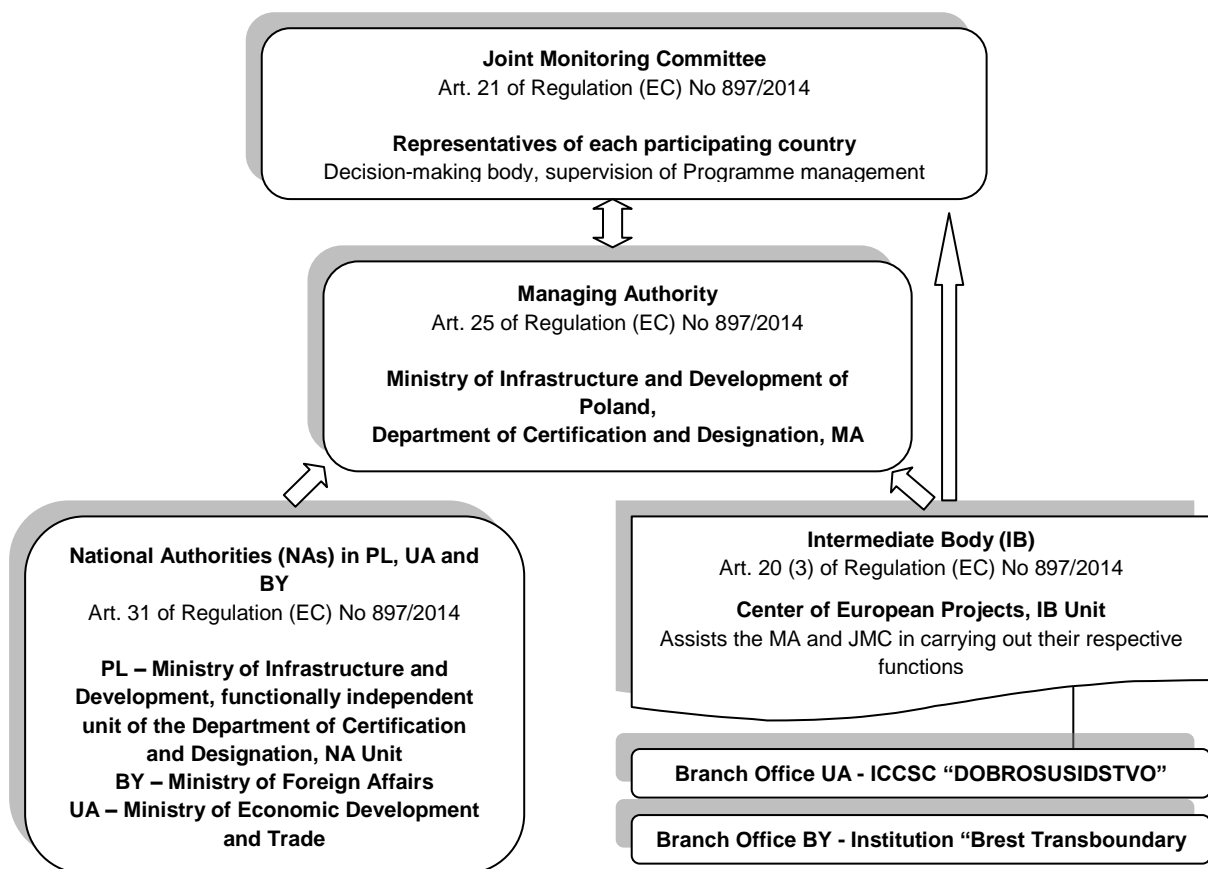
The relevant NAs and their functions correspond to those set out in Art. 31 of the IR and are laid down in point 4.3 of the JOP.

### Intermediate Body (IB) and Branch Offices (BOs)

The MA has set up the IB, located in the state-owned body Center of European Projects, to carry out day-to-day implementation of the Programme. Following a decision of the participating countries, two BOs were set up in partner countries in order to assist the IB in its functions:

1. Branch Office in Brest (Belarus) which shall be located in the Institution “Brest Transboundary Infocentre”.
2. Branch Office in Lviv (Ukraine) which shall be located in Information and Cross-border Cooperation Support Centre “Dobrosusidstvo”.

The IB shall assist the MA, the JMC and, where relevant, the AA, in carrying out their respective functions. The IB and BOs functions correspond to those set out in Art. 20(3) and 27 of the IR respectively and are laid down in point 4.4. and 4.5 of the JOP.



Picture 5.1. Programme management structures

### Audit level structures include:

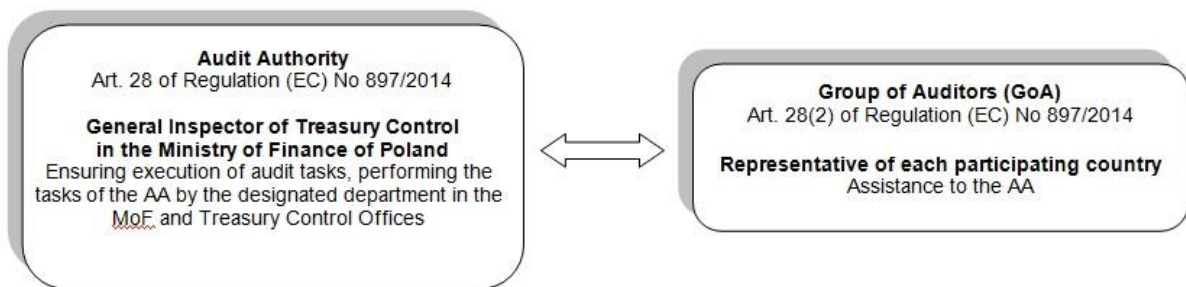
#### **Audit Authority (AA) and Group of Auditors (GoA)**

The functions of the AA as laid out in Art. 32 of the IR will be performed by the General Inspector of Treasury Control in the Ministry of Finance of the Republic of Poland.

The AA will be assisted by the GoA comprising a representative of each country participating in the Programme. The designated civil servants representing the following institutions and positions are nominated to the GoA:

1. Poland: General Inspector of Treasury Control (Ministry of Finance, Department of the Protection of EU Financial Interests).
2. Belarus: Ministry of Finance.
3. Ukraine: Accounting Chamber.

The tasks of AA and GoA correspond to those set out in Art. 28 of the IR and are laid down in point 4.6 and 4.7 of the JOP.



*Picture 5.2. Programme audit structures*

### Control level structures include:

#### **Independent auditors**

The expenditures at the project level shall be verified by the independent auditors. In case of Ukraine and Belarus such auditors will be selected by the beneficiary from a list endorsed by relevant CCP. In case of Poland such auditors will be selected by the beneficiary and will be endorsed by the relevant CCP.

The functions of independent auditors correspond to those set out in Art. 32.1 of the IR and are laid down in point 4.9 of the JOP. Independent auditors should act also in accordance with the provisions of the grant contract regarding the expenditure verification requirements and in line Programme control procedures.

#### **Managing Authority and Intermediate Body**

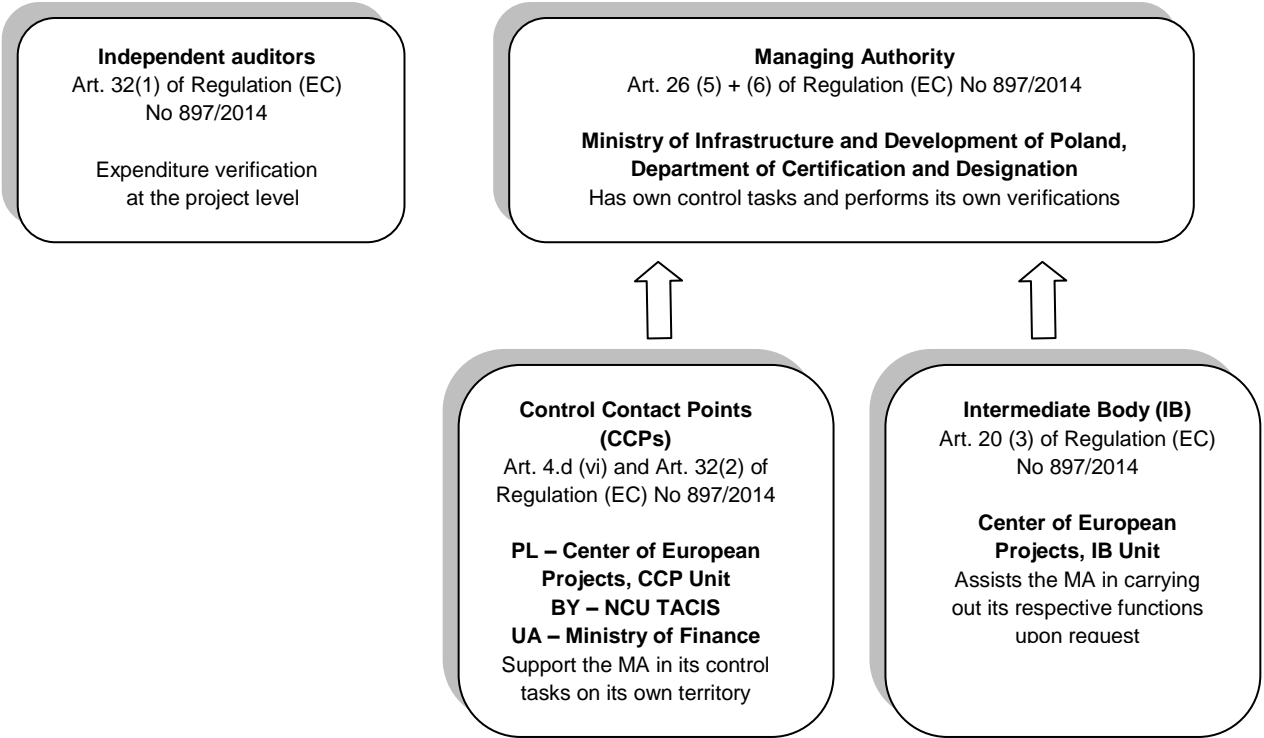
In line with provisions of the Art. 26.5 (a) of the IR, the MA is responsible for the financial management and control of the Programme. The functions of MA correspond to those set out in the Art. 26.5 (a) and 26.6 of the IR and are laid down in point 4.2.2 of the JOP. Basing on the Art. 20.3 of the IR, part of the tasks of MA may be carried out by the IB, under the responsibility of the latter. The tasks of the IB are laid down in point 4.4 of the JOP.



In line with provisions of the Art. 32.2 of the IR, in order to carry out verifications throughout the whole Programme area, the MA may be assisted by the CCPs. For this purpose, each participating country has nominated a body, which will act as the CCP on its territory. The following institutions will play the role of CCPs:

1. In Poland – Center of European Projects.
2. In Belarus – National Coordinating Unit for the EU Tacis Programme in Belarus.
3. In Ukraine – Ministry of Finance of Ukraine.

The functions of CCPs correspond to those set out in Art. 32.2 of the IR and are laid down in point 4.8 of the JOP.



Picture 5.3. Programme control structures

**Arrangements for ensuring independence between bodies**

The AA is independent from the MA as well as from the CCPs as required in Art. 32(4) of the IR. Functions of the AA, MA and CCPs are performed by separate and independent public bodies. All audit bodies are in every circumstance fully independent in their audit work in relation to the MA, to the CCPs and to the IB as well as from other bodies involved in the implementation of the Programme.

**Separation of functions within Programme bodies**

The principle of separation of functions mentioned in Art. 30 of the IR shall be taken in consideration when deciding on tasks division between separate units within the Programme bodies.

## 5.1.2. PROGRAMME IMPLEMENTING PROCEDURES

### 5.1.2.1. Procedures for selecting and approving projects

#### **Open Calls for Proposals<sup>5</sup>**

Call for proposals (CfPs) shall be launched by the IB after consultations with the MA and following the decision of the JMC on approving the application pack documents. Subject to the JMC decision, the CfPs can focus on particular thematic objective(s) out of four selected by the Programme but can also cover all of them. Following the decision of the JPC, large infrastructure projects (LIPs – see the description below) shall be funded only through a direct award procedure (following Art. 41 of the IR). Therefore, the value of infrastructure component in projects selected via open CfPs must not overcome 2.5 million EUR. The notice on the CfPs shall be published on the Programme website and in press in the Programme area. It is planned that at least three CfPs will be launched by the Programme. Electronic application process shall be made possible.

#### **Project evaluation and selection**

According to Art. 24 of the IR project evaluation and selection is the overall responsibility of the JMC that may set up a Project Selection Committee (PSC) acting under its responsibility. In case the JMC decides to set up the PSC, the latter shall be responsible for the evaluation of submitted applications. The work of the PSC shall be regulated by the provisions of its RoP jointly developed by the participating countries, subject to the approval of the JMC. The RoP should also regulate the selection of PSC members (criteria to be fulfilled, nomination, selection etc.). The composition of the PSC shall be approved by the JMC. PSC shall comprise the following positions: Chairperson (non-voting member), Secretary (non-voting member), voting members and non-voting observers. All PSC members as well as external experts assessing projects shall be impartial and free from conflict of interest and will be required to sign Declarations of Impartiality and Confidentiality.

Project selection procedures shall ensure that the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition are complied with. With a view to respect these principles:

- a) the projects shall be selected and awarded on the basis of pre-announced selection and award criteria defined in the evaluation grid. The selection criteria serve to assess the applicant's ability to complete the proposed action. The award criteria shall be used to assess the quality of the project's proposal against the set objectives and priorities (fair competition, transparency, objectivity);
- b) the grants shall be subject to ex ante and ex post publicity rules (transparency);
- c) the applicants shall be informed in writing about the evaluation results. If the grant requested is not awarded, the MA shall provide the reasons for the rejection of the application with reference to the selection and award criteria that are not met by the application (transparency);
- d) the same rules and conditions shall be applied to all applicants (equal treatment, non-discrimination).

The entire process of project evaluation shall be coordinated by the IB (under supervision of the MA), which shall proceed on the basis of the RoP of the PSC. In addition, the whole evaluation process shall be laid down in the Evaluation and Assessment Manual.

The process of evaluation of submitted applications includes the following steps:

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<sup>5</sup> Also restricted Calls for Proposals (i.e. open for applicants shortlisted on the basis of submitted concept notes) may be launched – subject to the JMC decision.

- **Administrative and eligibility check** – executed by IB employees acting as internal assessors under the MA supervision. The administrative and eligibility assessment shall be made in compliance with the criteria listed in the evaluation grid that is the part of the Guidelines for Applicants approved by the JMC. During this assessment, it will be checked whether an application satisfies the administrative criteria and whether the applicant, its partners, the project and the costs are eligible under the Programme and the CfPs.
- **Quality evaluation** - each project must be assessed by one internal assessor (IB employee) and one external assessor. The quality assessment shall be made in compliance with the criteria mentioned in the evaluation grid that is the part of the Guidelines for Applicants approved by the JMC. Responsibilities of the assessors as well as project scoring rules shall be described in the RoP of the PSC and in the Evaluation and Assessment Manual.

The evaluation process starts upon the receipt of the proposals by the IB and ends with the JMC approval of a ranking list of submitted proposals.

In order to promote high effects of the cross-border activities from possible synergies and coherence with projects and programmes funded under other EU policies as well as to avoid duplication, the EC will receive a list of projects recommended by the PSC to be selected for the need to launch the consultations with different DGs and EU Delegations. This internal EC consultation will be made in the period between the date when documents for the JMC meeting are sent by the IB and the date of the JMC meeting (not less than 10 working days).

Appeal procedures shall be described in details in the Evaluation and Assessment Manual and in the Guidelines for Applicants. Applicants shall have the possibility to place their appeal concerning the outcome of both administrative and eligibility check and quality evaluation to the MA.

### **Large Infrastructure Projects (LIPs)<sup>6</sup>**

Following the decision of the JPC, a list of LIPs to be awarded directly and supported by the Programme was approved. The JPC also established a “reserve” list of LIPs, which may be supported, in case LIPs pertaining to the main list are not approved by the EC, if the applicant decides not to implement its LIP or cannot submit the documents requested to sign the grant contract.

The list of all the LIPs proposed for selection without a CfPs is presented in Annex 1 to the JOP. No further LIPs selected through direct award will be taken into consideration by the EC after the JOP approval.

The projects proposed for selection without a CfPs shall be approved by the Commission based on a two-step procedure, consisting of the submission of a project summary followed by a full project application. For each step, the Commission shall notify its decision to the MA within two months of the document submission date. This deadline may be extended where necessary. Where the Commission rejects a proposed project, it shall notify the MA of its reasons (Art 41.4 of the IR).

### **Small projects**

Following the decision of the JPC 5.2 MEUR of Programme budget within the *Thematic Objective 3. Promotion of local culture and preservation of historical heritage* shall be allocated for the support of the so-called “projects with small budget” (PSB).

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<sup>6</sup> According to Art. 2(p) of IR a LIP means a project comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2.5 million is allocated to acquisition of infrastructure.

The MA is responsible for the overall management of the PSB. Upon the JMC decision, the IB shall be directly responsible for launching a CfP within both priorities of TO3 for PSBs. As for regular projects, the IB will be responsible for the day-to-day operational management and implementation of the PSB.

PSBs are projects for which grant awarded must fall between the following minimum and maximum amounts:

- minimum amount: 20 000 EUR;
- maximum amount: 60 000 EUR.

The total duration of a PSB cannot be longer than 12 months. Investment costs (works, supplies) cannot exceed 20% of the small project grant value. The same recovery system as for regular projects shall apply to the PSBs.

The Programme provisions related to the preparation of the CfPs, projects assessment, selection, contracting as well as provisions related to eligibility, obligations and responsibilities of institutions being applicants and beneficiaries shall be applied also in relation to the PSBs implementation, however, some simplifications and limitations will be introduced to these processes.

#### 5.1.2.2. Beneficiaries and grant contractual procedures

##### **The Beneficiary and the project**

Referring to Art. 45 of the IR, all projects shall involve beneficiaries from Poland and from at least one of the partner countries participating in the Programme. The final decision on all eligibility criteria shall be taken by the JMC, pursuant to Art. 45 of the IR. Each project shall designate one Lead Beneficiary to represent the partnership. All beneficiaries shall actively cooperate in the development and implementation of projects.

Using the application documents for a particular CfP, the beneficiaries will jointly develop and submit a project proposal to the MA via the IB. Projects may receive financial contribution from the Programme provided they meet all the following conditions:

- they deliver a clear cross-border cooperation impact and benefits as described in the Programming Document and demonstrate added value to Union strategies and programmes;
- they are implemented in the Programme area (partial implementation outside the Programme area may be allowed following Art. 39 (2) of the IR);
- they fall within one of the following categories:
  - (i) **integrated projects** where each beneficiary implements a part of the activities of the project on its own territory;
  - (ii) **symmetrical projects** where similar activities are implemented in parallel in the participating countries;
  - (iii) **single-country projects** where projects are implemented mainly or entirely in one of the participating countries but for the benefit of all or some of the participating countries and where cross-border impacts and benefits are identified.

According to Art. 47 (3) of the IR grants shall not have the purpose or effect of producing a profit within the framework of the project.

##### **Grant contractual procedures**

Following the decision of the JMC to approve project proposals recommended for funding, the IB prepares a contract dossier and the MA concludes a grant contract with the each project's Lead Beneficiary using a standard template approved by the JMC for the relevant CfP.

### **Grant contract modification procedures**

No modification to the contract may alter the award conditions prevailing at the time the contract was awarded. The changes cannot be contrary to the principle of equal treatment of projects. Substantial modifications to the contract must be made by means of an addendum. Such an addendum must be signed by the contracting parties.

#### **5.1.2.3. Financial management and verification procedures**

##### **Financial flows**

Payments from the EC to the Programme will be done in accordance with Art. 59 and 60 of the IR. The MA proceeds with payments to a lead beneficiary on the basis of a signed contract. The project lead beneficiaries will have to ensure at least 10% co-financing of the total eligible project costs. Co-financing is to be shared between the beneficiaries.

Lead beneficiaries prepare progress reports composed of financial and operational parts and a payment claim for the whole project. Financial reports include Expenditure Verification Certificates of all partners. Lead beneficiaries may request further pre-financing payments and the final payment under conditions described in the contract. The progress reports and payment claims will be submitted to the IB. Detailed verification process shall be described in the Guidance on expenditure verification which will be developed by the MA/IB in close cooperation with CCPs.

The MA shall make payments to the lead beneficiary in euro, in accordance with grant contract provisions. Expenditure incurred in a currency other than the euro shall be converted into euro using the monthly accounting exchange rate of the Commission of the month during which the expenditure was incurred, pursuant to Art. 67 of the IR.

##### **Monitoring, evaluation, control and audit trail**

The JMC and the MA are bodies responsible for monitoring and evaluation of the Programme. They carry out this task by reference to indicators and targets specified in the Programme (point 3.1.6) and with the use of electronic data systems where data on implementation necessary for monitoring and evaluation are collected. The obligations of the beneficiaries with regard to reporting on the operational and financial progress of the project will be defined in the contract.

An indicative monitoring and evaluation plan is included in the JOP (point 5.6) for the whole duration of the Programme and shall be carried out by the MA in accordance with the Commission's guidance and evaluation methodology. The MA shall carry out result-oriented Programme and project monitoring in addition to the day-to-day monitoring. The Commission can at any moment, launch evaluation or monitoring of the whole or part of the Programme. The results of these exercises, which shall be communicated to the JMC and the MA, may lead to adjustments in the Programme.

##### **Controls and audits**

The following controls and audits will be carried out in the process of Programme implementation:

<b>TYPE OF CONTROL / AUDIT:</b>	<b>BODIES PERFORMING THE CONTROL / AUDIT:</b>
Verification of project expenditure	Independent auditors acting in accordance with grant contract expenditure verification requirements and Programme control procedures.
Administrative verification of payment requests of	MA/IB

beneficiaries together with Expenditure Verification Certificates and project progress reports. This verification may also include on-the-spot project verifications. The frequency and coverage of the on-the-spot verifications shall be proportionate to the amount of the grant to a project and the level of risk identified by these verifications and audits by the AA for the management and control system as a whole. On-the-spot project verifications may be carried out on a sample basis.	For the purpose of carrying out verifications throughout the whole Programme area, the MA/IB may be assisted by CCPs.
Audit of projects (Art. 28 and 32 of the IR) – to audit a sample of projects financed under the Programme.	AA and representatives of GoA
Audits on the management and control system and on the annual accounts of the Programme (Art. 28 and 32 of the IR) – to certify the statement of revenue and expenditure presented by the MA in its annual financial report, and in particular certify that stated expenditure of Technical Assistance has been actually incurred and is accurate and eligible.	AA, representatives of GoA (in case of Belarusian and Ukrainian TA expenditure)
Controls by the Union (Art. 33 of the IR) – verification of the use of Union funds by the MA, beneficiaries, contractors, subcontractors and third parties in receipt of financial support by examining documents and/or conducting on-the-spot checks.	The European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by these institutions and bodies

**Table 5. Controls and audits of the Programme**

The costs of all above mentioned controls and audits (except for controls by the Union) may be covered by the budget of the Programme:

- either from technical assistance budget: verification of reports and payment claims (audit of projects, audit on the management and control systems and on the annual accounts of the Programme) or
- from project budgets: verification of project expenditure under grant contract.

#### **Verification of project expenditure**

Verification of expenditure will follow grant contract requirements and will be extended to all projects independently of the amount granted. In each case, the verification will be done by independent auditors acting in accordance with grant contract expenditure verification requirements and Programme control procedures. The auditor shall examine whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the contract.

Detailed verification process shall be described in the Guidance on expenditure verification which will be developed by the MA/IB in close cooperation with CCPs. This Guidance shall cover all phases of the verification procedure and shall include all binding report forms/checklists to be used during the verification procedure by independent auditors. The conclusion of the verification process shall be reflected in partial certified Expenditure Verification Certificates prepared and signed by independent auditors for each project beneficiary. Such Expenditure Verification Certificates will be obligatory to claim interim or final balance payment by lead beneficiaries.

#### **Administrative verification of payment request by beneficiaries**

MA and IB shall be responsible for administrative verification of payment request by lead beneficiary, which will be submitted along with independent auditors' Expenditure Verification Certificates (covering report expenditures) and project progress report. The scope of administrative verification will be defined in Guidance on expenditure verification.

Based on the technical and financial project reports and the above-mentioned Expenditure Verification Certificates, the project managers of the IB will check if all verifications are correctly undertaken and eventually proceed with the payment requests.

### **Audit of projects**

Following Art. 28 and 32 of the IR, the AA with the assistance of GoA will ensure the audit on a sample of projects financed under the Programme. Within 9 months of the signature of the first financing agreement the AA shall submit an audit strategy for performance of audits to the Commission. The audit strategy shall set out the audit methodology on the annual accounts and on projects, the sampling method for audits on projects and the planning of audits for the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually and the updated audit strategy shall be submitted to the Commission together with the Programme annual report. The audit of the projects will be executed by AA/GoA.

### **Audits on the management and control systems and on the annual accounts of the Programme**

The AA carries out each year an ex-post verification of the expenditure and revenue presented by the MA in its annual financial report, in accordance with the standards and ethics of the International Federation of Accountants (IFAC). The audit report certifies the Expenditure Verification Certificate and revenue presented by the MA in its annual financial report, and in particular that the claimed expenditure has occurred and is accurate and eligible.

### **Controls by the Union**

In compliance with Art. 33 of the IR, the Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by these institutions and bodies may verify the use of Union funds by the Managing Authority, beneficiaries, contractors, subcontractors and third parties in receipt of financial support by examining documents and/or conducting on-the-spot checks. Each contract shall expressly stipulate that these institutions and bodies can exercise their power of control, concerning premises, documents and information, irrespective of the medium in which they are stored.

### **Costs eligibility requirements**

Grants shall not exceed an overall ceiling expressed as a percentage and an absolute value which is to be established on the basis of estimated eligible costs. Grants shall not exceed the eligible costs. Eligible costs are costs actually incurred by the beneficiary which meet all of the criteria laid down in Art. 48 of the IR. Programme may establish additional eligibility rules for the Programme as a whole, subject to JMC approval.

### **Indirect costs**

Indirect costs may be calculated on a flat-rate of up to 7 % of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.

As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly according to the conditions of eligibility as defined above. They may not include ineligible costs listed below or costs already declared under another cost item or heading of the budget of the project.

### **Non-eligible costs**

The list of non-eligible costs is laid down in Art. 49 of the IR. The JMC may additionally decide on the non-eligibility of certain types of costs.

### **Information system (for accounting, storage, monitoring and reporting)**

As stipulated in Art. 4 and 26 of the IR, in the Programme, the system will enable recording and storage of project data - including data on individual participants in projects, where applicable - for monitoring, evaluation, financial management, control and audit purposes. Detailed information about the information system is laid down in point 5.13 of the JOP.

#### **5.1.2.4. Public Procurement and other important rules to be followed**

##### **Procurement rules by beneficiaries**

Tendering procedures at the level of projects depend on the nationality and legal status of the beneficiary launching the tender.

Beneficiaries based in Poland have to comply with Polish law on public procurement as compliant with Union legislation applicable to procurement procedures.

All other beneficiaries have to comply with procurement rules set in Art. 52 – 56 of the IR.

##### **Eligibility for contracts**

In all cases, the rules of nationality and origin set forth in Art. 8 and 9 of Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action shall apply.

##### **Grounds for exclusion from participation in procurement procedures**

Candidates or tenderers shall be excluded from participating in a procurement procedure if they fall within one of the situations described in Art. 106(1) and Art. 107 of Regulation (EU, Euratom) No 966/2012.

##### **Verification of procedures application**

During each CfP, the IB will inform the applicants on relevant rules to be applied during project implementation. The grant contracts between the MA and Lead Beneficiaries will ensure that beneficiaries are bound by their contract to comply with the above-mentioned requirements. The expenditure verification by independent auditors shall include verification of the compliance of procurements of beneficiaries with the Programme procurement requirements. In case of irregularities or deviations, the independent auditor shall report accordingly. Furthermore, the MA/IB/AA/GoA/CCPs may verify compliance with Programme procurement procedure during its own verifications (including on-the-spot verifications).

##### **Technical assistance contracts**

Technical assistance within the Programme shall be used for the needs of both Programme structures and beneficiaries. Procurement rules described in Art. 37 of the IR shall be followed. Detailed information on TA is set out in point 5.5.

##### **Service contracts establishing IB Branch Offices**

The service contracts establishing IB BOs in Ukraine and Belarus will be awarded under negotiation procedure with a single tender on the basis of the case where, for technical reasons, the contract can be awarded only to a particular service provider (Art. 266.1(f) of Delegated Regulation (EU) No 1268/2012 specified in point 4.5. of the JOP. Basing on Art. 37 of the IR, Art. 273 of the Delegated Regulation (EU) No 1268/2012 and following the decision of the JPC, it was decided that service



contract dossiers within the Programme establishing IB BOs in Ukraine and Belarus will be drawn up on the basis of *the Practical Guide for Procurement and Grants for the European Union External Actions (PRAG)* being the best international practice (version applicable at the moment of JOP approval) adjusted, if needed, upon the MA decision. The assessment procedure, the manner in which the participant(s) in the negotiations were identified and the price was established and the grounds for the award should be described in Negotiation report (according to PRAG model). Negotiation report together with annexes should be signed by the IB and sent to the MA for signature.

Eligibility requirements set out in Art. 48 of the IR apply *mutatis mutandis* to technical assistance costs. Procurement rules described in Art. 37 of the IR shall be followed.

The MA shall make payments to the BOs in euro. Following the Art. 67 of the IR the MA shall choose for the technical assistance costs the method of conversion into euro of expenditure incurred in a currency other than the euro. This method shall apply throughout the Programme duration. Expenditure incurred in currency other than the euro shall be converted into euro by the Contractor using the monthly accounting exchange rate of the Commission of the month during which the expenditure was incurred.

General contract modification procedures shall also apply to service contract. Specific procedures will be also laid down in the contract signed.

#### **State Aid, equal opportunities and environmental rules**

The relevant instructions by EU on State Aid<sup>7</sup>, equal opportunities and environmental legislation have been taken into account for the Programme development and will be considered while giving relevant guidance to Programme applicants as well as in the Guidance on expenditure verification setting the Programme expenditure verification procedures. Furthermore, obligations to comply with relevant EU and national legislations shall be stated in grant contracts and partnership agreements. In the application form as well as in the project reporting forms separate data fields shall be reserved for information on these matters. During each call the IB will inform the applicants on relevant rules to be taken into account and applied in project implementation.

#### **Procedures for monitoring and reporting of implementation of tasks delegated by the MA to the IB**

The MA is required to monitor the performance of tasks delegated to the IB. For this purpose in addition to day-to-day close cooperation with the IB, the MA may take i.e. the following additional monitoring actions:

- meeting the IB annually to review management and control issues and compliance with EC regulations and address any issues identified;
- approving quarterly reports (narrative and financial) of IB functioning;
- carrying out on the spot quality reviews where there is evidence that the project verifications by the IB are not being properly carried out;
- reviewing reports of the AA visits and follow up any adverse findings to ensure timely corrective action has been taken;
- requesting information on the introduction of the recommendation resulting from audits carried out in the IB (if such recommendations were notified).

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<sup>7</sup> Aid granted by participating countries under the programme shall comply with the rules on State aid within the meaning of Article 107 of the Treaty on the functioning of the European Union and – where applicable - with State aid provisions of any bilateral agreements between the participating countries and the EU, in particular chapter 10 of Title IV of the Association Agreement between the EU and Ukraine.

### 5.1.2.5. Irregularities and recoveries

Irregularities are defined in Art. 2 (m) of the IR. The MA shall in the first instance be responsible for preventing and investigating irregularities and for making the financial corrections required and pursuing recoveries. Participating countries shall prevent, detect and correct irregularities, including fraud and the recovery of amounts unduly paid, together with any interest pursuant to Art. 74 of the IR on their territories.

#### **Description of the system for ensuring the prompt recovery of amounts unduly paid**

The MA shall be responsible for pursuing the recovery of amounts unduly paid as set out in Art. 74 and 75 of the IR and point 5.11 of the JOP.

The MA together with the respective NA shall exercise due diligence to ensure reimbursement of the recovery orders with support from the participating countries. The MA/NA shall in particular ensure that the claim is certain, of a fixed amount and due.

The MA shall keep the Commission informed of all steps taken to recover the due amounts. Participating countries shall notify irregularities without delay to the MA and the Commission and keep them informed of the progress of related administrative and legal proceedings. Details on information to be provided by the MA to the Commission shall be described in the MA Procedures Manual.

#### **Necessary preventive and corrective actions**

The MA shall in the first instance be responsible for making the financial corrections required and pursuing recoveries. In case of a systemic irregularity, the MA shall extend its investigation to cover all operations potentially affected. Detailed information on preventive and corrective actions is set out in point 5.11.

#### **Anti-fraud measures**

One of the main tasks of the MA is to put in place effective and proportionate anti-fraud measures taking into account the risk identified. In order to protect EU financial interests MA shall take all necessary measures to prevent, detect and correct as well as provide adequate deterrence against irregularities and fraud. Detailed information on anti-fraud measures is set out in point 5.11.

## 5.2. TIMEFRAME OF THE PROGRAMME IMPLEMENTATION

Programme implementation milestones	
Milestone	Indicative framework
JOP approval by the EC	31.12.2015 at the latest
Calls for proposals	2016/2017 <sup>8</sup> -2019
LIPs contracts signature	Before 30.06.2019
Other projects contract signature	31.12.2021 at the latest
Projects' activities end	31.12.2022
End of the Programme	2024

**Table 6. Programme implementation milestones.**

<sup>8</sup> A precise date of the first call for proposals depends on the time of EC-BY and EC-UA Financing Agreements signature. The Programme Institutions will make efforts to launch the first call for proposals as soon as possible.

## 5.3. PROJECT SELECTION PROCEDURES

### 5.3.1. OPEN CALLS FOR PROPOSALS (CfPs)<sup>9</sup>

#### **Preparation and launching of the CfPs**

The JMC is responsible for decision on launching each of the CfPs. Once such decision is taken, the JMC shall set up the Thematic Working Group (TWG) responsible for the development of the application pack. The TWG shall consist of IB and MA representatives as well as TWG members nominated by relevant NAs. The Head of the IB together with the appointed employees of the IB participates in the work of the TWG. First, the Head of the IB coordinates the preparation of the draft documents (based on Art. 43 of the IR) which shall be presented to the TWG members. The application package developed and accepted by the TWG shall be approved by the JMC in order to be used during the CfPs.

Each following CfP shall have the documents adjusted to the specific character of the call in a new version of the application pack (e.g. the limited scope of grants to be awarded, updated legal requirements, etc).

The CfPs shall be launched by the IB after consultations with the MA and following the decision of the JMC on approving the application pack. Subject to the JMC decision, the CfPs can be open to particular TO as well as to all of them.

#### **Application**

The applicants shall submit their applications to the IB in both forms:

- as an electronic file – a whole application shall be prepared with the use of the Programme database, saved on removable media and submitted to IB, along with the:
- paper version.

During each CfPs the IB with the support of its BOs shall organise relevant information sessions throughout the Programme area to disseminate the information on the ongoing CfPs and to provide potential applicants with relevant support on the preparation of project applications. All relevant information, including answers to applicant enquiries, shall be published on the Programme website. All details regarding applications submission requirements applicable for the CfPs shall be stipulated in the Guidelines for Applicants updated for each call. As a rule the minimum period between the date of publication of the CfPs and the deadline for receipt of proposals should be 90 days (subject to JMC decision).

#### **Evaluation and selection framework**

The project evaluation and selection is the overall responsibility of the JMC. The project selection committee (PSC) set up by the JMC shall be responsible for the evaluation of the submitted applications. Entire process of projects evaluation is coordinated by the IB (under supervision of the MA), which proceeds on the basis of the PSC RoP. In addition, the whole evaluation process is laid down in the Evaluation and Assessment Manual.

Project selection procedures shall ensure that the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition are complied with. With a view to respect these principles:

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<sup>9</sup> Also restricted Calls for Proposals (i.e. open for applicants shortlisted on the basis of submitted concept notes) may be launched – subject to JMC decision.

- a) the projects shall be selected and awarded on the basis of pre-announced selection and award criteria defined in the evaluation grid. The selection criteria serve to assess the applicant's ability to complete the proposed action. The award criteria shall be used to assess the quality of the project's proposal against the set objectives and priorities;
- b) the grants shall be subject to ex ante and ex post publicity rules;
- c) the applicants shall be informed in writing about the evaluation results. If the grant requested is not awarded, the MA shall provide the reasons for the rejection of the application with reference to the selection and award criteria that are not met by the application;
- d) any conflict of interest shall be avoided;
- e) the same rules and conditions shall be applied to all applicants.

The process of evaluation of submitted applications includes two steps:

- Administrative and eligibility check;
- Quality evaluation.

The evaluation process starts with the receipt of the proposals by the IB and ends with the JMC approval of a ranking list of submitted proposals.

#### **Administrative and eligibility check (AaE check)**

All proposals delivered to the IB shall be opened and numbered by the IB. Only proposals that have met the deadline for submission will be subject to the AaE check.

The AaE check is executed by IB employees (acting as internal assessors). The AaE check is made in compliance with the criteria mentioned in the evaluation grid that is the part of the Guidelines for Applicants approved by the JMC. During the AaE check, it has to be checked whether an application satisfies the administrative criteria and whether the applicant, its partners, the project and the costs are eligible under the Programme and the CfP.

If some of the criteria described in the Evaluation and Assessment Manual are not satisfied, the application will be rejected or the applicant will be invited to submit clarifications. Clarifications will be requested by the IB when information provided is unclear, thus preventing the IB from conducting an objective assessment.

If any partner proves to be ineligible, the project is to be rejected on that sole basis and the application will not be further evaluated.

Each applicant will be informed about the results of the AaE check. In case of rejection of the application, the applicant shall be informed about the reasons for rejection. Applicants will have the possibility to appeal from the AaE check results to the MA (the details on the appeal shall be described in the Evaluation and Assessment Manual and Guidelines for applicants). The reply to the appeal shall represent the final decision of the MA regarding the application.

#### **Quality evaluation**

Each application that passed the AaE check will be the subject of the quality evaluation. This quality evaluation will be performed by one internal assessor (IB employee) and one external assessor. Responsibilities of the assessors shall be described in the RoP of the PSC and in the Evaluation and Assessment Manual.

Once the quality check is finalised, the PSC prepares and signs a Report on the Evaluation of the Full Application Forms that is subject to the JMC approval. The ranking list, which is set out on the basis of the scores given by the assessors/PSC, shall be attached to the report.

At least 10 days prior to the JMC meeting, the MA will send the list of selected projects to the EC to consult different DGs and EU Delegations in order to avoid any double funding of projects and to identify possible synergies. Following this consultations the JMC may decide to reject proposals initially recommended by the PSC.

Following the JMC decision on the grant award, the IB shall inform all applicants in writing of the JMC decision. If the decision is negative, the reasons shall be given in the letter. The appeal procedures shall be described in details in the Evaluation and Assessment Manual. Applicants will have a possibility to appeal from the results of the quality evaluation to the MA. The reply to the appeal shall represent the final decision of the MA regarding the application.

### **Conflict of interests**

It is required from all persons involved in the project selection process – internal and external assessors, members of the PSC and finally members of the JMC – to maintain independent relation towards all applicants participating in the CfPs. Before being involved in the process, all these persons shall sign a *Declaration of Impartiality and Confidentiality* in which they confirm their status in this regard. If a person appears to have a conflict of interest she/he cannot participate in the process.

## **5.3.2. SMALL PROJECTS (PSB)**

### **Main assumptions**

Following the decision of the JPC, within TO3 *Promotion of local culture and preservation of historical heritage* the Programme will support cross border integration based on people-to-people initiatives financed under the so-called “projects with small budget” (PSB).

The PSB is a CBC project:

- implemented under TO3;
- for which the selection, contracting and implementation process is simplified in relation to regular projects;
- for which the EU financing cannot exceed 60 000 EUR;
- in which the investment costs (works, supplies) cannot exceed 20% of the EU grant;
- that cannot last longer than 12 months.

It is intended to give support to PSB offering mainly non-investment activities promoting cooperation, building of new cross-border citizens’ contacts, exchange of experiences and social initiatives related to local culture and historical and natural heritage. Touristic and cultural events, promotion and cultivation of common traditions of the borderland areas, cross-border cooperation between schools and higher education institutions, NGOs touristic and cultural endeavours, etc. will be supported. Favourable conditions will be created with a view to facilitate mutual contacts between bordering communities. Projects related to cultural diversity and minorities as well as development of local communities will also be targeted through the PSB.

The MA shall be responsible for the overall management of the PSBs. The IB shall be directly responsible for launching CfPs under TO3 (both Priorities) for PSBs.

The overall indicative budget for PSBs within the Programme is 5.2 MEUR. The grant awarded for PSBs must fall between the following minimum and maximum amounts:

- minimum amount: 20 000 EUR,
- maximum amount: 60 000 EUR.

No grant awarded to the PSBs may exceed 90% of the total eligible costs of this project. The balance must be financed from the beneficiaries' own resources, or from sources other than the European Union budget.

In addition to the abovementioned conditions the PSB shall meet the following conditions:

- contribute to the Programme and its objectives;
- have a strong and evident cross-border aspect;
- have reasonable budget;
- be ready for implementation;
- fulfil the partnership criteria.

### **Selection, contracting and implementation of PSBs**

The Programme provisions related to the preparation of the CfPs, submission of applications, projects assessment, selection, contracting as described above as well as Programme provisions related to eligibility, obligations and responsibilities of applicants and beneficiaries as described in point 5.3.1 shall also apply to the PSBs implementation. However, some simplifications and limitations will be introduced to these processes.

Both, the AaE check and quality assessment will be entrusted to the IB which will draft the ranking list of assessed proposals.

Once the assessment is completed, PSC will be set up in order to approve the results of the administrative/eligibility and quality assessment.

The results of the PSBs selection approved by PSC shall be subject to JMC approval. After the selection process, the PSBs applicants shall be informed in written of the JMC decision. The selected applicants will be requested to confirm their willingness to implement PSBs.

After receiving the confirmation from the selected applicants, the IB shall start preparation of the grant contract with each of them. The implementation of the PSBs can only start after the grant contract is signed.

All grant contracts for PSB shall be signed before 31 December 2021. All activities within PSBs shall end on 31 December 2022 at the latest.

All provisions related to eligibility of costs as described in point 5.10 shall apply to the costs borne by PSBs. One additional condition concerns investment costs (works, supplies) which may not constitute more than 20% of the grant for PSBs.

### **5.3.3. LARGE INFRASTRUCTURE PROJECTS (LIPs)**

Following the JPC decision taken in accordance with the Art. 38 of the IR, a maximum of 30% of the EU allocation for the Programme shall be dedicated to the direct award LIPs. Its definition is described in point 3.1.5 of the JOP.

The list of all LIPs proposed for selection without the CfPs is included in the JOP under Annex no 1. No further LIPs selected through direct award may be financed within the Programme after the JOP approval.

The projects proposed for selection without the CfPs shall be approved by the Commission based on a two-step procedure, consisting in the submission of a project summary followed by a full project application. For each step, the Commission shall notify its decision to the MA within two months of the document submission date. This deadline may be extended where necessary. Where the Commission rejects a proposed project, it shall notify the MA of its reasons (Art. 41.4 of the IR).

## 5.4. NATURE OF SUPPORT PER PRIORITY

The objectives of the Programme are to be achieved through the financing of cross-border projects implementation under all Programme TOs. Each of the projects shall clearly relate to the Programme's overall and thematic objectives.

As a general rule financing is provided via grants for projects selected through CfPs in conformity with the rules set out in the Programme. The only exception relates to LIPs selected by the participating countries as described in point 5.3.3 above and Technical Assistance. The list of LIPs selected by the JPC is in the Annex 1 to the JOP.

### 5.4.1. BENEFICIARIES

According to Art. 45 of the IR, each project shall involve beneficiaries from Poland and at least one of the partner countries participating in the Programme (Belarus and/or Ukraine). Following Art. 45 of the IR, to be eligible a beneficiary must meet all the following conditions:

- a) be a legal person effectively established in the Programme area or international organisation with a base of operations in the Programme area. A European grouping of territorial cooperation may be a beneficiary, regardless of its place of establishment, provided its geographic coverage is within the Programme area;
- b) comply with the eligibility criteria defined for each selection procedure;
- c) not fall under any of the exclusion situations set out in Art. 106(1) and Art. 107 of Regulation (EU, Euratom) No 966/2012.

Beneficiaries that do not meet the criteria referred to in point (a) may participate provided that all the following conditions are met:

- a) they may participate in accordance with Art. 8 and 9 of Regulation (EU) No 236/2014;
- b) their participation is required by the nature and by the objectives of the project and as necessary for its effective implementation;
- c) the total amount allocated under the Programme to such beneficiaries does not overcome 20% of the EU co-financing to the Programme.

According to Art. 47 (3) of the IR grants shall not have the purpose or effect of producing a profit within the framework of the project.

The JMC may decide to define additional eligibility criteria to be met by Programme beneficiaries.

#### **Lead Beneficiary**

Each project shall designate one lead beneficiary to represent the partnership. All beneficiaries shall actively cooperate in the development and implementation of projects. In addition, they shall cooperate in the staffing and/or financing of projects. Each beneficiary shall be legally and financially responsible for the activities that it is implementing and for the share of the Union funds that it receives. The specific obligations as well as the financial responsibilities of the beneficiaries shall be laid down in the partnership agreement.

Following Art. 46 of the IR the lead beneficiary shall:

- a) receive the financial contribution from the MA for the implementation of project activities;
- b) ensure that the beneficiaries receive the total amount of the grant as quickly as possible and in full in accordance with the arrangements referred to in point (c). No amount shall be deducted or withheld and no specific charge with equivalent effect shall be levied that would reduce these amounts for the beneficiaries;
- c) lay down the partnership arrangements with the beneficiaries in an agreement comprising, provisions that, inter alia, guarantee the sound financial management of the funds allocated to the project including the arrangements for recovery of funds unduly paid;
- d) assume responsibility for ensuring implementation of the entire project;
- e) ensure that the expenditure presented by the beneficiaries has been incurred for the purpose of implementing the project and corresponds to activities set in the contract and agreed between all beneficiaries;
- f) verify that the expenditure presented by the beneficiaries has been examined pursuant to Art. 32(1) of the IR.

The lead beneficiary shall act as the only direct contact between the project and the management bodies of the Programme. It is the responsibility of the lead beneficiary to create a well working consortium ensuring the proper and sound implementation of the project. The possibility to initiate projects and to act as the lead beneficiary will be open for all eligible organisations.

#### **Conditions for financing**

Using the application documents for particular CfPs, the beneficiaries will jointly develop and submit a project to the MA via IB. Projects may receive financial contribution from a Programme provided they meet all the following conditions:

- their implementation shall have a clear cross-border impact and deliver benefits as described in the Programming Document;
- they demonstrate added value to Union strategies and Programmes;
- they are implemented in the Programme area;
- they fall within one of the following categories: integrated projects, symmetrical projects, single country projects.

Projects may be partially implemented outside the Programme area if all the following conditions are met:

- a) the projects are necessary for achieving the Programme's objectives and they benefit the Programme area;
- b) the total amount allocated under the Programme to activities outside the Programme area does not exceed 20 % of the Union contribution at Programme level;
- c) the obligations of the Managing and Audit authorities in relation to management, control and audit concerning the project are fulfilled either by the Programme authorities or through agreements concluded with authorities in the countries where the activity is implemented.

#### **Sustainability obligation**

Any project including an infrastructure component shall repay the Union contribution if, within **five years** of the project closure or within the period of time set out in state aid rules, where applicable, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the MA in proportion to the period for which the requirement has not been fulfilled.



#### 5.4.2. GRANT CONTRACTUAL PROCEDURES

As described in point 5.3.1 above, as a general rule, support to projects will be provided in the form of **grants awarded to projects selected through CfPs**. At least three CfPs are expected to be launched during the Programme lifetime, according with the time-frame for Programme implementation (presented in point 5.2).

The IB prepares the contract dossier with the successful applicants using the grant contract template approved by JMC for the relevant CfPs. Request for corrections/clarifications/minor changes (requested as part of the JMC recommendations) and additional documents should be sent to the successful applicants after the JMC has approved the Evaluation Report of each of the CfPs.

Once the contract and its attachments are prepared and verified, the MA signs the contract.

The list of contracts awarded (to beneficiaries) by the MA must be published on the Programme's website.

#### 5.4.3. GRANT CONTRACT MODIFICATION PROCEDURES

Contracts may need to be modified during project implementation if the circumstances affecting project implementation have changed since the initial contract was signed. Modification could be minor or substantial. Substantial modifications to the contract must be made by means of an addendum. Such an addendum must be signed by the contracting parties.

Changes of address, changes of bank account, and changes of auditor may simply be notified in writing by the lead beneficiary to the IB, although this does not affect the right of the IB/MA to oppose the lead beneficiary's choice of bank account or auditor.

No modification to the contract may alter the award conditions prevailing at the time the contract was awarded. The changes cannot be contrary to the principle of equal treatment of projects.

The purpose of the addendum must be closely connected with the nature of the project covered by the initial contract.

Grants shall not exceed an overall ceiling expressed as a percentage and an absolute value which is to be established on the basis of estimated eligible costs. Grants shall not exceed the eligible costs.

Requests for contract modifications must be made (by one party to the contract to the other) well in advance to allow for the addendum to be signed by both parties before the expiry of the execution period of the contract.

#### 5.4.4. PROCUREMENT RULES BY BENEFICIARIES

Tendering procedures at the level of projects (procurement under grant) depend on the nationality and legal status of the beneficiary launching the tender.

**Beneficiaries based in Poland** have to comply with Polish law on public procurement. This law is compliant with the Union legislation applicable to procurement procedures.

**Beneficiaries from Belarus and Ukraine** have to comply with rules set in Art. 52-56 of the IR, namely:

- a) the contract shall be awarded to the tender offering best value for money, or as appropriate, to the tender offering the lowest price, while avoiding any conflict of interests;
- b) for contracts with a value of more than EUR 60 000, the following rules shall also apply:
  - i. an evaluation committee shall be set up to evaluate applications and/or tenders on the basis of the exclusion, selection and award criteria published by the beneficiary in advance in the tender documents. The committee must have an odd number of members with all the technical and administrative capacities necessary to give an informed opinion on the tenders/applications;
  - ii. sufficient transparency, fair competition and adequate ex-ante publicity must be ensured;
  - iii. equal treatment, proportionality and non-discrimination shall be ensured;
  - iv. tender documents must be drafted according to best international practice;
  - v. deadlines for submitting applications or tenders must be long enough to give interested parties a reasonable period to prepare their tenders;
  - vi. candidates or tenderers shall be excluded from participating in a procurement procedure if they fall within one of the situations described in Art. 106(1) of Regulation (EU, Euratom) No 966/2012. Candidates or tenderers must certify that they are not in one of these situations. In addition, contracts may not be awarded to candidates or tenderers which, during the procurement procedure fall within one of the situations referred to in Art. 107 of Regulation (EU, Euratom) No 966/2012;
  - vii. procurement procedures set out in art. 53 to 56 of the IR shall be followed.

#### **Eligibility for contracts**

In all cases, the rules of nationality and origin set forth in Art. 8 and 9 of Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action shall apply.

## **5.5. TECHNICAL ASSISTANCE AND CONTRACT AWARD PROCEDURES**

The goal of Technical Assistance (TA) is the effective implementation of the Programme by providing competent preparation, management, implementation, monitoring, evaluation, audit and control of the Programme, as well as by supporting project partner search initiatives and Programme-related promotion and information activities. The TA level should reflect the real needs of the Programme.

In order to successfully implement the Programme, it is necessary to prepare an appropriate management and implementation system. TA is established in order to support the institutions responsible for these processes. The provision of an effective Programme promotion and information system is also crucial. TA will be earmarked to support projects assessment and evaluations, preparation of Programme documents, and employment of experts.

TA will cover costs related to activities aimed at enhancing the final beneficiaries' capacity to absorb the Programme's assistance. Activities contributing to human resources development will also be eligible. Support is planned as well for activities aimed at enhancing the quality of the institutions involved in the Programme's management and implementation, in particular those related to the activities of the MA, the JMC, the IB and BOs, CCPs and NAs.

TA will also cover costs related to promotion and information initiatives. Such initiatives include informing potential beneficiaries about the possibilities of receiving assistance from the Programme, training for Programme beneficiaries, and dissemination of good practices. Costs related to Information activities concerning the Programme's management, monitoring and control will be

covered by the TA. Activities aimed at ensuring the appropriate flows of information among institutions and actors involved in project management and implementation will also be financed under the TA budget. Trainings, seminars and conferences will be organised, including events focused on raising awareness on the Programme and its goals. Programme information shall be disseminated by means of TV, radio, press, Internet sites, brochures, leaflets etc. Communications will be targeted at potential applicants, beneficiaries and the general public in order to raise Programme awareness.

A maximum 10% of the Union's total contribution to the Programme may be allocated to TA. The TA shall be financed from the EU contribution only.

Expenditure related to promotion and capacity building activities incurred outside the Programme area may be covered within the limit of 20% of the Union contribution at Programme level.

**Indicative actions:**

- preparation, selection, appraisal and monitoring of projects,
- meetings of JMC (including travel costs of JMC members),
- functioning of the MA, the IB and BOs CCPs NAs. Staff costs of officials of the participating countries assigned to the Programme may be considered eligible as TA costs. Parallel remuneration systems and topping ups will be avoided,
- promotion and information actions concerning the Programme (e.g. seminars, Programme website and publications),
- supporting, consulting, and coordinating beneficiaries and institutions involved in the implementation of the Programme,
- analysis, surveys, researches and experts, evaluations and reports required for implementing and managing the Programme,
- translations.

Expected beneficiaries: institutions/bodies involved in the Programme management and implementation, in particular: the MA, the JMC, the IB and BOs, CCPs, NAs.

If the implementation of the TA budget requires procurement, the contract must be awarded according to the following rules:

- where it is an entity established in a Member State it shall either apply national laws, regulations and administrative provisions adopted in connection with Union legislation applicable to public procurement or procurement rules set out in Title IV of Part Two of Regulation (EU, Euratom) No 966/2012 and Title II of Part Two of Delegated Regulation (EU) No 1268/2012;
- for the purpose of contracting the BOs, the Programme shall follow the provisions of PRAG applicable at the moment of JOP adoption by the EC;
- in all other cases, the relevant procurement rules shall be described in the financing agreement referred to in Art. 8 and 9 of the IR.

The Programme preparatory activities (e.g. organisation of the JPC meeting, elaboration of different external expertises) were conducted since 2013 and were financed from the ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013. Subject to the adoption of the relevant modifying decision regarding the ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013, the TA budget of that Programme will be continued to finance the preparatory activities for the new Programme till 31 January 2017 but not later than the receipt of the first pre-financing under the new Programme. At the same time, if needed, it shall be possible to finance preparatory actions referred to in Article 16 of the IR also from the ENI CBC Programme Poland-Belarus-Ukraine 2014-2020. In this case, costs for

preparatory actions referred to in Article 16 of the IR shall be eligible upon submission of the Programme to the Commission, but not earlier than 1 January 2014 provided the Programme is approved by the Commission, pursuant to Article 36 of IR.

The overall indicative TA budget is shown in the table below. The table is solely indicative. Any modification of the above during implementation will not be subject to a modification of the Programme.

BUGDET CATEGORY	TOTAL (2016-2024)	
Staff costs	9 446 000.00 EUR	53.73 %
Project's selection	253 930.40 EUR	1.44 %
Information and communication	2 543 000.00 EUR	14.47 %
Monitoring and evaluation	300 000.00 EUR	1.71 %
Overheads	4 887 000.00 EUR	27.80 %
TA support for beneficiaries	150 000.00 EUR	0.85 %
<b>TOTAL</b>	<b>17 579 930.40 EUR</b>	<b>100.00%</b>

**Table 7. The indicative TA expenditures for the Programme**

### **Service contracts establishing BOs**

The service contracts establishing BOs in Ukraine and Belarus will be awarded under negotiation procedure with a single tender on the basis of the case where, for technical reasons, the contract can be awarded only to a particular service provider (Art. 266 of Delegated Regulation (EU) No 1268/2012).

Based on Art. 37 of the IR, Art. 273 of the Delegated Regulation (EU) No 1268/2012 and following the decision of the JPC, it was decided that service contract dossiers within the Programme establishing IB BOs in Ukraine and Belarus will be drawn up on the basis of the *Procurement and Grants for European Union external actions - a Practical Guide (PRAG)* being the best international practice (version applicable at the moment of JOP approval) adjusted, if needed, upon the MA decision.

Scope of the main contract activities (to be a part of the tender dossier as the Terms of Reference) shall reflect results of the consultations with the national and/or regional authority of the country where the BO is planned to be established. The service contract shall be signed by the MA.

### **Eligibility of costs of BOs**

Eligibility requirements set out in Art. 48 of the IR apply mutatis mutandis to TA costs. Procurement by BOs shall be limited to ordinary running costs and costs for communication and visibility activities. The MA shall make payments to the BOs in euro. Pursuant to Art. 67 of the IR the MA shall choose for the TA costs the method of conversion into euro of expenditure incurred in a currency other than the euro. This method shall apply throughout the Programme duration. Expenditure incurred in a currency other than the euro shall be converted into euro by the BOs using the monthly accounting exchange rate of the Commission of the month during which the expenditure was incurred.

### **Modification of service contracts with the BOs**

Specific procedures concerning modifications of service contracts concluded by the MA for the establishment of the BOs shall be laid down in these contracts.

## 5.6. MONITORING AND EVALUATION SYSTEM

One of the MA's functions as regards Programme management is the implementation of monitoring and evaluation plans. Programme monitoring and evaluation shall aim at improving the quality of the design and implementation, as well as at assessing and improving its consistency, effectiveness, efficiency and impact. The findings of monitoring and evaluations shall be taken into account in the programming and implementation cycle.

### **Monitoring**

Monitoring is the ongoing process of collecting and using standardised information to assess progress towards objectives, resource usage and achievement of results and impacts. Regular monitoring should provide detailed information (mainly on outputs and results achieved by the projects and the Programme, financial absorption and the quality of implementation mechanisms) and allow for detection of warning signs. It usually involves assessment against agreed indicators and targets (as defined in point 3.1.6 of the JOP).

In conjunction with evaluation information, effective monitoring and reporting should provide decision-makers and stakeholders with the knowledge they need to identify whether the implementation of a Programme are unfolding as expected and to manage the initiative on an ongoing basis. Monitoring forms the basis for evaluation and should provide valuable data for discussing the need for, timing and focus of evaluation at Programme level.

The IB shall establish and maintain a computerised system to record and store data on each project financed by the Programme. The system shall archive all the information necessary for monitoring, evaluation, financial management, control and audit, including data on individual participants in projects, where applicable. In particular, it shall record and store technical and financial reports for each project. The system shall provide all data required for drawing up payment requests and annual accounts, including records of amounts recoverable, amounts recovered and amounts reduced following cancellation of all or part of the contribution for a project or Programme. The Programme monitoring system shall collect and store necessary project and Programme information and ensure communication with beneficiaries electronically. All the information shall be insert to the system on regular basis.

The annual implementation reports which are to be submitted to the EC are one of the key elements of the monitoring of an operational Programme. Such reports shall include technical and financial parts covering the preceding accounting year. Starting with the report for 2016 they shall describe e.g. basics on the implementation of a Programme and its TOs, all the issues affecting the performance of the Programme, including the achievement of values for the result indicators of Programme, progress towards achieving the objectives of the Programme. Each year also the information about the projects, their appraisal, final decision on co-financing and other details shall be indicated. The report submitted for 2023 and the final report shall include the above mentioned elements and information on and assess the contribution to achieving the original Programme goals. In addition to the requirements of the annual report the MA might need to collect other data.

### **Evaluation**

Evaluation is a systematic method for collecting, analyzing, and using information to answer questions about projects, policies and programmes particularly about their effectiveness and efficiency. The main questions concern the Programme needs and how they are met as well as the potential and real problems and the way they are solved.

The Programme will be subject to mid-term and ex-post evaluations. The Programme may also order specific evaluations at other moment of Programme implementation to serve as a basis for the preparation of the future programmes or for the revision of indicators' target values.

The mid-term result-oriented evaluation will assess the Programme, from a strategic or an operational perspective or both. This can be a 'traditional' mid-term evaluation half way through the Programme. This mid-term Programme evaluation (which will be ordered by the Programme itself) will take place in 2020 at the latest. The results of this review may lead to adjustments of this JOP for the further period. The mid-term review will take into account any changes in the co-operation priorities, socio-economic developments, the results observed from implementation of the measures concerned and from the monitoring and evaluation process, and any need to adjust the amounts of financing available and thus reallocate the available resources across the different TOs. A review can take place at an earlier stage, if this is necessary to address specific issues affecting the implementation of the Programme.

An ex-post evaluation will be conducted at the end of the Programme settlement (in years 2023-2024). The purpose of this ex post evaluation will be to obtain a view of the programming period as a whole. It will examine the effectiveness and efficiency of the Programme Funds and their impact on economic, social and territorial cohesion and their contribution to the Union policies.

### **Monitoring and Evaluation Plan**

The Monitoring and Evaluation Plan serves as a tool used in planning a collection of data needed for the assessment of the Programme progress. It describes the indicative list of evaluations to be undertaken (including their subject and rationale) together with methods to be used for the individual evaluations and relevant data requirements. The plan gives a timetable of the data collection, as well as a strategy to ensure use and communication of evaluations. The plan includes also information on the indicative budget and human resources (and their possible development training plans) needed for its implementation. The MA is also responsible for preparing yearly Monitoring and Evaluation plans. Such annual plan shall be submitted to the Commission not later than 15 February.

The JMC shall examine the yearly evaluation plan and approve it before submission to the EC.

Monitoring at Programme level will focus mainly on verification of Programme indicators, monitoring of risks of different nature as well as frequent checking of assumptions that can be useful in day to day Programme implementation (simplifications, trainings etc.). On an on-going basis the MA/IB will collect and store data connected with output and result indicators – from applications and contracts signed as well as from beneficiaries' reports. Indicative monitoring plan of indicators is presented in the Table 2 in chapter 3.1.6 of the JOP.

Monitoring at project level will include monitoring performed internally by beneficiaries in order to track progress in project implementation, collect necessary data and take necessary actions (for example, update action plans). Such monitoring will be continuous (part of project management)

Day-to-day monitoring of projects by Programme bodies (IB/MA with support of BOs/NA) will also include regular contacts with beneficiaries as well as attending important projects' events. Results of external experts' missions could be also useful.

Internal result-oriented monitoring will be carried out by Programme bodies (IB/MA with support of BOs/NA) (based on risk analysis) to review the project performance with focus on results and take appropriate actions for improvement - on the basis of the short brief narrative and full interim/final

reports submitted by the beneficiaries as well on the results of on-the-spot checks done by IB with the involvement of other Programme institutions.

The Programme plans to carry out two own evaluations: a mid-term evaluation in 2020 and an ex-post evaluation in 2023/2024 in accordance with the assumptions mentioned above which shall focus on progress of the results achieved. All necessary data will be collected and aggregated by the IB with the use of the system described in point 5.13 of the JOP.

INDICATIVE MONITORING AND EVALUATION PLAN						
Year	Day-to-day monitoring of projects		Internal result-oriented monitoring		Evaluation	
	Activity	Responsible body	Activity	Responsible body	Activity	Responsible body
2016	-	-	-	-	-	-
2017	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events).	MA/IB with support of BOs/NA	Monitoring is conducted within the due time after the project implementation have started (on-the-spot monitoring visits are conducted based on conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on-the-spot verification in accordance to art. 26.5 IR.	MA/IB with support of BOs/NA	-	-
2018	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events).	MA/IB with support of BOs/NA	Monitoring is conducted within the due time after the project implementation have started (on-the-spot monitoring visits are conducted based on conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on the spot verification in accordance to art. 26.5 IR.	MA/IB with support of BOs/NA	-	-
2019	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events).	MA/IB with support of BOs/NA	Monitoring is conducted within the due time after the project implementation have started (on-the-spot monitoring visits are conducted based on conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on the spot verification in accordance to art. 26.5 IR.	MA/IB with support of BOs/NA	Mid-term evaluation of the Programme	MA/IB (performed by external evaluators)
2020	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events).	MA/IB with support of BOs/NA	Monitoring is conducted within the due time after the project implementation have started (on-the-spot monitoring visits are conducted based on conclusions of the day to day monitoring). It is possible to	MA/IB with support of BOs/NA		

			carry out on-the-spot monitoring visits together with on the spot verification in accordance to art. 26.5 IR.			
<b>2021</b>	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events).	MA/IB with support of BOs/NA	Monitoring is conducted within the due time after the project implementation have started (on-the-spot monitoring visits are conducted based on conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on the spot verification in accordance to art. 26.5 IR.	MA/IB with support of BOs/NA	-	-
<b>2022</b>	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events).	MA/IB with support of BOs/NA	Monitoring is conducted within the due time after the project implementation have started (on-the-spot monitoring visits are conducted based on conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on the spot verification in accordance to art. 26.5 IR.	MA/IB with support of BOs/NA	-	-
<b>2023</b>	-	-	-	-	Ex-post evaluation of the Programme	MA/IB (performed by external evaluators)
<b>2024</b>	-	-	-	-		

**Table 8. Indicative Monitoring and Evaluation Plan.**

In addition to this, pursuant to the Art. 78.5 of the IR, the EC can at any moment conduct its own mid-term evaluation and the external result-oriented monitoring (performed by external experts, usually annual missions) to review the projects and programmes performance for further improvement and lessons learned.

## **5.7. COMMUNICATION STRATEGY AND INFORMATION AND COMMUNICATION PLAN**

The MA is responsible for the information and promotion activities carried out under the Programme with a view to ensuring the widest possible participation. To this end, the information and communication plan shall be prepared for each subsequent years setting out the aims and target groups and the strategy of the actions. The plan for the first year of the Programme implementation is included in the Programme. For these activities an indicative budget shall be drawn up under the TA allocation. An appropriate chapter on information and communication is included in the annual reports. The Programme follows the visibility guidelines applicable to EC external actions. In addition the IB shall prepare the Programme communication guidelines including requirements for the beneficiaries, which shall be drafted by the MA/IB and be the subject to JMC approval.

The general public and in particular potential beneficiaries shall be adequately informed of the objectives of the Programme, the conditions for applying for co-financing and the individual procedures to be followed by the MA, the IB, the BOs in Ukraine and Belarus and Information Points located in the Polish Marshall Offices. Marshall Offices of four Polish Voivodeships participating



in Programme offered their assistance in Programme promotion and information dissemination without participation in TA budget.

Programme bodies (e.g. JMC, MA, IB, PSC) will use the English language as their working language. Project applications must be submitted in English.

### **Main objective of informational and promotional activities**

The main objective of informational and promotional activities is to provide the beneficiaries and potential beneficiaries, as well as the general public with a wide access to information on the Programme and its financing sources, and simultaneously to strengthen the cooperation between partners/ countries participating in the Programme and to implement the Programme more effectively. This objective is to be accomplished by means of:

- providing constant information on the possibilities of financing being granted, as well as on the objectives and priorities of the Programme and the steps to be taken to apply for funds, as well as the criteria for project selection,
- informing the general public on the state of the Programme's accomplishment, on a regular basis, in particular on the results of the support and best practice in joint projects,
- and ensuring the visibility of EU funding.

### **Target groups and level of information dissemination**

In order to make the information flow more efficient, and consequently increase the quality and effectiveness of the Programme implementation, the informational and promotional activities should be conducted at two levels: external and internal. The first one relates to addressing the beneficiaries and potential beneficiaries of the Programme, in particular:

- regional and local authorities and other competent public institutions;
- regional and local entities;
- euroregions;
- professional associations;
- non-governmental and non-profit organisations, in particular organisations active in the field of environmental protection, supporting entrepreneurship, development of tourism, supporting education, organisations in the field of culture, training institutions, etc.;
- and the general public, including the mass media and people interested in the Programme for scientific purposes.

The internal level of communication mainly refers to the institutions involved in the implementation of the Programme.

### **Institutions involved in informational and promotional activities**

The MA is responsible for coordinating the information and promotional activities. The MA will delegate some of its competences in this field to the IB. The IB will be responsible for implementing the Information and Communication Plan for the Programme and also for presenting the progress of the execution of the Plan in a form of an annual report. The dedicated information and promotional activities should be conducted in cooperation with the IB.

The MA is responsible for the implementation of these activities as a whole, and also for dissemination of information on the Programme. For this purpose it monitors the work of the IB and other institutions and entities involved in the implementation of the Programme.

Each participating country is responsible for informing both the beneficiaries and the general public on the objectives, priorities and possibilities of obtaining support under the Programme. For this

purpose the countries may establish information points or use other institutions that will disseminate information in close cooperation with the IB/BO.

### **The strategy and contents of informational and promotional activities**

The information and promotional activities should mainly ensure transparency of Programme support, and inform in an objective and comprehensive way on the following items:

- thematic objectives;
- priorities;
- possible subjects of support;
- eligibility of expenditure principles;
- amount of EU financing;
- procedures for assessment of applications;
- calls for proposals;
- contact points on the national level, that can provide information on the Programme.

Moreover, the public should be regularly informed on the progress of the implementation of the Programme and be provided with examples among the best projects.

### **Programme logo**

For an increased identification with the Programme, a Programme logo will be designed. It will relate to the logo of the CBC Programme Poland-Belarus-Ukraine 2007-2013. The Programme logo will be on all promotional and information materials, the web site and offices of the institutions that disseminate information to beneficiaries. The logo will also be used for promotion of particular projects.

### **Main communication channels**

The following communication channels will be used to disseminate information on the Programme:

- a) Internet – a Programme web site will be set up. The IB will be responsible for its updating and maintenance.

The main information concerning the Programme, including JOP, will be published on the web site in English, Polish, Russian and Ukrainian languages (the possibility will be given to the user to select the language on the first page). It will provide information on objectives and contents of the Programme, legal basis, procedure for submitting application and selecting projects as well as contact persons and current news. Moreover, the web site will provide access to all important documents produced by the Programme and will have useful links, including links to the institutions that coordinate the implementation of the Programme. The web site will also present information on the most important events, meetings and workshops related to the Programme. Technical information (documents other than the JOP) will be published in English.

- b) Traditional media (press, radio, television) – the information on the Programme will be published and disseminated mainly in the press but also via radio and TV. These media will be used mainly in relation to the information on current events and to present the achievements of the Programme.

A Programme information campaign will also be conducted. The IB, acting upon an order of the MA, will supervise the campaign and involve institutions entrusted with the implementation of the Programme.

In addition, beneficiaries may organise media relations on their own. If necessary, they will be supported by the IB.

- c) Publications – JOP will be published on the web site in an electronic form in English, Polish, Russian and Ukrainian languages. Paper copies will be made available upon request. Other more detailed or profiled documents based on the content of the Programme will be

published in Polish, Russian and Ukrainian and in English if necessary on the Web site. Paper copies of selected publications will be made available upon request.

All publications will be marked appropriately and will contain information on EU financing.

- d) Events – events such as conferences, informational meetings, workshops, and trainings are an essential instrument for responsible administration units, beneficiaries and other institutions to share knowledge and communicate as part of a transparent and effective implementation of the Programme. Moreover, such events serve as an appropriate platform to present achieved results and examples referred to as best practice.

In case of major Programme events in Ukraine and Belarus, the channels of Programme information dissemination will be also coordinated with the EU Delegations in these partner countries.

### **Indicative budget**

The MA will take all necessary institutional, administrative, personal and financial measures to accomplish the Information and Communication Plan (ICP). Therefore, the funds allocated for information and communication are presented in the TA indicative budget of the Programme.

### **Indicative information and communication plan for the 1<sup>st</sup> year**

The decision of the EC is expected by the end of 2015, therefore the first year of the Programme implementation is year 2016. The communication activities in 2016 may be based on the achievements and impact of the projects implemented within the 2007-2013 perspective. The ICP should seek to maximise synergies with the overall visibility strategy of the EU. In all communication activities, the local language(s) should be used as far as possible. The ICP should incorporate the ability to exploit unexpected communication opportunities to the benefit of the Programme (e.g. public events). In order to ensure the high quality and effectiveness of the Programme implementation, the informational and promotional activities should be conducted on two levels: external and internal (Programme bodies).

The main objective of the ICP for 2016 should be to ensure information flow among the Programme bodies and across the Programme's stakeholders in order to inform the potential applicants about the available funds and Programme requirements and raise awareness on the provisions of the JOP. At the same time, the ICP should contribute to maximize potential applicants' skills to draft proposals in an effective manner. The ICP should also promote best cross-border cooperation practices based on the 2007-2013 projects' experiences and motivate the new potential applicants to increase and develop the positive impact in the thematic areas defined by the Programme priorities.

A new website dedicated to the Programme should be developed as a communication hub. It should facilitate the partner search by potential applicants and contribute to raise the project management capacities of the potential beneficiaries. The website will also focus on capitalisation by sharing the best practices of the projects implemented by the ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013 among the eligible regions.

The opening Programme conference (including kick-off of the LIPs) is planned to be organised in 2016. A series of partner search forums - each one focused on different thematic objectives and at least one forum in each participating country - should also be organised. A special workshop focusing on project management capacities is planned, targeting new potential beneficiaries, with a view to upgrade their skills in project planning and implementation. If needed, other training and networking events will be organised.

During these events, hard copies of the JOP in Polish, Russian and Ukrainian should be available to the public together with other Programme brochures and newsletters. Other promotional materials

will also be produced in order to promote the Programme and ensure the highest possible visibility of the EU funding.

## 5.8. PROGRAMME STRATEGIC ENVIRONMENTAL ASSESSMENT

The Strategic Environmental Assessment (SEA) was conducted on the draft Programme in accordance with the relevant EU regulations<sup>10</sup> and Act of 3 October 2008 on the Provision of Information on the Environment and its Protection, Public Participation in Environmental Protection and Environmental Impact Assessments. The SEA was conducted in accordance with recommendations from the General Director of the Environmental Protection of Poland and the Chief Sanitary Inspector of Poland, with whom the scope and the degree of detail of the assessment were agreed. A draft Environmental report was developed and this report and the draft Programme document were submitted for consultation to the national environmental authorities in the three participating countries as well as to the wider public. Consultations were held in the Programme area, in each of the participating countries. The statement which resulted from the SEA is annexed to the JOP (Annex 2).

The statement specifically outlines:

1. How environmental considerations have been integrated into the Programme.
2. How the recommendations and comments from the environmental report have been incorporated into the Programme and how the results of the consultations with the relevant authorities and the society have been considered, and
3. The reasons for choosing the Programme as adopted, in the light of the other reasonable alternatives.

The Statement also includes information on how the monitoring of the environmental effects will be carried out and information on the methods and frequency of the analysis of the Programme implementation.

### 5.8.1. NON-TECHNICAL SUMMARY OF THE ENVIRONMENTAL IMPACT ASSESSMENT

#### **Formal framework, goals and scope**

The overall aim of the Programme is to support cross-border development processes in the borderland of Poland, Belarus and Ukraine. The Programme Strategy responds to the national and regional strategies for socio-economic development which shall be implemented by the strategic objectives of the Programme.

The Programme contributes to all three ENI CBC strategic objectives for CBC activities and the following four Thematic Objectives:

- Promotion of local culture and preservation of historical heritage (TO3)
- Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems (TO7)
- Common challenges in the field of safety and security (TO8)
- Promotion of border management and border security, mobility and migration management (TO10)

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<sup>10</sup> Directive 2001/42/EC of the European Parliament and of the Council

The Programme is intended to continue the cooperation in the border region of Poland, Belarus and Ukraine which was earlier developed under the CBC Programme Poland-Belarus-Ukraine 2007-2013.

It is coherent with two Eastern Partnership Flagship Initiatives:

- with the Programme on Prevention, Preparedness and Response to man-made and natural Disasters in the ENPI East Region (PPRD East). The PPRD East will contribute to the peace, stability, security and prosperity of the Eastern Partner Countries, including Ukraine and Belarus, and protect the environment, the population, the cultural heritage, the resources and the infrastructures of the region by strengthening the Partner Countries' resilience, prevention, preparedness and response to man-made and disasters caused by natural hazards;
- with activities undertaken under the initiative 'integrated border management' (IBM) aimed at facilitation of the movement of persons and goods across borders in the six EaP countries (including Ukraine and Belarus), while at the same time maintaining secure borders through the enhancement of inter-agency cooperation, bilateral and multi-lateral cooperation among the target countries, EU member states and other international stakeholders.

Moreover, the Programme is coherent with other INTERREG and ENI CBC Programmes and Transnational Programmes such as:

- Poland-Russia;
- Latvia- Lithuania-Belarus;
- Hungary-Slovakia-Romania-Ukraine;
- Romania-Ukraine;
- Lithuania-Poland;
- Poland-Slovakia
- Baltic Sea;
- Central Europe;
- DANUBE.

The Programme is also coherent with Eastern Partnership Territorial Cooperation Programme Belarus-Ukraine, which enables cross-border cooperation by bringing the different actors closer to each other, in order to better use the opportunities offered by the joint development of the cross-border area.

Furthermore, the Programme intends to contribute to the objectives and priorities of the European Union Strategy for the Baltic Sea Region (EUSBSR), in particular:

- TO3 and TO8 of the Programme will contribute to the EUSBSR's objective "Increase prosperity" (culture, tourism, health);
- TO7 of the Programme will contribute to the EUSBSR's objective "Connect the region" (transport).

The coordination and synergy of the Programme with the Internal Security Fund (ISF) shall be also ensured. The implementation of the Programme shall contribute to achievement of objectives of both instruments constituting the ISF (Borders and Visa and ISF Police) by financing projects under *Priority 3.2 Addressing common security challenges* (TO8) and both priorities of TO10 - *Priority 4.1 Support to border efficiency and security; Priority 4.2 Improvement of border management operations, customs and visas procedures*.

The forecast of environmental impact, in accordance with EU legislation and the Act of 3 October 2008 on the Provision of Information on the Environment and its Protection, Public Participation in

Environmental Protection and Environmental Impact Assessments , is a separate document attached to the draft Programme. In Poland it is called the *Forecast of Environmental Impact ("Forecast")* and in accordance with the SEA Directive it is called *an Environmental Report*. The Forecast was developed on the basis of the said Act and in accordance with the recommendations of the authorities which under their statutory responsibilities review the the scope and depth of detail of such documents. In this case, the scope has been reviewed by the General Director for Environmental Protection in the Polish Ministry of Environmental Protection and the Chief Sanitary Inspector. After preparation of the Forecast, the body which prepares the draft Programme submitted both the Programme and the Forecast for review to the authorities with which the scope of the Forecast has been coordinated. Due to the geographical scope of the JOP, the recommendations related to cross-border impact should also be taken into consideration (according to the EIA Act and the Espoo Convention).

According to Art. 43 Section 2 of the EPL and Art. 2. 6.4 of the SEA Directive, public participation in the proceedings on environmental impact assessment programmes and plans is an important part of the proceedings. The authority preparing the draft programme should carry out a public consultation both in regard to the draft programme and to the environmental impact assessment and integrate the results of this consultation in the final version of the programme and Forecast. Due to the international nature of the Programme, the process of public consultation should include representatives of Polish, Belarus and Ukrainian society.

The aim of the Forecast is to identify direct and indirect elements of the potential impact on the environment of the CBC Programme Poland-Belarus-Ukraine 2014-2020 (PBU) in consultation with the three countries participating in the Programme. This document discusses the structure and contents of the draft Programme and distinguishes the environmental objectives. In its main principal section, it analyses possible environmental effects and effects related to sustainable development resulting from the implementation of priorities and actions adopted in the draft Programme. All the thematic objectives (TO) and the priorities of the Programme were subjected to such assessment, and on this basis the risks that may occur during implementation were identified. In addition, the Forecast contains a prospective diagnosis of the environmental conditions of the analysed area. The conclusions from the forecast of environmental impact can be summarised in several essential items.

### **Methods of analysis**

The primary method used in the Forecast is a comparative analysis of the teleological provisions of the Programme with the standards of environmental management and implementation of sustainable development adopted by the PBU Countries. These standards stem from formally accepted documents such as treaties, conventions, directives, laws and agreements, both on a worldwide, European and regional level. The comparative analysis was conducted by grading and rating, with the specified level of acceptance of possible differences between models and regulations. This was done by way of comparison of tables and matrixes.

### **Area covered by the Programme**

The area covered by the Programme includes the south-eastern part of the Baltic basin (with the exception of small piece of Ukrainian territory) and is delimited administratively. In Poland, it covers the southern and eastern border region, and similarly the western and central part of Belarus as well as the western part of Ukraine. The total area covered by the Programme is 316,300 km<sup>2</sup>, including: 75,200 km<sup>2</sup> in Poland, 138,500 km<sup>2</sup> in Belarus and 102,500 km<sup>2</sup> in Ukraine.

### **State of the environment**

The program area is one of the most valuable natural regions in Europe. Therefore, it is reasonable to shape the development priorities in order not to create hazards to its natural resources or impair

the balance between human activities and environmental needs. Distinguishing features of this area constitute a specific, complex and extremely attractive product. They include:

- Low population density adjusted to natural conditions; the occurrence of areas characterized by relatively unchanged fauna and flora, little known even in the countries covered by the cooperation;
- Clean air, cleanest in the Central and Eastern part of Europe;
- Good water quality, polluted practically only by municipal wastewater and agricultural activities;
- Unique diversity of the natural system; the wealth of the water ecosystems and the presence of rare species for which special protection systems must be organised;
- Attractive forest complexes (including primeval forests), lakes and grasslands.

This area is unfortunately not free from ecological threats. The PBU area currently shows no elevated concentrations of contaminants. There are only local sources of common pollution (from energy and transport). Municipal waste management, especially in rural areas, is still technically primitive and ineffective. Surface waters are strongly eutrophic, including sources and rivers. No river in the Programme area reaches the highest level of suitability for direct consumption on the one hand, but on the other hand, completely degraded waters do not exist in the area. Water quality in lakes is improving, of which about 30% can be considered as not at risk of degradation. As for industrial risks, this area has an average or low impact of the industry on the atmosphere, hydrosphere, soil and biosphere. A serious threat to the environment are all sorts of out-of-use industrial, mining and paramilitary facilities, which in this area are numerous and are often left under adverse conditions causing the destruction of the landscape, soil, water and vegetation.

The Programme area on the eastern borders of Belarus and Ukraine survived one of the biggest ecological disasters - the failure of the nuclear reactor in Chernobyl. Large areas, especially in the Gomel Oblast, are still considered to be contaminated and are practically not used. Outbreaks of contamination also occurred in Ukraine and, to a lesser extent, in north-eastern Poland. The danger level is still locally significant, which limits crops and the use of natural resources. Serious negative environmental effects were caused in these areas by intensive irrigation works in Polesia.

The PBU area has a high regional diversity in flora particularly in the area of the Bialowieza Forest, with the Augustow Primeval Forest and the Carpathian Forest, and in the valleys of Bug, Narew, Biebrza, Upper Dniester, Tisza. In regard to fauna, main abundant are mammals, reptiles, birds of prey and waterfowl. In the Programme area, seven cross-border areas of particular natural and cultural value must be distinguished. They include, from the north: the complex of primeval forests surrounding the Augustowski Channel (Augustow, Grodno and Dajnava forests), the Bialowieza Forest, Pobuże Podlasie, Polesie Włodawskie, Dubienka Depression, Roztocze, Przemysl San Bend and the Bieszczady Mountains with their foothills.

The most important protected areas cover more than half of the PBU cross-border area. It is worth noting that this part of Central Europe features both in ecological and landscape terms some extremely rare natural resources which are rarely found in other parts of Europe or even the world, . They provide a unique diversity of the environment and landscape and are appreciated by naturalists and tourists.

In Poland, recently created NATURA 2000 sites and Special Protection Areas (SPAs) established in accordance with both the Birds Directive and the Habitats Directive, play a particularly important role in the PBU area. The NATURA 2000 network covers 23 sites in the Programme area including the 6 Polish national parks of the Programme area. A similar number of such areas is also located on the Belarusian and Ukrainian side of the border.

The draft Programme is a concise document highlighting the issues which are interesting to all three participating countries. Several potential aggregated development directions have been identified. They have been specified as priorities. The main objective of the Programme is to support cross-border development processes at the border of Poland, Belarus and Ukraine in accordance with the ENI objectives set in the ENI Regulation. The Programme implementation should correspond to general ideas of sustainable development. The socio-economic analysis, upon which the structure of the priorities and activities of the Programme are based includes a direct and indirect reference to environmental issues and actions required to improve it. The analysis highlights the need to improve environment protection infrastructure and environmental awareness in the borderland population. The Programme area development potential based on natural resources and low pollution is also indicated.

Increasing competitiveness in Europe is currently accompanied by a clear increase of technical infrastructure and the appearance of sustainable development criteria in relation to economic activity. Moreover, underdeveloped territories enhance their competitiveness mainly thanks to the development of the services sector, including intangible services. Both of these aspects may have positive or neutral environmental effects. The development of the Programme area is to be enhanced by improving the accessibility of the region (construction and modernisation of roads) and facilitating cross-border movement. Tasks related to sanitation, as well as to protection and revitalization of cultural objects will also be important. This means improving conditions conducive to the development of tourism. The Programme implementation supports cross-border cooperation and exchange of experience, as well as environmental protection. The Programme is definitely pro-environmental. Priorities and measures are strongly related on the one hand to the geopolitical location of the region and on the other hand to its natural and demographic specificity, as well as to its traditions, culture and history.

As a result, there should be no escalation of environmental threats in the analysed area as a result of Programme implementation. On the contrary, the pressure on the environment will decrease thanks to the Programme. It can be concluded that the implementation of the Programme will contribute to alleviating ecological conflicts existing in this area, ie. alleviating the clash of interests of various social groups, among others, by providing public access to environmental information and environmental investments of the Programme, ensuring the participation of the social factor in the form of, among others, non-governmental organizations in the implementation of environmental investments etc. The Programme is closely related to the EU strategy for sustainable development and, moreover, supports its implementation at the regional level.

### **Significant environmental impact**

The Forecast states that the implementation of the PBU Programme will not result in significant changes in the natural environment of the Programme area. Countering potential threats will take place on the basis of generally accepted methods and measures (e.g. environmental impact assessments of projects). The Programme does not contain provisions that would entail the need or desire to implement large investments and related population concentrations which may significantly affect the environment. There also are no such financial possibilities. The proposed list of large infrastructure projects is short (18 items – main and reserve projects), of which about 10 will be implemented for a maximum amount of 52 million euro.

### **Conclusions**

The JOP was prepared in accordance with the principles of sustainable development and does not forecast any escalation of environmental threats in the analysed area. On the contrary, the priorities established allow for predicting a reduction of the pressure on the environment. The comments and



recommendations included in the Forecast will allow for better implementation of the Programme from the point of view of environmental protection.

### **5.8.2. MONITORING MEASURES**

It is recommended to introduce at least two groups of criteria for the evaluation procedures: (i) the new account of environmental and economic benefits and losses and (ii) trends relating to global threats. There are many possibilities here. The forecast cannot propose all of them, moreover, it may be enough to provide an assurance in the provisions of the Programme that such an approach will be used in the evaluation process. In terms of global threats, particular attention should be paid to the problem of global warming, as the economic development, even as balanced as in the PBU Programme, can lead to a relative increase in GHG (Greenhouse gases) emission. One of many indicators linking greenhouse gas emissions with a parameter characterising economic development should therefore be adopted as a monitoring indicator. An exit point to the construction and indexation of such an approach should be to assess the projected changes in greenhouse gas emissions in the sectors of the economy. Unfortunately, there are no such data for the PBU area. Regardless of the activities, greenhouse gas emissions will be growing, not least because of transportation-related projects associated with TO7. This is due to the increasingly more intensive development of this sector and the increasing share of road transport. With time, along with the improvement of technology and the improvement of fuel quality, this growth will be lower. The frequency and scope of the analysis on the assessment of the share of transport in the balance of greenhouse gases in the PBU area (especially CO<sub>2</sub>) should be agreed with the Ministry of Environment, in particular with the Climate Convention Offices and EPER (emission monitoring). Other indicators, due to the nature of the proposed measures, do not apply.

### **5.8.3. PUBLIC CONSULTATIONS**

On 19 May, 2015 information concerning the public consultations on the Forecast were published on the website of the ENPI CBC Programme Poland-Belarus-Ukraine 2007-2013 in four languages: Polish, Belarusian, Ukrainian and English. Invitations to participate in the consultations were addressed to institutions involved in environmental protection, such as: state institutions, local government units and NGOs. The choice of institutions or organizations was dictated inter alia, by their interest in international cooperation projects, in the thematic scope of the Programme and in the Forecast, and (in the case of Ukraine) by consultations with representatives of the Programme in Ukraine.

Moreover, three consultation conferences took place in Lublin, Poland on May 26 2015, in Minsk, Belarus on May 21 2015 and in Lviv, Ukraine on May 25, 2015. During these conferences speakers presented the Programme draft and Forecast. During these meetings, comments and opinions on the consulting document were submitted. expressed. These remarks have been taken into account in the JOP as well as in the Forecast.

## 5.9. INDICATIVE FINANCIAL PLAN

Indicative financing plan of the ENI CBC PBU Programme 2014-2020 Providing the EU Contribution and the co-financing if known for the whole programming period for each TO and for Technical Assistance				
	EC Funding (a) *	Beneficiaries minimum Co-financing (b)	Co-financing rate (in %) (c ) **	Total funding (d) = (a)+(b)
<b>Thematic objective 3</b>	32 272 159.47	3 570 024.59	11.06%	35 842 184.06
<b>Thematic objective 7</b>	55 855 660.59	6 178 888.71	11.06%	62 034 549.30
<b>Thematic objective 8</b>	44 270 782.82	4 897 341.42	11.06%	49 168 124.24
<b>Thematic objective 10</b>	33 099 650.72	3 661 563.68	11.06%	36 761 214.40
<b>Technical Assistance</b>	17 579 930.40	0.00	0.00%	17 579 930.40
<b>TOTAL</b>	<b>183 078 184.00</b>	<b>18 307 818.40</b>	<b>10.00%</b>	<b>201 386 002.40</b>

\* In accordance with the Programming Document and JPC decision.

\*\* Co-financing rate shall be calculated on the basis of the Community contribution to the JOP, in accordance with articles 12, 13 and 14 of the IR. The actual percentage is 11.0622427%.

**Table 9. Indicative financing plan of the Programme**

PROGRAMME FINANCIAL TABLE				
	A	B	C	D
	INDICATIVE PROVISIONAL COMMITMENTS BY THE EC	CO-FINANCING	PROGRAMME'S INDICATIVE PROVISIONAL COMMITMENTS - EC funding -	PROGRAMME'S INDICATIVE PROVISIONAL PAYMENTS - EC funding -
<b>2015</b>				
<b>Projects</b>		0.00	0.00	0.00
<b>TA</b>	27 430 320.00	(not applicable)	0.00	0.00
<b>TOTAL 2015</b>			<b>0.00</b>	<b>0.00</b>
<b>2016</b>				
<b>Projects</b>		0.00	0.00	0.00
<b>TA</b>	23 219 466.00	(not applicable)	1 356 000.00	1 356 000.00
<b>TOTAL 2016</b>			<b>1 356 000.00</b>	<b>1 356 000.00</b>
<b>2017</b>				
<b>Projects</b>		3 425 179.12	42 886 612,08	17 154 644,83
<b>TA</b>	35 458 210.00	(not applicable)	2 016 500.00	2 016 500.00
<b>TOTAL 2017</b>			<b>44 903 112,08</b>	<b>19 171 144,83</b>
<b>2018</b>				
<b>Projects</b>		7 417 768.68	54 699 918,12	21 879 967,25
<b>TA</b>	30 513 234.00	(not applicable)	2 030 000.00	2 030 000.00

<b>TOTAL 2018</b>			<b>56 729 918,12</b>	<b>23 909 967,25</b>
<b>2019</b>				
<b>Projects</b>	<b>32 955 974.00</b>	5 016 046.86	45 144 421.70	28 956 632.55
<b>TA</b>		(not applicable)	2 007 430.40	2 007 430.40
<b>TOTAL 2019</b>			<b>47 151 852.10</b>	<b>30 964 062.95</b>
<b>2020</b>				
<b>Projects</b>	<b>33 500 980.00</b>	2 299 490.41	21 423 301.70	26 935 503,55
<b>TA</b>		(not applicable)	2 017 000.00	2 017 000.00
<b>TOTAL 2020</b>			<b>23 440 301.70</b>	<b>28 952 503.55</b>
<b>2021</b>				
<b>Projects</b>	<b>N.A.</b>	149 333.33	1 344 000.00	35 285 748.21
<b>TA</b>		(not applicable)	1 978 500.00	1 978 500.00
<b>TOTAL 2021</b>			<b>3 322 500.00</b>	<b>37 264 248.21</b>
<b>2022</b>				
<b>Projects</b>	<b>N.A.</b>	0.00	0.00	35 285 748.21
<b>TA</b>		(not applicable)	1 988 000.00	1 988 000.00
<b>TOTAL 2022</b>			<b>1 988 000.00</b>	<b>37 273 748.21</b>
<b>2023</b>				
<b>Projects</b>	<b>N.A.</b>	0.00	0.00	0.00
<b>TA</b>		(not applicable)	2 068 500.00	2 068 500.00
<b>TOTAL 2023</b>			<b>2 068 500.00</b>	<b>2 068 500.00</b>
<b>2024</b>				
<b>Projects</b>	<b>N.A.</b>	0.00	0.00	0.00
<b>TA</b>		(not applicable)	2 118 000.00	2 118 000.00
<b>TOTAL 2024</b>			<b>2 118 000.00</b>	<b>2 118 000.00</b>
<b>TOTAL 2015-2024</b>	<b>183 078 184.00</b>	<b>18 307 818.40</b>	<b>183 078 184.00</b>	<b>183 078 184.00</b>
<b>TOTAL COFINANCING RATE</b>			<b>10.00%</b>	<b>10.00%</b>

\*\* Subject to a mid-term review of the Programme

**Table 10. Programme financial table**

<b>ANNUAL EU COMMITMENTS TO PROGRAMME</b>			
<b>Year</b>	<b>ENI</b>	<b>ERDF</b>	<b>Total</b>
2014	0.00	0.00	<b>0.00</b>
2015	17 595 163.00	9 835 157.00	<b>27 430 320.00</b>
2016	14 128 371.00	9 091 095.00	<b>23 219 466.00</b>
2017	14 579 855.00	20 878 355.00	<b>35 458 210.00</b>
2018	13 664 400.00	16 848 834.00	<b>30 513 234.00</b>

2019	15 770 163.00	17 185 811.00	<b>32 955 974.00</b>
2020	15 971 453.00	17 529 527.00	<b>33 500 980.00</b>
<b>2014-2020 without additional ERDF</b>	<b>91 709 405.00</b>	<b>91 368 779.00</b>	<b>183 078 184.00</b>

*Table 11. Annual EU commitments to Programme*

## 5.10. ELIGIBILITY RULES

According to Art. 48 of the IR, grants shall not exceed an overall ceiling expressed as a percentage and an absolute value which is to be established on the basis of estimated eligible costs. Grants shall not exceed the eligible costs.

### Eligible costs

Eligible costs are costs actually incurred by the beneficiary which meet all of the following criteria:

- a) they are incurred during the implementation period of the project. In particular:
  - i. costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred;
  - ii. costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;
  - iii. an exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project;
  - iv. procedures to award contracts, as referred to in Art. 52 of the IR and following, may have been initiated and contracts may be concluded by the beneficiary(ies) before the start of the implementation period of the project, provided the provisions of Art. 52 of the IR and following have been respected;
- b) they are indicated in the project's estimated overall budget;
- c) they are necessary for the project implementation;
- d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;
- e) they comply with the requirements of applicable tax and social legislation;
- f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- g) they are supported by invoices or documents of equivalent probative value.

A grant may be **awarded retroactively** in the following cases:

- where the applicant can demonstrate the need to start the project before the contract is signed. Costs eligible for financing shall however not have been incurred prior to the date of the submission of the grant application; or
- for costs related to studies and documentation for projects including an infrastructure component. No grant may be awarded retroactively for projects already completed.

To allow the **preparation of strong partnerships**, costs incurred before submission of the grant application by projects to which a grant has been awarded are eligible provided that the following conditions are also met:

- they are incurred after the publication of the call for proposals;
- they are limited to travel and subsistence costs of staff employed by the beneficiaries, provided they meet the conditions of point (b) below;
- they do not exceed the maximum amount fixed at Programme level.

#### **Direct costs**

The following direct costs of the beneficiary shall be eligible:

- a) the costs of staff assigned to the project under the following cumulative conditions:
  - I. they relate to the costs of activities which the beneficiary would not carry out if the project was not undertaken;
  - II. they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project;
  - III. they relate to actual gross salaries including social security charges and other remuneration-related costs;
- b) travel and subsistence costs of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the Commission at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;
- c) purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;
- d) the cost of consumables specifically purchased for the project;
- e) costs entailed by contracts awarded by the beneficiaries for the purposes of the project;
- f) costs deriving directly from requirements imposed by the IR and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

For project purposes separate bookkeeping accounts shall be established (costs, expenses, revenues).

Programme may establish additional eligibility rules for the Programme as a whole, subject to the approval of the JMC, provided that these are compliant with the CBC legal framework.

#### **Indirect costs**

- Indirect costs may be calculated on a flat-rate of up to 7 % of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.
- As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly according to the conditions of eligibility as defined above. They may not include ineligible costs listed below or costs already declared under another cost item or heading of the budget of the project.

#### **Non-eligible costs**

The following costs relating to the implementation of the project shall not be considered eligible:

- a) debts and debt service charges (interest);
- b) provisions for losses or liabilities;
- c) costs declared by the beneficiary and already financed by the Union budget;
- d) purchases of land or buildings for an amount exceeding 10% of the eligible expenditure of the project concerned;

- e) exchange-rate losses;
- f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;
- g) loans to third parties;
- h) fines, financial penalties and expenses of litigation;
- i) contributions in kind (as defined in Art. 14(1) of the IR).

### **Non profit principle**

Grants shall not have the purpose or effect of producing a profit within the framework of the project. Where a profit is made, the MA shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the project.

## **5.11. APPORTIONMENT OF LIABILITIES AMONG THE PARTICIPATING COUNTRIES AND RECOVERY RULES**

### **Irregularities and recoveries**

The MA shall in the first instance be responsible for preventing and investigating irregularities<sup>11</sup> and for making the financial corrections required and pursuing recoveries. Participating countries shall prevent, detect and correct irregularities, including fraud and the recovery of amounts unduly paid, together with any interest pursuant Art. 74 of the IR on their territories.

A financial correction by the Commission shall not prejudice the MA's obligation to pursue recoveries under Art. 74 and 75 of the IR nor the obligation by Poland to recover State aid within the meaning of Art. 107(1) of the Treaty on the Functioning of the European Union and under Art. 14 of the Council Regulation (EC) No 659/1999.

### **Recovery of amounts unduly paid**

The MA shall be responsible for pursuing the recovery of amounts unduly paid. The MA shall recover the amounts unduly paid together with any interest on late payments from the lead beneficiary pursuant Art. 75 (1) of the IR.

The lead beneficiary has to set up the procedure of recovering the irregularities/amounts unduly paid from the beneficiaries in the partnership agreement. If the lead beneficiary does not succeed in securing repayment from the concerned beneficiary, the MA shall formally notify the latter to repay to the lead beneficiary. If the concerned beneficiary does not repay, the MA shall request the participating country in which the concerned beneficiary is established to reimburse the amounts unduly paid in accordance with Art. 74(2) to (5) of the IR.

Where the recovery relates to a **claim against a beneficiary established in Poland** and the MA is unable to recover the debt, the MA shall pay the due amount and claim it back from the beneficiary.

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<sup>11</sup> As defined in art. 2 (m) of the IR 'irregularities' means any infringement of a financing agreement, a contract or of applicable law resulting from an act or omission by an economic operator involved in the implementation of the Programme, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.

Where the recovery relates to a **claim against a beneficiary established in Belarus or Ukraine** and the MA is unable to recover the debt, the level of responsibility of the respective country in which the beneficiary is established shall be such as it is laid down in the relevant financing agreements between Commission and that country referred to in Art. 8 and 9 of the IR.

The MA together with the respective NA shall exercise due diligence to ensure reimbursement of the recovery orders with support from the participating countries. The MA shall in particular ensure that the claim is certain, of a fixed amount and due. The MA shall be assisted in these actions by the respective NA. Where the MA is planning to waive recovery of an established debt, it shall ensure that the waiver is in order and complies with the principles of sound financial management and proportionality.

In case of systemic deficiencies in the PMCS referred to in Art. 74(3) of the IR, the participating countries shall be jointly liable for the amounts concerned, proportionally to the scale of deficiencies in each participating country.

#### **Description of the procedure to comply with the obligation to report irregularities to the EC**

The MA shall keep the Commission informed of all steps taken to recover the due amounts. The Commission may at any time take over the task of recovering the amounts directly either from the beneficiary or from the concerned participating country. Files transferred to a participating country or to the Commission shall contain all the documents needed for recovery as well as proof of steps taken by the MA to recover the due amounts.

Contracts concluded by the MA shall contain a clause allowing the Commission or the participating country in which the beneficiary is established to recover any amounts due to the MA which the latter was not able to recover.

Participating countries shall notify irregularities without delay to the MA and the Commission and keep them informed of the progress of related administrative and legal proceedings. Details on information to be provided by the MA to the Commission shall be described in the MA Procedures Manual.

Any repayment due to the Commission shall be effected before the due date indicated in the recovery order. The due date shall be 45 days from the date of the issuing of the debit note. Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. The rate of such interest shall be three and a half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls. Amounts to be repaid may be offset against amounts of any kind due to the beneficiary or participating country. This shall not affect the parties' right to agree on payment in instalments.

#### **Necessary preventive and corrective actions**

The MA shall be responsible for making the financial corrections required and pursuing recoveries. In case of a systemic irregularity, the MA shall extend its investigation to cover all operations potentially affected. The MA evaluates the irregularity and if needed asks the NA/CCPs of the concerned country to undertake further investigation. On the basis of this investigation and results of NA/CCPs findings, the follow up measures shall be proposed and submitted to the NA of the concerned country. The final decision on follow up measures is taken by the MA.

The MA shall make the financial corrections required in connection with individual or systemic irregularities detected in projects, TA or in the Programme as laid down in Art. 71 of the IR.

The Commission shall make financial corrections by cancelling all or part of the Union contribution to the Programme as laid down in Art. 72 and 73 of the IR.

### **Anti-fraud measures**

One of the main tasks of the MA is to put in place effective and proportionate anti-fraud measures taking into account the risk identified. In order to protect EU financial interests MA shall take all necessary measures to prevent, detect and correct as well as provide adequate deterrence against irregularities and fraud.

The three key processes which are considered to be the most exposed to specific fraud risks and shall be targeted are:

- selection of beneficiaries;
- implementation of projects by beneficiaries;
- certifications and payments.

Monitoring may also include public procurements and TA expenses.

MA shall identify fraud risks, conduct self-assessment of the likelihood and impact of specific fraud scenarios and risks, assess the effectiveness of current control, as well as assess the effect of planned additional controls and define the target risk which MA considers tolerable.

## **5.12. RULES OF TRANSFER, USE AND MONITORING OF CO-FINANCING**

### **Co-financing principle**

Co-financing for the Programme shall amount to **at least 10% of the Union contribution** (Art. 12.1 of the IR) and shall come from sources other than the Union (contribution of the beneficiary). The percentage of Union contribution to projects shall be defined in the CfPs and the grant contracts. As agreed among participating countries, the Programme does not intend to co-finance the TA, which shall be entirely financed from EU sources. In the future, if needed, the Programme will consider options for co-financing the TA from national sources possibly in the form of salaries of the participating countries institutions' staff involved in Programme implementation. Decision regarding the modification of the TA financing shall be taken by the JMC.

### **Payments from the MA to lead beneficiary**

The MA proceeds with payments to lead beneficiary on the basis of a signed contract.

The project lead beneficiary will have to ensure at least **10% co-financing** of the total eligible project costs.

The MA shall make payments to the lead beneficiary in euro, in accordance with grant contract provisions. Expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiary using the monthly accounting exchange rate of the Commission of the month during which the expenditure was incurred.

### **Use and monitoring of co-financing**

The grant contract shall include the amount of the co-financing by the project beneficiaries. The co-financing will be monitored and included in the Programme accounting through the financial reports prepared by the beneficiaries.



### 5.13. INFORMATION SYSTEM FOR THE PROGRAMME

As stipulated in Art. 4 and 26 of the IR, in the Programme, the system will enable recording and storage of project data -including data on individual participants in projects, where applicable - for monitoring, evaluation, financial management, control and audit purposes.

The central ICT system for the Programme (system) is provided by the IB. The IB is responsible for the development, maintenance and administration of the system. This system will enable the recording and storage, in a computerized form, of financial and descriptive records of each project to ensure that data necessary for financial management, monitoring, verification, audits and evaluation are collected and accessible for the JMC, the MA, the AA/GoA, the CCPs and the responsible institutions of the participating countries.

The system shall ensure the reliability of the information and the high efficiency of the exchange of information. The Programme database will be the day-to-day tool for exchange of information and collection of the implementation related documents. The system shall also meet accepted security and reliability standards. Accepted procedures that ensure reliability of the accounting, monitoring and financial information in computerized form will be implemented.

The system supports the processes related to:

- a) the organisation of CfPs (application, administration and quality assessment, selection, decision);
- b) project implementation from signing of the grant contract;
- c) inventory of the data related to the Programme/projects implementation;
- d) certification of expenditures.

All details related to the functioning of this information system shall be described in its User Manual.

The relevant data on projects financed by the Programme will be also provided to the KEEP 2.0 database developed by INTERACT.

### 5.14. PROGRAMME LANGUAGE

The official and working language of the Programme is English. The use of English shall ease the processes related to application, projects' selection, working of the Programme database, reporting, etc. and more effectively answer to the demands of equal treatment of all applicants and beneficiaries.

CfPs shall be conducted in English. Application forms shall be filled in English, however, national documents required with the application can be provided in original national versions.

Interpretation and translation costs from and into English shall be covered by either the TA budget at Programme level or the budget of each individual project at project level.

The national languages of the participating countries (Polish, Russian, Belarusian, Ukrainian) can also be used as working languages of the Programme. The national languages may be used for the purposes of: Programme guidelines and instructions for applicants/beneficiaries; Programme meetings, trainings; Programme/project publications; Programme website.

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