

**THE EU FUNDS AVAILABLE FOR
LOCAL AND REGIONAL
AUTHORITIES FROM THE EASTERN
PARTNERSHIP COUNTRIES**

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It does not represent the official views of the Committee of the Regions.**

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Catalogue number: QG-30-12-674-EN-C

ISBN: 978-92-895-0614-4

DOI: 10.2863/56496

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INTRODUCTION

The report is organised according to the following structure. Section 1 identifies those EU funds and programmes to which the sub-national authorities from the EaP countries have access. Section 2 considers each EaP country in turn, exploring the institutional framework that LRAs operate within, identifying obstacles to the successful implementation of LRA-oriented programmes, and also looking at examples to date of EU programmes in the EaP region. Section 3 describes the lessons learned from previous EU experience gained in the implementation of Cross-Border Cooperation (CBC) programmes at the LRA level, drawing on evidence from LRA-oriented programmes elsewhere in the world. Section 4 considers how LRAs in the EaP countries can improve their access to EU funds and programmes. A number of recommendations are made which are based (a) on the experience of other countries in implementing LRA development programmes, and (b) on the country-specific conditions present within each of the EaP countries.

1. EU FINANCIAL ASSISTANCE AVAILABLE TO LRAs IN EASTERN PARTNERSHIP COUNTRIES

This section identifies those EU funds and programmes available to the sub-national authorities from EaP countries.

1.1 EU FUNDS AND PROGRAMMES FOR LRAs IN EaP COUNTRIES

There are two main types of financial instruments used in EU external cooperation with third countries. First, there are *geographic* instruments, used for bilateral and multilateral cooperation with the country/countries concerned. Examples of such geographic instruments include the Cross-Border Cooperation (CBC) programmes, the Covenant of Mayors, and the Cooperation in Urban Development and Dialogue (CIUDAD) programme. Second, there are *thematic* instruments, used for bilateral and multilateral cooperation, but which cover a wider range of countries than geographic instruments. The Non-State Actors and Local Authorities (NSA-LA) programme is an example of a thematic instrument.

1.1.1 GEOGRAPHIC INSTRUMENTS AVAILABLE TO LRAs IN EASTERN PARTNERSHIP COUNTRIES

The Cross-Border Co-operation (CBC) programme (EaP region)

The CBC programme supports cross border co-operation projects between EU Member States and the partner countries along the external borders (land and sea) of the EU.¹ The CBC strategy has four key objectives, to:

- Promote economic and social development in border areas
- Address common challenges
- Ensure efficient and secure borders
- Promote people-to-people cooperation

The land border programmes include Belarus, Ukraine and Moldova (4 programmes with EaP countries). The sea basin programmes are open to Georgia, Armenia, Ukraine, Moldova (Black Sea Programme) and Belarus (Baltic Sea Region Programme). Azerbaijan, however, elected not to participate. The CBC programmes are open to LRAs and non-government actors. The total budget for the period between 2007 and 2013 is €1,118,434 million.

¹Further details are available from: http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/index_en.htm

Structures and Management

Each of the individual projects is managed separately. The key objectives of each project are listed below, along with the name of the managing organisation, as well as links to project documents containing detailed information on the management and financing of each project. The details for the Managing Authorities are included, but any enquiries should be directed to the relevant Joint Technical Secretariat (JTS). The JTS is responsible for the day-to-day management of each programme and can assist at all stages of an application.

[Baltic Sea Region \(BSR\) programme](#)

Key objectives:

- Fostering of innovations across the BSR
- External and internal accessibility of the BSR
- Managing the Baltic Sea as a common resource
- Promoting attractive and competitive cities and regions
- Providing technical assistance

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[Black Sea programme](#)

Key objectives:

- Supporting cross border partnerships for economic and social development based on combined resources
- Sharing resources and competencies for environmental protection and conservation
- Supporting cultural and educational initiatives for the establishment of a common cultural environment in the basin
- Providing technical assistance

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Contact: Joint Managing Authority

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[Latvia-Lithuania-Belarus programme](#)

Key objectives:

- Promoting sustainable economic and social development
- Addressing common challenges
- Providing technical assistance

Contact: Joint Technical Secretariat

Director of Joint Technical Secretariat: Ms Aukse Bernadišienė
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Website: <http://www.enpi-cbc.eu/>
[Poland-Belarus-Ukraine programme](#)

Key objectives:

- Increasing competitiveness of the border area
- Improving the quality of life
- Networking and people-to-people cooperation
- Providing technical assistance

Contact: Joint Technical Secretariat

Director of Joint Technical Secretariat: Mr Paweł Słowikowski

Joint Technical Secretariat (JTS)

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E-mail: pbu@cpe.gov.pl

Website: <http://www.pl-by-ua.eu/>

[Hungary-Slovakia-Romania-Ukraine programme](#)

Key objectives:

- Knowledge transfer and practice-sharing to promote joint developments of businesses and increase tourism
- Enhancing the quality of air, water, soil and forestry resources and reducing risks of damage to the natural environment
- Increasing the efficiency of border management on the Ukrainian border
- Improving the effectiveness of public services and increasing mutual understanding of various groups of the society

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[Romania-Ukraine-Republic of Moldova programme](#)

Key objectives:

- To develop a more competitive border economy
- To meet environmental challenges
- To increase people-to-people cooperation

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Contact: Joint Managing Authority

Director of Joint Managing Authority: Mr Iuliu Bara
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The Cooperation in Urban Development and Dialogue (CIUDAD) programme (EaP region)

The CIUDAD programme aims to help local governments in the ENPI region enhance their capacity to plan for sustainable, integrated and long-term urban development using good governance principles.² It does this through capacity building and by promoting mutual understanding, exchange of experience and cooperation between local actors in the EU and in the Partner Countries of the EaP region in the implementation of common projects. By creating new partnerships and strengthening existing partnerships among local and regional authorities in the EaP region, it also hopes to achieve long-term benefits extending beyond the life of the programme. It has initiated programmes in good governance and sustainable urban development (e.g. environment, energy, economic development and reduction of social disparities), involving co-operation with LRAs and civil society. Six East-East projects are currently funded (including all EaP partners except Azerbaijan, plus Russia), as well as five East-South projects (involving Russia, Armenia, Georgia and Belarus). The total budget for the 2010-2013 period is approximately €14 million. As of mid-2011, there were 21 demand-driven grant projects with approximately €500,000 of co-financing each (a total value of €11 million). A second phase of CIUDAD (II) will be launched in 2012/2013.

Structures and Management

VNG International, in a consortium with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)³, JCP Srl, and the Institute for Housing and Urban Development Studies (IHS), has been selected to implement the overall project. Management and coordination of specific aspects of the programme are carried out elsewhere. The relevant managing authorities are listed below.

CIUDAD Supporting Mechanism Lead Partner: VNG International, Netherlands.

[Energy Efficient Municipalities](#) (Moldova, Ukraine) Lead Partner: Chisinau City Hall (Moldova).

Local EaP Partners: Municipalities of Sevastopol (Ukraine), Institute for Development and Social Initiatives (Moldova).

²Further details are available from: <http://www.ciudad-programme.eu>

³ Formerly known as Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ). The name and structure of the organisation was changed on January 1st, 2011.

GOSPEL Creating social links through sport and good governance (Armenia, Tunisia) Lead Partner: City of Marseille (France).
Local EaP Partner: Municipality of Yerevan (Armenia).

Liaisons for Growth (Armenia, Jordan) Lead Partner: Tuscany Regional Administration, Dept. of Regional Policies for Innovation (Italy).

Local EaP Partners: Vayots Dzor Marzapetaran, Ararat Marzapetaran and Vedi Intercommunity Union (Armenia).

Management Of Domains related to Energy in Local (MODEL) authorities (Armenia, Georgia, Moldova, Ukraine) Lead Partner: Municipality of Lviv (Ukraine).

Local EaP Partners: Association “Energy Efficient Cities of Ukraine”, Municipality of Kamyanets-Podilskiy (Ukraine), Municipality of Lutsk (Ukraine), City of Tbilisi (Georgia), Energy Efficiency Centre (Georgia), Municipality of Spitak (Armenia), Energy Saving Foundation (Armenia), Municipality of Drochia (Moldova), Alliance for Energy Efficiency and Renewables (Moldova).

RKM Save Urban Heritage (Russian Federation, Ukraine) Lead Partner: Municipality of Rome, Department of Cultural Policies and Communication (Italy).

Local EaP Partner: Municipality of Kyiv (Ukraine).

Save WHL Cities War Free World Heritage Listed Cities (Georgia, Lebanon) Lead Partner: Council of the United Municipalities of Jbail-Byblos (Lebanon).

Local EaP Partners: Board of the Municipality of Mtskheta, Old City Rehabilitation and Development Fund (Georgia).

SPIN-Energy efficiency & urban development planning (Russian Federation, Ukraine) Lead Partner: Municipality of Savski Venac (Serbia).

Local EaP Partner: Cherkassy Chamber of Commerce and Industry (Ukraine).

Sustainable Tourism (Georgia, Moldova) Lead Partner: Province of Venice (Italy).

Local EaP Partners: Ungheni County Council (Moldova), Self-Governing Office of Kutaisi (Georgia).

Sustainable Urban Development (Belarus, Georgia, Ukraine) Lead Partner: Municipality of Ukrainka (Ukraine).

Local EaP Partners - Association of Small Towns of Ukraine, Executive Committee of the City Council of Novolukoml Town (Belarus), Student-Youth Council (Georgia).

(SURE) Sustainable Urban Energy in the ENPI region (Belarus, Morocco) Lead Partner: City of Friedrichshafen (Germany).

Local EaP Partner – City of Polotsk (Belarus).

Institution Building Instruments (EaP region)

There are currently three main institutional building instruments which make resources available to LRAs in EaP countries: Institutional Twinning, TAIEX (Technical Assistance and Information Exchanges) and SIGMA (Support for Improvement in Governance and Management). The three instruments were adapted for use in the Neighbourhood context in 2004, 2006 and 2008 respectively, following years of substantial success in accession countries. Together, the instruments allow the transfer of European practical knowledge in a constructive, peer-to-peer manner.

Twinning projects have been extensively developed in the Neighbourhood region. They deliver concrete operational results in the beneficiary country in accordance with the objectives agreed between it and the EU (in an Association Agreement, Partnership and Cooperation Agreement or Action Plan depending on the nature of the relationship). By 2011, more than 140 Twinning projects had been awarded, giving a total of more than 260 in progress. These projects cover a wide range of areas including finance and the internal market, environment, justice and home affairs, energy, transport, trade and industry, agriculture, employment, social affairs, health, consumer protection and more. These projects are demand-driven and are available at sub-national level and to associations of local authorities. With the exception of Belarus, these projects are open to all EaP countries.

The TAIEX instrument has been equally successful, with more than 1600 requests for assistance received from the Neighbourhood countries and Russia since 2006 (an average rate of 50 per month). Over 12,000 participants from the region took part in TAIEX events in 2010, a threefold increase on the previous year.

SIGMA activities support improvements in administrative law & administrative justice; expenditure management; civil service; internal/external audit; procurement/concessions; policy capacities and co-ordination; regulatory management and property rights in all EaP countries (apart from Belarus).

The Covenant of Mayors initiative (EaP region: CoM East)

The [Covenant of Mayors](#) is an initiative of the European Commission launched in February 2008 to seek the commitment of LRAs in the fight against climate change. For the period 2011-2013, the budget available for the CoM East region was €5 m. The initiative is open to cities from all EaP countries. LRAs joining the Covenant of Mayors make a commitment to:

- Go beyond the EU's 20% CO₂ reduction objective
- Prepare a Baseline Emission Inventory
- Set up and implement a Sustainable Energy Action Plan
- Submit regular Implementation Reports
- Organise Local Energy Days

Participating authorities can benefit in a number of ways, including:

- A clear public statement of commitment to CO₂ reduction is made by the participating authority;
- Authorities can reinforce wider national efforts in CO₂ reduction on their territory, or help create new pressures;
- Benefiting from the encouragement and example of other pioneers;
- Benefiting from EU endorsement and support, including a contribution to the preparation and implementation of the Covenant-related Sustainable Energy Action Plan, and Public Relations (PR) support;
- Qualifying for funding available to Covenant signatories. Signatories represent cities of different sizes, from small villages to major metropolitan areas such as London or Paris, that have signed the Covenant of Mayors on a voluntary basis and are committed to implementing sustainable energy policies to meet and exceed the EU 20% CO₂ reduction objective through increased energy efficiency and development of renewable energy sources;
- All achievements are widely publicised on the Covenant website.

Contact:

Head of Covenant of Mayors Office: Ms Kristina Dely

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Website: http://www.eumayors.eu/about/covenant-of-mayors_en.html

New ENPI regional mechanisms drawn up under the EaP

To ensure the implementation of Eastern Partnership (EaP), an additional €600 million was earmarked to be channelled in as part of the European Neighbourhood and Partnership Instrument (ENPI). The funds constitute about a quarter of the total funding that will be made available to Eastern partners over the period 2010-13. These resources are used for three main purposes, the first two of which are relevant to LRAs in EaP countries:

- Support for partner country reforms through the implementation of Comprehensive Institution Building (CIB) programmes (approximately €175 million);
- Pilot regional development (PRD) programmes aimed at addressing regional economic and social disparities within partner countries (approximately €75 million; see below);
- Implementation of the Eastern Partnership Multilateral dimension (approximately €350 million).

Pilot Regional Development programmes

The EaP provides for Pilot Regional Development Programmes (PRDPs) in order to help partner countries to address important structural problems. Economic and social disparities among regions and population groups, often divided by historical, cultural, ethnic and religious differences, represent a major obstacle to economic development at the national level. The PRDPs will address local needs for infrastructure, human capital, and small and medium sized enterprises (SMEs), modeled on EU cohesion policy.

The programmes will be based on the needs and territorial organisation of the respective Eastern Partnership country. Through these programmes, partner countries will be able to develop and support regional development strategies aimed at reducing disparities and funding projects which will help in overcoming structural deficiencies. Approximately €75 million are allocated for implementing PRDPs over the 2012-2013 period in the six Eastern partners.

Current status and schedule: funding for PRDPs is scheduled to start in 2012. A number of preparatory steps have been taken in the meantime: EU missions were organised to all six EaP countries in April – May 2011, to inform stakeholders about the concept of PRDPs, and a seminar was organised in Brussels in June with representatives from partner countries and EU Delegations to launch the programme.

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Comprehensive Institution Building programmes (CIB)

The Association Agreements - that include, inter alia, the establishment or the objective of establishing Deep and Comprehensive Free Trade Areas (DCFTA) - and the long term goal of visa liberalisation will require considerable further reform efforts within the partner countries' institutions that will commit them to implementing the related obligations. The Comprehensive Institution Building programmes of the Eastern Partnership aim to support this process. The preparation of Comprehensive Institution Building programmes (CIB) and initial activities started in 2010. Twinning will be a core element of the implementation tool for CIBs. Other possible measures could include high-level advice, training and exchanges, professional placements and internships, secondment of personnel to sister institutions in interested Member States, scholarships for professional training.

The European Neighbourhood Programme for Agriculture and Rural Development (ENPARD)

The EU has recently launched a programme aiming to support agriculture and rural development under the European Neighbourhood Policy. ENPARD, the European Neighbourhood Programme for Agriculture and Rural Development, held its launch seminar in Tunis at the end of last month, and is aimed at local and regional authorities. For more information, the Directorate-General for Agriculture and Rural Development can be contacted at the following address:

European Commission
DG Agriculture and Rural Development
130, Rue de la Loi
B – 1049 Brussels
Belgium
Fax: +32 (0) 2-295.01.30
Email: queries should be submitted using the following form –
http://ec.europa.eu/agriculture/contact/index_en.htm

The EuroEast Culture Programme

The EuroEast Culture programme is designed to support the role of culture in the region's sustainable development and promote regional cooperation among public institutions, civil society, cultural and academic organisations in the Eastern Partnership region and with the European Union. Its aims include:

- supporting and promoting cultural policy reforms at the governmental level, building the capacities of cultural organisations and improving the “professionalisation” of the culture sector in the region;
- contributing to the exchange of information, experience and best practices among cultural operators at the regional level and with the European Union;
- supporting regional initiatives/partnerships, which demonstrate positive cultural contributions to economic development, social inclusion, conflict resolution and intercultural dialogue.

The programme has two main components. The first provides support to civil society and reinforcement of industries in the sector. In October 2010, the European Union launched a call for proposals dedicated to the culture sector specifically for the Eastern Partnership region. As a result, *a number of regional projects* are being contracted for financing through the Eastern Partnership Culture Programme.

A second component provides support for capacity building for national/regional authorities and civil society culture actors to address specific priority needs of public institutions and the region's cultural sector, provided by the *Regional Monitoring and Capacity Building Unit*.

Contact/more details:

Regional Monitoring and Capacity Building Unit (RMCBU)
of the Eastern Partnership Culture Programme
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Mobile: +38 050-846-7105
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Email: info@euroeastculture.eu

Europe for Citizens programme

The Europe for Citizens programme is intended to encourage cooperation between citizens and citizens' organisations in various countries so that they can “come together and take action in a European environment that respects their diversity.” The programme’s general objectives are to:

- give citizens the opportunity to interact and participate in constructing an ever closer Europe that is open to the world, united in and enriched through its cultural diversity;
- develop a European identity among European citizens based on recognised common values, history and culture;
- foster a sense of ownership of the European Union (EU) among its citizens;
- improve tolerance and mutual understanding between European citizens, and respect and promote cultural and linguistic diversity, while contributing to intercultural dialogue.

The programme is open to participation by the following countries, in accordance with the general terms and conditions for their participation in Community programmes:

- Member States;
- EFTA States that are party to the EEA Agreement;
- candidate countries benefiting from a pre-accession strategy;
- countries of the Western Balkans.

The programme applies to the following:

- local authorities and organisations;
- European public policy research organisations (think-tanks);
- citizens’ groups and other civil society organisations, such as non-governmental organisations, platforms, networks, associations, federations, trade unions, educational institutions and organisations active in the field of voluntary work or amateur sport.

Contact/more details:

Further details are available via the following link:

http://ec.europa.eu/citizenship/about-the-europe-for-citizens-programme/index_en.htm

Enquiries to the Europe for Citizens programme should be directed through the following query page:

http://ec.europa.eu/citizenship/contact/index_en.htm

The European Investment Bank: EaP Technical Assistance Trust

In December 2010, the European Investment Bank (EIB) launched the Eastern Partnership Technical Assistance Trust Fund (EPTATF). The EPTATF is focused on increasing the quality and development impact of EIB Eastern Partnership operations by offering a multi-purpose, multi-sectoral funding facility for technical assistance. Such technical assistance will enable the Bank to share its professional expertise in the areas of project preparation and financing with EaP countries. The EPTATF will help to draw up pre-feasibility and feasibility studies, institutional and legal appraisals, environmental and social impact assessments, project management and borrower support throughout the project implementation process, as well as financing upstream studies and horizontal institutional activities.

The mandate regulating the Bank's operation in Eastern Europe allows it to provide loans to the countries of the EaP and Russia of up to €3.7 billion in 2007-2013 with guarantees from the EU. In the Eastern Neighbourhood, the EIB is focused on transport, the energy and telecommunication sectors, and also on financial support for SMEs. Operations in Belarus are subject to joint EU Parliament/Council decisions. Azerbaijan will also be eligible for EIB financing, following the signature of a framework agreement with the Bank.

Following the 2009 Prague Summit, the EIB, based on its own resources (i.e., without a contribution from the EU budget), set up an Eastern Partners Facility (EPF), which is an additional financial instrument for supporting investment in Eastern Europe (including Russia) and the South Caucasus. It serves the same countries as defined in the Bank's external mandate for the East, albeit for projects from different sectors than those listed in the original EIB mandate. €1.5 billion has been allotted for the EPF, with a ceiling of €500 million for projects financed in Russia. LRAs from EaP countries are eligible to apply for funding under both facilities.

Enquiries to the European Investment Bank EaP Technical Assistance Trust should be directed through to the following official:

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1.1.2 THEMATIC INSTRUMENTS AVAILABLE TO LRAs IN EASTERN PARTNERSHIP COUNTRIES

Non-State Actors and Local Authorities in Development (NSA-LA) programme

Thematic instruments are complementary to geographic programmes. They provide direct support to civil society and local authorities where it is not possible or difficult to go via the authorities of the beneficiary country/countries. Resources from this programme can be accessed worldwide, including from all EaP countries. The total budget (i.e., for all countries) for the 2011-13 period was €702 million.⁴ The distribution of these funds is geographically weighted, with 6 per cent of the in-country funding available to ENPI countries (including Russia) in 2011-2013. Allocations of €3,150,000 have been made for local authorities in all EaP countries over the 2011-2013 period, except for Azerbaijan. The programme takes the form of single-country and multi-country interventions which aim to:

- strengthen participatory development and processes and include all actors, especially vulnerable and marginalised groups;
- support capacity development processes of the actors concerned at country, regional or local level;
- promote mutual understanding processes;
- facilitate citizens' active engagement in development processes and strengthening their capacity to take action.

⁴ See 'Thematic Programme': http://ec.europa.eu/europeaid/how/finance/dci/documents/nsa-la_strategy_2011-2013_-_en.pdf

2. LRAs in EASTERN PARTNERSHIP COUNTRIES

This section considers each EaP country in turn, exploring the institutional framework that LRAs operate within, identifying obstacles to the successful implementation of LRA-oriented programmes, and also looking at examples to date of EU programmes in the EaP region. The extent to which LRAs in the six EaP countries participate in EU programmes directed at the sub-national level varies significantly. This variation is a function of the diverse institutional arrangements governing LRAs in the EaP region. The nature of each country's participation in EU programmes and funds to date are also described.⁵

2.1 BELARUS

Local and Regional Authorities in Belarus

- LRAs include the city of Minsk and six regions (oblasts) which are further divided into districts (raions) and towns/cities/municipalities of regional/district subordination.
- Belarus is a highly centralised, unitary state with limited powers delegated to LRAs.
- Regional heads and the mayor of Minsk are appointed by the centre and are not elected.
- There is no single association of local governments in Belarus. There is, however, a Belarusian Association of Regional Development Agencies.⁶
- Belarus is not a member of the Council of Europe (all other EaP partners are) and, as a result, is under no obligation to comply with their standards for local government.
- The Freedom House score for local democratic governance is 6.75 out of seven (with seven denoting the lowest level of democratic progress).

Participation of LRAs in EU Programmes in Belarus

Cross-Border Co-operation (CBC) programme: Belarus participates in one sea basin programme and two land border programmes.

CIUDAD programme: Belarus participates in the Sustainable Urban Development project and the SURE project.

⁵ Details of each programme are available from: http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/programmes/index_en.htm

⁶ Details are available from: <http://www.belarda.info/>

Institution building programmes: The absence of a Partnership and Cooperation Agreement (PCA) or Association Agreement (AA) with the EU means that Belarus cannot participate in the Twinning programme or Sigma, although it is eligible for TAIEX.

Eastern Partnership programmes: The lack of a PCA or AA with the EU means Belarus is only involved in the multilateral track dimension of the EaP.

NSA-LA programme: €250,000 was made available to local authorities in Belarus for the 2011-12 period, identifying specific local authority objectives including empowerment, democratisation and the promotion of citizen participation.⁷

Lessons Learned from Participation of LRAs in EU Programmes in Belarus

Regional policy does exist in Belarus, although it does not have a clear planning, financial, regulatory and management framework. Officially, the Ministry of Economic Affairs is in charge of regional development. However, regional development functions are scattered across different ministries. The issue of local self-government in Belarus has a major impact on the success, ownership and sustainability of regional development policies in Belarus. The strong centralisation of power since 1994 substantially suppressed the development of local self-government by strengthening central control over local authorities.

Although local authorities possess a number of important competences, the legislation gives much wider competences to the executive committees – bodies of direct state government appointed by the president and not elected. Local councils, lacking in financial and organisational resources, have an almost exclusively consultative role, approving centralised decisions passed down vertically and have no real possibility to influence the executive bodies.

Lessons learned from previous EU experience in Belarus include:

- Simple project design and absence of heavy reform agendas are success factors in Belarus as the government is keen to deliver immediate and visible results/benefits to the population.
- In its regional and local components, any future projects should draw on past experience, especially the on-going ‘Area Based Approach to Local Development’, an EU project implemented at Gomel Region in the context of the area's post-Chernobyl recovery. This involved local authorities and civil society organisations in developing sustainable

⁷ Details available from: http://ec.europa.eu/europeaid/documents/awp/2011/awp_2011_blr_p2_en.pdf

development strategies. The project has proved that the community building approach is an effective tool of local development in Belarus. A factor behind its relative success was the existence of the operational Gomel Regional Agency for economic development, created in 1997 in the framework of a TACIS project. This facilitated the dialogue between the communities and the authorities, and shouldered the administrative managerial burden related to project implementation. However it should be noted that such a structure does not currently exist in other regions, and there is no clear institutional status in the governmental management structure. Thus, other solutions need to be found in each region involved in project implementation.

- Previous experience with organisational and registration problems can be overcome via a multi-dimensional approach, with involvement of national, regional and local authorities. Involvement of the United Nations Development Programme (UNDP) and other UN agencies contributed to a coordinated donor approach to the issue through further donor coordination meetings when deemed necessary.

Because of the wider institutional framework present in Belarus there are a number of risks to EU involvement. They include:

- The scepticism and resistance to changes from government ministries and LRAs. Risk mitigation measures might include: (a) encouraging the development of a clear legal framework of regional development policy, with planning and implementation systems developed alongside the Government of Belarus.
- Local residents are hesitant to participate and co-finance community based projects or micro-initiatives. Risk mitigation measures might include the development of robust communication and visibility actions to support any proposed project (as observed during the UNDP-implemented Gomel pilot project).
- The ongoing effects of the global financial crisis may continue causing difficulty in cost-sharing by the local partners. Indeed, Belarus has continued to experience significant economic difficulties in the aftermath of the global recession of 2008-09 which may impede the emergence of significant local resources to match EU funds. Risk mitigation measures might include encouraging national and local authorities to make firm commitments towards any LRA-oriented initiatives.

Wider Challenges Facing EU Programmes in Belarus

In the context of the crackdown on the opposition, independent media and the civil society in the wake of the [2010] Presidential elections, there is no

immediate prospect of any agreement on a joint interim plan to set priorities for reforms, or on Belarus' full participation in the EaP.

The challenges result firstly from the limited democratic progress in Belarus against the EU's expectations. There are still significant challenges in terms of strengthening the rule of law, developing civil society and participation, respect for human rights (including abolition of the death penalty), standards for democratic elections, freedom of expression and of the media, freedom of assembly and political association.

As indicated previously, the Belarusian economy continues to face serious challenges despite having avoided the worst consequences of the global economic crises. It remains predominantly a planned economy that requires structural reforms and modernisation, while at the same time ensuring the mitigation of the negative impact of transition and addressing economic and social disparities.

Consequently, the capacity to coordinate reforms (in particular sectoral reforms), both at central and the LRA level, is a significant challenge in Belarus. Indeed, implementation of a number of technical assistance projects under the ENPI has been delayed for several reasons, including the lengthy process Belarus has to undergo to sign Financing Agreements. Belarus has repeatedly delayed signing such agreements. This has contributed to delays in the implementation of Action Programmes. Dialogue between donors and authorities in the spirit of the Paris Declaration, signed by Belarus in March 2010, is limited.

2.2 UKRAINE

Local and Regional Authorities in Ukraine

- LRAs include the cities of Kyiv and Sevastopol, 24 regions (oblasts) and the Autonomous Republic of Crimea, which are further divided into districts (raions) (raions) and towns/municipalities, or rural councils.
- Ukraine is a centralised, unitary system with only one exceptional autonomous republic (Crimea).
- Regional heads are appointed by the centre and are not elected. This includes Crimea, but it does have its own Cabinet of Ministers and Parliament.
- No clear separation exists between the responsibilities of central and local government and any powers of local authorities which do exist at a formal level are not matched by resources.

- There is an Association of Ukrainian Cities.⁸
- The Freedom House score for local democratic governance is 5.50 out of seven, indicating little democratic progress.

Participation of LRAs in EU Programmes in Ukraine

Cross-Border Co-operation (CBC) programme: Ukraine participates in one sea basin programme and three land border programmes.

CIUDAD programme: Ukraine participates in five projects, including the Sustainable Urban Development project, SPIN project, the MODEL project, and the RBK Save Urban Heritage project.

Institution building programmes: Ukraine has the longest experience of twinning programmes in the EaP region.⁹

NSA-LA programme: €300,000 was made available to local authorities in Ukraine for the 2011-12 period, identifying specific local authority objectives including capacity building, advocacy and training and education.¹⁰

Lessons Learned from Participation of LRAs in EU Programmes in Ukraine

Decentralised powers and competences are quite limited in Ukraine at both a *de jure* and *de facto* level. Regional decentralised authorities (Regional Councils) have almost no significant competences, while, at the level of regions (oblasts), Governors (nominated by the President) and their Oblast Administrations play a major role in establishing the regional development economic plans and in the choice of major investments (e.g., infrastructure projects). The Oblast Administration is almost unavoidable for any kind of ambitious development plan for LRAs in Ukraine.

On the other hand, City Administrations and Municipal Authorities enjoy a limited but effective level of decentralisation, even if their budgets are insufficient to cope with all challenges LRAs might be required to address. Despite the limited level of decentralisation, for identical levels of formal powers and competences, the situation in Ukraine is not uniform, and some municipal authorities are able to push the limits of their self-government to unexpected levels, mainly based on the possibilities offered by international cooperation or their own institutional efforts. The situation, in this respect,

⁸ Details are available from: <http://www.auc.org.ua/>

⁹ Details are available from: <http://twinning.com.ua>

¹⁰ Details available from: http://ec.europa.eu/europeaid/documents/awp/2011/awp_2011_ukr_p2_en.pdf

differs greatly from region to region (especially between the East and the West of the country, with a special situation for the Autonomous Republic of Crimea), due to historical and cultural reasons, but also due to current political developments (for example, a more cooperative dialogue between Governors and Mayors of big cities can have very positive effects).

With few exceptions, regional and local authorities lack the institutional (and sometimes even technical) capabilities and budgets to implement their own policies and are heavily dependent on decisions and transfers from the central level (from Governmental departments). Consequently, there are low capacities for the management of regional and local development at all levels. A major challenge is not only the design of new policies and of a financial instrument, but especially the identification and implementation of projects. In this regard, the necessity for capacity building in project management and needs assessment is especially evident at the level of municipalities, which is closest to the citizens and their problems, and at the level of regions (especially oblasts), where most of the planning processes originate and where national resources are collected.

Lessons learned from previous EU experience in Ukraine include:

- The need to implement a systematic step-by-step approach related to deepening the capacities in all regions and for all local authorities.
- Capacity building measures have, in the past, concentrated primarily on short-term training initiatives and were offered to institutions and organisations, instead of offering them to individuals to help foster their personal career development to ensure a long-term build up of knowledge, expertise and skills. Given the high level of staff turnover in the Ukrainian administration (especially the local and regional), the prevailing approach to training prevents a sustainable capacity building for regional development.
- Regional development strategies and regional programmes are based on academic expertise "ex cathedra", but without the involvement of stakeholders and concrete implementation plans and budgets. The promotion of a dialogue to encourage realistic development strategies should be a key element in any future new project.
- A lack of coordination between different regional development stakeholders has been a major obstacle to reforms in the past. Therefore, any future project should promote cooperation, networking and exchange between all major stakeholders, and increase horizontal and vertical linkages.
- Projects combining "soft" (capacity building/technical assistance) with "hard" activities (funding of projects) have proved to be more effective because they enabled LRAs to "learn by doing".

Because of the wider institutional framework present in Ukraine, there are a number of risks for EU involvement. They include:

- Uncertainties about entities and personnel in charge of Regional Development at the national level have hampered the formulation of previous projects. Risk mitigation strategies might include encouraging the central government to demonstrate clear commitment to future projects. Systems for channelling funds to LRAs from the national budget do exist and are normally used by national authorities. However, if the main pre-conditions of budget support are not fulfilled, the EU might instead finance pilot regional development projects in several regions and cities, through calls for proposals. Pilot regions would be selected according to defined criteria, using a competitive approach.
- The risk that central government will not approve any major reforms relating to regional development until programmes begin. Risk mitigation measures might include concentrating on capacity building and implementation activities at the local and regional level. Regional and local authorities might be able to implement self-development programmes without formal legislative changes.
- Political instability may persist in the country, leading to lower levels of full cooperation from central government authorities on programmes aimed at the national, regional, and local levels. Risk mitigation measures might include developing a step-by-step strategy approach, using a mix of cooperation and competition to convince stakeholders to cooperate.
- Continued economic weakness in the aftermath of the severe recession of 2008-09 might result in the weak provision of transparent and comprehensive financial frameworks for LRAs in the short and medium term. Risk mitigation measures might include continuous dialogue with the authorities and the strengthening of coordination processes to foster improved shouldering of financial responsibilities within state authorities vis-à-vis regions and cities.

Specific Lessons from a Case Study Project Featuring LRA Involvement in Ukraine: the Support to the Sustainable Regional Development Project in Ukraine

The overall objective of the project was to upgrade regional policy in Ukraine by extending EU regional development policy.¹¹ The primary objectives were to: (1) strengthen the Ukrainian authorities' capacity in policy formulation and the decision making process for sustainable regional development; (2) establish a national financial instrument for regional development; and (3) assist the

¹¹ Further details available from: http://www.ssrp.org.ua/content/eng/prjdoc/Exit_Strategy_EN.pdf

Ukrainian authorities in implementing the plan of activities for sustainable regional development (Action Plan).

Key lessons included:

- Awareness-raising amongst stakeholders reduced resistance, promoted acceptance and raised motivation. Failure to achieve this can lead to problems later on. Consequently, any successful project requires efforts to raise awareness, understanding and knowledge, and not just political will.
- In future, further support should be more sharply conditional on fulfilment of commitments on the Ukrainian side. Little was gained from setting impracticable targets.
- There is often a lack of stability and continuity in partner institutions, management and operational staff, beneficiaries and LRA/NGO partners. This resulted in scattered communication and projects that did not perform as well as expected.

2.3 MOLDOVA

Local and Regional Authorities in Moldova

- LRAs include 32 districts (raioane), three municipalities, the Autonomous Territorial Unit of Gagauzia and the Transnistrian Region.
- Final judicial status of breakaway Transnistrian Region is not finalised.
- Mayors and the governor of Gagauzia are directly elected.
- LRAs enjoy limited financial autonomy.
- There is an Association of Mayors and Local Communities of Moldova.
- The Freedom House score for local democratic governance is 5.75 out of seven indicating little democratic progress.

Participation of LRAs in EU Programmes in Moldova

Cross-Border Co-operation (CBC) programme: Moldova participates in one sea basin programme and one land border programme.

CIUDAD programme: Moldova participates in three projects, including the Sustainable Tourism project, the MODEL project, and the Energy Efficient Municipalities project.

NSA-LA programme: €200,000 was made available to local authorities in Moldova for the 2011-12 period, identifying specific local authority objectives including capacity building, advocacy and training and education.

Lessons Learned from Participation of LRAs in EU Programmes in Moldova

Although the extent of Moldovan participation in LRA-oriented programmes has thus far been limited, the evidence suggests that the absence of systematic, robust autonomous management of local finances reduces local and regional authorities' ability to take full responsibility for managing European funds, which require adequate administrative and planning capabilities and enough funds to cover the local financial contribution. In future, programmes aimed at LRAs in Moldova should seek to consolidate the financial autonomy of LRAs.

This will require the implementation of a transparent, fair, credible system of local public finances, in which there will no longer be rigid practices and clientelism supporting an unbalanced system of discretionary distribution of budget resources to local communities. Moreover, greater independence should be given to the local budget process, guaranteeing adequate revenues and enabling the collection of local taxes, which would allow resources to be managed independently and, indirectly, would make it possible to design local economic development policies.

The current absence of any clear delimitation of responsibilities among local and central authorities is preventing the decentralisation process from moving forwards, and the overlapping responsibilities of different levels of public administration are having a negative effect on the quality of public services. Reform in this area should ensure that resources are proportionate to the powers assigned to LRAs. Any delegation of powers to LRAs can only take place under conditions of equality between the parties, with full coverage of costs and legal protection of local autonomy.

Wider Lessons from Previous EU Programmes in Moldova

The most recent TACIS evaluation noted that the programme was, as was the case in most other EaP countries, characterised by a large number of “stand-alone” technical assistance projects, in particular on institutional and administrative reform.¹² These often achieve good results at project level, but have limited impact at sector and national policy levels due to a lack of continuity and coherent long-term sector planning. In the specific case of Moldova, the evaluators also observed that there are clear risks linked to limited administrative and absorption capacity.

¹² For more details see: http://ec.europa.eu/world/enp/pdf/country/enpi_csp_moldova_en.pdf

The report also noted that while the majority of TACIS projects were perfectly in line with national priorities, they were not always the projects affiliated to concrete initiatives funded by the government, which had a negative impact on project sustainability. Moreover, there were sometimes problems of commitment from partner institutions. Therefore, any future projects should aim to secure clear commitment from partner institutions and ensure that projects are coordinated in a more integrated and coherent fashion.

2.4 GEORGIA

Local and Regional Authorities in Georgia

- LRAs include two autonomous republics (Adjara and Abkhazia – the latter claiming independence) and ten regions (including separatist South Ossetia, which claims independence), which are further divided into districts.
- Russia recognises the independence of Abkhazia and South Ossetia, which are de facto not ruled from Tbilisi.
- Competences of LRA are divided into exclusive, delegated and voluntary (residual) responsibilities.
- Local authorities are often starved of money and dependent on central government.
- There is a National Association of Local Authorities of Georgia¹³.
- The Freedom House score for local democratic governance is 5.50 out of seven denoting little democratic progress.

Participation of LRAs in EU Programmes in Georgia

Cross-Border Co-operation (CBC) programme: Georgia participates in one sea basin programme.

CIUDAD programme: Georgia participates in four projects, including the Sustainable Urban Development project, the Sustainable Tourism project, the Save WHL Cities War Free World Heritage Listed Cities project, and the MODEL project.

NSA-LA programme: A preliminary sum of €150,000 was made available to local authorities in Georgia for 2013.

¹³ Details are available from: <http://www.nala.ge/>

Lessons Learned from Participation of LRAs in EU Programmes in Georgia

Georgian participation in LRA-oriented programmes has thus far been extremely limited, with any projects undertaken still in progress. Therefore, it is difficult to learn conclusive lessons from EU experience in Georgia. Nevertheless, the experience of other EU activities in Georgia does suggest some relevant lessons can be learned. For example, the effectiveness of EU assistance was hampered in the past by institutional and political instability, widespread corruption, severe budget constraints due to low tax collection and poor public finance management, and by a severe deterioration in governance. These negative factors added to weak public administration and a lack of motivation in the civil service, dramatically limiting the ability of Georgia to absorb EU assistance. While some progress has been made in these areas, there remains much work to be done to increase Georgia's absorptive capacity. Indeed, in spite of some recent improvements, weak administrative capacity, excessive turnover in senior positions in ministries, and an underpaid civil service will continue to be a risk factor for any future projects aimed at LRAs in Georgia. In this context, continued progress in public administration and civil service reforms will be key to achieving long-lasting and far-reaching results.

The best results from EU assistance have been achieved when there was full convergence on EU-Georgia priorities and strong ownership by the Georgian government. The gradual adoption by the Government of sound public finance management and planning practices and more systematic sectoral planning should ensure a higher degree of central government ownership and facilitate effective and coherent donor coordination. Experience from other EU assistance projects, such as TACIS, has shown that the effectiveness and visibility of EU assistance was increased when the EU combined different aid instruments so as to implement a broader programme following a more strategic and integrated approach.

Looking to the future, the creation of a Ministry for Regional Development and Infrastructure in Georgia in 2009 was certainly welcome. Indeed, the fact that the Georgian authorities made regional development one of their political priorities, with the aim of boosting the country's economy, suggests that the scope for LRA-focussed initiatives will be much greater in the future.

2.5 ARMENIA

Local and Regional Authorities in Armenia

- LRAs include the city of Yerevan and ten provinces (marz), which are further divided into communities (hamaynkner).
- Regional heads in provinces are appointed by the centre, and there are indirect elections for the mayor of Yerevan.
- Local self-governments make policy and implement their powers independently from the central government.
- Autonomy is, however, restricted by limited financial resources.
- There is a Communities Association of Armenia¹⁴.
- The Freedom House score for local democratic governance is 5.5 out of seven indicating little democratic progress.

Participation of LRAs in EU Programmes in Armenia

Cross-Border Co-operation (CBC) programme: Georgia participates in the Black Sea Basin Programme.

CIUDAD programme: Armenia participates in three projects, including the GOSPEL Creating social links through a sport and good governance project, the Liaisons for Growth project, and the MODEL project.

NSA-LA programme: A preliminary sum of €250,000 was made available to local authorities in Armenia in 2011.

Lessons Learned from Participation of LRAs in EU Programmes in Armenia

Armenian participation in LRA-oriented programmes has thus far been extremely limited, with any projects undertaken still in progress. It is, therefore, difficult to learn conclusive lessons from EU experience in Armenia. However, the CIUDAD GOSPEL programme has yielded some important points for future LRA participation in EU programmes. This project promotes an exchange of best practices in the management of recreational facilities, helping to establish sites and sport facilities, exploring models of financing and energy management, looking at ways to promote equality of access for women and the socially disadvantaged, and developing sports-related event and city marketing policies. Furthermore, the project aims to prepare a feasibility study for one pilot project in each city (e.g. for developing a public site into a recreational facility).

¹⁴ For details see: <http://www.caa.am>

Preliminary evidence suggests that GOSPEL has helped in fostering a broader territorial approach at both the national and regional levels by involving different stakeholders working together around the same theme (local governance through sports). It has allowed LRAs to discuss, share experiences and implement best practices amongst themselves without a direct input/supervision from the Central Government which is an important added value in the case of the Tunisian and Armenian partner cities (although it should be noted that the effective involvement of the relevant services of the Central Government was key to the success of the project).

The project manager, Ms de Maximy, has highlighted the challenge of working with a decentralised cooperation model in relatively centralised states and pinpointed the importance of accommodating the technical and administrative constraints (which cannot be changed or over-ruled overnight), but observed an evident willingness from all stakeholders to learn and achieve a better ownership of the project through a two-way participatory and inclusive dialogue. Ms. de Maximy also encouraged the EU to support the exchange of experiences and lessons learned from the different partnerships implemented under CIUDAD and other EU-funded programs targeting LRAs (MED-PACT, NSLA, etc.), and to assist in the consolidation and sustainability of these partnerships when the programme or the funding ends.

2.6 AZERBAIJAN

Local and Regional Authorities in Azerbaijan

- LRAs include 59 districts (rayon), 11 cities and the Nakhchivan Autonomous Republic (which itself contains 7 districts and 1 city).
- The separatist, predominantly Armenian, Nagorno-Karabakh Republic as well as several regions of Azerbaijan around it are under Armenian military occupation.
- Municipal authorities are expected to align themselves with local branches of state administration.
- There is an Association of City Municipalities, Association of Settlement Municipalities and an Association of Village Municipalities of Azerbaijan.
- The Freedom House score for local democratic governance is 6.25 out of seven indicating very poor democratic progress.

Participation of LRAs in EU Programmes in Azerbaijan

Cross-Border Co-operation (CBC) programme: Azerbaijan was invited to participate in the Black Sea Basin Programme, but elected not to do so.

CIUDAD programme: Azerbaijan has the opportunity to participate in CIUDAD projects, but has elected not to do so.

NSA-LA programme: No funds were allocated to LRAs in Azerbaijan.

Lessons Learned from Participation of LRAs in EU Programmes in Azerbaijan

Azerbaijan has not participated in LRA-oriented EU programmes to date.

2.7 OVERALL LESSONS LEARNED FROM EU PROGRAMMES IN THE EaP REGION

Strengths and Future Opportunities

- The participation of LRAs in policy dialogue and formulation can be reinforced if they cooperate with other LRA organisations and umbrella structures (as observed in Ukraine, for example).
- There is an increasingly favourable formal legal environment in several EaP countries, at least at an official level, but the challenge is how to make this legal environment more participatory and inclusive (i.e., not only privileging LRAs that gravitate towards central government).
- LRAs are developing their capacities for answering calls for proposals and invitations for decentralised cooperation. As such, improved coordination with civil society organisations might be of particular benefit.
- Membership of international organisations or conventions can also widen the horizons for an effective participation in policy formulation and draw more support for LRAs.
- “Giving voice” to LRAs is crucial for the sustainability and long-term impact of wider institutional reform in the EaP region.

Weaknesses and Obstacles

- There is a lack of official institutional space or platforms for dialogue among LRAs in the EaP region. As a result, true decentralisation is not evident in any of the EaP countries.

- Lack of institutionalisation at all levels of government, with a continued tendency towards ‘personalised’ policy making, with greater emphasis on individuals and less on long-term institutions and organisations.
- LRAs are often not sufficiently aware of applicable EU programmes and do not always have the necessary capacity to benefit from these programmes, especially in smaller LRAs. Moreover, smaller LRAs often experience difficulties identifying appropriate EU partners.
- Small and medium-sized LRAs are often geographically remote and possess only modest financial and organisational resources.
- There is a shortage of properly trained and skilled staff in all but the largest municipalities.
- Ownership of the territorial development process within LRAs remains relatively weak.
- LRAs can experience difficulties in incorporating grants into local budgets due to internal procedures and conflicts between services in the national administration.
- Aid cooperation for LRAs channelled through central governments runs the risk of benefitting only those LRAs that have close relations with the central government.

Examples of Good Practice

- The provision of capacity building and distance learning opportunities for LRA staff members has proved useful (e.g. Ukraine).
- Involvement of LRAs in other EU programmes (e.g., Annual Action Programme in Belarus, sector support on regional development in Georgia, etc.).
- Encouraging smaller LRAs to band together to improve dialogue with central authorities was successful as illustrated, for example, in Armenia, where a strengthened mayors’ association improved the position of LRAs.
- Coordinated actions in one sector between LAs across the EaP region can lead to visible and sustainable results (e.g., France-Armenia cooperation in tourism).
- Creation of support mechanisms/helpdesks (e.g. as shown in the CIUDAD projects)
- Twinning/”Peering” with other municipalities to respond to specific local needs.
- Grouping of small municipalities within a Federation or Cluster can be very useful as every municipality can contribute to the group according to its know-how and resources (e.g. Ukraine).

Recommendations

- Continue to advocate the strengthening of LRAs as independent decision makers, both in a formal legal sense, and also in practice (e.g., through the provision of greater material resources from central government).
- Continue to enhance the role of national association(s) of LRAs as important contact points between EU and central authorities.
- Encourage the development of a trilateral political dialogue between EU, central and local authorities.
- The EU should have a multi-layered approach in its bilateral cooperation with EaP countries, targeting LRAs in all its projects and programmes. This would involve, for example, involving the Committee of the Regions in programmes targeted at national level authorities.

Overall points from previous EU experience in the EaP region

- Cooperation between EU and EaP partner country's actors has to be strengthened in three areas: (a) the development of stronger local capabilities; (b) increased knowledge sharing and exchanges of experiences; and (c) the establishment of a clear division of labour, responsibilities and prerogatives between actors.
- A territorial approach is particularly suited to the integration of various actors and stakeholders in the aid cooperation arena as it makes it possible to associate the "territory" with its actors, their visions and their projects in a spirit of synergy.
- A strong "appropriation" of the development process by local actors is crucial for fostering coherence, otherwise these remain broad and vague principles without any significant effect.
- A firm commitment by local actors is essential in promoting LRA ownership of projects and shifting them away from a culture of aid dependency. Efforts should be made to: develop clear areas of responsibility and visibility for LRAs; share recognition of successful initiatives; promote innovation and risks-taking by LRAs; mobilise stakeholders' contributions and local resources.
- Local actors (LRAs, civil society organisations, etc.) should be urged to play roles going beyond the simple execution of aid projects, and to get involved very early and actively in the processes of policy definition and formulation. Moreover, they should be encouraged to advocate principles of transparency and efficiency which may have a transformative effect on central government behaviour.
- Aid sustainability cannot be achieved through short-term and ad-hoc initiatives and requires a long-term approach by the various actors and

donors. The EU and other stakeholders must thus be pragmatic in their approach and define progressive objectives rather than expect changes to occur immediately.

3. LESSONS LEARNED FROM PREVIOUS EXAMPLES OF EU-LRA PROGRAMMES OUTSIDE THE EaP REGION

A number of valuable lessons can be learned from the experience of EU cooperation with target country LRAs in the past. First, there is a wealth of experience to draw on from the use of geographic instruments, i.e., instruments targeted at LRAs in specific geographically defined regions. These include programmes directed at Latin America and the Mediterranean region. While the context in these instances is not identical to the environments in the countries of the EaP region, there are nevertheless a large number of valuable lessons to be learned in terms of examples of good practice, obvious mistakes to be avoided, etc. Second, there are thematic instruments used across the world, such as the ‘Structured Dialogue’ Initiative.

3.1 GEOGRAPHIC INSTRUMENTS

URB-AL Local and Territorial Development (Latin America)

The objective of the EU’s URB-AL programme was to develop networks of cooperation between local authorities on concrete topics and problems of urban local development.¹⁵ Launched in 1995, URB-AL brought together more than 680 local authorities around projects affecting topics as varied as drugs, environment, citizen participation, poverty alleviation, transport, safety, town planning, economic development, the information society and democracy.

URB-AL played a leading role in the strengthening of the relations between the members of the European Union and the 18 Latin America countries by encouraging direct experience exchange between territorial representatives and technicians from both continents. Over the course of the programme, almost 40 international meetings were organised, bringing together more than 10,000 people. 13 subject networks coordinated more than 2500 local authorities, associations, NGOs, trade unions, universities or companies. More than 180 projects emerged. These joint projects involve more than 1600 participations. Between 2007 and 2013, the EU is contributing €50 million.

¹⁵ More information is available at: http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/urbal/index_en.htm

Through the exchange and the participation of the local authorities in joint projects, the URB-AL programme helped:

- Increase the capacity for action of the cities and regions in social, economic and cultural development, including the creation of new equipment or public services.
- Develop the capacity of LRA management through training programmes.
- Promote partnership between local authorities and representatives of civil society.
- Increase the participation of the LRAs (especially of the smallest ones) in international initiatives.
- Bring good European and Latin-American practices of local development into the respective local environments.
- URB-AL is regarded as the programme that has done most to enhance the Commission's image and visibility in Latin America as a whole.
- URB-AL can be considered to have achieved four main goals: (i) it has become the main tool for fostering and enhancing the dialogue among the sub-national governments of Latin America and Europe; (ii) it has stimulated the role of local governments as main actors within the framework of public policies; (iii) it has made possible the spreading and promoting of innovative approaches in the field of public policies; and (iv) by introducing the concept of 'North-South partnership', this programme has changed the way development instruments are designed.
- Since 2007, the third phase has sought to increase the participation of the smaller local authorities, promote trans-border cooperation, give more emphasis to concrete projects with tangible results, and is setting up an entity that will take over the implementation of the programme.

MED-PACT Local Authorities Partnership Programme in the Mediterranean

The MED-PACT programme came into existence as a result of a Committee of the Regions request in a 2003 Opinion to support cooperation between local authorities within the Euro-Mediterranean partnership.¹⁶ It also met one of the main recommendations of the Foreign Affairs Ministerial Conference of the Euro-Mediterranean Partnership, held in Naples in December 2003, which called for the promotion of civil society partnerships in the region to give greater substance to the Barcelona Process. The main objective of the programme was to encourage a better understanding between the civil society of the North and the South of the Mediterranean by developing cooperation, exchanges and dialogue between cities. Specifically, this involved assisting the EU's

¹⁶ For more information see: <http://www.med-pact.eu>

Mediterranean partner countries to ensure a more balanced and durable local development, via partnerships between cities; and promoting better municipal planning and management, involving a wide range of city actors. A total of nine projects were funded, with EU co-financing reaching €4.8 million.

Lessons Learned and Recommendations from Geographic Instruments Outside the EaP region

The importance of the socio-political context

- It is very important to carefully study not only the technical aspects of any proposed project, but also the socio-political aspects of any proposed intervention. Consulting local partners is crucial in this regard.
- Avoid “quick-fixes” and instead endeavour to learn about every aspect of partnership at the project planning stage to improve the chances of success of a partnership in the implementation phase.
- Above all, adopt a case-specific approach to projects. Avoid assuming that what worked well in Europe will ultimately work well in any other environment.
- Preparation of the partnership
- The careful preparation of any partnership is instrumental in the success of any project. Negotiations and consensus building should take place directly with the LRAs involved and not through intermediaries, including central governments.
- Rather than signing a simple partnership statement prior to the start of the action, it is advisable that the statement also includes a section for certifying that the partner reads and approves the technical proposal and another section stipulating that the budget is read and approved as well.
- Sharing, discussing and improving the proposal prior to submitting it (when answering a call for proposals) leads to a quicker and more efficient start of activities. Holding a preparation meeting (virtual or face-to-face) involving all partners is a best-case scenario and increases ownership and chances of success.

Decentralisation vs. Centralisation

- Carefully enquire about the local system and the local administrative requirements prior to conceiving the project. Simple administrative errors can sometimes delay an entire project or even stop it.
- Cooperation between local and regional actors in non-EU environments is not as “mature” as it is in the EU and other advanced economies. This is especially true of the EaP countries, something to be taken into

consideration in designing effective policies aimed at the sub-national level.

Planning vs. Concrete Projects

- While there is no “silver bullet” on how a local and regional authority cooperation project should be conceived, a fair balance between studies and practical achievements is always desirable.
- If the project intends to stop at the pilot project identification stage, it is only fair (to the target LRA in particular) that the project design provides some mechanisms for how these pilot projects will be funded and implemented.
- Local ownership of the pilot projects should also be at the core of the project design, otherwise the effort invested in drawing up these pilot projects will be lost and the proposals filed and forgotten.

LRA Size

- Leaders of partnerships should be resourceful and experienced enough to bring the project to a successful conclusion. This can be checked through their track record, but also through the additional resources they propose to bring to the partnership.
- It is important to go beyond the closed circle of large LRAs which have the highest level of visibility and adequate local resources to commit; however, it is important to engage in a process of capacity building with the staff of medium and small LRAs prior to executing the projects as it is unfair to assume that they have the required capacity.
- In the longer term, outcomes and impacts achieved with medium-sized LRAs are likely to be more visible and better sustained than with large cities.

Partnerships Between LRAs

- Real, effective partnerships need to be built around shared objectives and include a comprehensive set of activities and not a one-off activity that is often labelled as a “partnership”.
- Intra-EaP partnerships are still not as strong and as well defined as EU-EaP partnerships, although a significant pool of experience and knowledge has been built in the EaP as a result of more than two decades of decentralised cooperation with the EU.

- Networking can be a very useful tool for mainstreaming EU-EaP partnerships, but networks need to be built around a shared vision and a well-established agenda for action to be successful and sustained.

Financial Issues

- The transfer of EU funds to partners from the EaP is not always easy and requires complicated administrative procedures, but without properly addressing these difficulties decentralised cooperation will still be missing an essential element.
- It is unfair to ask partners and individuals to advance funds and then wait for several months to be reimbursed. Either the Lead Partner should advance the money needed to properly execute the activities or it should pre-pay them.
- Financial transfer models should be those which achieve optimal accountability while building the capacities of the partners in the South at the same time (i.e. the advance payment or the payment-on-activity model).
- LRA Ownership of Projects
- Projects have more chances of succeeding when there is a clear ownership at the LRA level of these projects.
- The evaluation of proposals should clearly take into consideration the demonstrated capacity of the applicant to mobilise core services from within the applicant region (such as clearly designating the agencies and services which will be involved in the project) and avoid proposals intending to contract the management of the project to an external technical assistance.

The Importance of Language Skills

- Respecting language specificity is often regarded as a sign of respect and acknowledgement of the diversity within the partnership. Hence it is important to set aside an adequate budget for translation and to take the time (and the trouble) to translate the outputs of the projects into local languages.
- The presence of at least one team member in the management of the project who is able to speak the local language of the partner is a serious asset, especially when field work is involved and needs close interaction/communication with the local population.
- When possible, the provision of training in local languages is by far more efficient than undergoing several layers of translation, and is a good

indicator for securing EU partnerships with countries outside the EU, such as those in the EaP region.

Management and Reporting

- It is better to produce a realistic activity plan than an idealistic plan that will require several extensions (i.e., if the call for proposals provides for 36 or 48 months, why should the proposed projects take place over just 24 months?).
- Paying attention to the financial and administrative milestones set by the EU is a positive sign for a project's chances of success.
- It is advisable to include a “Phase Zero” to cater for the start-up requirements of a project which normally ends with the kick-off workshop for the project, which gives the decisions taken during the kick-off workshop a better chance of being implemented.

Internal Governance

- Having both Steering Committees and Scientific Committees helps in improving project performance.
- The performance of the project should be regularly assessed and benchmarked in the light of the Logical Framework of the project.
- An external evaluation mechanism (which also collects and studies monitoring data) has the potential for improving project performance, provided that the results of the evaluation are disseminated and shared among the constituency of the project.

Communication

- Communication and visibility does not only mean displaying the EU and specific project logos on publications and printed material. It means embracing a spirit of sharing and documenting experiences and practices as well as involving stakeholders as projects unfold.
- Project websites are essential tools in the project communication strategy and must be given dedicated resources to keep them updated and to enable them to reflect the true achievements of the projects, while being attentive to special language requirements of the target groups.
- Internal Communication (newsletters, policy briefs, info-points, sharing progress, etc.) play an instrumental role in the success of a project.

3.2 THEMATIC INSTRUMENTS

The ‘Structured Dialogue’ Initiative

An initiative looking to build consensus and improve effectiveness of co-operation on projects with civil society and local and regional authorities. Conceived as a confidence and consensus-building mechanism, the *Structured Dialogue* aimed at increasing the effectiveness of all stakeholders involved in EU development cooperation by finding a common understanding on the main issues linked to the involvement of Civil Society organisations (CSOs) and LRAs in EU development cooperation.

Stakeholders reached consensus on the most pertinent needs to be supported by donors and discussions focused on how to best adapt existing EU delivery mechanisms and on alternative or innovative mechanisms that could be used in the future. Technical briefs for 12 delivery mechanisms were developed, including budget support to local authorities and calls for proposals targeting local authorities.

Lessons Learned and Recommendations

Recommendations to Local and Regional Authorities

- According to their mandate and responsibilities, LRAs should contribute to a clear division of labour at the local level that reflects the complementarities between the different development actors (i.e. local and regional authorities, donors, private sector, CSOs, communities, etc.) by encouraging and organising information-sharing and coordination between them.
- LRAs should contribute to a better ‘fit’ of development plans to community needs by investing in a meaningful dialogue with citizens (on the basis of a better articulation vis-à-vis CSOs and the private sector). More specifically, LRAs should embrace participatory planning processes, which allow for the effective participation of local stakeholders (i.e. through territorial approaches) in the design, implementation, monitoring and evaluation of local development plans and budgets.
- LRAs should strengthen the national organisation in their country (or set it up where it does not exist) in order to ensure representativeness as regards governments and donors in strategic dialogues, and to improve their internal capacity and collaboration with peers.
- LRAs should capitalise on successful and promising multi-stakeholder experiences, such as the European Charter on Development cooperation in support of local governance and strengthen strategic partnerships with

CSOs at local and international levels in order to speak with a stronger voice (e.g. a shared vision on national development priorities).

- LRAs should contribute to good governance of local development plans through more transparent and predictable decision-making and management processes. To this end, LRAs should be assisted and invest in their own capacity building to improve their planning, management, implementation and reporting prerogatives.
- LRAs should strengthen the coordination between the local level and higher levels of governance (regional, sectoral and national) and foster synergies between their policies and actions, on the one hand, and government and donor programmes, on the other hand.
- LRAs should work to develop cooperation mechanisms (e.g. peer-to-peer collaboration, twinning, networks, etc), which can play an important role in promoting mutual accountability and building capacities.
- LRAs should also strengthen the coordination of decentralised and other international cooperation activities to enhance the impact and effectiveness of all interventions within their territories.
- Based on the conviction that the initiative of the identification of development needs lies with local authorities in partner countries, European LRAs involved in projects should increasingly try to understand local LRAs' needs through research and enhanced dialogue, and support local LRAs' efforts to demonstrate their own legitimacy (in terms of roles and practices).

Recommendations to the EU

- The EU should adopt a differentiated strategy on the commitments of CSOs and LRAs, outlining their respective multifaceted roles in development, human rights and democratisation, governance, public awareness, peace and security.
- The EU should attach fundamental importance to decentralisation as an important building block for good governance and effective development assistance at the local level (e.g., by including indicators linked to local governance in the set of conditionalities to donors' partnerships with national governments).
- LRAs and the associations representing LRAs should be recognised as legitimate development partners and should be systematically invited to engage in policy dialogues in order to positively influence public policies that have an impact in their territories. A more integrated approach to strengthening local development and governance that combines working locally, nationally, regionally and globally should be adopted, whilst

efforts should be addressed towards supporting LRAs' own cooperation efforts.

- On the basis of a country-driven consistent road map, the EU should promote and support regular, structured and inclusive multi-stakeholder dialogues to increase trust, complementarity and mutual accountability across stakeholders, including with the political society. Sustained efforts are required by the EC to improve the quality of engagement/dialogue processes at all governance levels (i.e. local, regional, national, global).
- The EU needs to invest in understanding the local arena. To this end, strategic mappings should be regularly conducted and updated to identify the most relevant actors, yet going beyond the known beneficiaries (e.g. through sharing expertise among the EC, MS and International CSOs on credible local CSO/LRA 'drivers of change'). Furthermore, the EU is encouraged to develop further in-house expertise in local governance, human rights and civil society. Sufficient resources and guidance should be made available so as to develop, apply and monitor CSO and LRA engagement strategies and practices. In particular, networks of both CSO and LRA focal points should be strengthened and developed.

4. HOW LRAs CAN IMPROVE ACCESS TO EU FUNDS

This section offers some recommendations on how LRAs from EaP countries can maximise their participation in future projects, especially in light of the increased funds that will be made available as part of the EaP programme. These recommendations are based both on previous experience gained by the EU in delivering similar programmes elsewhere, and also on the circumstances of the countries from within the EaP region.

4.1 PRACTICAL RECOMMENDATIONS FOR INCREASING LRA ACCESS TO EU FUNDS

There are a number of practical measures that, if taken into account, can help LRAs in EaP countries strengthen their ability to access EU funds through successful funding applications. Prospective applicants for EU funds should take the following points into account when generating funding ideas and then drafting the proposals.

EaP funding will follow the same modalities used for other programmes financed under the ENPI. Potential beneficiaries are invited to participate in the Calls for Proposals and Calls for Tenders as published by EuropeAid on its website and by Delegations in the 6 EaP countries. In addition, funds made available to complement loans by European Financial Institutions will be channelled primarily through the Neighbourhood Investment Facility (NIF). In such cases, the specific rules used in NIF-funded projects will apply. More information on published Calls for Proposals and Calls for Tender can be found at:

http://ec.europa.eu/europeaid/work/funding/index_en.htm

Information on funding through the NIF can be found at:

http://ec.europa.eu/europeaid/where/neighbourhood/regionalcooperation/irc/investment_en.htm

Once an appropriate programme has been identified, prospective applicants for EaP funds should take the following points into account when generating funding ideas and then drafting the proposals.

- First, make sure that the idea matches the funding call. Another strategy is to look at the funding call – i.e. what is being funded – and then generate ideas about what kinds of proposals could be made that meet the criteria.
- Second, make sure that the idea matches both the objectives listed in the funding call as well as the geographical context indicated and the topic indicated. Extensive evidence of this will need to be provided throughout the proposal. There is no need to be afraid of repetition: what is important is that the claims made are evidenced, and this is what is assessed.
- Third, contact the respective EU delegation for guidance and support at an early stage (see below for contact details). They will be familiar with what funding is available in their countries, and they will also be able to provide insight from their previous experience in helping implement projects.
- Fourth, the EU wants to provide funding for projects that will make a difference. Therefore the proposal should be ambitious (i.e. stating how and why a given project is original or innovative and what essential outputs it will deliver) whilst not promising unrealistic deliverables that cannot be attained. In other words, it should be clear what the criteria are that the project should be judged against when it is completed, and there should be no doubt that this can be delivered. Evidence from other countries shows that programmes that build long-term relationships between local and regional authorities across national boundaries are supported. Project proposals should demonstrate real significance in addressing an immediate cross-border problem, but should also offer concrete steps towards building a long-term partnership that will be able to collaborate on meeting further challenges in the future.
- Finally, it may be advisable to hire a professional consultant with a track record of putting proposals together. This should make the bid much more likely to succeed and need not incur excessive costs.

There is an attraction for the EU in funding projects that are put forward by a consortium of actors, because it is seen as adding weight to the proposal by aggregating the experience and expertise of a diverse group of individuals. If this can be achieved, it will add weight to the proposal, but the following points should be taken into account.

- A clear project coordinator with experience, credibility and standing in the eyes of the partners should be nominated.
- Care must be taken to ensure that there are an optimal number of partners, which will depend on the project to be implemented. Large consortiums (of more than five partners) can be difficult to manage but too small a group (i.e. two or even one) will make implementation of a project too

difficult when resources become too thinly stretched. Obviously this will depend on the capacity of the implementing organisations.

- All opportunities afforded should be used to establish contacts with potential project partners in both EU member states and in other candidate countries. If possible, “legacy capture” should be demonstrated and further projects developed together with existing partners at the local and regional level showing that there is an ongoing relationship emerging. The potential that this network offers for solving problems on the ground should be demonstrated.
- Everyone involved in the project should have a clear role and this should demonstrably match their capabilities and experience.
- Everyone involved should have some input into writing the proposal, in order to make sure that as many of the criteria as possible are met. Nonetheless, the project coordinator will undertake the bulk of the drafting and will have the last word.

When writing the core text of the proposal, the following check-list should be used:

- Show how EU funding will help catalyse and support convergence with the EU, in line with the call text and the guidelines.
- Make clear from the beginning what the objectives are, state clearly how these are to be achieved and measured (i.e. what will be the signs of a fully implemented and successful project), and what the outputs are to be. Make clear and demonstrate that these objectives are in line with best practice and the state-of-the-art in the area. It is best to choose outputs that can be clearly measured.
- Show how and why all of the team was selected and demonstrate that the value of the team is greater than the sum of its parts.
- Be brief, concise and to the point. Provide what detail is needed but do not over-extend.
- Check the proposal repeatedly against the call text and the guidelines. It is on this basis that the bid will be judged. As many aspects as possible will need to be covered.

On the budgetary aspect of the proposal:

- EU rules are highly prescriptive and very strict. The standard format for presenting the budget set out in the terms of reference must be followed in order to be considered for funding (a surprisingly large quantity of bids are rejected for not including separate revenue and expenditure sheets).

- Make sure that the request is reasonable. Asking for too much, will result in the project being rejected. Asking for too little will also lead to rejection, since the project will lack credibility as regards being able to achieve its aims. Looking for guidance from examples of past successes will give a feel for what best practice is and what is likely to find favour with the evaluators.
- Match the budget to the work plan, objectives and deliverables. It must be clearly stated why the quoted amount of money is needed to deliver a certain objective or output.
- Check the financial guidelines very carefully. Nearly all projects will require co-funding, although this can be in kind (i.e. staff time etc.). Make sure that all partners know what their share of resources allocated is likely to be and agree this in advance to avoid quarrels and disputes at a later stage. The ENPI regulation opens up the possibility for co-financing from other donors (including EU Member States). Co-financing can be parallel (supporting complementary activities through the programmes established by the different donors) or joint (pooling resources together). In the case of joint co-financing, the Commission can either receive funds from other donors and implement them on the basis of the ENPI regulation alongside the EU budget funding or give funds to other donors to be implemented according to their rules.

Overall points for consideration in drafting the proposal:

- Nothing works as well as the ability to be able to show a strong track record of success in carrying out similar projects in the past. This will provide credibility. Not everyone will have experience in undertaking EU projects, but someone in the tender team should have credibility in this area. For this reason, it is sensible, where possible, to team up with a partner or partners from an EU Member State.
- Bear in mind that considerable time will be needed to complete the proposal. Allow a minimum of 4 months from start to finish, with around 6 months as an ideal time. With this in mind, keep a regular eye on what is coming up for tender on the EaP programme web pages.

Summary: Steps on preparing a funding application

1. Identify an open call for proposals on one of the relevant websites
2. Establish the proposal: what would the authority like to do, with EU financial assistance?
3. Make contact with relevant project partners and establish jointly the aims and objectives of the project
4. Calculate the cost of the project, together with the project partners

5. Download all the relevant funding application paperwork and make sure that each of the sections is filled in appropriately
6. Return all of the necessary application documentation to the relevant funding authorities within the time frame set out in the call for proposals.

The implementation of EaP funds

Funds may be used to fund projects through calls for proposals open to Civil Society Organisations (grants) or may be contracted out to the private sector - after a tendering process - in the case of procurement of goods and services. Depending on the specific action/objective to be pursued, and the intended beneficiary, the funds may also be implemented by Member States, through the secondment of national experts, and Partner Countries' administrations (ex: twinning contracts). The rules governing the implementation of projects will be identical to those already provided by the Financial Regulation and Implementing Rules applicable to the general budget of the European Communities. Particular reference will be made to the Practical Guide on contract procedures for EC external assistance (PRAG).

Useful contacts:

- [European Commission](#)
- [European Commission Financial Transparency System](#)
- [European Parliament](#)
- [Council of the European Union](#)
- [EuropeAid – Development and Cooperation](#)
- [European Neighborhood Policy](#)
- [Eastern Partnership](#)
- [The Eastern Partnership Multilateral Platforms](#)
- [The Eastern Partnership - Flagship Initiatives](#)
- [Eastern Partnership Civil Society Forum](#)
- [Delegation of the European Union to Ukraine](#)
- [Delegation of the European Union to Moldova](#)
- [Delegation of the European Union to Belarus](#)
- [Delegation of the European Union to Georgia](#)
- [Delegation of the European Union to Armenia](#)
- [Delegation of the European Union to Azerbaijan](#)
- [Neighbourhood Investment Facility](#)
- [Estonian Center of Eastern Partnership](#)
- [The Association for International Affairs](#)
- [Eastern Partnership Culture Programme funded by the European Union](#)

4.2 RECOMMENDATIONS TO THE COMMITTEE OF THE REGIONS FOR INCREASING LRA ACCESS TO EU FUNDS

The Committee of the Regions finds itself in a favourable position. Its knowledge of, and relationships with, local and regional authorities across the EU allows it to help increase the awareness of the role that local and regional authorities can play in development, and also to generate support at both the local and national levels to translate this heightened awareness into effective action. It can perform these tasks in two ways.

First, because some of the LRAs identified within this report are already engaged in the EU programmes, the Committee of the Regions can draw on successful experiences to develop a clear model of best practice in ensuring LRA access to EU funds.

Second, by utilising existing relationships among local and regional authorities from within the EU and in some EaP partner countries, the Committee of the Regions can act as a powerful advocate of further decentralisation within the different policy areas of the EaP. At the national level, it should use its position as an EU body to persuade central governments of EaP partner countries to provide the necessary institutional and material resources to empower LRAs across relevant policy areas. At the local and regional level, the Committee of the Regions should seek to transfer knowledge of best practice in the provision and receipt of EU funds to authorities that are currently lacking in expertise. Such activities can be conducted in conjunction with other stakeholders from the European and wider international community.

In addition, there are a number of specific initiatives that the Committee of the Regions should consider utilising. They include:

- Developing a supervisory role for the Committee of the Regions (CoR) which, alongside the Conference of Regional and Local Authorities for Eastern Partnership (CORLEAP), could help monitor the work of the EU-EaP country joint subcommittees dealing with issues related to the different thematic platforms.¹⁷ The CoR should aim to ensure that information on potential and ongoing projects flows both ways to ensure that maximum information is available to LRAs, both in EaP countries, and those within the EU. This will, however, require action in LRAs that,

¹⁷ The Conference of Regional and Local Authorities for Eastern Partnership (CORLEAP) was formed as an outcome of the Warsaw summit in September 2011. The resolution is available at: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/124843.pdf

in many cases, currently possess limited institutional and material resources.

- Supporting the proposal of the Commission on signing the Memoranda of Understanding on regional policy with the Eastern partners aimed at building their administrative capacity at national and local level. This could contribute to the implementation of the EaP in the area of the economic and social development of the EaP countries. This could be combined with both the CIB and PRD instruments and the CoR's programme of actions and/or cooperation with partners from local and regional authorities in the EaP countries. The cooperation should aim to share best practices and experience from the EU regional development and cohesion policy.
- The Committee of the Regions should act as a broker of models of best practice in the development of policy, legislative and financial frameworks to support LRA access to EU funds. It should, therefore, aim to develop a role as the focal point for all LRAs that have the potential to be engaged in the provision or receipt of EU funds in the future. The Committee of the Regions can perform the role of focal point in this area by gathering information on different policy areas, developing clear models of best practice, and then disseminating these models throughout EaP partner country LRAs.
- The Committee of the Regions should use its position in Brussels to raise awareness amongst EaP partner stakeholders of the merits of LRA participation in EU programmes. Such awareness can be raised by a series of seminars in Brussels, and other knowledge-exchange activities, aimed at bringing together LRA representatives and administrations from EaP partner countries to address outstanding problems and showcase best practices in the field, whilst at the same time establishing a network of elites with key skills in the area of regional development. Highlighting the important role that LRAs can play can help generate national level support for creating the institutional framework for greater participation in those countries in which such legislation does not already exist.
- These activities can be co-ordinated with other development organisations active across the EU within this field (e.g., the European Investment Bank has established a facility for EaP countries, while the European Bank for Reconstruction and Development is active in these countries), or with international organisations, such as the OECD and World Bank.
- The creation of a multi-purpose, centralised database proposed above, would give the Committee of the Regions the potential to act as a 'clearing house' for proposals from potential recipient LRAs in EaP partner countries. Potential recipients would be able to use the website to access information on sources of funding, and also on LRAs active within their specific policy area. The provision of this sort of up-to-date

information on funding, capacities, and existing activities would facilitate the emergence of new, relevant networks. The success of such a database, however, is contingent on the provision of timely and accurate data by all relevant bodies. Ensuring such provision is thus a key challenge.

SUMMARY

Section 1 identified those EU funds and programmes available to the sub-national authorities from EaP countries. There are two main types of financial instruments used in EU external cooperation with non-EU countries. First, there are *geographic* instruments, used for bilateral and multilateral cooperation with the country/countries concerned. Second, there are *thematic* instruments, used for bilateral and multilateral cooperation, but which cover a wider range of countries than geographic instruments.

Section 2 outlined the institutional framework that LRAs in EaP partner countries operate within, identifying obstacles to the successful implementation of LRA-oriented programmes, and also looking at examples to date of EU programmes in the EaP region. The extent to which LRAs in the six EaP countries participate in EU programmes directed at the sub-national level varies significantly. This variation is a function of the diverse institutional arrangements governing LRAs in the EaP region. The nature of each country's participation in EU programmes and funds to date was described, although there has been, to date, only limited participation in programmes, and of those, many are still underway. As such, conclusive lessons on previous experience of EaP LRAs are at, this stage, few and far between.

Section 3 brought together the valuable lessons learned from the experience of EU cooperation with non-EU LRAs outside the EaP region in the past. First, there is a wealth of experience to draw on from the use of geographic instruments, i.e., instruments targeted at LRAs in geographically defined regions. These include programmes directed at Latin America and the Mediterranean region. While the context in these instances is not identical to the environments in the countries of the EaP region, there are nevertheless a large number of valuable lessons to be learned in terms of examples of good practice, obvious mistakes to be avoided, etc. Second, there are thematic instruments used across the world, such as the 'Structured Dialogue' Initiative. Again, while the context of such initiatives is not directly comparable to the EaP countries there are, nevertheless, important lessons to be learned.

Finally, Section 4 offered a series of recommendations on how LRAs from EaP countries can maximise their participation in projects going forward, especially in light of the increased funds that will be made available as part of the EaP programme. These recommendations are based both on previous experience gained by the EU in delivering similar programmes elsewhere, and also on the circumstances of the countries from within the EaP region. The first set of recommendations gave practical advice on how to identify funding, and then on how to generate effective funding proposals. The second set of

recommendations focused on areas where the Committee of the Regions might be able to increase its role in the EaP region with the aim of increasing LRA participation in EU programmes.