

VADE MECU

**CROSS-BORDER AND INTER-REGIONAL
COOPERATION ON EXTERNAL BORDERS
OF THE EUROPEAN UNION**

September 1997

Foreword

Cross-border co-operation has been developing since the 1950s, motivated by the desire to remove barriers separating regions and communities on either side of borders and to overcome everyday problems affecting the citizens in the border regions. It has been actively promoted by the Association of European Border Regions (AEBR) since its establishment, in 1971.

The European Union has been making a major contribution to cross-border cooperation, especially since the introduction of the Community Initiative Interreg in 1990. A number of EU Programmes are now in place, notably Interreg IIA and Phare CBC, offering financial support for cross-border actions practically on all borders in Europe. There is also support for inter-regional cooperation activities under several EU programmes, and Interreg IIC has recently extended EU support for transnational cooperation.

The European Union also supports the exchange of experience and networking, and to this end the European Commission has provided financial support to the LACE Pilot Project (1990-95) of the AEBR. The project identified and distilled good practice in more advanced regions and helped its transfer to less advanced ones, and established LACE as the European observatory for cross-border cooperation. The 1992 AEBR/LACE conference in Kastoria, Northern Greece provided a new focus on the key issues and problems regarding cross-border cooperation on the external borders of the EU.

Since September 1996 AEBR is carrying out LACE-TAP (Technical Assistance and Promotion of Cross-Border Cooperation especially related to the implementation of the Community Initiative Interreg IIA), with the support of the Commission which has provided a grant covering two-thirds of its costs. LACE-TAP builds on the experience of the LACE Pilot project and offers a broad range of instruments (a European network, regional LACE offices and antennae, a scientific committee, training and thematic workshops, exchanges and study visits, publications, etc) to support cross-border cooperation, and provides EU-level technical assistance to all European border regions as well as to the European Commission.

This Vade Mecum is one of the first outputs of LACE-TAP and has been prepared in close consultation with the services of the Commission (DG XVI and DG IA). It aims to provide an overview of existing EU programmes supporting cross-border and inter-regional cooperation across the external borders of the Union, with a view to facilitating new cross-border initiatives and actions by regional and local actors. In this way it complements the general information and advice available through the LACE Practical Guide and the specific guidance published by the Commission in connection with each of the EU funding programmes.

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Although this document has been prepared in consultation with the services of the European Commission it does not necessarily represent the official views or policies of the Commission.

CONTENT

A.	Overview	1
A1	Introduction	1
A2	Background	1
A3	Cross Border and Inter-Regional Programmes concerning Cooperation across the External Borders of the European Union	4
B.	Programmes to Support Cross Border Cooperation	11
B1.	Interreg II	11
B2.	The Phare Cross-Border Cooperation (CBC) Programm	18
B3.	Tacis Cross-Border Cooperation (CBC) Programme	29
C.	Programmes to Support Inter-Regional Cooperation	33
C1.	ECOS/Ouverture	33
C2.	The MED Programmes under MEDA	40
C3.	Inter-Regional Cooperation Programmes supported under Phare and Tacis	43
C3.1	Phare & Tacis Democracy Programme	43
C3.2	The Phare Partnership Programm	45
C3.3	The Phare and Tacis LIEN Programme	47
C3.4	The Phare-Tacis Joint Venture Programme (JOP)	49
C3.5	Phare Small & Medium-sized Enterprises Cooperation Programme (COOPME)	51
C3.6	Baltics Projects Facility (BPF)	53

SECTION A:

OVERVIE

A. OVERVIEW

A.1 INTRODUCTION

The VADE MECUM aims to provide an overview of existing EU programmes which support cross-border and inter-regional cooperation on the external borders of the EU. It is by no means intended as a substitute of existing regulations and does not attempt to provide the formal guidelines of existing programmes (e.g. as included in the LACE Guide), but to assist potential project applicants in selecting an appropriate funding programme for their purposes.

The VADE MECUM consists of three parts: **Part A** provides an introduction and background to cross-border and inter-regional cooperation and presents a short overview in table form of existing programmes, eligible areas and actions. This is intended as a first orientation for readers. **Part B** presents existing programmes for cross-border cooperation and **Part C** for inter-regional cooperation. Programmes are presented under standard headings and give information about the background and main objectives, experiences to date, eligible areas and activities, funding available as well as key aspects of implementation. Also, a table with further information and guidelines and contacts on EU and national level is provided at the end of each subsection. This will enable the user to quickly access more specific information as well as application forms and other documentation required.

A.2 BACKGROUND

Europe is characterised not only by its shared culture and history, but also by its many borders. Over the centuries, the patchwork of historic landscapes from the Middle Ages have developed into the distinctive patterns of European states that mostly exist today, each with its own national political agenda. Many state borders cut through historical regions and ethnic groups of Europe, and economic activity, commerce and population have tended to drift to the national centres, leaving sparsely populated and economically backward border regions. This situation has been exacerbated by differing policies on either side of the border, particularly in the areas of administration, economics, culture and social affairs. As a result, many state borders developed into real barriers between countries within Europe.

Since the Second World War a variety of activities have been undertaken in order to alleviate the negative effects of borders. **Cross-border cooperation** has been recognised by people living in the border region as an important instrument to alleviate the negative effects of the border and to improve their daily lives. On a different level, **inter-regional cooperation** has developed as an instrument to facilitate the transfer of know-how and the exchange of experience concerning specific issues and, at the same time, to support the principles of European integration.

Although both concepts concern cooperation between partners from different countries, cross-border and inter-regional cooperation display many differences with regard to objectives, activities undertaken and results achieved, as well as the

organisational aspects of cooperation. These derive from the different nature of the two concepts. The two concepts of cooperation are defined as follows:

Cross-border cooperation as vicinity cooperation across national borders between adjacent border regions, involving regional and local authorities and other organisations in the border area.

Inter-regional cooperation as subject oriented cooperation across national borders between regional and local authorities and other organisations which can be located anywhere within a state's territory.

Cross-border cooperation has developed since the 1950s and has been motivated chiefly by the aim to remove physical barriers, restrictions and other factors which contributed to the separation of communities in border regions. In terms of its general philosophy, cross-border cooperation applies to all aspects of daily life in the border region (eg. business, work, leisure, housing, planning, social facilities etc) and includes a broad span of activities.

Over the years, the need for socio-cultural cooperation has been recognised as a prerequisite for cross-border cooperation in other fields and for sustainable socio-economic development. This is often the first step to create contacts between people across the border and raises mutual awareness of problems and development potential. Cross-border cooperation should further take place every day and involve all levels of administration, ie. national, regional and local as well as private and public authorities. In terms of its organisation, the complex and comprehensive nature of cross-border cooperation has generated a tendency to institutionalise cooperation through the establishment of formal structures, a process which has also been facilitated by the requirements of funding programmes.

In socio-economic terms, cross-border cooperation is regarded as an important instrument to alleviate key problems of regions which are economically peripheral and on the fringe of the national economy. These problems include: restricted catchment areas and markets for local enterprises; lack of economic and other infrastructure, amenities, public services; generally lower levels of investment and higher rates of unemployment with the effect of demographic imbalances such as outward migration of the younger population.

The intensity of cross-border problems on the EU's external borders varies according to the level of economic development, and the historical and political background of the countries concerned. For example, in the **Nordic Countries**, several forms of cooperation have been in existence prior to the enlargement of the EU in 1995 and have been supported by various cooperation structures. The Nordic Council of Ministers has been a framework of cooperation between states supporting regional and local cooperation efforts. Cooperation has focused on a number of key issues, such as the planning and development of better transport links as well as economic development and tourism promotion.

The political and economic changes in **Central European Countries** (CEC) and the **New Independent States** (NIS) since 1989 are producing a new and changing

environment for cross-border cooperation between EU Member States and CECs/NIS as well as cooperation between CECs, and between CECs and the NIS. While it displays many differences in specific border regions, it is characterised by some common factors and problems to cooperation. These include until recently the absence of links for political reasons as well as political and historic sensitivities which act as a barrier to cooperation. Serious economic imbalances, which arise partly from the transition process to a market economy include distortions in the industrial and commercial sectors (eg. prices, wages), make it difficult to create conditions for cooperation. Other imbalances arise from low levels of investment, differences in productivity, high and increasing unemployment as well as from absence of or outdated physical infrastructure (eg. transport links) as well as environmental problems. Other issues include migratory flows across the border area as well as major differences in administrative and legal structures.

Inter-regional cooperation lacks the long tradition of cross-border cooperation but has developed rapidly in recent years. It has been chiefly motivated by the desire for transfer of experience and the exchange of know-how between different regions within Europe, and including regions and localities in the CECs and the NIS. Because of its definition as non-vicinity cooperation, activities usually apply to a specific theme or sector. Normally, activities are undertaken within a limited timescale and involve specific actors on regional and/or local level.

A.3 CROSS-BORDER AND INTER-REGIONAL COOPERATION PROGRAMMES CONCERNING THE EXTERNAL BORDERS OF THE EUROPEAN UNION

In recent years cross-border cooperation and inter-regional cooperation has gained increased importance as an instrument for local and regional economic development and is supported through a number of EU programmes both in the EU Member States and, more recently also in the CECs and NIS. Within the European Union, **cross-border cooperation** has been supported since the late 1980s notably through the introduction of the **Community Initiative Interreg**. Following the success of Interreg I (1990-93), the European Council, at its Edinburgh summit, identified cross-border cooperation as a priority for Community Initiatives for the new period of the Structural Funds (1994-1999). Cross-border cooperation is the main strand of the Interreg II Initiative and is known as Interreg IIA. A total of 59 Operational Programmes are supported under Interreg IIA.

In addition, a second strand, Interreg IIB aims to complete selected energy networks (former Regen Initiative). In 1996, the Commission introduced a third strand, Interreg IIC, concerning transnational actions on spatial planning and other fields.

In 1994, at the European Parliament's initiative, a separate budget line was created within Phare, the EU's aid programme for the CECs, to support cross-border cooperation on the borders with the Member States of the Union, modelled on the Interreg Initiative. Following the initial positive experience with the operation of the Phare Cross-Border Cooperation programme (**Phare CBC**). Its continuation until 1999, was supported by the CECs as well as the EU which considers cross-border cooperation as an important aspect of the EU pre-accession strategy for the CECs.

Similarly, at the initiative of the European Parliament, TACIS - the EU's aid programme for the NIS and Mongolia - began to support cross-border cooperation in 1996, as a recognition of its potential as an instrument for political stability, good neighbourliness and economic development of border regions. The **1996 Tacis CBC** programme promotes cross-border cooperation on the land borders of Russia, Ukraine, Belarus and Moldova, with Finland and the CECs, and the maritime border of the Baltic Sea. (A further initiative in 1996 by the European Commission has established, within Phare, the CREDO programme, which supports cross-border cooperation in regions on CEC-CEC borders, and in CEC regions bordering the NIS. In this way cross-border cooperation is now supported by EU programmes, practically, on all national borders in Europe).

Programmes to support inter-regional cooperation on the external borders of the EU have developed since the early 1990s. The **ECOS-Ouverture programme** has been running since 1990/91 and covers a wide range of activities. The programme funds inter-regional cooperation projects between local and regional authorities in the European Union and Central and Eastern Europe, the Mediterranean countries and the NIS. Since 1994 the **Phare CBC** budget line has provided complementary funding for partners in the CECs.

Additional inter-regional cooperation between the EU and countries in the Mediterranean Partner Countries (**MPC**) has been supported since 1993 and is funded through three specialised programmes, i.e: **MED URBS** (co-operation between local authorities); **MED CAMPUS** (co-operation between universities) and **MED MEDIA** (cooperation between professionals of the media).

In recognition of the special importance of the Baltic Sea region (including four EU Member States, CEC's and Russia) the **Baltics Projects Facility (BPF)** was introduced in 1996 to facilitate new and support existing forms of cooperation in the Baltic Sea Region. It includes two sub-elements which are designed to promote inter-regional cooperation on project level and are linked to the mainstream ECOS-Ouverture programme. These are the *Baltics Small Projects Facility (BSPF)* and the *Baltics Small Projects Facility - Micro Projects*, the latter supporting small scale activities which are designed to prepare submissions under the BSPF. A complementary strand is funded under the Tacis CBC programme.

Since 1992, several programmes to support inter-regional cooperation between the EU Member States and the CECs and NIS (some of which are now also supporting cooperation between CECs/CECs, CECs/NIS), have been set up under the Phare and Tacis programmes. These programmes have similar operational characteristics but aim at specific target groups and support specific activities. The underlying philosophy of all programmes is to promote the programmes' specific aims through the exchange of experience and the transfer of know-how. The **Phare & Tacis Democracy Programme** funds activities with the aim to strengthen the concept of a pluralistic democratic society, the rule of law and respect for human rights. The **Phare Partnership Programme** supports institutional strengthening of non-profit making organisations in the public or private sphere involved in economic development, while the **Phare & Tacis LIEN programme** has an emphasis on the social sector and supports activities which aim to support the integration of unemployed, women and other disadvantaged groups into the labour market

Two other programmes exist which target the business sector and small and medium-sized enterprises' (SME) development: the **Phare-Tacis Joint Venture Programme (JOP)** provides assistance to economic operators within the EU who are setting up new or expanding existing Joint Ventures in the CECs or NIS. The **Phare Small & Medium-sized Enterprises Cooperation Programme (COOPME)** includes a number of activities designed to promote the development of small and medium-sized enterprises (SME) through institutional strengthening and capacity building of chambers of commerce, SME associations etc, expanding relations and twinning arrangements between SMEs in the EU Member States and the CECs, training and the transfer of know-how.

As regards **sources of funding**, the three main programmes which support **cross-border cooperation (Interreg IIA, Phare CBC, Tacis CBC)** include specific allocations to geographic areas which are eligible to benefit from specific programmes only. A distinction is made between regions in the EU Member States which benefit from Interreg IIA (under the Structural Funds) and those in the CECs and NIS which benefit from the Phare CBC and Tacis CBC programmes respectively. This means that cross-

border cooperation activities on the external borders of the EU need to be funded through two complementary programmes.

In the case of programmes which support **inter-regional cooperation** this principle does not apply in all cases. For example in the case of the Phare & Tacis Democrac and Lien, and the Phare Partnership programmes, funding is allocated to individual projects rather than geographic entities and will benefit all partners who apply under the specific programme. The same principle applies to the MED programme. In the case of the ECOS-Ouverture programme and complementary programmes (eg. the Phare ECOS-Ouverture Programme; the Baltics Project Facility), these include sources from different funding programmes (eg. from the EU Structural Funds for the mainstream programme and from the Phare and Tacis programmes for special strands) which are combined to fund projects which include partners from the Member States of the European Union as well as the CECs and NIS.

Concerning the **management** of cross-border cooperation programmes, within the EU, overall responsibility rests with national authorities, but in some Member States specific management responsibilities have been delegated to regional/local level. In the CECs or NIS, the national authorities are normally responsible for programme management with different degrees of involvement by the European Commission, and in accordance with the national administrative structures and specific programme requirements. By contrast, programmes which support inter-regional cooperation are usually managed by the European Commission or a Programme Management Agenc which acts on behalf of the Commission.

Overall, it should be noted that programmes within the framework of Tacis and Phare are subject to changes in priorities and procedures, eg under the recently published “new orientations of Phare”, and as such contrast with programmes under the EU Structural Funds which operate in a stable framework for the whole 1994-99 period.

OVERVIEW OF EXISTING PROGRAMMES IN SUPPORT OF CROSS-BORDER OR INTER-REGIONAL COOPERATION ACROSS THE EXTERNAL BORDERS OF THE EUROPEAN UNION

A. CROSS-BORDER COOPERATION			
Programme	Eligibility	Short Description	Reference
Interreg II	Border regions on NUTS III level on internal and external borders in the European Union as specified in the Guidelines	Integrated multi-sectoral programme which includes almost all economically significant activities. Interreg IIA covers the period of 1994-99 and includes new measures in areas such as health, language training and culture. Member States submit multi-annual Operational Programmes which specify priorities and measures for funding. These are approved by the European Commission.	section B.1
Phare CBC Programme	Designated border regions with the EU Member States in Albania, Bulgaria, Czech Republic, Estonia, FYR of Macedonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia.	Multi-sectoral programme (1994-99) which includes a range of activities, similar to those funded under Interreg IIA. CECs prepare Multi-annual Indicative Programmes which outline main priorities and measures and provide a framework for annual Financing Proposals, the latter dealing with specific projects and financial commitments from the Phare budget.	section B.2
Tacis CBC Programme	Land borders of Russia, Ukraine, Belarus and Moldova with Finland and the CECs and with the maritime border of the Baltic Sea.	The 1996 programme focuses on three sectors: border networks (including border crossing facilities), environment, and cross-border cooperation on local level (Baltic Small Projects Facility)	section B.3

B. INTER-REGIONAL COOPERATION			
Programme	Eligibility for funding	Eligibility for cooperation with	Short Description
ECOS-Ouverture	Regions, cities and locally based organisations in E Member States (from ERDF regions/cities); in CECs (from Phare CBC)	CEC/NIS/MED EU	Projects should fall into one of five fields: <ul style="list-style-type: none"> • management/organisation of local authorities • SME development; • local development; • integration of minority groups; • environmental activities
MED programmes	Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, Occupied Territories of Gaza & West Bank	EU	Three sub-programmes have been introduced for inter-regional cooperation between different countries: <ul style="list-style-type: none"> • MED URBS (local authorities) • MED CAMPUS (universities) • MED MEDIA (professionals in the field)
Phare & Tacis Democracy Programme	Non-governmental, non-profit making bodies in countries eligible under the Phare and Tacis programmes	CEC/NIS/EU	The programme supports activities with the following objectives: <ul style="list-style-type: none"> • acquire knowledge and techniques of democratic practice; • strengthen NGOs and associations through training, contributing to the promotion of a pluralistic and democratic society; • transfer of expertise, technical skills and know-how in law
Phare Partnership Programme	Formally constituted non-profit making organisations from the private or public sector in countries eligible under the Phare programme	EU	Activities must fall under one of the four following categories: <ul style="list-style-type: none"> • local and regional development • business and enterprise development • human resource development and training • socio-economic development

B. INTER-REGIONAL COOPERATION			
Programme	Eligibility for funding	Eligibility for cooperation with	Short Description
Phare & Tacis LIEN Programme	Non-governmental and non-profit making organisations, officially registered as an NGO and established in an EU MS or Phare country	CEC/NIS/EU	LIEN funds projects which support disadvantaged groups. Eligible activities are those which <ul style="list-style-type: none"> • aim to improve women's health and skills; • ensure better integration of unemployed, marginalised groups of society; • support disadvantaged groups (eg. elderly, homeless)
Phare-Tacis Joint Venture Programme (JOP)	EU businesses which intend to either create a new or expand or restructure an existing joint venture; financial intermediaries, chambers and other professional organisations	CEC/NIS	JOP offers two types of support: <ul style="list-style-type: none"> • assistance to SMEs with the creation of a joint venture in the a) assessment phase, b) financing phase, or c) technical assistance phase; • assistance for organising events/seminars designed to promote the creation of joint ventures by the CEC or NIS
Phare SME Cooperation Programme (COOPME)	Institutions representing SMEs, industrial sectors and enterprises associations, chambers of commerce	CEC/EU	Various activities, including Chamber Programme, projects supporting SME associations, regional development agencies, projects supporting existing EU schemes and networks, partnerships (East-West cooperation), mobility schemes
Baltics Projects Facility (BPF)	Whole of Estonia, Latvia, Lithuania and Polish voivodships bordering the Baltic Sea	EU/Baltics	Five Measures: <ul style="list-style-type: none"> • Setting up Coordination and Information Centres at local/regional authorities • Partenariats and Workshops • Innovative Actions • Projects Facility • Management and Project Implementation

B. INTER-REGIONAL COOPERATION			
Programme	Eligibility for funding	Eligibility for cooperation with	Short Description
Baltics Small Projects Fund (BSPF)	Whole of Estonia, Latvia, Lithuania and Polish voivodships bordering th Baltic Sea	EU/NIS/Baltics	All activities which fall into the competence of local/regional authorities, including environment, resource development, economic development, energy, transport, local services
Tacis Small Projects Facility	Western border of Russia and Belarus	CEC (Baltics)/EU	All activities which fall into the competence of local/regional authorities, including environment, resource development, economic development, energy, transport, local services
Baltics Small Projects Fund (BSPF) - Micro Projects	Whole of Estonia, Latvia, Lithuania and Polish voivodships bordering th Baltic Sea	EU	Preparatory facility to support priority activities in preparation to participate in the BSPF

SECTION B:

**PROGRAMMES TO SUPPORT
CROSS BORDER COOPERATION**

B. PROGRAMMES TO SUPPORT CROSS-BORDER CO-OPERATION

B.1 INTERREG II

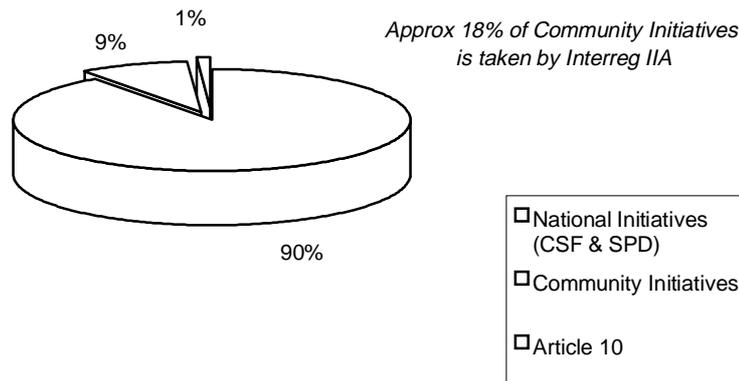
a. Introduction

An important part of the actions supported by the Structural Funds of the EU is known as “Community Initiatives”. For the border regions the most important of these Initiatives is Interreg which is in financial terms the largest of the Community Initiatives. By contrast to the national initiatives which are drawn up on the basis of regional development plans submitted by the Member States, Community Initiative programmes are developed on the basis of guidelines set out by the Commission itself. In the period 1990-93, Interreg I concerned exclusively cross-border cooperation and was the largest of the Initiatives. For the period of 1994-1999, 14 Initiatives have been introduced which cover a wide field of subjects, ranging from cross-border cooperation to the development of crisis-hit urban areas and support to the restructuring of textiles and fisheries sectors in parts of the Community. The largest of these Initiatives is Interreg II. Its strand IIA concerns cross-border cooperation, and is the continuation of Interreg I.

After a period of consultation, the European Commission formally adopted Guidelines for Interreg II in 1994¹. Member States were invited to submit proposals for Operational Programmes under Interreg IIA. total of 59 Operational Programmes were submitted of which 58 had approved by October 1997.

Chart B.1: Interreg IIA as part of the Structural Funds

~~The approval of other Operational Programmes is expected to be completed by the middle of 1995.~~



The objective of Interreg II is to promote and support cross-border cooperation between the internal border regions of the EU and the external border regions with

¹ Interreg II Notice laying down the guidelines for Operational Programmes which Member States are invited to establish in the framework of a Community Initiative concerning border development, cross-border cooperation and selected energy networks, Commission Regulation (EC) 94/C/180/13, Official Journal of the European Communities, No. C180, 1, July 1994, p.60.

neighbouring countries with a view to economic development in border regions and socio-economic integration. **Specific aims** are:

- to assist the internal and external border areas of the EU in overcoming the special development problems arising from their relative isolation within national economies and within the Union as a whole;
- to promote the creation and development of networks of cooperation across internal borders;
- to assist the adjustment of external border areas to their new role as border areas of a Single Market;
- to respond to new opportunities for cooperation with third countries in external border areas of the EU.

b. Eligibility

Eligible areas of Interreg II include all internal and external land border areas and certain maritime borders classified at NUTS III administrative level. **Areas additional to Additional areas in Interreg II** are located in the new German Länder² and some maritime borders, such as Ireland/UK(Wales), France/UK (East Sussex/Haut Normandie), Spain/Morocco, Greece/Italy and France/Italy (Corsica/Livorno). **Map B.1** shows Interreg IIA Operational Programmes.

Almost all **economically significant activities are eligible** for support under the Initiative. The Guidelines specify a list of measures and invite Member States to choose a limited but balanced set of measures on which assistance should be concentrated. The main groups of measures are:

- **business cooperation**, including measures to promote the development of small and medium-sized enterprises and craft industries but also the establishment or development of trade and professional organisations and other advisory groups in this field;
- development of **tourism**;
- **pollution prevention and control** as well as **environmental conservation programmes**;
- measures in the field of **education, training and culture**, including special measures to alleviate the problems arising from the existence of different languages, administrative procedures and legal systems;
- provision of larger **infrastructure** such as improvement of transport and other communication systems, provided that such projects have their principal effect on the border regions and areas are seriously deficient in infrastructures;
- the provision of **small infrastructure to close “missing links”**;
- measures to support cooperation in public services, including **health, water, gas and electricity supplies**;
- measures to support the preparation and implementation of **cross-border spatial planning**.

Interreg IIA includes new eligible measures in areas such as health, language training and culture.

² They had not been included under Interreg I as the Initiative was adopted before German reunification. Funding for cross-border cooperation was however included in the overall allocation of Structural Funds to the new German Länder.

c. Operational Aspects

Interreg is a multi-funded Programme and covers contributions from the ERDF, ESF and EAGGF, as well as co-finance from the Member States from public and private sources on national, regional and local level. For the period of 1994-1999 the (IIA) cross-border strand of the Initiative ~~covers~~ has received 2.652,400 MECU from the Structural Funds while the strand for the completion of energy networks received 500 MECU. Of this 75% will be devoted to Objective 1 regions. This compares with an overall contribution of 915 MECU under Interreg I and a complementary contribution of 119 MECU under Art. 10 of the ERDF which, however, covered a ~~four~~ three year period only

Member States were invited to prepare Operational Programmes for the entire funding period of 1995-99. The Guidelines stress the need to prepare a single programme for EU internal borders and to involve regional and local authorities in the planning preparation and implementation process where possible. Interreg IIA puts additional emphasis on the development of joint structures and the involvement of regional and local authorities in order to plan and implement the Programme according to the principle of subsidiarity.

d. How to Apply

For the current period of the Interreg IIA Initiative, Member States have submitted Operational Programmes for approval by the Commission. These programmes specify the priorities and measures for cross-border cooperation, and the project selection criteria but do not include project proposals, other than on an illustrative or indicative basis.

Implementation arrangements vary from Member State to Member State and the predominant patterns are:

- projects are planned as part of, or extension of the programme preparation process, by the responsible authorities;
- invitations to beneficiaries to submit project proposals for selection are issued by the implementing authorities;
- Projects are normally selected in the framework of the bilateral Monitoring Committee which is composed of representatives of European, national, regional and local level.

In North Western Europe it is common for the Euroregions to perform all these functions, whilst in some other Member States they are carried out by joint working groups.

e. Sources of Information

<p>Further Sources of Information:</p>	<ul style="list-style-type: none"> • European Commission: Guide to the Community Initiatives. 1994-1999. First Edition, Luxembourg 1994 • Council Regulation (EEC) No 2082/93, Official Journal of the European Communities, No. L 193/20 of 31.7.93.
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* In Germany and Austria each of the Länder has a high operational responsibility for Interreg IIA.

f. Examples

Cross-Border Business Development: Chamber of Commerce, Drama (GR/BUL)

The Chamber of Commerce in Drama has received Interreg funding to facilitate the development of cross-border business opportunities and practical actions favouring business cooperation with the Bulgarian border region. The Chamber has established a translation centre which will aid cross-border communication and facilitate cross-border business contacts. In addition, it has organised meetings, seminars and workshops to explore potential cross-border cooperation opportunities. Completed research studies have included an examination of the potential for cross-border cooperation between firms in selected industries such as marble and wood and the potential for cooperation with companies in the Bulgarian border region of Gotze Dolchev. An important publication by the Chamber is a bilingual guide on activities in the partner region comprising information on companies wishing to cooperate and details of business practices, rules and regulations for foreign investors in both countries.

Construction of a Cross-Border Medical Station (D/CZ)

A new medical centre in Dippoldiswalde (D) is being funded under Interreg IIA which will provide medical services to the cross-border region. The centre is in close proximity to the Zinnwald/Cinovec border crossing and the E55 international road. The region is also a major tourist destination particularly for winter sports. The centre will replace the existing medical centre which suffers from inadequate medical equipment which means that Czech patients are often taken to the neighbouring Czech district of Teplice. The new medical centre will provide support to the local medical services and to the German Red Cross. The German Red Cross and its equivalent in Teplice are currently cooperating on health related projects. The Interreg IIA project is expected to lead to further cross-border cooperation in health and first aid between organisations in the voluntary and community sector.

Cross-Border Press (F/CH/D)

A weekly newspaper, “3 - Dreilandzeitung” has been set up in the border region between France, Switzerland and Germany which seeks to contribute to the social integration of the border area. It is based on the idea that - although separated by political borders - the area is one region with common interests. “3” is a 15-page full-colour bilingual paper with editors in Basel, Alsace and Südbaden. It gives information on local news, cross-border activities and other issues of relevance for the population in the border region.

B.2 THE PHARE CROSS-BORDER COOPERATION (CBC) PROGRAMME

a. Introduction

The political and economic changes in Central and Eastern Europe have provided new challenges and opportunities for cooperation and European integration. The European Council at its Copenhagen “summit” has agreed that the associate countries of Central and Eastern Europe shall become members of the EU as soon as they satisfy the political and economic conditions required, and this was reinforced at the Essen and Madrid “summits” in December 1994 and December 1995 respectively. To date ten countries have signed association agreements (Europe Agreements) with the EU, namely: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. Support for cooperation between border regions of the EU and Central and Eastern European Countries (CECs) is an important mechanism for facilitating this process. Exchange of information and experience between border regions as well as joint activities in various fields such as environment, business, technology transfer will contribute to the process of transition and integration with the EU, and also to the general socio-economic development of the border regions.

In recognition of the need to reinforce cooperation and stimulate integration of the CECs into the EU and inspired by the Interreg Initiative, the EU established in the 1994 Budget of the Community a Cross-Border Cooperation Initiative, within the Framework of the Phare Programme - the **Phare CBC Programme**. A new budget line was introduced with 150 MECU for the promotion of cross-border cooperation between regions of the EU and CEC, and particularly for co-financing operations under Interreg Programmes. A special regulation³ was adopted for the implementation of the CBC Initiative which specifies the objectives of the programmes:

- “to promote cooperation of European Union border regions with adjacent border regions in central and eastern Europe and thus to help border regions in central and eastern Europe to overcome the specific development problems which may arise “inter alia” from their position within the national economies, in the interest of the local population and in a manner compatible with the protection of the environment;
- to promote the creation and the development of cooperation networks on either side of the border, and the establishment of links between these networks and wider Community networks”.

Following their initial positive experience with the operation of Phare CBC, the CECs supported its continuation beyond 1995. The EU considers that cross-border cooperation represents an important aspect of the pre-accession strategy for CECs aiming for membership of the EU. Therefore, the CBC Initiative was extended until 1999, to coincide with Interreg, with indicative financial allocations of 169 MECU in 1995 and 180 MECU per annum 1996-99.

³ Phare CBC Regulation concerning the implementation of a Programme for cross-border cooperation between countries in central and eastern Europe and Member States of the Community in the framework of the Phare Programme. Commission Regulation (EC) No. 1628/94, Official Journal of the European Communities No. L 171/14-16, 4 July 1994

b. Eligibility

In 1994, Albania, the Baltic States, Bulgaria, the Czech Republic, Poland and Slovenia were eligible for support under the CBC Initiative. With the accession of Austria, Finland and Sweden to the European Union in 1995, additional borders have been included in the 1995 programme, namely those of the Czech Republic with Austria, Slovakia, Hungary and Slovenia with Austria, as well as the possibility of a full multi-country programme around the Baltic Sea. Finally, the Former Yugoslav Republic of Macedonia became eligible for Phare CBC at the same time as it became eligible for Phare in general in 1996. Thus only Romania and Bosnia, who are eligible under Phare, are not eligible under Phare CBC, as they do not share a common border with an EU Member State. Border regions eligible for Phare CBC support have been defined as far as possible to be comparable with NUTS III level classification used for Interreg IIA. *Map B.2* shows eligible border regions under Interreg IIA and Phare CBC.

The Regulation specifies actions which can be financed through Phare CBC. These include:

- alleviation of **administrative and institutional obstacles** to the free flow of persons, products, or services across the border;
- measures in the fields of **energy, telecommunications and transport** which support the development of trans-european networks;
- improvements to **infrastructure**, in particular **communication facilities**, the provision of **local water, gas and electric supplies**;
- improvement of **waste and environmental management and pollution prevention**;
- promotion of **tourism**;
- **agricultural and rural development** measures;
- promotion of **business cooperation** and enterprise as well as cooperation between institutions which represent the business sector;
- **training and employment** measures;
- measures to promote **cooperation in health**, particularly the sharing of resources and facilities on a cross-border basis;

Chart B.2/I below shows the allocation of resources which have been approved to date by eligible countries. Poland has received the largest allocation of resources in 1996 (53 MECU), of which 49 MECU was allocated to the Polish-German border. The Czech Republic received 34 MECU in 1996 (25 MECU to the Czech-German border).

Chart B.2/I: Phare CBC Programme - Funding by Eligible Country

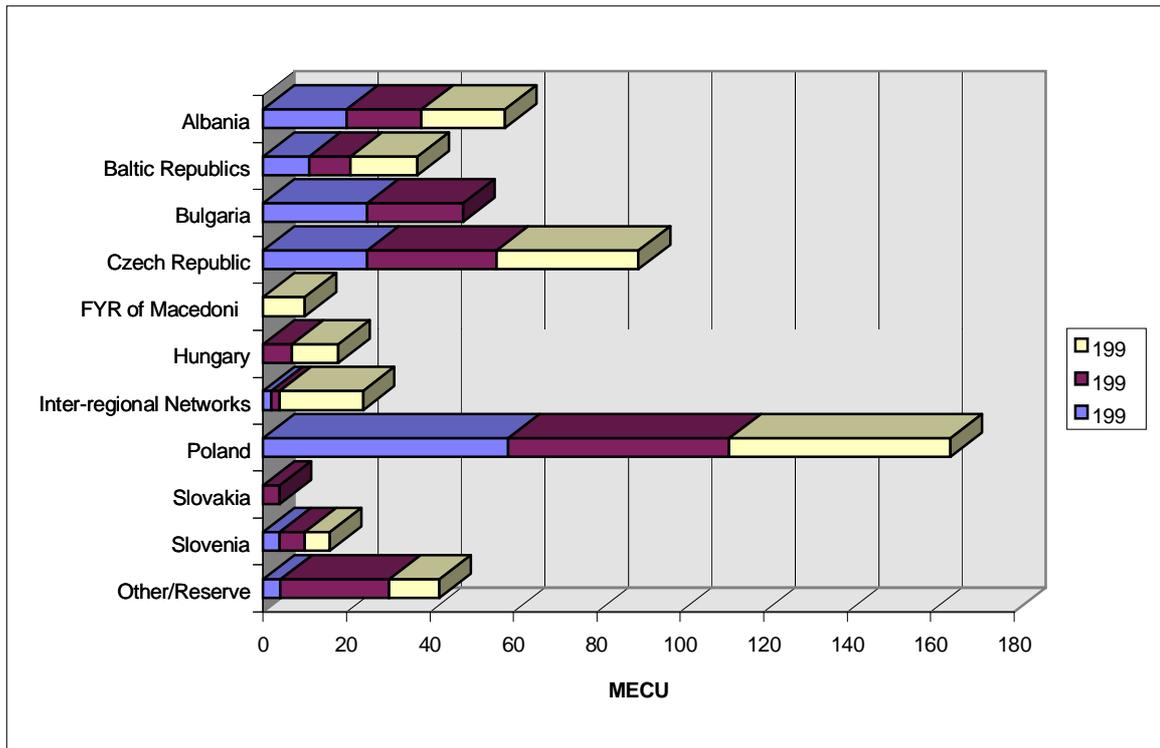
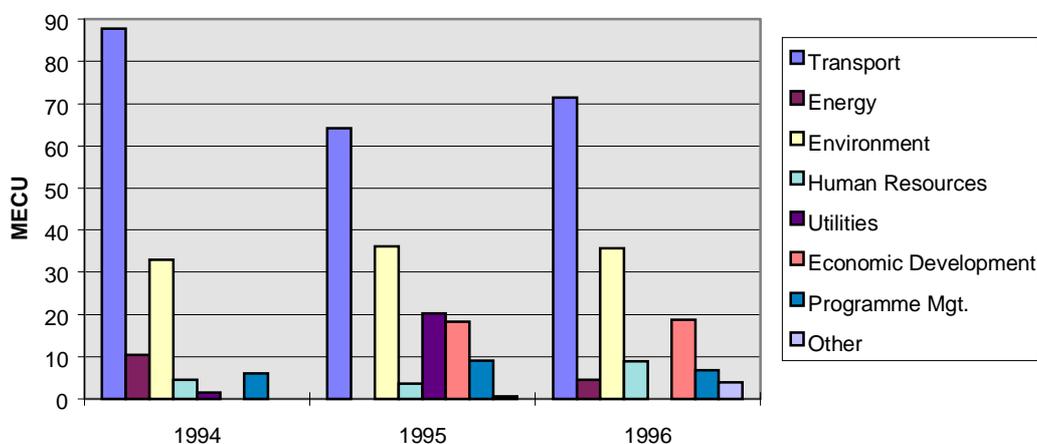


Chart B.2/II shows a breakdown of funding by priority. While the 1994 programmes displayed a strong focus on the development of cross-border infrastructure (such as cross-border transport links and environment related infrastructure), the 1995 programmes saw an increasingly wide range of activities, and included a larger number of projects in areas such as business cooperation, rural development and education & training, along with Small Projects Funds which were included in many programmes to support small scale “people-to-people” activities. The 1996 figures show an increase of funding on Transport which can be attributed to the addition of new borders.

Chart B.2/II: Phare CBC Programme - Funding by Priority



Organisations eligible for support must be non-profit making and based in one of the eligible border regions. In practice, support is usually channelled through the local/regional authorities in the border regions.

c. Operational Aspects

Where possible, the Phare CBC programme has adopted a similar programming approach to that under the Structural Funds. An element of strategic approach and multi-annuality was introduced through the preparation of Multi-annual Indicative Programmes, which ensure complementarity with O.P. prepared under Interreg. Furthermore, joint structures have been established for project selection in order to introduce a high level of transparency. Participation of local and regional authorities in these structures has been supported in order to facilitate the process of decentralisation and reflect the principle of subsidiarity.

Multi-annual Indicative Programmes (MIPs)

In order to enable a joint programming process, CECs need to operate on the basis of Multi-annual Indicative Programmes, as a "mirror image" of the Operational Programmes of Interreg. These Programmes take into account the normal EU requirements and provide a framework for annual Financing Proposals. Financing Proposals are submitted every year in accordance with normal Phare rules, for consideration by the Phare Management Committee, prior to Commission approval, and deal with specific projects and financial commitments.

Joint Programming and Monitoring Committees (JPMCs)

Article 7 of the Phare CBC Regulation requires the establishment of Joint Programming and Monitoring Committees for each of the border regions in order to establish a coordination mechanism. These Committees should include the central authority responsible for Interreg and Phare CBC respectively, the sectoral ministries or agencies responsible for major measures/projects in the Programme and the regional and local authorities in the border region. In some cases (eg PL/D, CZ/D, H/A) Euroregions or border region authorities are represented in these committees. The tasks of the JPMCs is a combination of planning and monitoring functions. They are the principal forum for the joint programming of cross-border activities and monitor and coordinate the implementation of these activities. JPMCs are normally supported by a number of sub-regional, sectoral or project-specific working groups. In the case of the Baltic Sea Region, a multi-lateral JPMC has been established covering four Member States and four CECs.

Programme Management Units (PMUs)

Implementation of the Phare CBC programme is undertaken within the context of the Phare Decentralised Implementation System (DIS) for most eligible countries, except currently the Baltic States and Slovenia. The overall co-ordination and financial responsibility for each programme rests with the implementing authority, that is the nominated national authority in each of the CECs. The implementing authority nominates a Project Authorising Officer who is responsible for the day-to-day operation of the programme, with the support of a Programme Management Unit (PMU) or a Programme Implementation Unit (PIU). To date, PMUs/PIUs have been established in all of the administrative bodies, and in some cases, they are being assisted by Regional Offices in the border region. PMUs/PIUs are responsible for all aspects of implementation, including the preparation of tender documentation, the launch and evaluation of tenders, the award of contracts, as well as on-going monitoring of progress and evaluation. In this, PMUs/PIUs work very closely with project managers designated by beneficiary organisations. In many cases, PMUs/PIUs have also become active in facilitating an integrated and “bottom-up” led programming approach through activities such as the organisation of training, animation and awareness raising events for beneficiaries within the border region.

d. Key Differences between Interreg IIA and Phare CBC

Notwithstanding the efforts made to bring Phare CBC as close as possible to the structures and procedures operated within the EU in connection with Interreg IIA, considerable differences have persisted, in part due to the Financial Regulations concerning EU aid programmes for non-member states. The key differences are summarised below.

INTERREG II	PHARE CBC
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Pre-designated eligible border areas	Border areas have been defined within the Multi-annual Indicative Programmes
Wide range of eligible actions in regulation	Wide range of eligible actions in regulation - narrow field in 1994 Financing Proposals
Multi-sectoral programmes	Specific projects within programmes
Multi-annual programmes	Annual financing decisions
National/regional co-financing specifically required by regulations	National/regional co-finance desirable initially, since 1995 compulsory
Operational Programmes	Multi-Annual Indicative Programmes Financing Memoranda
Monitoring Committees, Secretariats	Programme Management Units Regional Offices

e. How to Apply

There is no standard Phare CBC application form or procedure for applying for funds from Phare CBC. Organisations in the eligible border regions who are interested in Phare CBC funding should contact the CBC PMU/PIU in their country (contacts below) for further information on specific procedures for their National CBC Programme. In general, all Phare CBC Programmes select projects for funding as follows: In line with general Phare procedures, project selection is carried out on an annual basis. The implementing authority (via the PMU/PIU) requests potential beneficiaries in the eligible border regions to prepare project proposals based on a standardised “project fiche”. Project proposals need to specify the overall objective of the project and need to include the precise activities to be undertaken, the funding required (both Phare funding and national/local co-finance), the timescale as well as organisational aspects. A more technical project fiche is required for infrastructure projects, including an analysis of the internal rate of return as well as the results of a feasibility study and an environmental impact analysis.

Projects are generally submitted to the PMU (or its Regional Office, where established) or to the national Ministry in charge of the programme, where they are assessed on the basis of standard selection criteria. Particular importance is placed on the cross-border impact and coherence and complementarity with Interreg IIA. Other important selection criteria include the involvement of local/regional authorities, the link to priorities and measures of the MIP, the general development impact of the project as well as the readiness for implementation. A pre-selection of the projects to be funded is undertaken in the framework of the JPMC. Having reviewed the proposals and selected those to which it agrees, the Commission then groups the specified project proposals for a particular border region into one “package”, in the form of an annual Financing Proposal to the Phare Management Committee, which consists of representatives from each EU Government. Once the Management Committee has given a favourable opinion, the Commission may take the decision to finance the programme as contained in the Financing Proposal, and inform the CEC implementing authority accordingly.

f. **Sources of Information**

<p>Further Sources of Information:</p>	<ul style="list-style-type: none"> • Commission regulation EC No. 1628/94 of 4.7.94, concerning the implementation of a Programme for cross-border cooperation between countries in central and eastern Europe and Members of the Community, Official Journal of the EC, L171, 1994 • Phare CBC Programme Brochure (1996) • Phare CBC Annual Report 1994 COM (95) 662 final (Annual Reports for 1995 and 1996 forthcoming)
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g. Examples

Cross-Border Inventory (SLO/AT)

During the preparatory phase of the multi-annual programme (MIP) for the Slovene CBC programme with Austria, it became evident that the methodology and statistical sources for data collected on both sides of the border region varied considerably. Thus a project was developed which involves the preparation of a cross-border inventory and a cross-border strategy in order to develop a robust basis for multi-annual planning of cross-border activities, the annual review of the MIP and further physical, environmental and socio-economic planning purposes. The project is funded under Phare CBC and Interreg IIA respectively and is overseen by a Joint Steering Committee.

Szentgotthárd-Heiligenkreuz International Innovation Park (HU/AT)

The establishment of a cross-border industrial park in the Hungarian/Austrian border region is seen as an important pilot project to promote cross-border business cooperation and the project received funding under the 1995 and 1996 Phare CBC programmes for Hungary. Activities involve infrastructure investments to refurbish the site and surroundings. The project is overseen by a Joint Steering Committee and, once complete, is estimated to form the basis for 50-80 small firms, providing an estimated 2,300 skilled jobs.

Viadrina European University (PL/D)

The project involves the construction of a University complex on the Polish side of the border region complementing the existing facilities of the Viadrina University on the German side. The total plans consist of a Collegium Polonicum (Polish College) and five student hostels for the provision of lectures and accommodation. The project promotes understanding and collaboration between Polish and German students through joint education programmes as well as to the EU integration of Poland by introducing a European dimension to traditional disciplines.

Waste Water Treatment on the Island of Vormsi (ES/Baltic Sea)

The island of Vormsi is one of the islands in the West Estonian Archipelago Biosphere reserve. Tourism is one of Vormsi's main revenue earners and is important in developing private enterprise and the local economy. However, the lack of a functioning sewerage system is inhibiting the island's economy and is directly related to unemployment and corresponding lower quality of life than found on the mainland. Phare funds will be used to construct a small bacteriological treatment plant and 1.1 km pipeline to the main town, Hullo, as well as implementing a maintenance programme for the islands septic tanks and by introducing a series of small scale bio-purification installations.

B.3 TACIS CROSS-BORDER COOPERATION (CBC) PROGRAMME

a. Introduction

With the approval of the new Tacis Regulation in June 1996, the EU now has a mandate for cross-border cooperation for Tacis. The European Parliament has set aside a separate 30 MECU budget line under the 1996 Tacis budget for cross-border activities and structural measures on the western border of the NIS and the same amount for 1997.

A key factor behind the new budget line for Tacis CBC is the new EU-NIS border which followed Finland's accession to the Union. The European Parliament envisages the possibility of close cooperation between Tacis and Interreg IIA to ensure the funding of coordinated activities on both sides of the Finnish-Russian border.

b. Eligibility

The 1996 Tacis CBC programme covers the land borders of the Russian Federation with Finland and the CECs, and with the maritime borders of the Baltic Sea. The programme also covers the land borders of Belarus, Ukraine and Moldova with the CECs. The programme does not, however, include cross-border activities on internal NIS borders which form part of national or Inter-State programmes, (see *Map B.3*).

The Tacis CBC programme has similar objectives as Interreg IIA and Phare CBC, namely to assist border regions in overcoming specific development problems stemming from their position within the national economies, to encourage the creation of cross-border networks and the establishment of links between existing networks on both sides of the border (including border crossing facilities) and to accelerate the transformation process in the NIS. Within this framework, the 1996 Tacis CBC programme focuses on three sectors:

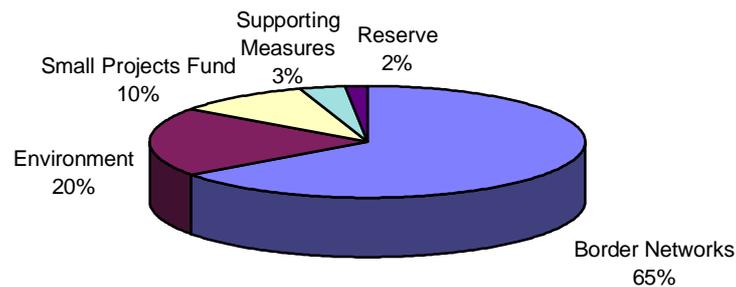
Border Networks (including border crossing facilities), including activities to strengthen transport connections, the improvement in efficiency of border controls, the strengthening of transport, telecommunications and energy links and the reduction of delays in waiting times at border crossings. Activities to be supported will be small infrastructure investments as well as training and awareness raising.

Environment, including the development of environmental policy and clean technology, training and project development as well as small investment projects on a case by case basis. Environment is regarded as a priority sector for cross-border cooperation because of the trans-frontier nature of the problem as well as the specific needs of the NIS which are suffering from a legacy of environmental degradation which provides a long-term threat to the populations within the NIS as well as populations of the adjacent countries.

Cross-Border Cooperation at Local Level: Baltic Small Projects Facility . The Baltic Small Projects Facility (BSPF) was launched in 1995 and supports the development and funding of demand driven, small-scale local actions between communities on either side of the border encouraging the creation and development of cooperation networks across the Baltic Sea Region with a view to harmonious

development of the region. It aims to foster the development of a Baltic Sea community through a number of joint projects of a “people-to-people” and tangible nature. In 1996 the model will be extended to include the EU-NIS borders and Tacis partners in order to start concrete cooperation with the Phare programme. (See below for a more detailed description of the programme). **Chart B.3/I** shows the breakdown of funding by priority.

Chart B.3/I: Tacis CBC - Breakdown of Funding by Priority



The recently agreed 1997 Tacis CBC programme includes projects in two new fields. These are actions to support improvements to **energy efficiency** in order to encourage more efficient and cheaper energy production which should result in socio-economic benefits as well as the reduction of energy consumption and emissions with considerable environmental benefits. Also included are actions to support **regional capacity building** aiming to promote the development of existing regional networks, particularly on the Russian-Finnish border, and the development of skills for project identification, selection and preparation. These should assist the border regions to have a fuller and more effective participation at a regional level in future CBC programmes.

c. Operational Aspects

The programming process has been in line with the overall Tacis procedures. Projects are developed on national, regional and local authority level and are submitted to the Tacis Coordination Unit in each eligible country. The European Commission is responsible for final project selection which is undertaken through the Tacis Management Committee

Day-to-day responsibility for the implementation of the BSPF rests with a management agency appointed by the Commission.

d. How to Apply

Beneficiary countries are invited to submit project proposals to be funded under the programme to the Tacis Coordination Unit in each of the beneficiary countries. Projec

proposals must be submitted in form of standardised project fiches and are forwarded to the European Commission for review and appraisal.

Application procedures for the BSPF are less formal. Here, eligible organisations can submit project proposals directly to the management agency.

e. Sources of Information

<p>Further Sources of Information:</p>	<ul style="list-style-type: none"> • <u>COUNCIL REGULATION No 1279/96 concerning the provision of assistance to economic reform and recovery in the New Independent States and Mongolia. Official Journal of the European Communities No. L 165/1, 4 July 1996, p.1-5.</u>
<p>Contacts:</p>	<p>General Programme Information: Mrs K. YOUNG, Tacis CBC Programme Coordinator, European Commission, DG IA/C.1 ☎ Tel: +32.2.296.9263; Fax: +32.2.296.6012 e-mail: kerry.young@dgia.cec.be Mr W LANGHALS, Tacis CBC Programme Coordinator (from 1.1.98) ☎ Tel: +32.2.299 5780; Fax: +32.2.296.3379 e-mail: werner.langhals@dgia.cec.be ✉ AN 88 7/14, Rue de la Loi 200, B-1049 Brussels</p>
	<p>National Programme Information:</p> <p>Russia Tacis Technical Office St. Petersburg Ms. M. SALAMÄKI ☎ Tel: +7.812.319 9835/ 319 9162/ 310 1284 Fax: +7.812.310 2069, e-mail: martyn@tacis.spb.su ✉ 6 Isaaklevskaya Square, Room 102, RUS-190107 St. Petersburg</p> <p>Tacis Coordinating Unit Mosco Mr. A. PRATSCHKE ☎ Tel: +7.95 246 94 10 & +7.95.246 21 85; Fax: +7.502.220 2060 / +7.095.245 0988 e-mail: cutacis@online.ru ✉ Smolensky Bld. 3/5, RUS-119898 Mosco</p>

f. Examples

Examples of actual and potential projects under Tacis CBC:

Sortavala Sewage Treatment (FIN/RUS)

The Karelian town of Sortavala is located on the shore of Lake Lämpjärvi, near Lake Ladoga on the Finish border. Almost the entire water supply of the town comes from the neighbouring lake which is in return heavily polluted by insufficiently treated sewage. The natural water exchange of the lake is small and water quality has deteriorated rapidly over the past years. Tacis CBC funding will be used to upgrade the existing sewage treatment facilities in the border region with positive effects on public health conditions, the ECO System and the level of economic development.

Border Crossing at Chop (UKR/HU)

The Chop border crossing point (called “Tysa”) is the most important border crossing on the south-western frontier of the Ukraine. It is the only real international transit point between Hungary and Ukraine and thus heavily congested with international traffic of 600-800 vehicles per day. The causes of delay are attributed to inadequate infrastructure at the border crossing, lack of computer-assisted control procedures and a low clearance rate. Tacis CBC funds will be used to improve the present facilities and to construct a freight terminal next to the border crossing premises to relieve part of the congestion.

SECTION C:

PROGRAMMES TO SUPPORT
INTER-REGIONAL COOPERATION

C. PROGRAMMES TO SUPPORT INTER-REGIONAL COOPERATION

C.1 ECOS/Ouverture

a. Introduction

ECOS-Ouverture is a European Commission Programme for external inter-regional cooperation. It promotes mutually beneficial cooperation between regions, cities and other locally based organisations in the European Union and their counterparts in central Europe, the New Independent States (NIS) and the Mediterranean Partner Countries (MPC).

ECOS-Ouverture has four principal aims:

- to introduce cooperation between those involved at local level in different areas in order to facilitate exchange of experiences either through the transfer of know-how or through development of a shared project;
- to improve the capacity for action and better methods of achieving economic and social development in the countries of central Europe, the NIS, Mediterranean Partner Countries and the less favoured areas of the Union for those involved at local and regional level;
- to contribute to regional development and the modernisation of regional and local development authorities by providing examples of how to respond to the challenges facing contemporary society which can serve as pilot schemes for the spread of good practice in the region in question or in neighbouring regions;
- to strengthen the pre-accession strategy by familiarising partners in the countries concerned, particularly in central Europe and the Mediterranean (e.g. Cyprus), with the policies of the Union.

Initially two separate programmes, established in 1990 and 1991 respectively by the Directorate General for Regional Policies of the Commission - Ouverture and ECOS, were merged in 1995 to form a single programme with an integrated management structure. Financial assistance from Phare, to cover expenses from central European partners, has been made available to the programme since 1994.

For the period 1997-99, ECOS-Ouverture is endowed with 17 MECU from Article 10 of the ERDF and 7 MECU from the Phare CBC programme. For the first time, the programme proposes two types of projects to applicants including large or “major” projects and “microprojects”.

b. Experiences since 1990/91

Since 1990/91, the ECOS-Ouverture programme has with a total financial contribution of 40 MECU supported over 350 projects involving more than 1,250 local and regional authorities in the EU, CEC, NIS, and MPC countries.

The distribution of project partners indicate the large and broad interest of local and regional authorities in the programme and in inter-regional cooperation in general. An

analysis of the *distribution of projects (Chart C.1/I)* within the EU Member States reveals that the level of participation is largely determined by existing cultural, historical and geographical links, the size of the country and the date of entry in the programme as eligible country (i.e. late entry of Austria, Sweden and Finland following the recent EU enlargement). Similar conclusions can be drawn concerning the *participation of CEC partners (Chart C.1/II)* where a strong involvement of countries such as Poland, Hungary and the Czech Republic can be noted and where the later inclusion in the programme of some countries, e.g. of the Baltic States in 1993, has led to their still rather low involvement.

Chart C.1/I: Distribution of Projects by EU Partners

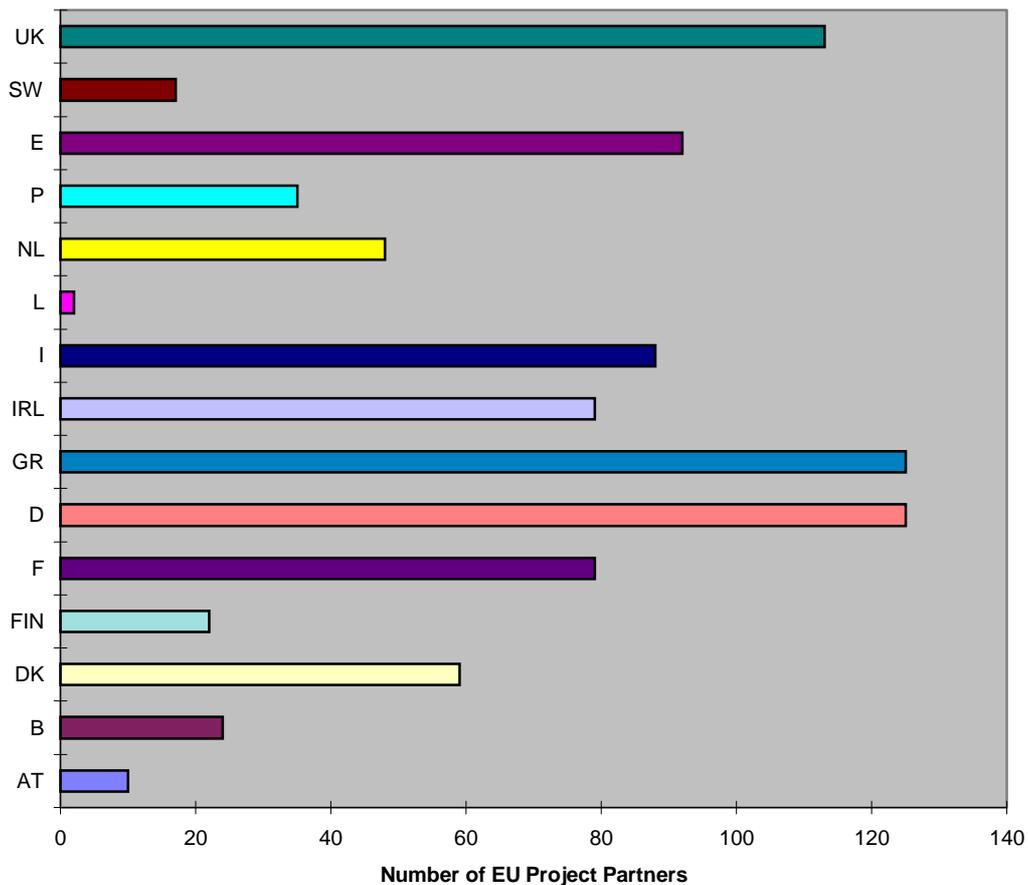
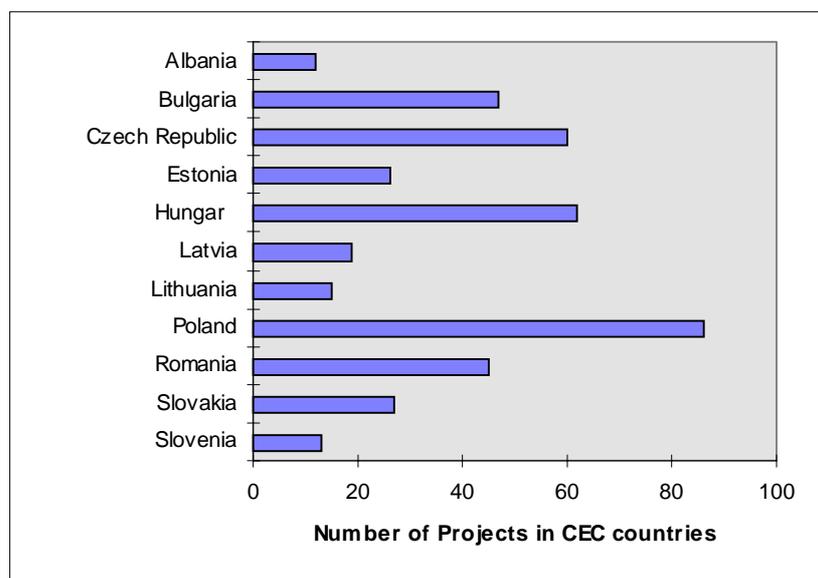


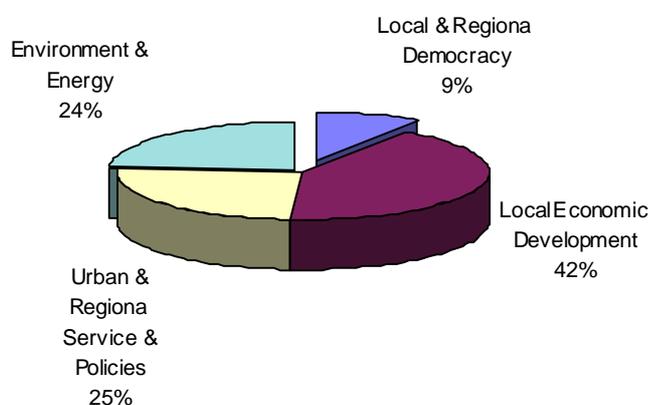
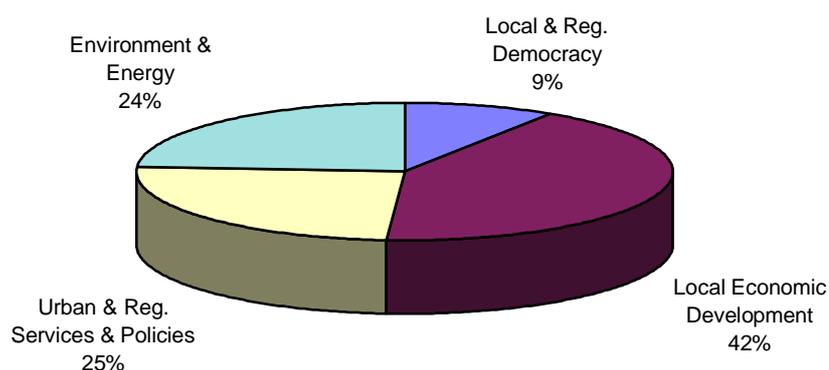
Chart C.1/II: Distribution of Projects by CE Partners

In 1994, the programme was extended to include parts of the NIS and, to date, participants have mainly come from the two largest eligible countries, Russia and Ukraine, with limited participation from the two other eligible countries, i.e. Belarus and Moldova.

As far as the eligible MPC countries are concerned, to date, local and regional authorities from 8 out of 12 eligible countries are involved in ECOS-Ouverture projects. The strong involvement of partners from Morocco, Tunisia and Cyprus reflect past tradition of cross-Mediterranean co-operation with these countries and more specifically in the case of Cyprus, the EU pre-accession strategy for this country.

An analysis of the **distribution of projects by sphere of cooperation** (*Chart C.1/III*) shows that cooperation on economic issues is the area of greatest interest, covering over 40% of all projects. Within this field, the most popular activities have been the assistance to SMEs and tourism, as well as the development of trade and export links. The second most popular areas is “Local and Regional Services and Policies” which has been the focus of 25% of all projects. Special areas of interest in this sphere have been the organisation and operationalisation of local government.

Chart C.1/III Distribution of Projects by Sphere of Cooperation



c. Eligibility

In addition to all of the European Union, regions, cities and locally based organisations from the following areas outside the Union may participate:

- all of the CECs which are beneficiary countries of the Phare programme, including the Baltic States (see also section C.3 on the Baltic Small Project Facility). In these countries only local and regional authorities are eligible partners;
- for the NIS this includes authorities from Belarus, Moldova, Russia and the Ukraine (see also section C.3 below);
- in the Mediterranean, eligible countries include Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Palestinian Territories, Tunisia and Turkey.

However, at present, only partners from Phare countries can receive financial support.

In the case of the “Major” projects, partnerships should involve three to seven partners from at least two Member States and at least one non-EU country. Half of the partners from the Union must be classified as eligible under Objectives 1, 2, 5b or 6 of the Structural Funds. In terms of eligible actions, projects must concentrate on areas in

which local and regional authorities have competence and expertise on one side and needs and priorities on the other. Applicants can choose from five fields of activities :

- improving the working methods of public authorities;
- improving access to the European market for SMEs and improving services available to them;
- development of the local potential, particularly in relation to job creation;
- creation of resource centres to support the integration of women into economic life;
- safeguarding and improving the environment.

In the case of the **Microprojects**, only local and regional authorities from the EU and central Europe are eligible for funding. Projects must include at least one partner from the EU and one from central Europe, whereby partners from the Phare countries should be relatively inexperienced in inter-regional cooperation. Eligible fields of cooperation cover all areas of relevance to local and regional authorities.

d. How to Apply

Following calls for proposals published at regular intervals (the most recent for microprojects was published on 22 April 1997 with deadline for submission on 9 September with the follow up planned for early in 1998) in the EC Official Journal and elsewhere, partners are requested to submit a proposal for funding based on standard application forms. Projects are evaluated by an independent expert panel whilst the final decision is taken by the Commission. Selection of projects will depend on the number, diversity and involvement of the partners, the quality of working methods proposed, the scale of exchange of know-how, expected results and size and transparency of budgets submitted.

Grant funding for the period 1997-99 is provided for the two schemes in the following way:

- **Major Projects** : 200,000 - 600,000 ECU from the ERDF for partners in the EU and 50,000 - 200,000 ECU from Phare for Central European authorities (with a maximum of 100,000 ECU per partner). Funding from the ERDF may cover 75 % of the eligible expenses of EU Obj. 1/6 areas and up to 50 % of the other EU areas. Phare finances up to 80 % of expenses incurred by Central European authorities.
- **Microprojects** : up to 50,000 ECU from Phare for EU-CEC co-operation between local and regional authorities (see also section B.3); expenses from both EU and Central European authorities may be covered by up to 80 % by EU funding.

e. Sources of Information

<p>Contacts:</p>	<p>European Commission: Mr. G. VLANDAS, DG XVI.A.2 ☎ Tel: +32.2.296.55.40; Fax: +32.2.296 2473 ☒ CSM2 3/79, Rue de la Loi 200, B-1049 Brussels, Belgium</p> <p>Phare: Ms. D. HALIKIA, DG IA/B5 ☎ Tel.: +32.2.296 7471; Fax: +32.2.296 8040 e-mail: dimitra.halikia@dgia.cec.be ☒ SC27 2/21, Rue de la Loi 200, B-1049 Brussels, Belgiu</p> <p>Management: ECOS-Ouverture Programme Mr. S. WATKINS ☎ Tel: +44.141.248 7949; Fax: +44.141.248 8728 ☒ Strathclyde House, 20 India Street, UK-Glasgow G2 4PF, United Kingdo</p> <p><i>[future management structure to be decided]</i></p> <p>Mr. W. WENZEL ☎ Tel: +32.2.511 7477; Fax: +32.2.511 0940 ☒ 22, rue d'Arlon, B-1050 Brussels, Belgiu e-mail ccrebxl@hebel.net</p> <p>ECOS-Ouverture Phare Office - Hungary Andrew TATE ☎ Tel.: +36.1.117 4525; Fax: +36.1.117 4622 ☒ Szép utca 2, room 605, H-1053 Budapest</p> <p>ECOS-Ouverture Antennae - Czech Republic Ms A. KOSLERO ☎ Tel.: +42.2.692 2186; Fax: +42.2.692 2186 ☒ Pulmanové 25, CZ-14000 Prague 4</p> <p>ECOS-Ouverture Antennae - Poland Association of Polish Cities Ms. A. BRZOZOWSKA ☎ Tel.: +48.61.53 0813; Fax: +48.61.53 0814 ☒ al Marcinkowskiego 11, POL-61827 Pozan</p> <p>ECOS-Ouverture Antennae - Romania Ms. L. TOMPE ☎ Tel.: +40.56.190 592; Fax: +40.56.190 587 ☒ bl. Revolutiei nr. 17, RO-1900 Timisoara,</p>
<p>Further Sources of Information</p>	<ul style="list-style-type: none"> • ECOS-OUVERTURE II - Inforegion news, newsletter No. 36, January 1997 • ECOS-Ouverture, Programme Brochure 1995/1996 • ECOS-Ouverture 1997-99 Call for proposals published in the EC OJ on 22nd April 1997 • Note that new application forms will be developed for th 1997 programme.

f. Examples

ZOOTECH (I, E, RUS)

The ZOOTECH project, which was approved in 1995, aims to combine and transfer EU cattle breeding expertise between the two EU partners and assist the Russian partner in improving dairy and beef production quality and efficiency through technology transfer. The project started with an initial visit of the two EU partners to Zvenigovo District in Russia which had first hand experience of the climatic challenges facing beef and dairy farmers as well as the existing techniques, environmental challenges and problems arising from the need for restructuring. This was followed by seminars and study visits to the EU partners and in depth research and advice on improving cattle breeding in the district of Zvenigovo.

ENVICOP (GR, NL, BUL)

The project deals with waste disposal management and environmental protection with a particular focus on addressing the problem of pollution of the underground drinking water of Pleven Municipality in Bulgaria. Much of the underground drinking water is polluted due to the inadequate storage of domestic waste. The project is aimed, through an exchange of experiences and knowledge, at finding ways of treating this waste and transferring it into energy while also providing information on the management of waste. Activities have included exchanges and study visits between the various partners where knowledge has been transferred, particularly from the Dutch partners to Pleven. The Pleven partner has conducted a study of local attitudes to waste disposal and management which has formed the basis for future actions. In addition, a database on environmental technology and a feasibility study on the causes of pollution in the water have been completed.

KAZIMIERZ (UK, D, PL)

Kazimierz in Krakow is an old Jewish and Christian district which was largely depopulated during the Second World War and neglected during the years of Communism. The project is aimed at promoting the regeneration and development of the area through a strong focus on its tourist potential. The Kazimierz local office, in partnership with the Municipality and its partners in Edinburgh and Berlin, have prepared an Action Plan on the development of the District. Project activities have included the production of a GIS digital database which records information on most properties, an updated physical plan of the district, landscaping of the Vistula riverfront and preliminary plans for the establishment of a museum of municipal engineering. Each of these activities have been aided by the exchange of know-how and experiences from the project partners through study visits and working seminars. In addition, the Kazimierz local office has conducted a public consultation week where the views of local residents were collected.

C.2 THE MED PROGRAMMES UNDER MED

a. Introduction

In July 1996 the MEDA Regulation on financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership was adopted by the European Council. The purpose of this regulation is to support measures which help to achieve the objectives of the Euro-Mediterranean partnership of reinforcing the political stability and democracy in non-member states of the Southern Mediterranean, of creating a Euro-Mediterranean free-trade area and of developing economic and social co-operation.

Measures will be supported in three main fields including inter-regional and cross-border co-operation. Measures in this field aim at contributing to closer integration and co-operation of the Mediterranean Partner Countries (MPC) amongst themselves as well as to support greater integration between countries of the European Union and the MPCs. Regional integration is planned to be achieved by improving communication and co-operation links between border regions on each side of the Mediterranean and seeking synergies with cross-border and decentralised inter-regional co-operation instruments already available to the Community.

Existing instruments to be launched in 1997 for the fourth period are the MED programmes for decentralised inter-regional co-operation, now included under the MEDA budget line :

- MED URBS (co-operation between local authorities)
- MED CAMPUS (co-operation between universities)
- MED MEDIA (co-operation between professionals of the media)

In terms of funding available for the period of 1995-1999, 40 MECU is allocated annually to the MED programmes.

b. Eligibility

Areas eligible for the MED programmes include Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, Palestinian Territories.

In the context of the MED programmes, eligible actions include activities to promote the exchange of experiences and the transfer of know-how by means of conferences, seminars, workshops, study visits, training, exchange of personnel or placements, research and study activities, production of guides, brochures, newsletters and similar activities.

c. Operational Aspects

A separate call for proposals relating to the different MED programmes will be published annually in the Official Journal of the European Communities. After receipt and pre-selection, proposals are evaluated by a panel of independent experts who make recommendations to the Commission. The final decision on the selection of projects lies with the Commission.

d. How to apply

Following the publication of the call for proposals in the Official Journal, an infopack comprising guidelines for applicants and an application form will be distributed to all interested parties. During the submission period, applicants may receive advice and support in the context of partner search and project definition by an appointed technical assistance agency, the MED Secretariat.

e. Sources of information

Contacts:	European Commission DG IB, MED-Programmes [<i>to be changed to: Decentralised Cooperation Programmes</i>] Office of Mr. PIERINI ☎ Te: +32 2 296 0852; Fax: +32.2.299 0204 e-mail: marc.pierini@dg1b.cec.be ✉ SC14 Rue de la Loi 200, B-1049 Brussels, Belgiu
Sources of Information:	<ul style="list-style-type: none">• COUNCIL REGULATION (EC) No 1488/96 of 23 July 1996 on financial and technical measures to accompany (MEDA) the reform of economic and social structures in the framework of the Euro-Mediterranean partnership.• STRENGTHENING THE MEDITERRANEAN POLIC OF THE EUROPEAN UNION : PROPOSALS FOR IMPLEMENTING A EURO-MEDITERRANEAN PARTNERSHIP, Communication from the Commission to the Council and the European Parliament, CON(95) 72 final.

f. **Examples**

Med Training - 1995 Med Urbs Project

Med Training is one of 48 projects funded by the European Commission DG IB in 1995 under its Med Urbs programme. Created in 1994 with the aim of promoting urban development in the Mediterranean partner countries, the project was implemented by a network of cities from Palestine and Lebanon on one side and from Spain, France and Italy on the other, with Valencia (Spain) as lead authority. Activities have mainly included the setting up of 5 Local Development Committees (LDC) to develop and manage local development projects and the practical training of technical teams from these LDCs through the development of 5 specific micro-projects.

Transmediterranean Solar Cells - 1994/1995 Med Campus Project

This project funded under the 1994/1995 Med Campus Programme is focusing on training and research in the field of solar electricity (solar cells and materials for photovoltaic conversion). The partners co-operating in this project were different Universities and Institutes from Morocco and Tunisia on one side and Belgium, France, Italy and Spain on the other. The subject selected is of great relevance to Morocco where around 25,000 villages and towns do not have any access to electricity supply. Activities comprised two types of training courses carried out in Morocco: an intensive course and a post-graduate course on "Photovoltaic Conversion and Solar Electricity". A variety of on-the-job training and research measures have completed the activities of this project.

REMFOC 1993-95 MED Media Project

The REMFOC project was designed for southern Mediterranean journalists. During 1993-1995 more than 220 professionals have benefited from an exchange of experience and cooperation with their European colleagues. Within this project journalists have contributed through written and audio-visual means to improve media coverage on the day to day life and special issues of the countries involved.

C.3 Inter-regional Cooperation Programmes supported under Phare and Tacis

Several programmes to support inter-regional cooperation between the EU Member States and countries in Central and Eastern Europe have been established in the framework of the Phare and Tacis programmes. The overall objectives are similar to those of the programmes supported under the Structural Funds, namely to support the development of contacts and partnerships between target groups thereby facilitating the process of political and economic transition of countries in Central and Eastern Europe and the NIS.

Three of the key programmes to support inter-regional cooperation are: the **Phare & Tacis Democracy Programme**, which has been running since 1992, the **Phare Partnership Programme** and the **Phare & Tacis LIEN Programme**. All these programmes fall under the multi-country programme strand. Other programmes with a more sectoral focus are the **Phare Tacis Joint Venture Programme (JOP)** and the **COOPME Programme**, the latter supporting exchanges between SMEs in EU Member States and the CECs. In recognition of the importance of the Baltic Sea region the **Baltics Projects Facility (BPF)** has been introduced to facilitate new and support existing forms of cooperation in this area which includes a small projects facility designed to promote practical cooperation projects. A similar facility has been set up under the **Tacis** programme

C.3.1 Phare & Tacis Democracy Programme

The Phare & Tacis Democracy Programme, launched on a pilot basis in 1992 as part of the European Democracy Initiative of the European Parliament, was intended to be the first specific EU contribution to the process of democratisation and political reform in Central and Eastern Europe. The pilot phase showed the complexity of promoting democracy in civil society, as well as the extensive need for more support to organisations/agencies in Central and Eastern Europe. In response to this need, the Commission launched subsequent phases of the Democracy Programme with **annual financial support** rising from 5 MECU in 1992 to 10 MECU from 1993 until 1997. In addition to Phare support, from 1993 an annual 5 MECU was allocated in the programme to countries receiving support through the Tacis programme. For 1996, the Democracy Programme had a budget of 11 MECU from the Phare programme and 11 MECU from the Tacis programme.

The **general objective** of the Democracy Programme is to promote the concept of pluralist democratic society, the rule of law and to strengthen the respect for human rights and fundamental freedoms in the spheres of society such as the government, parliament, local administration, the media and professional groupings and associations. More specifically, the programme supports:

- the acquisition of knowledge and techniques of parliamentary practice and the organisation of initiatives by cross-party groups of parliamentarians and local elected officials;
- the strengthening of non-governmental organisations (NGOs) and associations which by their vocation can make a continuing contribution to the promotion of a pluralistic democratic society;
- the transfer of specific expertise and technical skills concerning democracy and the rule of law to professional groups and associations in these countries.

Eligible actions include the strengthening of NGOs and the transfer of skills and experience in areas of parliamentary practice, public administration and management in order to increase transparency, civic education, conflict prevention, the promotion of human rights and non-discriminatory practices, actions to strengthen the freedom of media and the civilian monitoring of security structures.

The programme takes the form of **grant aid facility** for non-governmental, non-profit making bodies to support the implementation of action-oriented projects designed to achieve one or more of the programme's objectives. Two types of projects are funded: **macro-projects** where grant funding ranges between 10,000-200,000 ECU and covers a maximum of 80% of the total project costs, and **micro-projects**, with grant funding of between 3,000-10,000 ECU, covering up to 90% of the total project costs. In order to participate, **projects must come from at least two different countries**: normally at least one of the partners must come from within the EU and one partner from a Phare/Tacis country. Trans-national projects involving exclusively partners from Phare/Tacis countries are also eligible provided the organisations can demonstrate relevant experience and capability. Project duration is a maximum of 36 months.

Calls for proposals are issued annually and are followed by two rounds of project selection. Projects are appraised by independent experts while the European Commission makes a final selection of projects approved for funding.

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C.3.2 The Phare Partnership Programme

The Phare Partnership Programme was launched in 1993 as a follow-up from the 1993 Partnership and Institution building programme, with a budget of 10 MECU. The programme continued in 1995 and 1996 under the multi-country strand with funds of 11 MECU and 10 MECU respectively. The key mechanism of institutional strengthening in this programme is seen through the development of partnerships between institutions based in the EU Member States and those in CECs, involving the active exchange of skills, experience and knowledge and/or finance on a long-term basis through mutual cooperation. This contributes towards achieving the goals of the EU Association Agreements and the Trade and Cooperation Agreements between the EU and CEC. Furthermore it enhances wider European cooperation at organisational and institutional level

The **major objectives** of the Phare Partnership Programme are to:

- promote sustainable economic development;
- support institutional strengthening of decentralised non-profit organisations contributing to the process of local economic development;
- establish and strengthen sustainable partnerships and networks among decentralised organisations based in the EU and CEC, with respect to exchanging experience and skills relating to local economic development;
- encourage the development of civil society and to promote dialogue and cooperation on local development matters between decentralised private and public organisations.

Eligible projects are those with activities which meet the programme's objectives **in one of four areas of activity:**

- local and regional development;
- business and enterprise development;
- human resource development and training;
- socio-economic development.

Recipients include formally constituted non-profit making organisations which are either from the private sector (eg. NGOs, professional associations, SME development centres, trade unions, citizens' associations, tourism associations) or from the public sector provided that they are independent from central government and not involved in national policy making (eg. municipalities, city councils, regional councils, chambers of commerce, regional development agencies).

Projects eligible for funding should normally have at least two partners from different countries: one applicant from a EU Member State acting in partnership with applicant(s) from CEC. However, trans-national partnerships, involving exclusively partners from CECs are also eligible, provided the organisations can demonstrate relevant experience and capability.

The **EU contribution** is in the form of a grant and covers a minimum of 8,000 ECU up to a maximum of 200,000 ECU. A minimum of 30% of co-finance must be

provided in EU-CEC projects, while for trans-national projects, a minimum of 20% co-finace is sufficient. In line with standard procedures, projects are submitted following a **call for proposals**.

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C.3.3 The Phare and Tacis LIEN Programme

The Phare and Tacis LIEN programme is an initiative of the EU fostered by the European Parliament and presents one of the **key social programmes** which is targeted specifically at increasing the capacity of NGOs in support of disadvantaged groups of the population (eg. unemployed, women, the homeless). The programme was launched in 1993 with a total budget of 5 MECU from Phare sources. Funding for 1994 and 1995 remained at the same level and increased to 7 MECU for 1996. For 1997 a budget of 10 MECU is envisaged.

In line with its sister programme Democracy, LIEN aims to strengthen the organisational and institutional capacity of existing NGOs and associations in the social field in order to improve their efficiency. The **main objective** of the LIEN Programme is to support projects which help deprived communities in both urban and rural areas who have little or no access to any other means of relief. In particular, the objectives of the programme are:

- to stimulate initiative and strengthen the capacity of non-governmental and non-profit organisations working in the social sector;
- to encourage the development of exchanges and cooperation between NGOs from the EU and countries eligible for support under Phare and Tacis.

Eligible activities are those which:

- aim to improve women's health and professional skills;
- ensure better social integration of the unemployed and of the marginalised sections of the population, including members of minorities and those in need of special care;
- support disadvantaged target groups (eg. the elderly, children, the homeless, victims of Aids)

Eligible projects must involve at least two partners organisations. These organisations must be non-governmental and non-profit making, must be officially registered as an NGO and must be established in an EU Member State or in one of the countries eligible for Phare or Tacis funding. **Projects must involve at least two partners from different countries:** normally at least one in the EU and one in a Phare/Tacis country but trans-national projects are also eligible, provided that the organisations can demonstrate relevant experience and capability.

The Phare and Tacis LIEN programme operates as a **grant scheme**. For 1997, two types of projects will be funded: **macro projects** with a maximum duration of months, between partners who have previous experience in working together. Macro projects can receive grant funding from 10,000-200,000 ECU which covers up to 80% of the total project costs. In addition, **micro-projects** have been introduced for less experienced NGOs in CEC. Micro projects can receive grant funding of 3,000-10,000 ECU covering up to 90% of the total project costs.

In line with standard procedures, projects are submitted following a **call for proposals**.

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C.3.4 The Phare-Tacis Joint Venture Programme (JOP)

The JOP programme, launched in 1991, assists economic operators from within the European Union who are setting up joint ventures with partners in central and eastern Europe and the New Independent States, or who wish to expand existing ones. Joint ventures are defined as any business with two or more partners of which at least one partner must be from either a CEC or a NIS country and must be based there, the joint venture must be considered as such under the legislation of the CEC or NIS country and at least 75% of the capital share must be held by the partners in the European Union, the CEC and/or NIS concerned.

Eligible beneficiaries are European businesses which intend to either create a new or expand or restructure an existing joint venture. This applies to businesses in a productive areas, including the services sector, given that they make a direct investment. The financial services sector is excluded. However, priority is given to small and medium-sized European Union enterprises with a maximum of 1,000 employees, net fixed assets of a maximum 150 MECU and where not more than one-third of the share capital is held by a major company. Priority is also given to joint ventures created in one of the countries of central and eastern Europe whose net fixed assets do not exceed 20 million ECU. Other entities which can benefit from the assistance for organising events or seminars are financial intermediaries which are members of the JOP network, Chambers of Commerce, professional organisations, industrial federations, investment promotion organisations and development agencies or any other institution capable of promoting economic cooperation between the EU and CEC or NIS, with the exception of professional organisers of conferences, trade fairs or industrial exhibitions.

JOP offers two main types of support. The main strand involves **assistance to SMEs with the creation or expansion of a joint venture**. JOP can provide assistance in each of the following three phases of establishing a joint venture:

- a. the **preliminary or assessment phase**, where JOP can cover part of the costs of pre-feasibility of feasibility studies to assess the scope for setting up a joint venture. JOP contributes up to 150,000 ECU, initially as a loan which can be converted into a grant either if a joint venture is created or if the study is made available to the European Union;
- b. the **co-financing phase** during which a joint venture is created or expanded. The European Union will bear part of the risk of the joint venture by participating in providing its capital finance requirements, on condition that the partners and financial intermediaries also provide such finance. The European Union can provide equity capital or quasi-equity finance of up to 2 MECU under certain conditions;
- c. the **technical assistance phase** which is designed to strengthen new or existing joint ventures by co-financing specific training, technical assistance and know-how transfer measures. The European Union contribution consists of an interest-free loan for up to 50% of the eligible costs, with a ceiling of 250,000 ECU. Eligible costs include all costs directly linked to training schemes and/or transfer of know-how incurred by the joint venture or one of its partners, such as the costs of attending training courses locally or in a European Union country and special fees

and commissions for internal experts directly connected with technical assistance or the transfer of know-how.

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Further sources of information:	EuroJOP Data ZI Bredewue ☎ Fax: +35.2.346111 / 341183 ✉ Batiment Coditel, L-1259 Senningerberg, Luxembourg Secretariat BC-NET, DG XXIII/B/2 ☎ Tel: +32 2 296 0453; Fax: +32 2 296 2572 ✉ AN80 6/24, Rue de la Loi 200, B-1049 Brussels, Belgium BRE - Bureau de Rapprochement des Experiences, DG XXIII/B/2 ☎ Tel: +32 2 295 9117; Fax: +32 2 296 4271 ✉ AN80, Rue de la Loi 200, B-1049 Brussels, Belgiu

C.3.5 Phare Small and Medium-sized Enterprises' Cooperation Programme (COOPME)

The Phare COOPME programme was launched in 1995 with the **major objectives** to promote the development of small and medium-sized enterprises (SME) in CECs through:

- improving the structure of existing and emerging SME associations, chambers of commerce and other organisations, and providing training to their staff;
- expanding relations and twinning arrangements between central and eastern European SME associations and their EU counterparts;
- promoting the involvement of central and eastern European SMEs in partnership schemes;
- transferring know-how to central and eastern European SMEs and providing training to their staff.

The programme seeks to meet its objectives through **several activities**, including:

- projects supporting SME associations, including training for their staff;
- projects supporting regional development agencies and similar institutions, including staff training for employees from specific sectors;
- projects supporting the extension and development of existing EU schemes and networks for SMEs to the CECs, eg. EBN/BICs, BC-Net, Euro-Info Centres, Europartenariat, Interprise;
- partnership projects between SMEs and East-West enterprise cooperation projects;
- partnership projects between chambers of commerce (*Chamber Partnership programme*), particular projects which contribute to improving the chambers' capacity to serve enterprises and developing contacts between enterprises from the EU and Phare countries;
- two mobility schemes called ESSN (European Senior Service Network) and IT (Industrial Training Attachment) aimed at the exchange and training of managers in CECs.

Eligible recipients are normally exclusively institutions representing SMEs, industrial sectors and enterprise associations. For the Chamber Partnership programme, chambers of commerce are eligible for funding. **Eligible projects** must include partners in at least two EU Member States and at least two Phare countries. In the Chamber Partnership programme all projects must include at least two EU Member States and one CEC. Normally, projects arising from EU Member States must be submitted through the competent federation/institution at EU level and are subsequently examined by the Commission. For the Chamber Partnership Programme, projects must be submitted to Eurochambers who manage this particular strand of the programme. They are examined by an evaluation committee with representatives from both Eurochambers and the European Commission.

EU contributions are in form of grants and vary according to projects and their financial structure. For the Phare Chamber Partnership programme grants of up to 50,000 ECU are available.

For 1997 it should be noted that previous funding is almost exhausted and that internal Commission discussions are underway as to whether the programme will continue and if so in what form.

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C.3.6 Baltics Projects Facility (BPF)

The Baltics Projects Facility (BPF) was introduced in 1996 with the aim to encourage and support the development of cooperation networks across the Baltic Sea Region. The BPF includes a broad range of measures which offer scope for cross-sectoral activities. In some of these, provisions are made for common actions with the Tacis programme, involving partners from NIS.

Measures are:

Measure 1: Coordination & Information

- establishing new and improving existing coordination & information facilities to improve the flow of information on the BPF for local/regional authorities in the Phare countries and EU member states.

Measure 2: Partenariats & Workshops

- organisation of Partenariats for local and regional governments in the Baltic Sea region with the aim to foster new forms of cooperation;
- organisation of workshops and other seminars on cross-border cooperation for local/regional authorities.

Measure 3: Innovative Actions

- promotion of new types of cooperation in the Baltic Sea Region through support of innovative actions in the field of economic and regional cooperation;
- organisation of an SME Partenariat in support of enterprise development and economic cooperation.

Measure 4: Projects Facility, including BSPF

- setting up a **Baltic Sea Small Projects Facility** in order to support cooperation activities between local and regional authorities;
- setting up a **micro-projects facility**;
- support to projects which are complementary to the Interreg initiative in the EU Member States.

Measure 5: Management and Project Implementation

For the purpose of direct cross-border and inter-regional cooperation in the Baltic Sea Region, measure 4 is particularly important.

C.3.6.a Baltics Small Projects Facility (BSPF)

The BSPF has been developed with the aim to support direct cooperation between local/regional authorities and non-profit organisation in the EU and CEC. Projects must involve a **minimum of two partner**, of which at least one partner must come from the eligible areas in Estonia, Latvia, Lithuania and Poland. **Eligible areas** are the whole of Estonia, Latvia and Lithuania and the seven voivodships in Poland which border the Baltic Sea (i.e. Szczecin, Koszalin, Slupsk, Gdansk, Elblag, Olsztyn and Suwalki). Projects must be submitted and led by a partner from the eligible areas of the Phare countries. Although

the project can involve **local partnerships** including a broad range of public/private associations and organisations, the formal applicant must be a local/regional authority.

Eligible activities and spheres of cooperation include all areas relevant to the competencies of local/regional authorities, including environment, human resource development, economic development, tourism, transport, development and improvement of local services, local democracy, education & culture and institution building.

A maximum **grant** of 100,000 ECU will be available for individual projects submitted, which will cover up to 80% of the total project costs. The **project duration** is 12 months.

C.3.6.b ***BSPF/Tacis CBC Small Projects Facility***

In order to extend the eligible countries to include some of the NIS, a BSPF/Tacis CBC Small Projects Facility has been introduced as part of the Tacis CBC Programme (*see also section B3 above*). It is based on the operation of the BSPF but with specific characteristics which reflect the conditions in the border regions of the NIS and the different funding mechanisms involved. Key aspects concerning eligibility are:

- **eligible areas** are the western borders of Russia (St. Petersburg City, Leningrad, Murmansk, Archangelsk (*in exceptional circumstances*), Pskov & Kaliningrad oblasts, Republic of Karelia) and Belarus (Brest, Grodno, and Vitebsk oblasts);
- **projects between a NIS and EU** country must involve a minimum of two “core partners” (one from the EU and one from the NIS) which must have a common border. Additional partners may be included from other eligible areas in the NIS or any area in the EU;
- **projects between the NIS and a Phare country** must involve a minimum of three partners (one each from the NIS, Phare country and EU Member State) while the “core partners” from the NIS/Phare country must have a common border;
- both **maritime and land borders are eligible** for support;
- the **lead partner** must come either from a Tacis or Phare country.

Projects can receive **grants of up to 200,000 ECU** which cover up to 80% of the total project costs and must be completed within 18 months.

C.3.6.c ***Baltics Small Projects Facility (BSPF) - Micro Projects***

The micro projects facility is a new innovation and has been designed to support priority areas and provide assistance in project preparation. **Eligible projects** must involve preparatory measures which are related to the activities and spheres of cooperation which are eligible under the BSPF in general. **Eligible beneficiaries and regions** are those of the BSPF although any authority which has received or is receiving funding from the BSPF will not be eligible to receive funding under the micro facility in the first year.

The **maximum grant available** will be 10,000 ECU which can cover up to 80% of the total project cost.

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