



Eastern Partnership Territorial Cooperation
Территориальное сотрудничество
стран Восточного партнерства

Eastern Partnership Territorial Cooperation

Belarus – Ukraine Joint Operational Programme

Final draft as of 27/November/2014

Approved by written procedure after the 1st meeting of the Joint Decision
Making Committee



Table of Contents

1.	Executive Summary/Introduction.....	2
2.	Strategic analysis of the programme regions	3
2.1	Eligible regions.....	3
2.2	Overview of the current Belarus-Ukraine relationsand the bordering regions.....	3
2.3	Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis	9
3.	TC programme strategy.....	9
4.	Operational objectives, prioritiesand actions.....	10
4.1	Operational objective 1: Improving the living conditions of local communities	10
4.2	Operational objective 2: Addressing common challenges in the fields of environment, employment, public health and any other field of common interest having a cross border dimension.....	11
4.3	Operational objective 3: Culture, education and sports.....	11
5.	Indicators of achievement.....	11
6.	Programme management	12
6.1	Joint Decision Making Committee.....	12
6.2	Managing Authority.....	13
7.	Programme implementation.....	14
7.1	Eligibility of projects.....	14
7.2	Eligibility of project beneficiaries	14
7.3	Selection, contracting and implementation procedures.....	15
7.4	Eligible expenditure and levels of support	16
8.	Financial allocations	18

Annexes

Annex 1:	Map of the Eligible Area.....	19
Annex 2:	Regional Statistical Data.....	20
Annex 3:	Programme Monitoring Indicators.....	21
Annex 4:	Programme Management	23
Annex 5:	Information about participants of Stakeholder Consultations.....	24

1. Executive Summary/Introduction

Based on the Action Fiche for the Eastern Partnership Territorial Cooperation Programmes, annexed to the Commission Implementing Decision C(2013)8293 of 22.11.2013, and Strategy for the Eastern Partnership Territorial Cooperation Programmes, the Belarus-Ukraine territorial cooperation programme has been prepared jointly under the leadership of Ministry of Foreign Affairs of the Republic of Belarus and the Ministry of Economic Development and Trade of Ukraine, and with advice of the Eastern Partnership Territorial Cooperation Support Programme.

The programme will enable cross-border cooperation by bringing the different actors – people, institutions and organizations, enterprises and communities – closer to each other, in order to better exploit the opportunities offered by the joint development of the cross-border area.

In order to ensure broader ownership of the territorial cooperation programme by both participating countries – Belarus and Ukraine – the Belarusian and Ukrainian partners established a working group to elaborate the joint operational programme. The working group comprised of representatives from the following institutions:

Republic of Belarus: Ministry of Foreign Affairs, National Coordinating Unit of EUTACIS Programme in the Republic of Belarus, Brest Regional Executive Committee, Gomel Regional Executive Committee, Brest Transboundary Infocentre, Gomel Regional Development Agency, “Orakul” Civil Union

Ukraine: Ministry of Economic Development and Trade, Ministry of Foreign Affairs, Regional State Administrations of Volyn, Rivne, Zhytomyr, Kyiv and Chernihiv Oblasts, Ukrainian National platform of the EaP Civil Society Forum

Consultations on the Joint Operational Programme took place during the Ukraine-Belarus territorial cooperation regional conference held on 14 November 2013 in Zhytomyr, Ukraine. The working group met on 21 May 2014 in Kyiv, Ukraine and on 3 July 2014 in Tbilisi, Georgia. The current document reflects the results of these consultations.

Public consultations on the joint operational programme took place in the period 10 June – 1 August 2014. The programme was presented to local governments, social and economic partners, non-governmental organizations and other potential beneficiaries. According to the decision of the Belarus-Ukraine Joint Decision Making Committee of 27 November 2014, the Joint Operational Programme is to be approved by written procedure by 20 December 2014.

The current document includes a description of social, economic and environmental development of the regions on the Belarus-Ukraine state border.

2. Strategic analysis of the programme regions

2.1 Eligible regions

The eligible area of the territorial cooperation programme Belarus-Ukraine includes the following regions / administrative units situated along the Belarus-Ukraine state border of 891 km length:

Belarus (region)	Ukraine (region)
<ul style="list-style-type: none"> • Brest • Gomel 	<ul style="list-style-type: none"> • Volyn • Rivne • Zhytomyr • Kyiv • Chernihiv

The territorial cooperation programme covers an area of 203.200 km², of which 73.200 km² in Belarus and 130.000 km² in Ukraine. In 2012, the total population of the area amounted to 9.092.2 thousand inhabitants, of which 2.818.1 thousand – in Belarus and 6.274.1 thousand – in Ukraine.

Region	Area (thsdkm ²)	Percentage of total country's area	Population (2012. thousand inhabitants)	Percentage of total country's population	Density (inhabitants/km ²)
Belarus					
Brest	32.8	15.8	1.390.4	14.7	42
Gomel	40.4	19.5	1.427.7	15.0	35
Ukraine					
Volyn	20.1	3.3	1.038.6	2.3	52
Rivne	20.1	3.3	1.154.3	2.5	52
Zhytomyr	29.8	4.5	1.273.2	2.8	43
Kyiv	28.1	4.6	1.719.5	3.8	61
Chernihiv	31.9	5.3	1.088.5	2.4	34

2.2 Overview of the current Belarus-Ukraine relations and the bordering regions

Diplomatic relations between two countries were established on December 27, 1991. The countries have signed over 200 bilateral international treaties. The Treaty of Friendship, Good-Neighbourhood and Cooperation is the most important joint legal act regulating bilateral political and economic cooperation. In 2013, Ukraine was the second important economic partner of Belarus, while the Republic of Belarus is traditionally among the top five economic partners of Ukraine.

In the framework of cross-border cooperation between Belarus and Ukraine, meetings of the local authorities of the border districts of the two countries are being held annually. Belarus and Ukraine intend to intensify scientific and technical cooperation and further development in the fields of agriculture, transport, science, culture, education, sport and tourism.

The National Strategy of sustainable social and economic development of the Republic of Belarus defines key development directions of the country. Regional development plans are of compulsory character for Belarusian regions; in Ukraine, the Cabinet of Ministers approved the State Regional Development Strategy of Ukraine until

2020 on 6.08.2014. The strategy defines three specific objectives: Improving the competitiveness of regions; economic, social and territorial cohesion and spatial development; effective state governance of regional development. A common concern of most of the regions, with similar effects on regional economic potentials and social risks that are addressed partly commonly, are the lasting consequences of the Chernobyl accident.

Despite substantial progress in cross-border cooperation, the level of integration in the programme area needs further improvement in order to realize and utilise the full social and economic potential of the region. All the more so, since the programme area's economic development is still insufficient, with a comparatively low GDP per capita, high share of agriculture in the employment structure, a relatively low innovativeness of SMEs, R&D spending and technical environmental standards.

Region	Contribution to national GDP %	Percentage of agriculture in regional value added	Percentage of industry in regional value added	Official unemployment, %	Number of protected areas	Emission from stationary sources (thsd. tons)
Belarus						
Brest	9.2	7.6*	34.7*	0.9	1	34.8
Gomel	11.7	5.0*	48.0*	0.7	2	95.4
Ukraine						
Volyn	1.3	16.9	15.5	8.3	4	7.6
Rivne	1.5	15.9	31.5	10.4	-	17.1
Zhytomyr	1.7	16.2	21.5	10.0	-	19.0
Kyiv	4.2	13.4	18.6	6.7	-	113.6
Chernihiv	1.6	18.3	26.0	10.4	-	49.5

* as of January-April 2014

Unless otherwise stated, all data refer to the year 2012.

Source: Official Statistics.

Geography and Infrastructure

The eligible area is quite homogenous regarding geographic conditions: The climate is moderately continental in all regions, the landscape flat and very rich in water resources that serve as fishing grounds. Soils are deep and fertile and provide good conditions for agriculture. Some regions have vast forested areas that are nearly untouched. Oil and gas resources exist and are extracted in Gomel. Coal deposits can be found in Volyn. Overall, however, the area is dependent on imported energy; potentials in hydro energy are vastly unused.

The geographical location of the programme area has advantages in terms of the development potential for transport. The area is situated on the main transit routes between European and Asian networks and this is an important basis for the development of international road and rail transport. A significant share of cargo transport is taken by the transport of gas, crude oil and petrochemical products by pipelines. The area is crossed by the following Pan-European Transport Corridors:

- IX - Kiev-Gomel-Vitebsk and branch Minsk-Vilnius.
- V - Kosyn – Chop – Lviv – Rivne – Minsk.

Transport and logistics are of great importance because this plays a crucial role in channeling the programme area's production towards foreign markets.

Demography and Population

The programme area is characterized by predominantly urban population in the Belarusian parts (75% in Gomel, slightly less in Brest), while in Ukrainian regions the rural population is slightly dominating. The decline of birth rates that started with transition in all eligible regions has come to a halt in Volyn, Rivne and Zhytomyr, whereas in all other regions the natural decrease of the population continues. While the capitals Minsk and Kyiv attract parts of the regional population and thus keep growing despite negative natural growth rates, all regions of the programme area – apart from Kyiv region - still lose inhabitants through national and partly international migration movements. Non-permanent workers migration does not play a major role and is not captured in recent statistics.

The ethnic composition of the area is quite homogenous on both sides of the border with only small percentages of other ethnicities including Ukrainians in Belarus and vice versa. Hence, ethnic minorities and their integration are not a concern in the regions. The city Slavutych in Kyiv region that has been built up for Chernobyl re-settlers has a high percentage of ethnic Belarusian population, however ethnicity and border transit of inhabitants is not as much a concern here as are living conditions in general.

Economic structure

Compared to the EU average per capita GDP the programme area lags behind in terms of economic development and is characterized by a relatively high share of agriculture and industry in the employment as well as insufficient competitiveness and innovativeness of the economy. Only urban areas are characterized by a low share of agriculture and high share of services in the employment. Since the agricultural sector plays such an important role, the development of post-harvest activity is required. It means that packing agricultural products in harmony with the marketing goal, means of transport, warehouses and logistic coordination are needed to ensure that the harvested goods reach the consumer in the best condition.

In comparison with the EU average, the economy of the programme area is characterized by insufficient competitiveness, especially in terms of quality and technological advancement, and insufficient innovativeness. Production and export in the programme area need to be supported by new added-value products and services, more technologically advanced and know-how based. This requires the development of potentially export-oriented branches manufacturing high quality consumption goods (e.g. food, furniture, paper, shoes, textiles, and packages).

Spending on Research and Development (R&D) is insufficient and cooperation between scientific institutions (especially higher education institutions) and the business world and the public administration is not well developed. In spite of numerous advantages, the flow of foreign direct investment (FDI) into the border zone is limited and there is significant unexplored potential. The main barriers limiting FDI include weak transport infrastructure, insufficient cross-border cooperation, disparities in institutional systems and insufficient economic promotion.

Agriculture

Climate conditions and soils in the whole eligible area are favourable for agriculture and animal husbandry. On the Belarusian side, specialization of the two regions is similar: in Brest, per-capita production and yields are higher and the region's contribution to overall agricultural production amounts to 17.7%. In the more industrial Gomel region agriculture plays a smaller role. Ukrainian regions are more dependent on agricultural production than their Belarusian counterparts; the most pronounced specialization on agriculture in the Ukrainian bordering region is in Chernihiv, which also has the highest per capita agricultural output among eligible regions. In Ukraine,

agricultural production is split between agricultural enterprises and private farmers (household holdings), the latter contributing 48.2% to agricultural production while owning only 43% of the agricultural lands countrywide, indicating high profitability in the private sector.

Agriculture is important for making living in structurally weaker regions along the border: in Volyn and Zhytomyr, agriculture employs by far more people than any other segment (25% of employment). In other Ukrainian bordering regions and in Belarusian regions their portion is less albeit above 10%. Improved information exchange on agricultural business needs across borders and farmers networks could unlock unused potentials, strengthen existing trade across borders, and increase the competitiveness in agricultural production of the regions.

Industry

The degree of industrialization in the programme territory differs from one eligible region to another. Gomel is the most industrialized region with active gas and oil fields and contributing 90% to the national steel production, together with machine building, chemical industry pulp and paper and other branches. The contribution of the region to overall national industrial output amounts to 20.6%. In contrary to this concentration of extractive and heavy industries, other regions of the eligible area are dominated by light industry. In Brest region that contributes 9% to overall industrial output, it is focused on electrical devices for household appliances and smaller industrial devices. In Ukraine, the regions of the eligible area are among the least industrialized within the country. They contribute only about 1% of sold industrial production each to national industrial output, with the exception of Kyiv region (3.4%). In Volyn, Zhytomyr and Chernihiv, manufacturing industries are specialized in wood and furniture due to rich forests in the region, food processing, textiles and shoes manufacturing (Zhytomyr). Construction materials processing (Zhytomyr) also contributes substantial shares to industrial output. In Rivne, the high share of value added by industry stems from the Nuclear Power Plant that produces and sells electric energy within and beyond the region.

Service Sector including Tourism

Retail trade and transport dominate in the services sector of all regions and expand year over year. Trading across regional borders is vivid and expanding in volumes, but export and import procedures differ in the two countries, owing to the divergence of trade policies on country level. This constitutes a general obstacle to trade that also affects inter-regional trade flows. Transport services availability is on average satisfactory, but transport equipment is out-dated. Some settlements are rarely served by regular public transportation, or not served at all. The same is the case for cross-border transport availability. Information exchange in networks built between professional operators in the trade and service sector along and across the border, and distribution of respective information material to business structures, would facilitate trade and transport in the eligible area.

Touristic services are developing within the regions and the amount of tourists is growing steadily over the last years, however, with a focus on internal recreational tourism and business visitors from bordering countries. Touristic routes across the border are underdeveloped; tourist information centres at the borders are not established. The level of available tourist facilities is good in the regional centres but does not satisfy the needs of international tourists in smaller cities; only a handful of hotels are categorized according to international standards (6 in Gomel. 4 in Brest). In Belarusian regions, agro tourism is a growing sector, but the bulk of these tourists are nationals (86%). In Volyn region, there is a huge potential for re-creative facilities that according to the Governmental Strategy for Regional Development should be developed as a priority. So far, this activity remains underfinanced. Networks of tourist agencies that collaborate across the border and address foreign tourists needs commonly would improve efficiency of marketing measures taken on regional basis.

Environment, Natural and Cultural Heritage Resources

The eligible area offers many attractive touristic sites and has a rich European cultural heritage. All over the eligible area old Slavonic settlements, archaeological monuments, castles of national importance (like Dubno castle in Rivne region or Berdichiv castle in Zhytomyr) are located. However, a common register and related research are missing. While these monuments need preservation and restoring, the neighbouring regions are confronted by the question of how to deal adequately with the monuments of the Soviet time. Nature parks that are partly located at borders call for joint management to improve the efficiency of single-sided preserving measures. In Gomel, the Prip'yatsky National Park offers unique oak forests and many lakes for recreation purposes. The Polesky Radiation Ecological Reserve is aimed at preserving the landscape affected by the Chernobyl accident. The Shatsky Lakes National Park in Volyn region is the most important nature reserve in the Ukrainian bordering region that has 4 nature reserves. Despite the richness in cultural heritage, cultural exchange is limited so far, owing to organizational requirements. Joint events like youth festivals, which are normally well attended, clearly demonstrate success and potential of people-to-people measures.

In the focus of environmental problems of the area is the prevailing contamination of soils and (ground) water due to the Chernobyl accident. Contaminated areas stretch over all regions of the eligible area but Volyn and Rivne have been less affected. A common problem throughout the eligible area is high risk of floods: since many rivers in the area are trans-boundary, warning systems that are partly already established could be improved and their coverage enlarged. Poor water quality due to insufficient sewage cleaning (in quantity and quality) is also a concern of all regions, calling for joint monitoring of bordering rivers and lakes. The low percentage of waste recycling (between 5-20% in Ukrainian regions) and unofficial waste dumping even in nature parks are common problems that can be addressed through joint efforts in finding feasible technical solutions and rising environmental awareness.

Living Conditions

The living conditions in the programme area have improved substantially over the last decade. They differ however in light of divergent national distribution policies and social systems. Bordering regions in Belarus persist to have a more even distribution of income and higher homogeneity of social services, while the living conditions in Ukrainian bordering regions reflect uneven development and earning possibilities and a lesser degree of centralized transfers to regional budgets. Areas that had to be left behind after the Chernobyl accident and living conditions in settlements created or enlarged for permanent resettled inhabitants of contaminated zones require equal special attendance in several regions of the eligible area.

In Brest and Gomel regions, average nominal wages have risen substantially since 2009 and are at the same level; wage earnings contribute about two thirds to disposable income. Official unemployment rates are frictional fluctuating below one per cent of labour force. Only about 8% of the regions population has an overall income below the subsistence level. In Ukrainian bordering regions, nominal wages saw also a steep increase after 2009 but still stand at roughly 75% of the country average, reflecting lower payment in agriculture and in the non-finance service sectors. The exception is Kyiv region that is slightly over average due to trade-offs from Kyiv city. Again with the exception of Kyiv region, Ukraine's bordering regions have the highest unemployment rates countrywide. Income in-kind from subsistence and price subsidies improves the situation of the large population layers with monetary income below the subsistence level (up to 24%). Nevertheless, the resulting share of population below subsistence is still slightly higher than in Belarus (up to 11.9% for Rivne). Small and medium business that unlocks potentials in agriculture, services and tourism is slowly closing gaps of low labour demand; cooperation across borders would enlarge the size of respective potential markets substantially.

Regarding education, all regions have a well developed network of primary and secondary education institutions, but higher education is focused in the capitals, and many students have to migrate non-permanently to the capitals; due to more even living conditions this is easier in Belarus than in Ukrainian border regions. Availability of medical services and numbers of medical staff per inhabitant are stable and comparable among the regions but special treatment would require movements to the capitals. Common problems like increased psychological diseases after Chernobyl or an ageing population call for common solutions by enhancing special skills of medical staff in psychology or gerontology.

Coherence with other programmes and existing strategies

The territorial cooperation programme Belarus-Ukraine continues and deepens the cooperation in the border zone areas of the 2 countries which was previously developed by the Neighbourhood Programme Poland-Belarus-Ukraine INTERREG III A / TACIS Cross-border Cooperation Programme (TACISCBC) 2004-2006 and the Cross-border Cooperation Programme Poland-Belarus-Ukraine 2007-2013.

The programme's activity was limited to 3 cooperation spheres:

- Assistance to border regions in overcoming specific challenges in development and establishing connections between networks on both sides of the border, for example, between the border check points;
- Accelerating transformation processes in western CIS countries by means of their cooperation with EU border regions;
- Lessening cross-border threats for environment and pollution.

In 2004-2006, Belarus and Ukraine took part in the EU-funded Neighbourhood Programme Poland-Belarus-Ukraine. This cooperation continues in 2007-2013 in the framework of the Cross-border Cooperation Programme Poland-Belarus-Ukraine implemented under the European Neighbourhood and Partnership Instrument (ENPI). In Belarus, the programme geographically encompasses Grodno and Brest regions as cooperation areas and Minsk and Homel regions as adjacent cooperation areas. In Ukraine, cooperation areas are Zakarpattya, Lviv and Volyn regions, while Ivano-Frankivsk, Ternopil and Rivne are adjacent cooperation areas. The programme's overall budget is 202.9m EUR including 186.2m EUR of EU co-financing. The trilateral ENPICBC programme operates the following priorities:

- Increasing competitiveness of the border area,
- Improving the quality of life, and
- Networking and people-to-people cooperation.

The priorities of the territorial cooperation programme Belarus-Ukraine are in line with the strategic documents adopted by the Belarusian government:

- Programme of socio-economic development of the Republic of Belarus for 2011-2015
- National Strategy for Sustainable Social-Economic Development of the Republic of Belarus until 2020
- The main directions of socio-economic development of the Republic of Belarus for 2006-2015
- Programme of socio-economic development of Brest region for 2011-2015
- Programme of socio-economic development of Gomel region for 2011-2015

The priorities of the territorial cooperation programme Belarus-Ukraine are in line with the strategic goals of the following documents adopted by Ukrainian authorities:

- The State Programme of the Social and Economic Development of Ukraine;
- The National Strategy for the Regional Development of Ukraine until 2020;
- The law of trans-boundary cooperation;
- The Programme of Integration with the European Union;
- The EU-Ukraine Association Agreement

2.3 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Favourable geographical location for transit between capital cities and developed transport infrastructure • Mostly diversified regional economies • Well developed human capital • Richness of natural and cultural heritage resources • Common lingua franca • Established working ties of regional administrative bodies 	<ul style="list-style-type: none"> • Regional economies with divergent economic potentials • Underdeveloped private small-medium business sector • Lack of information flow over borders at business level • Decelerated cooperation and exchange in cultural sector • Gradually degrading natural resources
Opportunities	Threats
<ul style="list-style-type: none"> • Continuation of friendly political and economic relations between bordering regions • Trade volumes between regions growing • Agro-tourism is developing steadily • Potential for hydroenergy unused • Attractiveness of cultural exchange is visible 	<ul style="list-style-type: none"> • Divergence of regional governance structures • Divergence of trade policies • Vulnerability for climate change and resulting growing incidence of natural disasters, especially floods and draughts • Environmental conditions (volumes of waste, waste-water) keep on worsening • Chernobyl NPP

3. TC programme strategy

The description of the economic, social and environmental situation in the region shows that territorial cooperation of the bordering regions of Belarus and Ukraine as foreseen in the EaPTC strategy can help achieve three specific objectives that cannot be addressed by individual national regional development measures.

First, the objective to minimize direct negative spill over effects: Activities carried out in the bordering region of one country may impose a burden or even harm a bordering region of the other country. The respective risks can be averted or mitigated only by a joint action of the two countries involved. This refers mostly, but is not limited to, external effects caused by pollution of rivers, air, and groundwater, as well as to problems stemming from waste disposal, deforesting, hunting, pasturing and other comparable activities. So far, cooperation has been limited to trans-border water management issues with respect to water regulation and to activities in Chernobyl zone. In the other fields, no well-established platforms of exchange exist. EaPTC would encourage the establishment of these platforms and contribute to avoid conflicts.

Second, the objective to maximize direct positive spill-over effects: Activities carried out in the bordering region of one country can create a surplus benefit in the bordering region of the other country only if the countries collaborate, share information on markets, technologies, customers, and facilitate the flow of goods and people across borders. In this regard, different spheres can be addressed:

- The knowledge and/or capacities of one bordering region can be made accessible to the other region that is not as advanced in that respect (e.g. groundwater management);
- Loose ties of producer-manufacturer-consumer relations can be put together in the bordering regions in a more efficient way than in distant areas of the home country (e.g. agriculture and food manufacturing);
- Capacities that are underdeveloped in both countries can be developed by cooperation (e.g. trainings in customs procedures, special medical treatments, tourism services)

The *third* objective is to unlock the potential of relational/social capital across borders. Repeated interpersonal relations create trust and enhance gains from information exchange. The support of people-to-people measures across borders in education, culture and sports will build up relational capital that diminishes obstacles for communication, and can facilitate future cross-border activities in many spheres.

4. Operational objectives, priorities and actions

The territorial cooperation programme will have three operational objectives:

- I. Improving the living conditions of local communities in the border regions through joint projects supporting economic and social development
- II. Addressing common challenges in the fields of environment, employment, public health and any other field of common interest having a cross border dimension
- III. Culture, education and sports

4.1 Operational objective 1: Improving the living conditions of local communities

Within this operational objective, activities pursuing the following three priorities will be supported:

- Support to small- and medium-size enterprises (SME) by enhancing business-related information infrastructure with special focus on cross-border trade

As shown in Section 2.2, an under-developed business-related information infrastructure poses an obstacle for SME development in the eligible area. Moreover, access to trade-related information acquires additional importance in view of diverging trade policies of Belarus and Ukraine. Targeted joint actions can unlock the potential of cross-border trade and thus contribute to regional economies.

- Raising touristic and investment attraction of regions

Steady development of agri-tourism facilities on both sides of the border and available natural and cultural heritage resources create opportunities for actions targeting joint tourism development and enhancing attractiveness of the regions at large.

- Human capital and employment, career guidance for youth, social inclusion of disabled

The priority will seek for joint actions that develop and strengthen regional human capital, enhance employment opportunities and address social services and social inclusion issues.

4.2 Operational objective 2: Addressing common challenges in the fields of environment, employment, public health and any other field of common interest having a cross border dimension

Within this operational objective, activities pursuing the following two priorities will be supported:

- Joint monitoring and information exchange on environmental situation, energy saving, renewable energy sources, and waste management

The Joint Operational Programme lays clear focus on environmental cross-border problems, attributable to the commonality of respective development issues on the two sides of the border.

- Public health – disease prevention and early diagnostics

The common legacy of Chernobyl accident and comparable population development trends calls for joint actions in the public health area.

4.3 Operational objective 3: Culture, education and sports

Within this operational objective, activities pursuing the following priority will be supported:

- Preservation of cultural and historic heritage, promotion of cooperation in the areas of culture and sport

This priority area seeks to liven up cultural exchanges across the border, which have become less active in the last decade.

Examples of actions to be supported under the above priorities are reflected in the Guidelines for applicants.

5. Indicators of achievement

Success of the territorial cooperation programme will be monitored as to what extent it adheres and contributes to the ENPI Regional East Programme Strategy Paper 2010-2013 and Indicative Programme 2010-2013. Based on the results of capacity building activities of the Eastern Partnership Territorial Cooperation Support Programme, a

set of tentative estimations has been developed. The following qualitative and quantitative indicators will be applied:

Aspect	Measured by indicator:	Baseline	Target
The increased level of structured and institutionalised contacts between local authorities of the bordering regions	Number of applications received in response to a call for proposals	0	53
	Number of organisations involved in the applications	0	160
The number of joint projects implemented across the borders	Number of grant contracts signed	0	21
	Number of projects completed	0	21
The increased intensity of cross border contacts between the local communities	Number of joint cross-border events implemented within the projects	n/a	50

Annex 3 contains a set of output and result indicators. These indicators will be used on a pilot-test basis to monitor economic and social effects of the territorial cooperation programme on the regional development.

6. Programme management

The following structures will be involved in the management of the joint operational programme:

Joint Decision Making Committee: a joint structure to ensure full ownership of the territorial cooperation programme by the two participating countries;

Managing Authority: bear overall responsibility for operational and financial management and implementation of the programme towards the European Commission.

6.1 Joint Decision Making Committee

The Joint Decision Making Committee (JDMC) is established by the participating countries – Belarus and Ukraine – for ensuring the programme’s ownership. Each participating country nominates central, regional and, if applicable, local authorities as well as civil society organisations, which will delegate their representatives to the JDMC meetings; the appointment is functional and not personal.

The authorised representatives of the following institutions will compose the Committee on permanent basis:

Republic of Belarus	Ukraine
1. Ministry of Foreign Affairs	1. Ministry of Economic Development and Trade
2-3. National Coordinating Unit of EU TACIS Programme in the Republic of Belarus (2 positions)	2. Ministry of Foreign Affairs
4. Brest Regional Executive Committee	3. Volyn Regional State Administration
5. Gomel Regional Executive Committee	4. Rivne Regional State Administration
6. Gomel Regional Development Agency	5. Zhytomyr Regional State Administration
7. Civil society representative	6. Kyiv Regional State Administration
	7. Chernihiv Regional State Administration
	8. Ukrainian National Platform of the Eastern Partnership Civil Society Forum

The following institutions will take part in the Committee meetings in advisory capacity without voting rights:

- European Commission represented by the Delegation of the European Union to Belarus and the Delegation of the European Union to Ukraine
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in its capacity of Managing Authority
- Team of Eastern Partnership Territorial Cooperation Support Programme

The JDMC shall perform the following functions:

- Approve the joint operational programme describing objectives and priorities of the territorial cooperation programme Belarus – Ukraine and make amendments to the programme;
- Decide on the optimal allocation of the programme resources to the territorial cooperation priorities;
- Advise the Managing Authority on the project selection criteria and the guidelines for applicants; approve the application package for further endorsement by the European Commission;
- In coordination with the Managing Authority, select the projects to be financed by the territorial cooperation programme, which will have to be confirmed by the European Commission;
- Monitor progress towards the objectives of the programme by reviewing the reports submitted by the Managing Authority.

Decisions at the JDMC shall be taken by a principle of “one country=one vote”. The detailed working and decision-making methods shall be specified in the JDMC Rules of Procedure.

6.2 Managing Authority

The European Commission has nominated Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH to act in the capacity of the Managing Authority (MA). The MA will also perform functions of JDMC Secretariat.

The Managing Authority (MA) shall be responsible for the operational and financial management of the territorial cooperation programme. It shall perform the following functions:

- Prepare and announce calls for proposals;
- Provide informational support to applicants during the call for proposals;
- Collect and register project applications;
- Organise project selection;
- Sign grant contracts and make payments;
- Supervise the operational and financial implementation of projects;
- Report to the EC on the financial and operational implementation of projects;

The MA can sign the contracts with the lead applicants only after the JDMC and the EC have approved the final list of projects selected for funding.

In cooperation with EaPTC Support Programme, the MA shall also ensure that appropriate information about the programme is available and delivered to applicants and beneficiaries, and that technical support is provided during implementation of the grant contracts.

The Managing Authority North, headquartered in Kyiv, Ukraine, is in charge of the territorial cooperation programme Belarus-Ukraine.

7. Programme implementation

7.1 Eligibility of projects

Only projects of a genuine cross-border character and involving at least one partner from each of the participating countries shall be eligible for funding under the territorial cooperation programme. As a rule, activities carried out in a scope of the projects must take place within the eligible programme areas. Exceptions to this, if any, may be specified in the guidelines for applicants. Immediate results that the projects shall deliver must have effects on both sides of the border and remain within the eligible programme area.

Non-profit rule shall apply for the projects financed by the programme: the projects may not have the purpose or effect of producing a profit within the framework of the programme. Support to commercial activities in the meaning of state aid will not be provided.

The duration of project implementation period shall be limited to a minimum of 9(nine) and a maximum of 18 (eighteen) calendar months. At the time of grant contract signature between the beneficiaries and the MA, the maximum duration may be revised so that the projects supported by the programme are completed by the 31st of December,2016.

7.2 Eligibility of project beneficiaries

Regional and local authorities, institutions established by them,¹ non-governmental and non-profit organisations implementing projects for the public general interest are eligible for the support of the territorial cooperation programme. Specifically, the following legal forms as defined by the national legislation of the participating countries will be eligible for support:

Belarus	Ukraine
<p>Executive and regulatory bodies, bodies of territorial public self-government: Bodies of local government and self-government (Law of the Republic of Belarus On local government and self-government in the Republic of Belarus of January 4, 2010 №108-3; Law of the Republic of Belarus On Territorial and Administrative Organization of the Republic of Belarus of May 5, 1998; № 154-3)</p> <p>Organizations and institutions established by the republican bodies of state administration or local authorities:</p> <ul style="list-style-type: none"> • Branches or agencies, research institutes, foundations, communal organizations or 	<p>Public bodies:</p> <ul style="list-style-type: none"> • Local self-government bodies (Law of Ukraine On Local Self-government in Ukraine of May 21, 1997 № 280/97-BP) • Local state administrations (Law of Ukraine On Local State Administration of April 9, 1999№ 586-XIV) <p>Public equivalent bodies:</p> <ul style="list-style-type: none"> • Legal entities of public law established by the decision of local self-governance bodies or state administrations (Civil Code of Ukraine of 16.01.2003, № 435-IV, Art 81)

¹The institutions shall meet the following criteria: (a) be established for the specific purpose of meeting needs in general interest, not having an industrial or commercial character; (b) having legal personality; and (c) be financed, for the most part, by the state, regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervising board, more than half of whose are appointed by the state, regional or local authorities, or by other bodies governed by public law. Directive 2004/18/EC of 31.03.2004. OJ L 134/114 of 30.04.2004.

<p>enterprises established by the decision of and owned by local self-governance bodies and administrations</p> <p>Non-governmental and non-profit organisations:</p> <ul style="list-style-type: none"> • Public associations (Law of the Republic of Belarus On Public Associations of October 4, 1994; №3254-XII) • State-public associations (Law of the Republic of Belarus On Republican State-Public Associations of July 19, 2006; № 1503) <p>Any other legal form in accordance with legislation of the Republic of Belarus and complying with the definition of executive and regulatory bodies, organizations and institutions established by the republican bodies of state administration or local authorities, non-governmental and non-profit organisations as per Directive 2004/18/EC</p>	<p>Non-governmental and non-profit organisations:</p> <ul style="list-style-type: none"> • Public associations (Law of Ukraine on Public Associations of March 22, 2012 № 4572-VI) • Charity organisations (Law of Ukraine on Charity and Charitable Organizations of July 5, 2012 № 5073-VI) <p>Any other legal form in accordance with legislation of Ukraine and complying with the definition of public bodies, public equivalent bodies, non-governmental and non-profit organisations as per Directive 2004/18/EC</p>
--	---

As a general rule, only bodies registered in the eligible area can receive financial support under this programme. The potential participation of other bodies of the similar type, registered outside the programme area, in projects implemented in the eligible area, will be determined in the Guidelines for Applicants.

Legal entities not falling in any of these categories are welcome to participate in projects as associate partners. They will have to finance their activities from their own resources and are not entitled to receive funding from the territorial cooperation programme.

The eligibility of applicants, co-applicants and associates will be defined in the Guidelines for Applicants.

7.3 Selection, contracting and implementation procedures

Contracting and implementation procedures to be applied for the implementation of the territorial cooperation programme shall be those defined in the Practical Guide to Contract Procedures for EC External Actions (PRAG) in force at the time of launching a call for proposals. The programme will be operated on the basis of a single application process and a single selection process covering all sides of the border.

The application package, including application form and guidelines for applicants, shall be elaborated by the MA in cooperation with the EaPTC Support Programme. The programme will be implemented through an open call for proposals. Only one call for proposals is foreseen during the lifespan of the programme. The MA will launch the call for proposals after having consulted the application package with the JDMC and the European Commission.

The MA in cooperation with the EaPTC Support Programme shall provide potential applicants with all necessary information on the call for proposals. The lead applicants shall deliver their project applications (including e-version) directly to the MA office in Kyiv by hand or by courier or by registered mail. The details on project application submission procedures will be set out in the guidelines for applicants.

Assessment of applications and project selection will be carried out in two stages: 1) administrative check and assessment of **eligibility** of applicants, expenditure and activities (based on administrative and eligibility criteria); and 2) evaluation of **quality** of eligible applications (based on selection and award criteria). The MA shall be in charge of organisation of the assessment process, while the JDMC takes the final decision on the project evaluation results, which will have to be confirmed by the European Commission.

Opening of applications received by a set deadline, administrative compliance and **eligibility** check shall be performed by the MA. During the eligibility check, the MA can cooperate with national authorities and delegations of the European Union in Belarus and Ukraine to verify legal status of applicants as well as to clarify if there is no

overlapping with other EU or public financing. These verifications and clarifications shall comply with principles of impartiality and confidentiality. The national authorities involved should remain independent in the process. The results of the opening, administrative compliance and eligibility check must be approved by the JDMC.

The assessment of **quality** of applications will be completed by external assessors. External assessors will be selected via an open call (based on the ToR drafted by the MA and consulted/agreed with the JDMC). The JDMC members and the MA will approve the list of assessors. "Four eyes" rule shall apply: each application shall be assessed by at least two assessors. If the scorings of the two assessors differ considerably, opinion of the third assessor shall be sought. The evaluation report drafted by the MA based on assessors' recommendations will be presented to the JDMC for approval and to the EC for the final endorsement.

The JDMC shall review the conclusions of the assessors and may seek further clarifications. If the JDMC decides not to follow all or part of the recommendations of the assessors, it must give sound reasons and justification to be recorded in the final evaluation report. Before contracting, the MA may request corrections to be made to the project. However, these corrections may concern minor technical aspects only, and by no means alter the contents, objectives, main outputs or activities of the project or any other condition that led to awarding the grant.

The final evaluation report, based on the PRAG standard documents, should comprise summary assessment reports per each eligible application, including evaluation grids, scores and comments from the assessors and the JDMC members, and a list of non-eligible applications with reasons for rejection.

The results of the project selection that are approved by the JDMC will be deemed valid only after they are endorsed by the European Commission.

The MA shall prepare and sign the grant contracts with the lead partners of the projects selected for funding after the European Commission has endorsed the JDMC decision. Prior to the signature of the grant contract, all project partners shall lay down the arrangements for their relations with regard to management and implementation of the project to a model partnership agreement approved by the MA and the JDMC. Project reporting requirements and payments schemes will be detailed in the Guidelines for applicants.

The MA and the EaPTC Support Programme shall provide information and support to the grant beneficiaries for efficient project implementation. All the project reports (interim and final technical narrative and financial reports, and if required expenditure verification reports) and payment requests shall be submitted to the MA office in Kyiv. The MA shall process the reports and payment requests, and execute payments to the grant beneficiaries accordingly. The details of reporting and payment procedures will be set out in the implementation manual elaborated by the MA in cooperation with the EaPTC Support Programme.

The MA shall elaborate regular (6-monthly) programme implementation reviews on the basis of the reports delivered by the grant beneficiaries. The reviews shall be submitted to the JDMC for information.

The MA will take necessary steps to ensure visibility of the EU-financing in relation to activities of the projects funded by the programme.

The graph to illustrate the programme implementation cycle is annexed (Annexe 4).

7.4 Eligible expenditure and levels of support

Eligible costs are actual costs incurred and paid by project beneficiaries within the project implementation period as defined in the grant contract. No contributions in kind by project beneficiaries and/or third parties shall be accepted as eligible. Definition of direct and indirect eligible costs shall follow standard provisions of PRAG, unless stipulated otherwise in the guidelines for applicants.

Grants to projects selected for funding shall constitute a maximum of 90 per cent of the total project eligible costs and must be co-financed from sources other than the European Union Budget or the European Development Fund.

The amount of the grants shall be limited to a minimum of 60,000 EUR and a maximum of 250,000 EUR. The grants shall be paid to lead beneficiaries of the projects in several tranches and in accordance to provisions determined in the special conditions.

The guidelines for applicants and the grant contract may specify further details in relation to eligible costs and other financial provisions.

8. Financial allocations

The EU funding of the territorial cooperation programme between Belarus and Ukraine comes from the European Neighbourhood and Partnership Instrument regional allocations of the budget year 2013.

The indicative amount of the EU funding to the programme has been defined in the Strategy for Eastern Partnership Territorial Cooperation Programmes, and is 3.3 million EUR.

Based on the outcomes and conclusions of the strategic analysis of the Belarus-Ukraine bordering regions, the indicative allocation among the operational objectives of the programme is as follows:

Operational objective I – Improving living conditions	40 per cent
Operational objective II – Addressing common challenges	40 per cent
Operational objective III – Culture, education and sports	20 per cent

The indicative financing plan (thousand EUR)

	EU financing	National co-financing (Participating countries)	Other donors	Co-financing by project partners	Total funding
Operational objective I	1,320.0	0	0	146.67	1,466.67
Operational objective II	1,320.0	0	0	146.67	1,466.67
Operational objective III	660.0	0	0	73.33	733.33
Total	3,300.0	0	0	366.67	3,666.67

Depending on the quality of project applications, JDMC may decide about the re-allocation of programme funds up to 20 percent per one operational objective of the programme.

Annex 2: Regional Statistical Data

	Belarus regions		Ukraine regions				
	Brest	Gomel	Volyn	Rivne	Zhytomyr	Kyiv	Chernihiv
Population (thousands)	1390.4	1427.7	1038.6	1154.3	1273.2	1719.5	1088.5
Population (% of total country)	14.7	15.0	2.3	2.5	2.8	3.8	2.4
Rural population (% of total region)							
Contribution to national GDP (%)	9.2	11.7	1.3	1.5	1.7	4.2	1.6
Agriculture in regional value added (%)	7.6*	5.0*	16.9	15.9	16.2	13.4	18.3
Industry in regional value added (%)	37.7*	48.0*	15.5	31.5	21.5	18.6	26.0
Number of hotel beds							
Number of tourists							
Official unemployment (%)	0.9	0.7	8.3	10.4	10.0	6.7	10.4
Monthly average nominal wage as percentage of the national average (%)							
Net migration to/from region							
Number of protected areas	1	2	4	-	-	-	-
Emissions from stationary sources (tons)	34.8	95.4	7.6	17.1	19.0	113.6	49.5

* as of January-April 2014. Unless otherwise stated, data refer to the year 2012

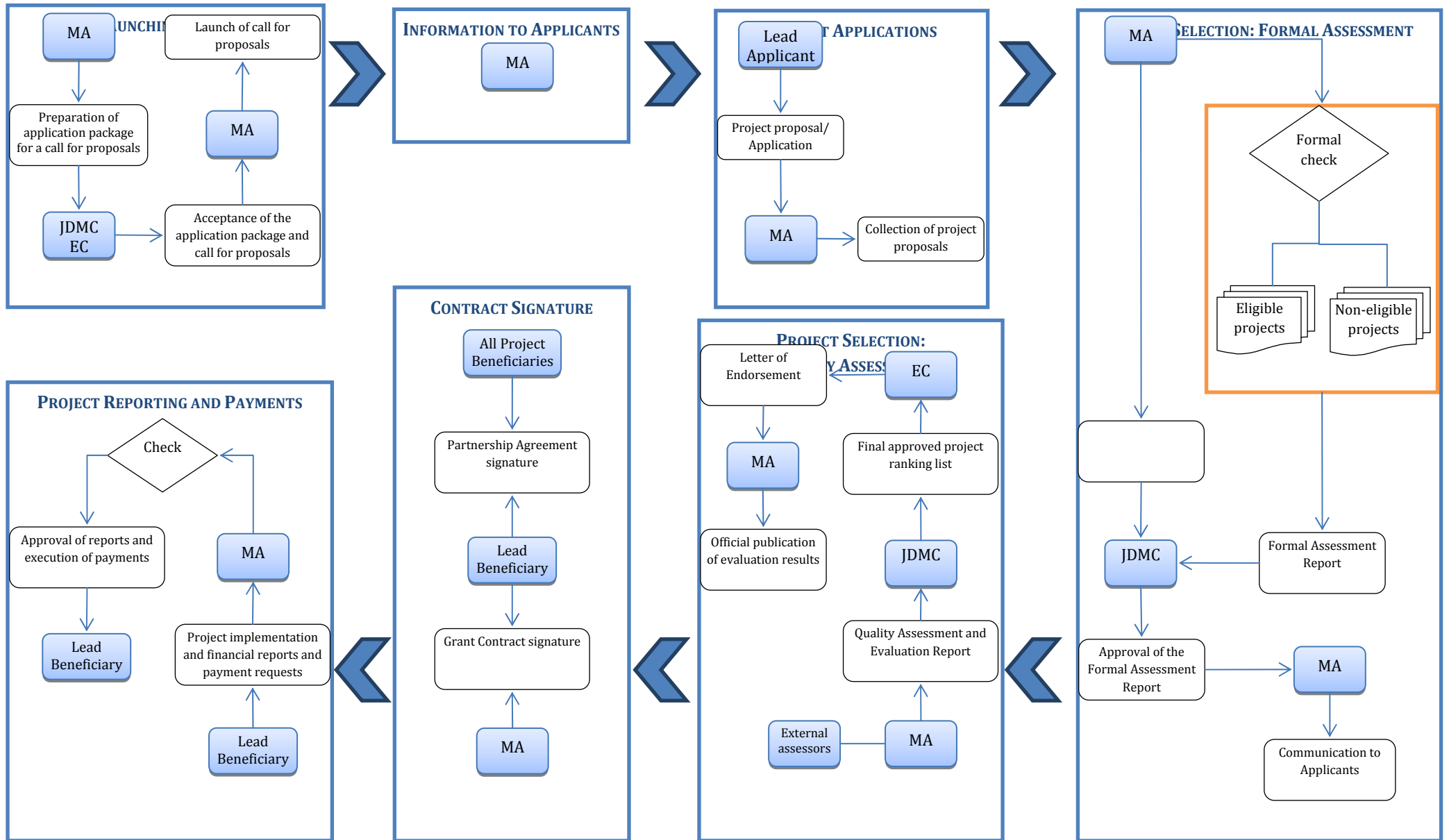
Source: Belstat (Belarus), Derzhkomstat (Ukraine); own calculations

Annex 3: Programme Monitoring Indicators

Operational objective	Priority	Output indicators	Result indicators
I. Improving the living conditions of local communities in the target cross-border regions through joint projects supporting economic and social development	Support to SME by enhancing business-related information infrastructure with special focus on cross-border trade	Number of projects providing support to SME to facilitate access to business-related information, particularly with focus on cross-border trade Number of joint research projects on market potential, customs practices, transportation services	Number of SMEs/ entrepreneurs that took part in events organised by the projects/benefited from the actions Number of cross-border partnerships/ initiatives/ business networks established Number of newly established cross-border partnerships between local and regional academic institutions, think tanks, research centres Number of joint researches, studies, strategies on local development issues published Number of joint cross-border events/ conferences/ seminars/ workshops organised by the projects to address issues to the agriculture sector
	Raising touristic and investment attraction of regions	Number of projects in the field of tourism and investment promotion	Number of networks (associations) of tourist agencies, operators, information centres established and operational Number of new joint touristic routes developed and introduced Number of tourists using the outputs of the projects Number of joint events geared to potential investors Number of joint cross-border events/ conferences/ seminars/ workshops organised by the projects to address issues related to cross-border tourism development
	Human capital and employment, career guidance for youth, social inclusion of disabled	Number of joint projects related to HR development, employment and career guidance Number of joint projects to enhance social inclusion of disabled	Number of career centres established at universities across the border Number of VET courses developed and implemented Traceable number of improvements in special infrastructure and access to social services for disabled in border regions Number of joint events geared to enhancing social inclusion of Chernobyl-displaced persons
II. Addressing common challenges in the fields of environment, employment, public health and any other field of common interest	Joint monitoring and information exchange on environmental situation, energy saving, renewable energy sources, and waste management	Number of projects establishing joint management of protected areas and/ or natural resources Number of projects targeting cross-border emergency issues	Common information resource on cross-border monitoring of natural resources (rivers, forests, protected areas) is established Number of established/supported networks to exchange information and coordinate protection measures

Operational objective	Priority	Output indicators	Result indicators
		<p>Number of projects establishing direct cross-border cooperation among counterparts in the field of renewable energy and energy saving</p> <p>Number of joint projects in the field of waste management and recycling</p>	<p>Number of partnerships established between emergency institutions across the border</p> <p>Research networks to study long-term environmental impact of Chernobyl accident established</p> <p>Number of joint cross-border events/ conferences/ seminars/ workshops organised by the projects to address issues related to environment</p>
	Public health – disease prevention and early diagnostics	<p>Number of projects implemented to enhance early diagnostics and prevent diseases</p> <p>Number of projects implemented to reduce communicable diseases across the border</p>	<p>Number of joint events to exchange best practices in gerontology and social solutions for ageing population</p> <p>Channels for information exchange between health care organisations on communicable diseases established and put to operation</p> <p>Joint measures to improve early diagnostics of Chernobyl-related diseases are carried out</p> <p>Information campaign and joint cross-border events/ conferences/ seminars/ workshops on mobile lifestyle and healthy nutrition etc. organised by projects involving participation of local authorities and civil society organisations</p>
III. Culture, education and sports	Preservation of cultural and historic heritage	Number of projects that include cultural activities with the participation of representatives from both sides of the common border	<p>Joint register of cultural and historic heritage established</p> <p>As result of awareness-raising events, the number of people with improved knowledge about traditions, cultural and historical heritage of neighbours</p> <p>Number of cultural events (ethnographic festivals, craftsmanship exhibitions etc.) organised: number of participants involved in those events</p> <p>Improved knowledge of schoolchildren about cultural and historic heritage</p>

Annex 4: Programme Management



Annex 5: Information about participants of Stakeholder Consultations

Following the discussion of the Joint Operational Programme by the working group of Belarusian and Ukrainian representatives on July 3, the document was published on the web portal of EaPTC Support Programme for public information and comments on 22 July 2014. In July the EaPTC Support Programme facilitated a stakeholder consultation process – a series of meetings with regional state and non-state actors in the eligible regions. Below is the summary of the events:

Country	Town	Date	Total number of participants	Of which representing		By gender	
				state institutions	non-state sector	women	men
Belarus	Brest	August 1, 2014	39	25	14	16	24
Ukraine	Chernigiv	July 11, 2014	32	22	10	17	15
	Kyiv	July 28, 2014	36	15	21	16	20
	Korosten	July 29, 2014	28	15	13	14	14
	Zhytomyr	29 July, 2014	39	22	17	10	29
	Rivne	30 July, 2014	42	30	12	18	24
	Sarny	July 30, 2014	17	13	4	11	6
	Kovel	July 31, 2014	25	23	2	15	10
	Lutsk	July 31, 2014	30	23	7	20	10
Total		9 meetings	288	168	120	137	151

At the stakeholder consultation meetings, the participants had an opportunity to comment on the draft Joint Operational Programme, provide recommendations and other feedback.