

Update on Eastern Partnership implementation

To address the new co-operation needs specifically linked to the Eastern Partnership, the EU has earmarked specific funding for the period 2010-2013, of €350 million, adding to existing funds for the six partner countries within the framework of the European Neighbourhood and Partnership Instrument (ENPI), the EU financial instruments supporting the implementation of the Neighbourhood Policy. This brings up to about €1,9 billion the total of financial resources dedicated to the implementation of the Neighbourhood Policy in the EU's Eastern partners.

The additional Eastern Partnership resources aim to support three particular initiatives: the Comprehensive Institution Building programme (CIB), Pilot Regional Development Programmes (PRDPs), and the five EaP regional Flagship Initiatives.

I. Eastern Partnership bilateral track: Comprehensive Institution Building Programme (CIB) and Pilot Regional Development Programmes (PRDPs)

In the framework of EU bilateral cooperation with Eastern Partnership countries, two initiatives in particular have been brought about by the EaP: the Comprehensive Institution Building Programme, and the introduction of new Pilot Regional Development Programmes modelled by the EU cohesion policy.

1) Eastern Partnership Comprehensive Institution Building Programme (CIB)

The CIB objective is to strengthen the capacities of those core institutions that are instrumental in the preparation process of the Association Agreements, and the setting up of Deep and Comprehensive Free Trade Areas. Approximately €173 million are dedicated to the implementation of the CIB over 2011-2013 in the six Eastern partners.

CIB – status update: CIB Framework Documents (setting out key institutions and challenges they face) were signed by the EU with all five participating partner countries (all EaP partners except Belarus) by spring 2011. Work on the Institutional Reform Plans (IRPs) for the selected institutions is ongoing, and most of them should be finalised by the end of the year, but work is progressing at different pace in the different countries. Technical assistance has already been provided by the EU for the development of IRPs, financed from previous financing decisions.

The EU has already adopted the CIB budget for 2011 (€43 million for five EaP partners – Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine) in July 2011, and is now waiting on finalisation of IRPs by partner countries to make the funds available.

2) Eastern Partnership Pilot Regional Development Programmes (PRDPs)

The EaP foresees Pilot Regional Development Programmes in order to help partner countries to address important structural problems. Economic and social disparities among regions and population groups, often divided by historical, cultural, ethnic and religious differences, represent a major obstacle to economic development at the national level. Through these programmes, inspired by the EU cohesion policy experience, partner countries will be able to develop and support regional development strategies aimed at reducing disparities and funding projects which will help in overcoming structural deficiencies. Approximately €75 million are dedicated to the implementation of PRDPs over 2012-2013 in the six Eastern partners.

PRDPs - status update: funding for PRDPs is foreseen only starting in 2012. A number of preparatory steps have been taken in the meantime: EU missions were organised to all five EaP countries (Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine) in April –May 2011, to inform stakeholders about the concept of PRDPs, and a seminar was organised in Brussels in June with representatives from partner countries and EU Delegations to launch the programme.

II. Eastern Partnership Multilateral track: Flagship Initiatives

Regional cooperation in the Neighbourhood East covers a diversity of sectors, from border management, to economic development, energy, transport, environmental protection and social and human dimension. Against this background, five Flagship Initiatives have been launched at regional level under the EaP, in order to give substance and focus to the multilateral dimension of cooperation under the EaP. Flagship Initiatives are supported through regional projects in the framework of the Regional East Programme 2010-2013. A series of other regional cooperation projects funded from previous years are also ongoing, and also contribute to the objectives of the Flagships (as outlined in the accompanying table).

1) Integrated Border Management Flagship Initiative

€44 million is dedicated to support border management issues in the framework of this Flagship, in 2010-2013. A first project under the Flagship, the IBM Flagship Initiative Training Project (EaP IBM FIT) – with a budget of €2 million, is ongoing, focusing on training and capacity building of partner countries' border authorities on support to the implementation of border management and action plans, document integrity and security, detection of drugs and smuggled products, protection of intellectual property rights.

Concrete support for selected border crossing points at the borders between EaP countries is also envisioned in the framework of this Flagship Initiative. In a first phase, support for two border crossing points, at the border between Ukraine and Belarus, and at the Armenian-Georgian border, is under preparation in the framework of the Regional East Programme 2011.

2) Support to Small and Medium Enterprises (SMEs) Flagship Initiative

Three EU funded projects are currently running in support of this flagship:

- Ø East-Invest, an investment and trade facilitation project for the economic development of the Eastern Partnership region, to which the EU is contributing a budget of €7 million. It targets and provides technical assistance to business support organisations and SMEs from the six EaP countries which have the potential for developing mutual cooperation and attracting EU investments.

- Ø Turn Around Management and Business Advisory Services - TAM-BAS, a tailored technical assistance program, implemented by the EBRD and funded entirely by the EU with a budget of €5 million. A supplementary envelope of €5 million will be added in 2011. Under TAM-BAS up to 600 Small and Medium sized enterprises receive tailored technical assistance aiming at supporting sustainable development of the SMEs sector in the six EaP countries and building a competitive infrastructure of local advisory services.
- Ø SMEs Funding Facility Project, an envelope of €15 million provided by the EU as risk sharing cushion to leverage loans for SMEs, granted by European Financial Institutions.

Including the above, over €50 million will be made available overall to support this Flagship Initiative until 2013.

3) Regional Electricity Markets, Energy Efficiency and Renewable Energy Sources Flagship Initiative

Regional energy cooperation in the countries of the Eastern Partnership is supported through the INOGATE programme. Energy security and diversification of supply cannot be seen in isolation and the INOGATE programme also links the EaP region to Central Asia. The INOGATE programme 2010-2011 includes approximately €32 million of ongoing projects in support of regional energy markets and the objectives of the EaP Energy Flagship in particular (e.g. energy regulation, harmonisation of standards and legislation, but also activities in support of renewable energy and energy efficiency in the building sector).

4) Prevention, Preparedness and Response to natural and man-made Disasters Flagship Initiative (PPRD-East)

The first phase of the Flagship, already under implementation, with a budget of €6 million, will review existing resources and available mechanisms working on disaster prevention, preparedness and response in EaP countries and prepare an Electronic Regional Risk Atlas. Capacity building, study visits and exchanges of experts involved in disaster management, as well as technical assistance missions in response to specific demands by the countries' authorities will also be deployed. Further activities include a full-scale simulation exercise and awareness-raising for stakeholders and the general population. A second phase, with a similar budget, is also foreseen before 2013.

5) Environmental Governance Flagship Initiative

Focus will be on strengthening the capacities to reduce environmental risks and pollution, and promote more sustainable use of natural resources by improving institutional capabilities, ensuring access to environmental information, involving relevant stakeholders in environmental management and decision-making, on reporting, and on conducting Environmental Impact Assessments and Strategic Environmental Assessments. Projects worth €22 million are ongoing in support of the Flagship. Another €10 million will be added to support this Flagship until 2013.

Other EaP multilateral initiatives

Council of Europe Facility

The Council of Europe (CoE) is a key partner in promoting democracy and good governance values in the Eastern Partnership (EaP) region. The EU and CoE have thus launched a €4

million Eastern Partnership Council of Europe Facility to facilitate approximation with the CoE and EU standards in core areas covered by the EaP, most notably improved functioning of the judiciary, public administration reform, supporting electoral standards, fight against cybercrime and corruption, and human rights protection. It will allow for the mobilisation of Council of Europe expertise, peer to peer advice and the exchange of best practices among participating countries.

Eastern Partnership Culture programme

This €12 million programme aims at assisting Eastern Partners in their cultural policy reform at government level, as well as at capacity building and improving professionalism of cultural operators in the region. It provides both technical assistance, to address specific priority needs of public institutions and the region's cultural sector, and grants to civil society cultural organisations – profit and non-profit – and national and local institutions for regional cooperation projects.