Belgrade 15 March 2018

**Note for the attention of**

**the members of the technical working group**

**Subject: Post-2020 generation of CBC programmes**

During the CBC Regional Consultative Forum held in Struga (the former Yugoslav Republic of Macedonia) on 17-18 October 2017, there was one session devoted to sound out the opinion of the Western Balkans CBC stakeholders on the strategic options that had been opened to internal discussion at DG NEAR and which are reflected in this note with some considerations by CBIB+ for discussion about the post-2020 generation of CBC programmes. This discussion had been triggered by the following recommendations of the 2007-2013 evaluation of the CBC programmes:

* Border areas have specific needs and EU support through CBC is highly visible – CBC must be maintained as a distinctive form of pre-accession assistance;
* The delineation of cross-border areas (and programmes) is rather static – the move from (only) bilateral to trilateral/multilateral programmes should be considered;
* IPA-IPA CBC has a limited impact – there is a need for more strategic interventions;
* CBC programmes work as stand-alone programmes – there is a need for better synergy with other forms of interventions;
* Streamlining programme management of IPA-IPA CBC programmes is essential to simplify the institutional set-up and maximise the effectiveness and value for money;
* The prioritisation process of the IPA CBC programmes at intra-Western Balkans borders needs to be more focused to maximise the benefit of EU funding;
* Results measurement of IPA CBC is weak – a robust performance framework must be established.

As the programming exercise for the next generation of CBC programmes is envisaged to take place in the course of 2019 and there are plans to hold a regional event to brainstorm, along with representatives from EU Member States, DG REGIO and Interact, on the characteristics of those post-2020 programmes before summer 2018, this note comes up at the right moment to present the four strategic options discussed during the last CBC Forum and initiate their examination through consultations and exchange of views amongst the members of this dedicated technical working group (TWG).

For the time being, four strategic options have been identified for the future set-up of CBC programmes between two or more of the current IPA II beneficiaries. In a series of tables further down, you can find the options identified with a list of advantages and disadvantages/risks for consideration by the members of the TWG. The table below displays an overview of the main advantages of the four strategic options according to DG NEAR with respect to six basic criteria:

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|  **CRITERIA** **OPTIONS** | **Political dialogue /better neighbourly relations** | **Development of cross-border areas** | **Administrative simplification/ efficiency** | **Use of EU funds improved** | **More visibility** | **More impact** |
| **OPTION 1A** |  |  |  |  |  |  |
| **OPTION 1B** |  |  |  |  |  |  |
| **OPTION 2** |  |  |  |  |  |  |
| **OPTION 3** |  |  |  |  |  |  |

Members of the TWG are kindly requested to write down their opinion on each of the options within the appropriate columns. Please justify your answer with arguments, where you find it appropriate. The CBIB+ Phase II project team will collect these responses by **28 March 2018** and create other tables displaying a summary of opinions at regional level.

Please feel free to propose an additional option or a variant of any of the options already included in this note.

The CBIB+ Phase II project team

**Option 1a**: The current set-up of the IPA II CBC programmes is maintained (i.e. bilateral CBC programmes) and the financial allocation of the programme is increased to fund more sizeable projects.

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| **ADVANTAGES** | **OBSERVATIONS OF THE TWG MEMBER** |
| **Agree** | **Disagree** |
| It builds on the experience and know-how gained by the EC and the beneficiaries under the 2007-2013 and 2014-2020 CBC programmes: good neighbourly relations and local development are enhanced; |  |  |
| It is fully aligned with the geographic and programmatic practice on CBC programmes in the EU, as is applicable in all Interreg periods including 2014-2020, and as such the most relevant option for pre-accession preparation; |  |  |
| It builds on the continuity and stability of the current system; |  |  |
| The capacities of the Beneficiary Countries, in the perspective of the management of structural funds, are enhanced; i.e. preparation for ERDF-funded programmes is maintained as a key objective, which guarantees continued support by DG REGIO. |  |  |
| Other  | <please specify>  |
| **DISADVANTAGES/RISKS** |  |
| The institutional set-up is not simplified (unless a streamlined system is agreed which consists of fewer stakeholders/structures involved); |  |  |
| If a dual implementing mode (direct and indirect management, depending on the beneficiaries involved) remains in place, the capacities of the beneficiaries in the perspective of the management of structural funds will be unevenly developed; |  |  |
| The costs for technical assistance remain high (even if relatively reduced if the CBC budget is expanded). |  |  |
| Other  | <please specify> |

**Option 1b**: The current set-up of the IPA II CBC programmes is maintained but with a revised geographical and programmatic coverage (i.e. trilateral, quadrilateral or even multilateral/transnational programmes), as well as an increased financial allocation that would allow funding more sizeable projects.

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| **ADVANTAGES** | **OBSERVATIONS OF THE TWG MEMBER** |
| **Agree** | **Disagree** |
| It would imply streamlining the number of managing/coordination entities and a significant reduction of the institutional complexity; |  |  |
| Flexibility by allowing bilateral programmes to coexist along with trilateral or multilateral ones; |  |  |
| The focus on bigger and more strategic operations would be increased; |  |  |
| The visibility of the programme at national and regional level would be enhanced; |  |  |
| It would improve the performance framework (more coherence in defining largely applicable sets of indicators and objectives). |  |  |
| Other  | <please specify> |
| **DISADVANTAGES/RISKS** |  |
| As some of the Beneficiary Countries would not lead any CBC programme, these would lose the experience gained so far in managing CBC funds as a way to support the preparation for the future use of ERDF-type funds; |  |  |
| The programming phase could be hampered by the difficulty of beneficiaries in agreeing on the border areas, thematic priorities and objectives. |  |  |
| Other  | <please specify> |

**Option 2**: The management of the programmes is centralised with one single managing or contracting authority at regional level, while the financial allocation of the programme is increased to fund more sizeable projects.

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| **ADVANTAGES** | **OBSERVATIONS OF THE TWG MEMBER** |
| **Agree** | **Disagree** |
| It greatly simplifies the institutional set-up (i.e. one joint technical secretariat, one joint monitoring committee and one contracting authority); |  |  |
| Only one management mode is used (e.g. shared management mode by a Member State) thus better allowing the harmonisation of rules and procedures in the whole region; |  |  |
| The management of CBC at DG NEAR level (including the DEUs) is greatly simplified (i.e. fewer resources involved); |  |  |
| It increases the focus on bigger and more strategic operations; |  |  |
| Coherence and complementarity with other strategic frameworks or initiatives is favoured; |  |  |
| Visibility of the programme at national and regional level is increased; |  |  |
| The performance framework (more coherence in defining largely applicable set of indicators and objectives) would be improved. |  |  |
| Other  | <please specify> |
| **DISADVANTAGES/RISKS** |  |
| It may lose the CBC dimension to become a transnational programme: no more specific focus on borders and difficult neighbourly integration among border communities; |  |  |
| Ownership of programmes can be affected (i.e. no more bilateral structures led by relevant ministries); |  |  |
| It will involve discontinuity, upheaval of the system |  |  |
| Agreeing the status and structure of the single “managing” authority may prove very complex (An authority in a neighbouring Member State? An authority in one of the beneficiaries? An international/regional organisation? etc.); |  |  |
| The simplification is not paired by efficiency and effectiveness in case the new programme is managed by one of the neighbouring (i.e. relatively new) Member States as lead country; |  |  |
| The Beneficiary Countries do not benefit from the management of CBC programmes as an exercise to acquire experience for the future management of structural funds. |  |  |
| Other  | <please specify> |

**Option 3**: The CBC programmes are integrated into national sector programmes or in multi-country programmes and their financial allocation is increased for more sizeable projects.

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| **ADVANTAGES** | **OBSERVATIONS OF THE TWG MEMBER** |
| **Agree** | **Disagree** |
| It integrates the CBC programming into the national sector programming by obliging the beneficiaries to take explicit account of the needs or consequences in border areas, either domestically or in neighbouring countries; |  |  |
| Sustainability of CBC programmes is enhanced; |  |  |
| CBC would be perceived as a net contributor to national development; |  |  |
| Coherence with existing coordination platforms or initiatives (e.g. WBIF; national facilities for project pipelines; Civil Society Facility, etc.) is increased, which addresses the issue of isolation of CBC from national and donor-funded programmes and from the regional initiatives. |  |  |
| Other  | <please specify> |
| **DISADVANTAGES/RISKS** |  |  |
| Harmonisation of procedures can be affected, as well as the concept of CBC for the benefit of cross-border areas; |  |  |
| It will involve discontinuity, upheaval of the system; |  |  |
| The institutional set-up is not simplified; |  |  |
| It could be difficult to ensure the CBC character of supported actions; |  |  |
| CBC would have to compete for securing financial resources with strong national strategic sectors; |  |  |
| The beneficiaries do not profit from the management of CBC programmes as an exercise to acquire experience for the future management of structural funds; |  |  |
| The visibility of CBC/EU assistance in border regions may be impaired. |  |  |
| Other | <please specify> |

**<Option 4**: <………..>

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| **ADVANTAGES** | **OBSERVATIONS OF THE TWG MEMBER** |
| **Agree** | **Disagree** |
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| **DISADVANTAGES/RISKS** |  |
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| **POSSIBLE INNOVATIONS APPLICABLE TO OPTIONS 1A, 1B & 2 (AND SOME OF THEM ALSO TO OPTION 3)[[1]](#footnote-1)** | **OBSERVATIONS OF THE TWG MEMBER** |
| --- | --- |
| **Agree** | **Disagree** |
| 1 | Calls could include both small scale grants and larger grants. |  |  |
| 2 | Some calls could be dedicated to fund one or several strategic projects. |  |  |
| 3 | Some calls could include only small scale grants. |  |  |
| 4 | The thematic priorities proposed at regional CBC level will have a very restricted focus.  |  |  |
| 5 | CBC programmes will have one thematic priority, with one specific objective and a maximum of two results.  |  |  |
| 6 | CBC programmes will have a maximum of three thematic priorities with a detailed list of indicators, but not all of them will be used in the calls. One of them will serve the purpose of reserve. |  |  |
| 7 | Reduction of the EU maximum co-financing at programme level for operations, for instance, from 85% to 80% in order to increase the local ownership of the CBC programmes. |  |  |
| 8 | The amount devoted to technical assistance per programme does not need to be defined by a fixed percentage of the EU allocation. A detailed justification will be required. |  |  |
| 9 | Appropriate analytical reports will be made available to the operating structures (OSs) and joint monitoring committees (JMCs) in advance in order to inform any of their decisions. |  |  |
| 10 | The OSs and JMCs should recover the role they used to have under the 2007-2013 CBC programmes for the selection of operations, irrespective of the management mode of the programme. |  |  |
| 11 | All post-2020 programmes should be handled under indirect management. |  |  |
| 12 | Programme managers should strive to increase the participation of under-represented types of applicants in calls for proposals.  |  |  |
| 13 | The provision of capacity building for the applicants invited to submit full applications on topics such as ‘logical framework matrix focusing on indicators” and ‘budget estimation’ should become regular practice.  |  |  |
| 14 | All procedures without exception should be harmonised, standardised and simplified at regional level.  |  |  |
| 15 | The quality standard of applications has to be raised while application assessment must become more rigorous. |  |  |
| 16 | Western Balkans CBC stakeholders should recognise the need to look at examples of good practices somewhere else. |  |  |
| 17 | Other  | <please specify> |
|  |  |

Out of the foregoing innovations, please rank below in order of importance those five that you would prefer the most and those five that you would not deem necessary:

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| **Preferred innovations (maximum of five, ordered by preference)** |  | **Unnecessary innovations (maximum of five, ordered by unacceptance)**  |
| No | Name | No | Name |
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1. This table puts forward a number of important changes. Please note that some of them imply a choice between options as they are incompatible and only a few could be adopted as a coherence choice. Moreover, some of them are beyond the control of the current CBC structures (e.g. ‘all post-2020 programmes should be handled under indirect management’). [↑](#footnote-ref-1)