



ANNEX 1

of the Commission Implementing Decision on the ENI East Regional Action Programme
2019 Part 4

**Action Document for Promoting the Clean Energy Transition in the Eastern
Partnership countries: EU4Energy Phase II**

ANNUAL PROGRAMME

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	<p><u>Promoting the Clean Energy Transition in the Eastern Partnership countries: EU4Energy Phase II</u></p> <p>CRIS number: 2019/042-180</p> <p>financed under the European Neighbourhood Instrument (ENI)</p>
2. Zone benefiting from the action/location	<p>Neighbourhood countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova¹, Ukraine.</p> <p>The action shall be carried out at the following location: six Eastern Partnership (EaP) partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) and EU Member States.</p>
3. Programming document	<p>European Neighbourhood Instrument Regional East Strategy Paper (2014-2020) and Multiannual Indicative Annual Programme (2017-2020)</p>
4. Sustainable Development Goals (SDGs)	<p>Main SDG(s) on the basis of section 4.4</p> <p>SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all;</p> <p>SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;</p> <p>SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels;</p> <p>Other significant SDG(s) on the basis of section 4.4</p> <p>SDG 11: Make cities and human settlements inclusive, safe, resilient</p>

¹ Hereinafter referred to as Moldova.

	and sustainable; SDG 12: Ensure sustainable consumption and production patterns; SDG 13: Take urgent action to combat climate change and its impacts; SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development;			
5. Sector of intervention/ thematic area	Energy Eastern Partnership priorities: •Stronger connectivity priority of Regional Action Programme (RAP) 2019	DEV. Assistance: Yes		
6. Amounts concerned	Total estimated cost: EUR 9 094 736 Total amount of European Union (EU) contribution: EUR 9 000 000 The contribution is for an amount of EUR 9 000 000 from the general budget of the European Union for 2019. This action is co-financed in joint co-financing by: - the Energy Community Secretariat for an amount of EUR 94 736.			
7. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management through: -Grant with the Energy Community Secretariat (with regards to component 1) Indirect management: (with regards to component 2-8)			
8 a) DAC code(s)	23110 - Energy policy and administrative management 23183 - Energy conservation and demand-side efficiency			
b) Main Delivery Channel	47000 - Other multilateral institution			
9. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	X
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	X	<input type="checkbox"/>
Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>	

10. Global Public Goods and Challenges (GPGC) thematic flagships	N/A
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SUMMARY

The objective of the proposed action is to foster the clean energy transition and decarbonisation in the Eastern Neighbourhood countries through evidence-based energy policy design. The programme is sufficiently flexible to support also projects in sectors other than renewables and energy efficiency as long as the actions contribute in the long term to the EaP region’s energy transition and decarbonisation efforts (e.g. electricity grid modernisation for the further market integration of renewables or gas as back-up source for renewables).

In order to build on the previous EU4Energy programme, the overall EU assistance in the energy sector as well as the commitments and the energy reforms undertaken by the six Eastern partner countries, the new programme will promote regional cooperation leading to:

- sound energy legislative and regulatory frameworks for the transition to clean energy and the liberalisation of energy market. Particular attention will be given to the systemic approach linking up data, analysis and policies as well as new challenges and opportunities, such as the gradual embedding of digitalisation in all energy-relevant market segments and the cost reflectivity.
- the development of a conducive environment for sustainable energy, in particular for i) the deployment of renewable energy sources, ii) energy efficiency plans in the main energy-consuming sectors of the economy and iii) a further integration of electricity systems within the EaP region in line with the prioritisation of energy infrastructures projects.

The proposed action will be implemented, where appropriate, at the regional level but also at the countries’ level to address specific needs.

1 CONTEXT ANALYSIS

1.1 Context Description

At the Eastern Partnership Summit on 24 November 2017 participants recommitted themselves to improve the lives of all citizens on the basis of the ‘20 Deliverables for 2020’ agenda endorsed at that Summit, which guides EU’s cooperation with its Eastern partners. The existing EU4Energy programme and this new action are instrumental in the support to connectivity deliverables, in particular the Deliverable 14 (increase energy supply security) and Deliverable 15 (enhance energy efficiency and the use of renewable energy; reduce Greenhouse Gas emissions). While some milestones have been achieved (in particular with the drafting or assistance in development of 59 legislative acts and the assessment of energy interconnection projects of interest to the Eastern Partnership), some further efforts are needed on the synchronisation of electricity systems, optimisation of underground gas storage use, as well as on the regulatory aspects of energy efficiency, deployment of renewables and the monitoring and action for the reduction of CO2 emissions.

The EU's Eastern neighbours are facing similar challenges when it comes to the clean energy transition (change in energy mix and reduced dependency on fossil fuels) and the necessity to consider forward-looking energy policies and projections.

The region is highly dependent on imported oil and hydrocarbons and the region's energy intensity is in general too high, around twice higher than the average of the EU, because of ageing energy infrastructure, maintenance issues and inefficient industrial processes. As a result, there is also significant untapped energy efficiency and renewable energy potentials in the region. Eastern European countries share abundant renewable energy sources, in particular around the Black Sea basin. However, to tap into these potentials, the transformation of the institutional setting is needed (in particular the liberalisation of energy markets and the removal of market-distorting energy subsidies, the implementation of renewable energy and energy efficiency legal frameworks and the establishment of fully-functioning independent energy regulators).

The transition to clean energy requires therefore a clear long-term vision and strong political commitment, but also provides vast opportunities. When properly supported by a solid legal and institutional framework and backed by well-designed investments, the development of new clean technologies and increased renewable energy and energy efficiency measures will deliver many cost-effective benefits for the region's positive socio-economic development, particularly regarding jobs and competitiveness, as well as security of energy supply and the environment.

1.2 Policy Framework (Global, EU)

The revised **European Neighbourhood Policy (ENP)** calls for prioritisation and for a more focused approach in order to deliver to the citizens tangible and noticeable results. This is reflected in the identification of the 20 Deliverables for 2020, developed in the Staff Working Document 'Eastern Partnership 20 Deliverables for 2020- Focusing on key priorities and tangible results'. To ensure the implementation of the deliverables on energy, the newly created multisectoral **Platform 3** (replacing the former Platform on Energy Security) and the **Energy Panel** bring together representatives of both the EU and six Eastern partner countries to discuss a number of core objectives in the field of energy. In addition, the monitoring of the implementation of the 20 Deliverables is carried out. In June-September 2018, the progress and latest developments for the 20 Deliverables were assessed and the results were reported to the Eastern Partnership Foreign Affairs Ministerial on 15 October 2018.

The multilateral track of the EaP has also advanced through a number of flagship initiatives, which give additional momentum, concrete substance and more visibility to the Partnership. This regional assistance to energy is part of what underpins the **Energy Flagship Initiative**.

In March 2015, the European Commission issued a Communication with the objective of building an **Energy Union**, which is a key priority and constitutes a milestone in achieving ambitious energy and climate goals as well as forward-looking energy and climate change policies, with implications on its external dimension. In November 2016, the Commission presented a series of legislative proposals entitled '**Clean Energy for all Europeans**'. With eight pieces of legislation, this energy legislative package adopted in 2019 is a cornerstone of the Energy Union. It revisited the energy *acquis* in the areas of energy efficiency, renewables, internal market and governance, notably with the introduction of two new targets for the EU

for 2030 (at least 32% for renewable energy and at least 32.5% for energy efficiency) and the first national energy and climate plans.

In November 2018, the Commission presented its **strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy by 2050 – A Clean Planet for All**. This strategy reflects the enhanced ambition of the EU to meet its Paris Agreement commitments as well as forward- looking climate change and energy objectives.

Sustainable energy as a key area of cooperation is central to the new **European Consensus on Development** adopted in May 2017, which aligns the EU's external vision and framework of action with the 2030 Agenda for Sustainable Development.

Another important legal framework is the **Energy Community Treaty (EnCT)**. The EnCT signatories: Ukraine, Moldova and Georgia as Contracting Parties (Armenia is Observer, Belarus is an applicant for Observer) – have an obligation to implement the most relevant EU energy *acquis* on electricity, gas, renewables, energy efficiency, energy-related environmental legislation, energy statistics, competition and State aid law principles and maintain emergency oil stocks. The countries that are Parties to the Energy Community Treaty already signed up earlier to these commitments - in the Association Agreements. The Energy Community Regulatory Board (ECRB) gathers the energy regulators from the Contracting Parties, as well as Armenia (Observer). In addition, the latest reforms of the EU energy *acquis* are progressively added to the partner countries' commitments in the Energy Community Treaty and in the Association Agreements, in line with the principle of 'dynamic approximation'. The Energy Community Secretariat also plans to specifically support the national statistics institutes in the Energy Community countries to improve the accuracy and completeness of the energy data during the 2020-21 period across the region.

Established International Organisations active in the collection of energy data, e.g. like **the International Energy Agency (IEA)** or other comparable institutes. The IEA establishes, for instance, international commitments of its members in relation to emergency oil stock obligations as well as data reporting, and sets standards for its 30 member countries that are also members of the Organisation for Economic Co-operation and Development (OECD). These standards are becoming international standards and best practices through the IEA's engagement. Key areas of focus for the IEA include energy data and modelling, energy security, energy technology roadmaps, energy transition including energy efficiency and integration of renewable energy, environmental protection and economic development. The IAE already supports under the current Eu4Energy programme the six Eastern partner countries with data collection, modelling and use of data to feed energy policies.

The **Energy Charter Treaty (ECT)** is a plurilateral trade and investment agreement applicable to the energy sector. It was signed by the EU in December 1994 and entered into force for the EU in April 1998. To date, fifty-two states, as well as the EU and EURATOM, have acceded to the ECT. The EU Member States represent roughly a half of the Energy Charter Conference membership as well as of the Contracting Parties to the ECT. Armenia, Azerbaijan, Georgia, Moldova and Ukraine are Contracting Parties and Belarus applies the Energy Charter Treaty provisionally.

During the Ministerial Conference of the ECT in November 2018, the ECT Contracting Parties agreed on a list of items for modernisation. The objective of the Modernised ECT should be to increase investment in the energy sector in a sustainable way by creating a

coherent and up-to-date legally binding framework that provides for legal certainty and ensures a high level of investment protection.

The Modernised ECT should aim at establishing clear rules on a broad number of investment-related issues. This in turn will allow the ECT Contracting Parties to strengthen their institutional capabilities, public policies and legislative frameworks in the energy sector.

At bilateral level, there is a number of **Memoranda of Understanding (MoU)** in the energy sector signed by the EU with: Azerbaijan and Ukraine, as well as a **joint declaration** with Belarus.

The EU has also signed **Association Agreements**, including a Deep and Comprehensive Free Trade Area (DCFTA), with Georgia, Moldova and Ukraine. These agreements include commitments in the energy sector, on energy security and energy markets, including nuclear safety, regulatory reforms in line with the EU *acquis* and the establishment of open energy markets. They also aim at a more efficient use of energy and the development of renewable energy sources. The **Comprehensive and Enhanced Partnership Agreement (CEPA)**, which broadens the scope of relations between the EU and Armenia, was signed in November 2017. The EU and Armenia have already been working on the implementation roadmap, which also includes the energy sector. With Belarus, negotiations are ongoing on the set up of EU-Belarus Partnership Priorities (PPs), including the prospect of renewing cooperation in the energy sector. The EU is currently also negotiating with Azerbaijan a successor agreement to the existing Partnership and Cooperation Agreement (PCA), which will also include a chapter on energy.

The tendency is to move towards a more differentiated, focused and nuanced approach between the different countries of this region, **including in terms of financial supporting instruments**. From 2014, the European Union cooperates with the Eastern partners through actions financed under the European Neighbourhood Instrument (ENI). The same applies to the blending mechanism with the development of the Neighbourhood Investment Platform (NIP).

1.3 Public Policy Analysis of the partner country/region (status at the time of writing)

From a regional perspective, all EaP partner countries have ratified the Paris Agreement and the comprehensive policies and strategies put forward in their Nationally Determined Contributions (NDCs) have become a formal part of their national policy framework and long-term planning.

In terms of energy security, most of the region's countries are vulnerable due to over-dependence on specific external energy suppliers, and therefore have a vital interest in increasing their energy independence by diversifying their sources of supply and increasing their domestic energy generation in a sustainable way, while embedding modern digitalisation technologies.

The Energy Community Treaty (EnCT) requires Moldova, Georgia, and Ukraine to approximate their legislation to the EU *acquis*.

Armenia and Belarus, which are members of the Eurasian Economic Union, and Azerbaijan, which is not, have their own legal frameworks, which currently still differ substantially from the EU's *acquis* in relation to the functioning of energy markets.

Substantial progress has been achieved with regard to energy reforms over the past decade. In particular, the legislation for opening electricity and gas markets as well as the legislation on energy efficiency and on renewable energy have been developed in the region to a varying degree.

Some further progress is necessary on the appropriate improvement of energy efficiency legislation in Armenia, Azerbaijan and Georgia and on electricity and gas-related legal changes for market liberalisation in Armenia, Azerbaijan, Belarus and Georgia. The system of renewables support in Ukraine is expected to change once the new law on the renewables' support scheme is adopted. The current support system risks endangering the country's long-term financial stability due to too generous amounts, particularly for large-scale projects. For further deployment of energy efficiency measures, several legal solutions, which are common in the EU but are not part of the energy *acquis*, are needed (legislation for the management of condominiums, property taxation with energy efficiency stimulations etc.). The implementation of adopted legislation, including the unbundling of the electricity and gas transmission system operators, is considered critical for the establishment of open gas and electricity markets in all Energy Community countries. Underground gas storage capacity is still a concern in Georgia.

1.4 Stakeholder analysis

The 'Promoting the Clean Energy Transition in the EaP' action is targeted at several actors, primarily government authorities in the partner countries, which need to improve their energy policies and institutional capacity in order to unlock the potential of the region to shift to the sustainable energy transition. The action will involve various arms of the government, including ministries of energy, environment and economy, statistical offices and regulatory agencies and public institutions dealing with energy efficiency, renewable energy and energy markets. Challenges for some of the countries relate to the lack of capacity at the level of ministries of energy to lead on the clean energy transition, the establishment of an effective cooperation between the different ministries and state agencies working on energy issues as well as numerous changes of energy ministers.

The **main direct beneficiaries** of the project include the following:

- Ministries of energy, of natural resources, of economy, of finance, of regional development, of industry, of environment, of transport and of new technologies and corresponding parliamentary (or relevant legislative authority) committees;
- Transmission systems operators (TSO) for electricity and gas;
- National energy regulators;
- National statistical institutes/offices in each partner country;
- Energy agencies or funds.

Private sector actors and international financial institutions (IFIs) as well as national and international non-governmental (NGO) sector will also be important partners for this action. In some countries, such as Ukraine, a large number of civil society organisations and think tanks exist and work on energy, covering different aspects of energy reforms. Strong interministerial and intergovernmental cooperation as well as donor coordination are therefore

crucial in the implementation process of the programme. The action will also be implemented in close cooperation with related domestic and international projects in the region.

Other key **indirect beneficiaries** and stakeholders include:

- Energy services companies, audit centres;
- Private sector companies and investors;
- Homeowners associations/condominiums;
- Civil society organisations working on energy and climate change issues;
- Other relevant entities dealing with policy-making or implementation in relation to the energy sector.

The **final beneficiaries** will be the citizens of the Eastern partner countries, who will benefit from enhanced energy security, accessibility and affordability of energy commodities, transparency of energy markets and energy pricing as well as an improved quality of life resulting from environmental effects of actions in energy efficiency and renewable energy fields.

1.5 Problem analysis/priority areas for support

The European Union, notably through the EU4Energy programme (2016-2020), has provided policy, legislative and regulatory support as well as expert assistance and capacity-building to the six Eastern Neighbourhood countries in the area of energy.

Supporting beneficiary countries in focusing on common challenges and opportunities in the energy sector will result in crucial leverage for bringing prosperity and security to the entire EaP region and will help to further strengthen the EU's visibility in partner countries.

Building on the previous programme, the new programme aims at addressing the following issues:

- **Strengthening the national energy legislative and regulatory frameworks in the six EaP partner countries and providing ad hoc legal expertise/policy advice**

In addition to the further alignment with the EU energy legislation for countries with bilateral agreements with the EU/being Contracting Parties to the Energy Community Treaty, and with European standards for the others, a key issue for the future is also the legislation's effective implementation. The reform partnership between the EU and the six Eastern Partnership partner countries foresees meeting 20 Deliverables by 2020. As regards the energy field, this includes Deliverable 14 (increase energy supply security) and Deliverable 15 (enhance energy efficiency and the use of renewable energy; reduce Greenhouse Gas emissions). Work on the legislative and regulatory framework has to evolve continuously in these countries in view of delivering on the energy reforms outlined in the EaP 20 Deliverables.

- **Developing a conducive environment for sustainable energy investments**

Over the past years, renewables have emerged as a valuable alternative to traditional energy sources. The transformation of current generation, transmission, distribution and supply systems into more decentralised systems remains a challenge for the energy sector in the Eastern Neighbourhood. In order to thrive, renewables require modern grid infrastructures and liberalised energy markets.

It is therefore important to continue to support the development of further measures to remove investment barriers and to mobilise clean energy finance, e.g. through awareness raising or concrete business facilitation measures. Work should also continue to make the environment for clean energy still more conducive, e.g. through incentives like carbon pricing mechanisms or infrastructure improvements, the upgrading of the electricity grids to integrate renewables more easily or the modernisation of pipeline systems for the future transport of ‘green gas’.

Driving change in the region will also require substantial investments in clean energy and energy efficiency measures. To attract sector-specific investments and to make them more ‘bankable’, the countries will need to continue their energy reforms and facilitate economies of scales effects, e.g. by partnering projects with neighbours and further market regionalisation.

The Phase II of EU4Energy will continue to promote further collaboration between the partner countries at regional level and regional interconnections.

- **Enhancing energy data capabilities, management and data modelling, and linking them to analysis and evidence-based policy design**

Central to energy reforms is, on the one hand, the quality and availability of energy statistics and, on the other hand, an early consultation of and active communication with stakeholders. In absence of comprehensive data and its mastery, partner countries cannot aspire to develop evidence-based policies. The future implementing organisation will have to build on previous statistical work of the IEA in the region under the current EU4Energy programme as well as on the EU’s Energy Statistics Directive and EUROSTAT’s work.

- **Increasing access to energy information and transfer of knowledge as well as exploring new forms of capacity building**

The clean energy transition is not without economic and social impact. The development of technologies, in particular with the digitalisation of energy systems, is instrumental to its success. New opportunities for investments and jobs in renewable energy and clean technologies industry sectors will be created, in particular for women and the youth of EaP partner countries. Region-specific and national support programmes could still complement actions under EU4Energy to reduce the immediate impact on more traditional industries and lessen the energy transition’s costs for society as a whole.

Dialogue and raising awareness as well as strong and coherent communication messages are instrumental to build the understanding of the civil society towards the required reforms. The way ahead for these countries is evidence-based and inclusive decision-making for ensuring a sustainable future.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Change in government priorities related to energy reforms	M	This risk will be mitigated by ensuring appropriate steering of the action. The action will provide the necessary information and

		support to partner countries to make appropriate choices. Partner countries' commitment at high political level will be required for a successful outcome of the action.
Lack/discontinuity of human resources – important degree of staff turnover and erosion of institutional memory	L-M	The action will work with a wide number of experts, provide trainings and explore new formats of knowledge-sharing (involving technical staff and mid-level managers to the widest possible extent) in order to establish a large skills base. The involvement of international organisations, which possess institutional memory and proper in-house expertise, will also lift partner countries towards international standards and best practices in the steering of the action.
Absence of financing conducive environment to implement renewable energy and energy efficiency projects	M	One of the components of the proposed action (component 2) will tackle the barriers to investments/legal issues and the identification of innovative financing mechanisms to improve the financing environment.
Delays due to the complexity of the reforms and red tape within the beneficiary governments	M	Strong involvement of the EU Delegations and careful planning of activities (taking into account the individual situation and needs of each country) will be ensured.
Assumptions applicable to all components of the action		
<ul style="list-style-type: none"> • Energy remains amongst the main priorities of partner countries' policies for the coming decades, and governments show willingness to reform (in particular through integrated policy-making, taking into account climate change policies and gender balance strategies). • Alignment with needs and decision-making procedures by relevant authorities is overall timely and coherent. • Experts are available and there is good cooperation between all relevant stakeholders, including the provision of necessary human, technical and financial resources by the national authorities. • The quality of the support (notably the training and capacity building) to the beneficiary countries is adequate and allows them to develop the capacity to retain this knowledge. 		

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

The action builds on the outcomes and the lessons learnt from the former INOGATE programme², the evaluation of the EU support in the energy sector in the Eastern Partnerships countries for 2007-2013³ as well as the Phase I of the EU4Energy programme (2016-2020)⁴.

² Contracts ENPI/2011/278-827 and ENPI/2012/300-657.

From the actions implemented and the achievements made, according to result-oriented monitoring (ROM) and interim narrative reports, it can be noticed that:

- Improved energy statistics aligned with international best practice are instrumental for the development of evidence-based and forward-looking energy policies.
- Adoption of market-supporting primary and secondary legislation, cost reflectiveness of energy prices and a gradual introduction of EU emission standards are key elements of the transition to a clean energy framework. In addition to the formal alignment of domestic legislation with the EU energy *acquis* and European standards, the challenge also lies in their effective implementation.
- The regional dimension is more effective in certain sectors and in demonstration cases/exchange of best practises. In particular, energy market integration, cross-border interconnections and integrated energy and climate planning require the adoption of minimum compatible technical and comparable data, economic standards as well as cross-border market integration at regional level, where appropriate.
- Flexibility in both the approach and the proposed cooperation instruments has to be sought to enable the EU and its partners to respond to ever changing circumstances and needs in the energy reforms.
- Participation of all relevant stakeholders, including in particular of civil society, is necessary to secure the long-term ownership of and compliance with the energy reforms, requiring also constant availability of relevant resources.

3.2 Complementarity, synergy and donor coordination

Complementarity with other regional programmes

At regional level, a number of programmes are operating and already target some specific issues. Thus, the following will not be addressed by the present action:

- The gradual decreasing/removal of environmentally harmful subsidies, since the EU4Environment programme is already addressing this topic;
- SMEs, since it is the focus of the EU4Business programme.

Furthermore, energy policy is strongly interconnected to the climate change's agenda. Further alignment and coordination of technical assistance provided by the Energy Community Secretariat under the EU4Climate programme has to be considered to avoid duplication and ensure coherence of policy priorities and actions.

For Central Asian countries, covered under the current EU4Energy programme, the Directorate-General for International Cooperation and Development (DG DEVCO) is working on a new programme Capacity Building and Technical Assistance to Central Asian Countries – Renewable Energy and Energy Efficiency Support (CAREEE) to continue to provide support on the energy reforms.

³ Contract ENPI/2014/345-493.

⁴ Contracts ENI/2017/388-297; ENI/2017/364-837 & ENI/2017/364-835.

Complementarity with blending and investments

The Phase II of EU4Energy will continue to bring support to national authorities. Local authorities are supported in the field of Sustainable Energy, through Covenant of Mayors (CoM) and Sustainable Urban Demonstration Projects (SUDeP), as well as through the reinforcement of the Eastern Europe Energy Efficiency and Environmental Partnership (E5P). In addition, a number of energy efficiency facilities, financed through the Neighbourhood Investment Platform (NIP) and the European financial institutions (EFIs), aim to stimulate the private sector to move towards more energy efficient production systems.

Through blending, the Neighbourhood Investment Platform combines investment grants and technical assistance grants with loans from IFIs to stimulate investments, notably in infrastructure, in the Eastern Partnership countries. This also aims to incentivise banks to present projects that are of strategic value in terms of interconnectivity⁵. Priority projects will be identified across different frameworks: Projects of Common Interest (PCI), Projects of Energy Community Interests (PECI) and Projects of Mutual Interest (PMI).

Complementarity with bilateral technical assistance

Financial energy support and bilateral assistance differs from one country to another. To support the partner countries in their energy reforms, the new action represents the opportunity to respond to their demands and needs as well as to capitalise the ongoing and planned bilateral ENI assistance in the specific areas (mainly energy efficiency and awareness raising). The potential for synergies with the following bilateral initiatives will have to be carefully cross-checked:

- In Armenia, one action will focus on **Energy efficiency and renewable energy projects** (EUR 15 million, Annual Action Programme 2019).
- In Azerbaijan, under the Single Support Framework 2018-2020⁶, the EU supports **the energy field** (around EUR 2 million), with the specific objectives a) to support enhanced connectivity in the energy area, including through support to enhanced governance of and reforms in the energy sector; b) to increase energy efficiency.
- The **EU4Belarus: Resource Efficiency Facility** (EUR 15 million, Special Measures for 2018) will aim to develop energy- and public infrastructure-related (pre-)feasibility studies and pilot investments in Brest and Hrodna regions.
- In Georgia, **EUR 27 million for energy efficiency measures** were earmarked under the bilateral allocation for 2018 and an **ad hoc technical assistance** was approved (EUR 8.5 million Neighbourhood Investment Platform (NIP) Board 2018).
- **A technical assistance project** (EUR 1.4 million, 2017-2020) has been developed to support Moldova in the implementation of the commitments undertaken under the Energy Community Treaty and in reforms of the energy sector. The project on **Citizens' Empowerment** (EUR 5 million, Annual Action Programme 2017) will support also raising awareness of citizens – especially pupils – and local civil society

⁵ As China's involvement in the region is growing, sustainability aspects of Chinese-supported projects become more important and will need to be assessed. To the extent that Chinese projects correspond with the EU's sustainability criteria, possible synergies between European and Chinese projects could be considered.

⁶ Actions, which continue well into 2020 will need to be analysed both for their current and future synergies potential.

organisations (including mass media representatives) about energy and energy efficiency issues.

- The EU ongoing bilateral assistance to Ukraine in the field of energy and energy efficiency amounts to around **EUR 200 million**. In particular, support is provided to the implementation of **Ukraine's Energy Strategy** (Budget Support, EUR 45 million, 2013-2020) and the setting-up of the **Energy Efficiency Fund** (EU contribution of EUR 104 million). There are also a **project aiming to enhance the impact of civil society** in energy and related sectors' reforms (EUR 0.5 million, 2016-2019), a **Twinning Project on Renewable Energy Sources development** (EUR 1 million, 2019-2020), the European Commission-World Bank Trust Fund '**Policy Advice to Ukrainian Gas Sector Reforms and Infrastructural Support**' (EUR 3 million, 2016-2020) and a **Comprehensive Study of Underground Gas Storage Facilities in Ukraine** (EUR 1.9 million, 2017-2019).

The Technical Assistance and Information Exchange instrument (TAIEX) and the instrument for institutional cooperation between Public Administrations of EU Member States and of beneficiary or partner countries (TWINNING) help beneficiaries to address key challenges identified in the approximation of EU energy *acquis* as well as offer advice about EU Best Practices in the energy field. In this area of support, complementarity with TAIEX can facilitate the delivery of appropriate tailor-made expertise to address issues at short notice, both on multi-country or bilateral levels.

In addition, the Steering Committee, which will be responsible for approving the Annual Action Plans, will also be responsible for taking into account in its evaluation process complementarity with existing or planned actions as well as for prioritisation, in line with country's needs and requests, therefore providing flexible support to beneficiary countries.

Synergies with other donors and international organisations/actors

While the EU is the main donor in the region in the field of energy, other main international actors already active in the region comprise:

- the international financial institutions (in particular, the World Bank, the European Bank for Reconstruction and Development - EBRD, the Kreditanstalt für Wiederaufbau - KfW);
- USAID, working to facilitate efficient and reliable supply of energy (principally natural gas and electricity) as well as reforms aimed at enhancing energy efficiency in the region;
- the Energy Community Secretariat (regarding countries that are Contracting Parties);
- the International Energy Agency;
- the Energy Charter Secretariat.

Consistency with the priorities and the scope of work, already covered by the EU contributions to the budget of those organisations and in relation with other international actors present, has to be sought to avoid duplication, to make a more effective use of available resources and to ensure coordination with the European Union.

Finally, to ensure convergence with EU policies as well as complementarity and synergies with other projects and donors, a close dialogue between the EU, the action implementing partners and the partner countries will be sought under the Eastern Partnership multilateral

architecture. This includes, in particular, the multisectoral EaP Platform 3 on Connectivity, the EaP Energy Panel and its Flagship initiative in the field of sustainable energy.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** of the programme is to foster the low carbon and clean energy transition in the six Eastern partner countries.

The programme is also relevant for the 2030 Agenda for Sustainable Development. It contributes particularly to the progressive achievement of SDG 7 ‘Ensure access to affordable, reliable, sustainable and modern energy for all’ and SDG 16 ‘Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels’. SDG 9 ‘Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation’ is also key if we want the energy transition in the six Eastern partner countries to succeed.

Building upon the common strategic objective and previous lessons learnt, this can be translated into the following **more specific objectives**: (i) to strengthen energy legislative and regulatory frameworks as well as evidence-based energy policy design capabilities; (ii) to foster the implementation of a conducive environment for sustainable energy investments and prioritisation of infrastructure projects, and, where appropriate, an increase in regional market integration/intra-regional trade.

The proposed activities will vary according to the level of implementation of standards and absorption capacity in partner countries. Due account will be paid to the previous activities completed under the Phase I of the EU4Energy programme and the existing and planned bilateral programmes, addressing key energy issues and filling critical national gaps. Prior consultation with the EU Delegations/ European Commission before launching a new activity will have to be ensured. Priorities will be revised by the Steering Committee, through the approval of Annual Action Plans, in line with the needs and the level of results achieved. Regular communication on a cross-project and cross-country basis is considered essential for achieving the objectives for the EaP region as a whole.

The main activities implemented will be in line with the relevant Working Programme of the EaP Platform 3 (Connectivity, energy efficiency, environment and climate change) and include, *inter alia*, the provision of policy recommendations and policy guidelines, assisting in the drafting of legislative draft acts and capacity building through the organisation of meetings, seminars, workshops, web-based trainings, and the publication of relevant documents.

Specific objective 1: To strengthen energy legislative and regulatory frameworks as well as evidence-based energy policy design capabilities

Result 1: Improved transposition and implementation of the energy *acquis* and coherent policy development in line with the Energy Community Treaty/Association Agreements/DCFTAs (for Georgia, Moldova and Ukraine)

- Advance additional alignment work with EU *acquis* as provided by the Energy Community Treaty as well as the bilateral agreements with the EU not yet financed

through other EU contributions: assist in drafting/revising, support in adoption and implementation of laws and secondary legislation related to energy reforms;

- Enhance/introduce an overview of the above energy legislation's implementation/measurement of reform progress over time.

Result 2: Further development of strategic thinking, planning and adoption of EU Best Practices and support on the CEPA implementation (for other Eastern Partner Countries, which are not a Contracting Party to the Energy Community Treaty: Armenia, Azerbaijan and Belarus)

- Advance alignment with EU best practices or, where applicable the CEPA;
- Operationalise the agreed priority proposals (stemming from the Steering Committee, in which country specific requests are submitted and discussed);
- Reinforce policy analysis and contributions based on EU best practices as well as on discussed experiences and concepts from other countries in the field of clean energy transition towards zero emissions economy.

For both:

- Ensure the follow-up of policy pathways outlined in the Treaty/DCFTA/CEPA/EU best practices and published energy policy road maps, in-depth reviews for every country;
- Increase institutional capacities and coordination at political and technical level.
- Contribute to the Eastern Partnership multisectoral Platform 3 and the Panel on energy.

Result 3: Increased capacity in energy data management

- Ensure strong cooperation between energy ministries and national statistical institutes/offices to achieve a systemic approach in linking up data, analysis and policies⁷;
- Deliver comprehensive and effective trainings for the relevant energy actors on statistics;
- Improve energy data capabilities, data collection and monitoring, in line with best international practices, as well as strengthen access for all relevant stakeholders;
- Further development of demand-side data collection and management to be integrated into national energy balances.

Result 4: Increased access to energy information and awareness raising

- Further develop and facilitate access to energy information, in particular through constant updating of the web portal already in place with new data and any relevant information;
- Increase dialogue and awareness activities to foster stakeholders' participation in policy developments and implementation (notably on energy efficiency and circular economy solutions, changes in energy consumption pattern as well as standards, labels and certification);

⁷ Result 1 and 2 are interlinked to support evidence-based policy-making in the energy sector. The implementation of the programme has to ensure this aspect, in particular in strengthening the countries' autonomous data collection capacities.

- Further support the strategic communication on energy reforms.

Possible activities in these areas include:

Sectoral assessments will be provided in priority areas (e.g. compliance of national legislation and regulations with EU *acquis*⁸ as well as with European standards and policy recommendations/guidelines). Implementation indicators will be developed.

Capacity building through the organisation of meetings, seminars, workshops, trainings and regional networks and web-based educational activities will contribute to strengthening the transfer of knowledge of civil servants and staff from the six partner countries on European values, policies, and standards in the area of energy. Some current institutional settings on liaising data, analysis and policy and some new approaches on retaining the knowledge sharing (especially in the public sector) will be further explored, e.g. through country-specific approaches based on a prior needs analysis (expert supervision of daily practices). Data obtained from these activities, including the contact points established in countries targeted by the programme and reports from its implementation, should regularly be shared with the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and the Directorate-General for Energy (DG ENER), in view of feeding into the Commission's Panel and Platform discussions.

Publications (reports, brochures, leaflets, energy data newsletters, etc.) will feed the web portal and will provide regional, comparative data and information on the results and impacts of the action.

Regarding the activities on legislative acts and policy recommendations or guidelines, some preparatory or complementarity work will be conducted in the framework of TAIEX/Twinning and existing EaP Platform and Panel meetings.

⁸ Currently, the state of compliance is only assessed by the Energy Community Secretariat for the Contracting Parties with the EU *acquis* under the Energy Community Treaty.

Specific objective 2: To foster the implementation of a conducive environment for sustainable energy investments and infrastructure projects

Result 5: Development of concrete measures to remove investment barriers and mobilise clean energy finance

- Increase in capacity building/training activities for a deepened understanding of barriers to investments/legal issues (e.g. deregulation, taxation, unbundling, wholesale market opening, market integration, certification, energy service contracting, etc.);
- Promote smart digitalisation technologies at all levels of the energy supply chain;
- Make initial steps towards the introduction of a carbon pricing mechanism;
- Contribute to making sustainable investments more easily ‘bankable’, e.g. from international financial institutions and others, due to continued energy sector reforms and economies of scale (i.e. further regionalisation).

Result 6: Further promoting regional cooperation on energy security and trade

To support energy security and an uptick in intra-regional trade, further technical assistance on trade and energy security at the regional level will be provided.

Possible activities in these areas include:

Institution building will be ensured through tailored support to processes of institutional change, the reinforcement of energy regulatory bodies’ independence and their further inclusion in international professional network(s).

Policy guidance and advisory tools geared towards fostering a conducive environment for investments in renewable energy and energy efficiency as well as bringing appropriate policies, strategies and legislative framework in the Eastern partner countries closer to the EU *acquis*, including on trade facilitation measures and, where appropriate, promoting more regional market integration.

Exchange of best practices with other peer European institutions and at regional level.

An **external scoping study** for the six Eastern partner countries on education and jobs’ opportunities for the youth provided by the energy transition will be envisaged. A ‘EU4Energy Summer School’ could be developed to build on the results of this study.

Specific objective 3: To facilitate coordination and knowledge sharing at regional-level

Result 7: Ensured regional coordination and oversight

Under this result, the functioning of planning and oversight mechanisms, including Steering Committees, will be ensured (*further information are provided in section 5.6*). This is essential for coordination between different elements of the action. Shared planning tools at the operational level will be used, e.g. a list of events and missions, and lists of planned reports or other products.

For the activities covered under this action, given the constant evolution and changes in the energy sector as well as the political changes, the Steering Committee will be able to provide ad hoc support at the request of the beneficiary country when planned annual activities and budget will be discussed.

Result 8: Action visibility and strategic communication ensured

Strategic communication is an essential element supporting reforms. Activities will be carried out to ensure transparency, visibility, and impact of the action (*further information is provided in the communication section 5.10*). This will also facilitate the exchange of good practices as well as the reporting on impacts indicators and results. Monitoring of progress on energy data as well as aggregating and standardising data and indicators at regional level will also be carried out. Based on progress achieved under INOGATE and Phase I of EU4Energy, the development of these statistics and indicators will be facilitated. This also includes ensuring presence on social networks through the development of attractive social media content, to be used through the channels of EU Delegations and DG NEAR, as well as maintaining the project's web portal. Presence and visibility at meetings under various Platform and Panels functioning as part of the Eastern Partnership architecture will be ensured, as well as communication with relevant EU institutions and presence during relevant international fora. Communication, collaboration and the systematically sharing of data and information with other (regional) Commission projects working on strategic communication in the EaP region will be ensured.

4.2 Intervention Logic

The Phase II of EU4Energy will contribute to achieving the EaP Deliverable 13 and 14, through the main activities described above, in order to support forward-looking and evidence-based policies in the energy sector.

With the assumptions that a continued stable political and financial climate at regional and country level is needed and will continue, **the multiple effects of the proposed action** (through regionally designed and organised discussions, legislation, trainings, tools and energy data production and dissemination) will enhance the deployment and implementation of desired policy, regulatory and institutional mechanisms. It will also increase the ownership of these reforms, covering energy security, sustainable energy and energy markets, which are essential for a shift towards the sustainable energy transition and for an increase in citizens' trust in the institutions and in the benefits of these reforms.

The range of activities under the Phase II of EU4Energy will promote a closer collaboration and cooperation between all the countries in the region within their energy administrations, sectors and all relevant stakeholders by providing **a crucial opportunity to share and learn from best practices across borders**. This is expected to create a catalyst effect for steering energy reforms in the entire region.

4.3 Mainstreaming

A number of relevant mainstreaming issues of the action are particularly relevant.

The **Environment and climate** impact of the support to energy efficiency, sustainable energy (including demand reduction) and renewables in the six Eastern partner countries will be positive. By assisting partner countries in strengthening their institutional capacity in relation to sustainable energy and improving the business climate for energy efficiency and renewable energy investments, the action supports sustainable development and contributes to climate change mitigation. There are also indirect effects of energy efficiency and clean energy technologies that will improve safety and health of workers and citizens. In addition, the action will support Eastern partner countries, on an ad hoc basis, and in coordination with

other EU policy dialogues and programmes, to implement the environmental and climate-related obligations stemming from the Energy Community Treaty.

The proposed action will encompass a **good governance and human rights approach**. One component aims to help partner countries in improving the production and dissemination of energy data as well as in strengthening institutional governance, in particular by focussing on institutional capacity as regards the implementation and evaluation of effective and evidence-based policies and action plans. By enabling further development of evidence-based policy-making and increased access for civil society to relevant energy information, the action will have a positive effect on the governance in the partner countries. Citizens are also expected to benefit in the long run from easier access to clean and affordable energy, higher consumer standards and better protection from unfair pricing.

The action will promote **gender balance** by ensuring women's access to training activities and will encourage gender-equal participation in all programme activities: at least 30% of the seats should be reserved for women; at least 30% of the local experts should be women. Implementing partners will also strive for a gender-balanced recruitment policy, with an objective that at least 30% of their experts and staff contracted by the action are women.

4.4 Contribution to SDGs

This intervention is relevant for the United Nations' 2030 Agenda, which covers 17 SDGs and contains 169 related targets. It contributes primarily to the progressive achievements of **SDG 7** on ensuring access to affordable, reliable, sustainable and modern energy for all and **SDG 16** concerning promotion of peaceful and inclusive societies for sustainable development, provision of access to justice for all and building of effective, accountable and inclusive institutions at all levels. It also contributes to implementing **SDG 9** that relates to building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation), **SDG 11** on making cities and human settlements inclusive, safe, resilient and sustainable, **SDG 12** on ensuring sustainable consumption and production patterns, **SDG 13** concerning taking urgent action to combat climate change and its impacts) and **SDG 17** on strengthening the means of implementation and revitalising the global partnership for sustainable development.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with partner countries.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁹.

5.3.1 Grants: (direct management)

(a) Purpose of the grant(s)

The objective of the grant is to achieve the output/component 1 of the action.

(b) Type of applicants targeted

The type of applicants targeted is an entity with strong expertise and knowledge of the energy sector in the EaP partner countries, related mainly on evidence-based policy recommendations and energy regulatory and legislative frameworks.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the Energy Community Secretariat (EnCS).

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power or nature of the action with regard to Article 6(1)(f) of the CIR.

As a partner organisation based on a legally-binding instrument (the Energy Community Treaty), the Energy Community Secretariat has also provided support to the Phase I of the EU4Energy programme. The EnCS has a strong expertise in legislative and regulatory work in the energy sector.

5.3.2 Indirect management with entrusted entities

A part of this action may be implemented in indirect management with entities, which will be selected by the Commission's services using the following criteria: strong expertise and knowledge of the energy sector in the EaP partner countries, mainly on evidence-based policy recommendations and energy regulatory and legislative frameworks.

The implementation by these entities entails the components 2 to 8 of the action to be implemented by the entity and cross-reference to the objective/result in section 4 to which this modality will contribute to achieving.

⁹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

5.3.3 Changes from indirect to direct management mode due to exceptional circumstances

Due to circumstances outside of the Commission's control, the alternative preferred implementation modality to indirect management will be direct management as follows:

(a) Purpose of the grant(s)

The objective of the grant is to achieve the outputs/components 2 to 8 of the action.

(b) Type of applicants targeted

The type of applicants targeted is entities with strong expertise and knowledge of the energy sector in the EaP partner countries, mainly on evidence-based policy recommendations and energy regulatory and legislative frameworks.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (in EUR)
Objective 1/Output 1 composed of Grant (direct management)	1 800 000	94 736
Objective 1/Output 2,3 and 4 Objective 2/Output 5 and 6 Objective 3/Output 7 and 8	7 200 000	
Total	9 000 000	94 736

5.6 Organisational set-up and responsibilities

The responsibility of the action lies with the European Commission. The steering of the programme will be led by Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) in close cooperation with the Directorate General for Energy (DG ENER).

The European Commission will ensure, with the strong support of the entrusted entities, the coordination and communication with the interested stakeholders, including relevant

Commission Services, EU Delegations and other donors, IFIs. The entrusted entities should also strive to set up regional representation in at least some of the Eastern partner countries. **Programme-specific contact points shall be nominated** at headquarters and field offices to ensure strong coordination as well as synergies with other relevant programmes, projects and initiatives in the energy field.

The action shall be governed by a **dual governance structure**. The entrusted entities shall organise prior to each Steering Committee, pre-Steering Committees in all countries at bilateral level, including key stakeholders as well as local offices. **These local Steering Committees shall be co-chaired by the respective EU Delegations and the entrusted entities** to avoid overlap and to ensure strong coordination. Subsequently, the main Steering Committee, which will be co-chaired by the Commission and the entrusted entities, including the representatives of the entrusted operational entities, of the European External Action Service and of any other concerned Directorate-General of the Commission, will take place. The Steering Committee is responsible for monitoring the implementation of the Phase II of EU4Energy on the basis of activity reports presented and for agreeing on the activities for the following year, after the formal consultation with EU Delegations. The Steering Committee shall meet at least **once year** and ideally **twice** to decide on the annual activities at the outset of the year (meeting 1) and at the end of the year for the monitoring of the implementation (meeting 2). When possible, the Steering Committee will be held back-to-back with events conducted within the Eastern Partnership framework of cooperation. Reporting on progress will also be provided at relevant EaP Ministerial meetings.

Technical-level activities will also require an appointment of counterparts by the relevant competent authority in the beneficiary partner country.

5.7 Performance and Results monitoring and reporting

Performance measurement will be based on the intervention logic and the logframe matrix, including its indicators.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial **monitoring system** for the action and elaborate regular **progress reports** and **final reports**. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final reports, narrative and financial, will cover the entire period of the action implementation.

The Commission may also **undertake additional action monitoring visits** both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Further, implementation of the projects and their contribution to EaP deliverables will be closely monitored by the Steering Committee.

5.8 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

These evaluations will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account the tangible results of the action and the impact achieved for citizens, the visibility and communication of the action as well as the lessons learnt, leading to reforms in the partner countries.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, a reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing Decision.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing Decision.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures, which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and to be updated on a regular basis. The communication and visibility activities should build on the outcomes and the lessons learnt as well as the communication material and tools developed under the communications component of Phase I of the EU4Energy programme.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action¹⁰ (or any succeeding document) shall be used to establish the Communication and Visibility Action Plan and the appropriate contractual obligations.

In particular, it is the responsibility of the implementing partners to keep the relevant EU Delegations and the Commission fully informed of the planning and implementation of the specific visibility and communication activities. To enhance the effectiveness of communication activities, some contacts points on communication should be nominated at both headquarter and field offices. All such activities have to be agreed with the relevant Delegation(s) for their conformity with national visibility and communication activities before work starts.

The entrusted entities will ensure adequate visibility of EU financing and will report on its visibility and communication actions as well as the results of the overall action to the relevant monitoring committees. They will draft a communication and visibility plan containing communication objectives, target group, communication tools to be used.

Furthermore, key results will be communicated to the European Commission and to all relevant stakeholders. All reports and publications will be widely disseminated and impact indicators will be defined. All activities will have to comply with the European Union requirements for visibility on EU-funded activities as well as be in line with the priorities and objectives of regional communication initiatives supported by the European Commission and the relevant EU Delegations.

¹⁰ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

	Results chain: Main expected results	Indicators	Baseline (years)	Sources of data	Assumptions
Impact/Overall objective	Achieve the clean energy transition	Degree of synergy between the EaP partner countries in implementation of reforms Number of legislative acts and policies supporting energy efficiency and renewable energy, energy markets statistics developed/improved with civil society organisations' participation through EU support	Developments outlined in the reporting on the previous programme and energy Deliverables for 2020	-Mission and meetings reports of the implementing partners; -Implementing partners' and European Commission's reports on the scope of recommendations/guidelines taken into account the drafting, adoption and implementation of legal acts; -Interim reports from implementing partners; -Official and available international and national statistics; -Media coverage; -Decisions/resolutions of relevant ministers;	<i>Not applicable</i>
Outcome/Specific objective 1:	To strengthen energy legislative and regulatory frameworks as well as evidence-based energy policy design capabilities	New/amended legislation and regulations adopted and in force More informed and improved energy policy making, through the use of energy data and indicators	Number of legal and policy acts in each country in 2020 (previous programme reporting). Assessment of national statistics agencies' knowledge and application in practice (previous programme reporting)	- Reports of the implementing partners; -National statistics websites;	Political commitment of the six EaP partner countries to conduct energy reforms. Cooperation of national authorities in the six EaP partner countries External political, economic and social conditions are conducive to the effective delivery of the programme

Output 1 – Component 1	<p>-Improved transposition and implementation of the energy acquis and coherent policy development in line with the Energy Community Treaty/Association Agreements/DCFTAs (for Georgia, Moldova and Ukraine)</p> <p>•Advanced additional alignment work with EU <i>acquis</i>, assist in drafting/revising, support in adoption and implementation of laws and secondary legislation related to energy reforms.</p>	<p>Level of alignment with EU <i>acquis</i> as provided by the Energy Community Treaty and bilateral agreements/partnerships with the EU</p> <p>Number of workshops/events/capacity building exercises, including those of regional nature, carried out and level of participation.</p> <p>Ratio of women and men officials trained</p>	<p>Sectoral assessment (including legislative compliance) do not exist for all the six countries.</p> <p>Number of legal and policy acts in each country in 2020 (previous programme reporting).</p> <p>500 participants (of which at least 30% are women)</p>	<p>-Mission and meetings reports of the implementing partners;</p> <p>-Sectoral assessments;</p> <p>-Implementing partners' and European Commission's reports on the scope of recommendations/policy guidelines/international obligations taken into account while drafting, adoption and implementation of legal acts;</p> <p>-Monitoring reports by project experts;</p> <p>-Interim reports from implementing partners</p> <p>-Official and available international and national statistics;</p> <p>-Media coverage;</p> <p>-Decisions/resolutions of relevant ministers</p> <p>-Attendance lists from the programme's activities</p>	<i>Ibid.</i>
Output 2 – Component 2	<p>-Further development of strategic thinking, planning and adoption of EU Best Practices and support on the CEPA implementation (for other Eastern Partner Countries, which are not a Contracting Party to the Energy Community Treaty: Armenia, Azerbaijan and Belarus)</p>	<p>Number of legal acts/policy guidelines/gap analyses/ policy recommendations/policy guidelines developed for the six EaP partner countries</p> <p>Number of workshops/events/capacity building exercises, including those of regional nature, carried out and level of participation.</p>			

<p>Output 3 – Component 3</p>	<ul style="list-style-type: none"> •Advance alignment with EU best practices or, where applicable the CEPA; •Operationalise the agreed priority proposals •Reinforce policy analysis and contributions based on EU best practices as well as on discussed experiences and concepts from other countries in the field of clean energy transition towards zero emissions economy. <p>For both:</p> <ul style="list-style-type: none"> •Ensure the follow-up of policy pathways outlined in the previous programme. <p>-Increased capacity in energy data management</p> <ul style="list-style-type: none"> •Ensure strong cooperation between energy ministries and national statistical institutes/offices to achieve a systemic approach in linking up data, analysis and policies ; •Deliver comprehensive and effective trainings for the relevant energy actors on statistics; •Improve energy data 	<p>Ratio of women and men officials trained</p> <p>Extent to which recommendations on energy data are taken on board /Extent to which statistical methodology in the country is aligned with best international practices</p> <p>Number of technical assistance activities on energy data in the framework of the programme performed and level of participation</p>	<p>>500 participants (of which at least 30% are women)</p> <p>Some elements exist on national statistics websites and on the EU4Energy web portal</p>	<p>-Official and available international and national statistics; -Webpage; -Project reviews, reports and publications;</p>	
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<p>Output Component 4</p>	<p>capabilities, data collection and monitoring, in line with best international practices, as well as strengthen access for all relevant stakeholders;</p> <ul style="list-style-type: none"> •Further development of demand-side data collection and management to be integrated into national energy balances. <p>4- -Increased access to energy information and awareness raising</p> <ul style="list-style-type: none"> •Further develop and facilitate access to energy information, in particular through constant updating of the web portal already in place with new data and any relevant information; •Increase dialogue and awareness activities to foster stakeholders' participation in policy developments and implementation (notably on energy efficiency and circular economy solutions, changes in energy consumption pattern as well as standards, labels and certification); •Further support the strategic communication on energy 	<p>Extent to which the demand-side of data collection and management are actually considered in national statistics</p> <p>Extent to which the compilation of energy data enables the production and publication of regional and national indicators</p> <p>Extent to which civil society is involved in the consultations on energy reforms and actions</p> <p>Relevant communication tools developed and tested (such as media coverage report)</p> <p>Number of visits to the web portal/social media per year</p> <p>Ratio of women, men, youth beneficiaries of communication campaigns related to EU4Energy</p>	<p>Some information/initiative exists – mainly at national level</p> <p>936 visits to the web portal (previous programme reporting)</p> <p>In all EaP partner countries, civil society involvement and consultations are foreseen. However, in all of them civil society faces</p>	<ul style="list-style-type: none"> -Project reports and publications conducted; -Agendas, summary records and other materials; -Accounts on social media and relevant statistics; -Webpage; -Newsletters; 	
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	reforms		challenges in effectively being involved		
Outcome/Specific Objective 2:	To foster the implementation of a conducive environment for sustainable energy investments and infrastructure projects	National regulatory frameworks and decision-making mechanisms are set up to address sustainable energy investments	Few elements exist.	- Reports of the implementing partners	<i>Ibid.</i>
Output 5 – Component 5	<p>-Development of concrete measures to remove investment barriers and mobilise clean energy finance.</p> <ul style="list-style-type: none"> •Increase in capacity building/training activities for a deepened understanding of barriers to investments/legal issues •Promote smart digitalisation technologies at all levels of the energy supply chain; •Make initial steps towards the introduction of a carbon pricing mechanism; •Contribute to making sustainable investments more easily ‘bankable’, e.g. from international financial institutions and others, due to continued energy sector reforms and economies of 	<p>Number of technical assistance requests received for institutional capacity development and cooperation barriers to investments and legal issues among EaP partner countries</p> <p>Ratio of women and men officials whose capacity was strengthened</p> <p>Extent to which the benchmarks and recommendations/guidelines are taken on board in policy processes related to introduction of renewable energy sources auctioning</p> <p>Number of studies and assessment drafted and disseminated, number of events highlighting the opportunities of smart digital technologies</p> <p>Number of young persons, men and women, reached by the pilot actions of the EU4Energy Summer</p>	<p>Capacity is scattered and insufficient on these issues.</p> <p>>500 participants (of which at least 30% are women)</p> <p>Number of recommendations and guidelines in each country in 2020 (previous programme reporting).</p> <p>No experience</p> <p>Pilot basis</p>	<p>-Mission and meetings report of the implementing partners;</p> <p>-Programme reporting;</p> <p>-Interim reports from implementing partners;</p> <p>-Attendance lists from the programme’s activities</p> <p>-Sector-specific policy and legal proposals;</p> <p>-Study conducted;</p>	<i>Ibid.</i>

<p>Output 6 – Component 6</p>	<p>scale (i.e. further regionalisation).</p> <p>-Further promoting regional cooperation on energy security and trade</p> <p>•To support energy security and an uptick in intra-regional trade, further technical assistance on trade and energy security at the regional level will be provided.</p>	<p>School with an improved knowledge of policy-making and economic opportunities of the clean energy transition</p> <p>More informed and improved energy policy-making on (regional) energy infrastructure development and trade</p>	<p>Some elements exist: (lessons learnt from previous programme reporting).</p>		
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ANNEX 2

of the Commission Implementing Decision on the ENI East Regional
Action Programme 2019 Part 4

Action Document for the Regional East EU4Culture

<u>ANNUAL PROGRAMME</u>			
<p>This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme in the sense of Articles 2 and 3 of Regulation N° 236/2014.</p>			
1. Title/basic act/ CRIS number	<p>EU4Culture CRIS number : Decision ENI 2019/042-269 financed under the European Neighbourhood Instrument (ENI)</p>		
2. Zone benefiting from the action/location	<p>Eastern partner countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine The action shall be carried out at the following location: Eastern Partner Countries (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine) and EU Member States.</p>		
3. Programming document	<p>ENI Regional East Strategy Paper (2014-2020) and Regional East Multiannual Indicative Programme (2017-2020)</p>		
4. Sustainable Development Goals (SDGs)	<p>SDG 4.7, SDG 8.9, SDG 11.4</p>		
5. Sector of Intervention/thematic area	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Cultural heritage, intercultural dialogue, culture and creativity</td> <td style="width: 30%;">DEV Assistance¹: Yes</td> </tr> </table>	Cultural heritage, intercultural dialogue, culture and creativity	DEV Assistance ¹ : Yes
Cultural heritage, intercultural dialogue, culture and creativity	DEV Assistance ¹ : Yes		
6. Amounts concerned	<p>Total estimated cost: EUR 7 850 000 Total amount of European Union (EU) contribution: EUR 7 850 000 The contribution is for an amount of EUR 7 850 000 from the general budget of the European Union for 2019.</p>		

¹ Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.

7. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with entrusted entities as defined in section 5.3.1			
7 a) DAC code(s)	16061– Culture and Recreation			
b) Main Delivery Channel	41000 – United Nations Agency 21000 – International NGO 23 000 – Developing country-based NGO 52000 – Other			
9. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
	10. Global Public Goods and Challenges (GPGC) thematic flagships	N/A		

SUMMARY

This EU4Culture programme aims to strengthen the links between culture, economic growth and the promotion of intercultural dialogue and experiences in the Eastern Partnership (EaP) partner countries. The action is in line with the 2016 Joint Communication 'Towards an EU Strategy for International Cultural Relations' and the objectives of the Joint Staff Working document 'Eastern Partnership - 20 Deliverables for 2020 - Focusing on key priorities and tangible results'.²

Culture can concretely play a part in creating the right conditions for positive socio-economic development, lead to further strengthening the relations with and between the EU's partner countries and bring tangible benefits for their citizens. Under the previous ENI regional envelope for the East, EU support to develop capacities of cultural operators and public administration has been provided through the regional EaP Culture and Creativity Programme – phases I and II, as well as via the EaP Civil Society Facility and targeted Cross-Border Cooperation Programmes.

In particular, the previous EaP Culture Programme contributed to the mobilisation of culture industries, as well as to the establishment of better policy structures in most EaP partner countries, through its Culture and Capacity Development Unit (CCDU) component. It also supported the development of urban strategies for the rehabilitation of nine historic towns through its second component on 'Community-led Urban Strategies in Historic Towns'.

Building on these past interventions EU4Culture will support cultural heritage as well as culture and creative industries (CCIs) in the context of the contribution they can make to sustainable socio-economic development and intercultural dialogue at the local and regional levels.

The action will have three specific objectives:

- To promote local cultural heritage as well as culture and creative industries as resources for regional economic development, inclusion and citizens' participation,
- To foster intercultural dialogue for peaceful inter-community relations and knowledge exchanges across the EaP region and between the EaP partner countries and the EU;
- To improve local governance in the culture sector through support to regulatory processes and policy dialogue.

To achieve its objectives the action will focus on the EaP region, promoting local cultural sites, activities and events outside capitals, and building capacity of local actors. It will adopt a 'network approach' whereby at least one city/town in each of the six EaP partner countries is included as main participant and programme's beneficiary. Each city/town will be supported in developing its culture sector in line with the programme's expected outputs.

It is planned to delegate implementation of the action to an entrusted entity selected on the basis of the criteria described in section 5.3.1.

1. CONTEXT ANALYSIS

1.1 Context Description

Culture has increasingly become a cross-cutting issue mainstreamed in the EU's external cooperation agendas related to socio-economic development and external relations, as confirmed by

² https://eeas.europa.eu/sites/eeas/files/20_deliverables_for_2020.pdf.

the 2016 Joint Communication ‘Towards an EU Strategy for International Cultural Relations’³. The Communication places culture at the heart of the EU’s external relations strategy and focuses on advancing cultural cooperation with partner countries across three main strands: supporting culture as an engine for social and economic development; promoting culture and intercultural dialogue for peaceful inter-community relations; and reinforcing cooperation on cultural heritage.

The EU4Culture programme seeks to respond to these key policy goals in the context of the Eastern Partnership. Up to now, culture has been addressed in Eastern Partnership bilateral, regional and cross-border programmes under the European Neighbourhood Instrument as well as in policy dialogue aiming at capacity building for public administrations and non-governmental actors alike.

At the regional level, the last two EU programmes, EaP Culture I (2011-2015) and EaP Culture II (2015-2018), contributed to promoting a revised understanding of culture in the region. This understanding extends beyond cultural expressions, folklore and heritage, by embracing contemporary cultural activity as an important contributor to sustainable development, intercultural dialogue, and the promotion of peaceful and democratic societies. In addition, the EU/UNESCO Expert Facility for the Governance of Culture in Developing Countries” that was launched recently, is open to EaP Countries. Georgia was selected as beneficiary of the action with the application “Reinventing support mechanisms for the development of creative cluster ecosystem in Georgia”.

The EU programmes helped strengthening capacities of cultural operators and public administration in the six EaP partner countries through research projects, training and skills enhancement actions, and technical advice to policy-making. EaP partner countries, on their side, are paying increasing attention to cultural policy development and to mainstreaming culture in wider policy areas. They have opened up their cultural sectors to external influences and experiences, leading to greater inclusivity and modernisation of the sectors’ activity. Their engagement with the EU and its Member States has equally increased, as have wider international contacts with other bilateral and multilateral players in the culture sector.

Gradually since 2015, Armenia, Georgia, Moldova, and Ukraine also joined Creative Europe, the EU framework programme for support to the culture and audiovisual sectors.

The EU4Culture Programme, under the ENI East Regional Action Programme 2019, will build on these positive developments by enhancing the potential of culture to bring tangible benefits to citizens in EaP partner countries, and to further strengthen the relations with and between them. It will focus on cooperation on cultural heritage, intercultural dialogue for peaceful inter-community relations, on new innovative creative industries, regional cultural markets, and cultural associations and intermediary institutions.

1.2 Policy Framework (Global, EU)

The revised European Neighbourhood Policy⁴ calls for a focus on achieving the overall goal of supporting stabilisation and resilience in the EU Neighbourhood. The Eastern Partnership, launched in 2009, is based on a shared commitment to international law and fundamental values, including democracy, the rule of law, respect for human rights, fundamental freedoms and gender equality, as well as market economy, sustainable development and good governance. It further aims to deepen and strengthen relations between the European Union, its Member States and its six Eastern neighbours: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine.

Building on these common goals and universal values, and with a view to creating conditions for democratic, stable, prosperous and sustainable societies, the EaP Summit in Riga in 2015,

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN%3A2016%3A29%3AFIN>.

⁴ The European Neighbourhood Policy was reviewed in November 2015.

confirmed the consensus to step up actions in four key priority areas: I) economic development and market opportunities; II) strengthening institutions and good governance; III) connectivity, energy efficiency, environment and climate change; IV) and mobility and people to people contacts.

At the last Eastern Partnership Summit in 2017, all partners agreed to deliver tangible benefits to the daily lives of their citizens for each of the four Riga priorities, and formulated this objective in the Joint Staff Working document ‘Eastern Partnership - 20 Deliverables for 2020 Focusing on Key Priorities and Tangible Results’.

The EU4Culture Programme is in line with the objectives agreed under the Priority IV *Mobility and People to People Contacts* of the Joint Staff Working Document, where the partners recognised that cooperation on culture enriches contacts between societies, promotes cultural diversity and intercultural dialogue, and contributes to developing the potential of cultural and creative sectors.

Similarly, the programme reflects the priorities defined in the 2016 Joint Communication ‘Towards an EU Strategy for International Cultural Relations’⁵ and the ‘New European Agenda for Culture’⁶. The latter tasks the EU to improve the regulatory environment for the development of culture and creative sectors, to favour increased mobility of professionals within and outside Europe, and to preserve and promote cultural heritage as a shared resource of common identity and societal development.

1.3 Public Policy Analysis

In the 25 years since the independence of all EaP partner countries, their cultural sectors experienced several phases. At the beginning, the countries were affected by social and economic instability and had limited capacity for proactive cultural policy development. In the 2000s, however, each of them passed national cultural legislation that later led to greater stability and a more active role for an independent culture sector. Until today, the pace of change in the six countries varies, but it seems that a new region-wide phase is emerging. The potential of critical sub-sectors, including cultural heritage, cultural innovation, skills development and regional trade and mobility, are given increasing attention in national development policies.

The integration of cultural heritage as well as culture and creative industries into national economic policies attests to an understanding of culture and culture-related activities as important contributors to socio-economic growth, jobs creation, and the modernisation of societies. It also presents EaP policy-makers and practitioners with new challenges in terms of reinforcing the ‘ecosystems’ within which CCIs can flourish and implementing the right mix of actions to potentiate cultural heritage sites' economic value while also preserving them from excessive exploitation.

Main developments in this direction are summarised below.

Armenia

In the pre-independence period, Armenia was a leader in specialised areas such as computer and software development. Recent policy developments suggest the government wants to continue in this direction, focusing on software and games, design, film, and marketing and advertising. The Ministry of Education, Science and Culture, created as a result of Government restructuring, is proposed to act as the steering agency to formulate a concept paper on creative industries – an umbrella framework, spelling out the vision for the sector and leading to required legislative amendments and initiatives, to ensure better regulation of intellectual property and cinema. In addition, the law on cinema, currently under development, will make Armenia eligible for Creative

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN%3A2016%3A29%3AFIN>.

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1527241001038&uri=COM:2018:267:FIN>.

Europe media component funding. Furthermore, the recently adopted 2019 Government programme emphasizes importance of preservation and popularisation of cultural heritage, support to contemporary art and development of different types of tourism.

Azerbaijan

The Ministry of Culture is currently going through reforms, supported also by a successful EU Twinning project with the Italian Ministry of Culture completed in 2018. The reform includes the creation of an important new CCI Development Unit, set up to deliver a ten-year ‘State Programme for CCI Development’ starting in 2020, as well as the transfer of responsibility for tourism policy and development to a specialised national agency, detached from the Ministry of Culture.

Belarus

In 2017, the Culture Code came into force, tidying up previous cultural legislation, and representing a unique and fundamental development. Cultural heritage has been a cultural policy priority in recent years with significant budgetary allocations, and is linked to the objective of increasing domestic and international tourism. In terms of CCI development, the State has, in particular, been investing in updating its technical TV/film-making and studio facilities.

Georgia

In 2014, a consultative cultural policy process led to the adoption of the ‘Culture Strategy 2025’, which later favoured the design of a national roadmap for CCI development and for the integration of disability into culture policy discourse. The Government also invested heavily in the development of a strong tourism policy. In 2018, the former Ministry of Culture and Monument Protection was absorbed by the Ministry of Education and Research, while the remit for cultural monuments was transferred to the Prime Minister’s office. Georgia was the first EaP partner country to join Creative Europe with very successful results. The main challenges still facing the sector is the lack of diversified cultural funding, the absence of statistical data related to CCI and limited awareness of a holistic approach to CCI as a source of economic activity.

Moldova

The four core targets of the ‘Culture Development Strategy - Culture 2020’ are (a) protection of national cultural heritage; (b) securing mobility of physical and virtual cultural products; (c) growth of the economic contribution of the cultural sector and creative industries and (d) increased contribution of the cultural sector to social cohesion. In 2017, as part of the Government reform, the Ministry of Culture merged with the Ministry of Education and the Ministry of Youth and Sports, becoming the Ministry of Education, Culture and Research.

Ukraine

The ‘Maidan events’ of 2013-14 mark a watershed in terms of cultural policy and led to a new focus on decentralisation with culture as a main element. In 2016, the Cabinet of Ministers approved a ‘Long-term Development Strategy for Ukrainian Culture (Strategy of Reforms)’ and the establishment of a Ukrainian Cultural Foundation as a new funding mechanism for culture-related projects. The restructuring of the Ministry of Culture also included the creation of a new CCI development unit. In 2016 and 2017, the Government adopted several laws related to the cultural sector, including competitive procedures for the appointment of managers of public cultural establishments. In parallel to policy development, cultural hubs and new cultural spaces have flourished, particularly in Kyiv.

1.4 Stakeholder analysis

A country’s system of governance for culture cannot only be a matter for the ministry of culture alone, but should be the result of interactions between the measures, decisions and activities undertaken at different levels by many stakeholders, including international institutions, regional organisations, countries and governments, local authorities, public institutions and organisations,

non-governmental organisations, professional associations of creators and private sector cultural enterprises.

National authorities: Ministries of culture, education, tourism, social affairs, and other relevant ministries, local authorities, cultural and tourism-related public institutions that are in charge of the development, management and implementation of cultural policy.

Non-State actors: Apart from culture, creativity and heritage-related non-government and non-profit organisations, other actors include community groups, professional groups, as well as universities and research institutions. At the community level, stakeholders are artists, artisans, producers, technicians, art experts, cultural heritage professionals, media professionals, women, youth and vulnerable groups.

Private sector: Cultural and creative enterprises, local social businesses, investors, media organisations, tour companies and operators.

European and international partners: EU Delegations, European cultural institutions and development agencies that are active in the partner countries, Member States embassies, European Union National Institutes of Culture (EUNIC), and international organisations.

Beneficiaries include *inter-alia*:

Professionals and enterprises in CCIs; public administrations; artisans and arts and crafts cooperatives; civil society organisations, independent cultural actors and entrepreneurs, private businesses/small and medium enterprises MEs related to CCI and tourism development.

1.5. Problem analysis/priority areas for support

Culture is a central element in the new economy driven by creativity, innovation and access to knowledge. In recent decades, the link between development goals and cultural and creative industries has been increasingly referred to in the major international and EU-level policy documents, signalling a shift in the approach to cultural cooperation.

Cultural heritage preservation and promotion, together with cultural and creative industries, can be important economic levers. However, the potential of these sectors as generating creative activities, employment, exports and income is not always fully exploited.

In the Eastern Partnership region, cultural heritage has become a national policy priority following independence. Seen as a main contributor to nation building and identity formation in the early post-independence days, it has gradually become a central plank of cultural policy. The valorisation of cultural heritage is seen as central to tourism development, as a way to open up to the wider international scene, as well as an important source of jobs and revenue.

However, while there is recognition of the socio-economic potential of culture across the EaP region, the policy aspirations are often greater than capacities. Despite encouraging developments in cultural policy and increased attention to CCI's potential, barriers remain to the prospects for value creation, employment expansion, technological upgrading as well as market development and trade in the cultural and creative sector. The rich cultural heritage and other local cultural resources need to be more effectively harnessed in local, regional and national development agendas.

Tourism, with some exceptions in Georgia, tends to be confined to the capitals and a few major cities. In addition, the cultural and tourism sectors are not yet always working effectively together to enhance the quality and diversity of the local tourism offer. This results in undermining of the region's tourism potential. Culture professionals underlined that the culture and tourism sectors are to develop synergies and a more collaborative working approach.

Festivals activity and the valorisation of local cultural heritage, combined with the promotion of cultural corridors, exchanges and networks could contribute to increasing the attractiveness of local sites to international tourism.

Another challenge is represented by insufficient or inappropriate infrastructure to support the cultural and creative sectors. The European experience shows that for CCI's development to flourish there needs to be an appropriate 'ecosystem'. This includes a regulatory environment that is conducive to the sectors' growth, the existence of networks of professionals, sector associations, and their ability to inform or influence policy, as well we to support culture operators.

The action aims to address the challenge of insufficient soft infrastructure, which includes networks of social, professional and human interactions that encourage and enable communication and a flow of ideas between individuals and institutions. In parallel, the action will support public institutions such as ministries, state agencies, or educational institutions to contribute to the development, management and promotion of CCI, and raise awareness of the role local authorities and the private sector can play in the promotion and delivery of national cultural policies.

The development of existing and new markets for CCI SMEs is also one of the essential challenges and, as has been shown elsewhere in Europe (e.g. in the Northern Dimension region), tourism is a potentially productive sector with which CCIs can engage.

2. RISKS AND ASSUMPTIONS

Risks	Risk level	Mitigating measures
Lack of sufficient commitment of EaP partners' national and local institutions may lead to low participation in the activities promoted by this action.	Low/ Medium	Culture, heritage and tourism in general as well as more recently CCI's development are high on the agenda of EaP partner countries. Open and effective communication with stakeholders will be a priority.
Differences in the capacity and commitment of authorities and participants may lead to uneven participation across the region and within countries.	Medium	Careful selection of participating cities/towns in each EaP country, The use of a Steering Committee and other policy dialogue fora (e.g. Platform 4 and Panel on Education) is foreseen.
Regarding CCI's development in particular, horizontal communication and 'joined-up' approaches between government and other public authorities etc.) might be limited, as these entities are traditionally used to working vertically with clearly defined boundaries.	Medium	Promote the the 'joined-up' approach and raise awareness on its benefits.

Assumptions
Key stakeholders can be mobilised as well as are actively engaged in cooperation and willing to take on responsibilities. There is good complementarity between the Programme and other EU programmes (e.g. EU4Business, EU4Youth, etc.) to maximise synergies and avoid duplication

3. LESSONS LEARNT AND COMPLEMENTARITY

3.1. Lessons learnt

The action will build on the achievements of the two previous EaP Culture Programmes, while

increasing the focus on the support to economic activity, services, and private actors in the cultural sector.

The EU-funded EaP Culture II Programme (2015-2018) produced many positive results, including promoting cultural modernisation in the policy agenda, supporting cultural operators and local experts in engaging in the policy discourse. The programme also helped beneficiary countries to develop national cultural indicators, conducted needed research in culture sub-sectors and advised on harnessing local cultural resources in regions and towns. Yet, it also drew attention to the lack of evidence-based information, data and sufficient indicators related to the cultural sector, which often represents a hindrance to successful CCI's development.

Through the Community-led Urban Strategies in Historic Towns (COMUS) project, implemented in partnership with the Council of Europe, nine historic towns were brought together to work on the rehabilitation and promotion of their urban heritage. Capacity building activities, trainings and fora of dialogue, connecting beneficiaries from different partner countries, contributed to increasing the awareness of local and municipal actors of their potential role in the wider cultural context. The project raised a strong interest from these local actors to participate more actively in the national and regional cultural life. Cultural actors in the region are therefore eager to acquire the tools and means – including through technical advice and access to regional and international networks – to take forward the process of cultural modernisation and development.

The EU4Culture components will capitalise on the increased importance the EaP partner countries attribute to their cultural heritage, to the promotion of their tourism markets, as well as to investments in innovative and creative sectors linked to culture. It will also seek to respond to the demands of regional cultural actors for greater policy attention to culture-related activity and deeper integration in international cultural fora. The programme will focus on boosting the unfulfilled potential of existing cultural resources as contributors to socio-economic development. This way the EU4Culture programme will seek to foster inter-cultural dialogue for peaceful inter-community relations.

3.2 Complementarity, synergy and donor coordination

The EU is the most important external partner providing cultural development support for the EaP region in terms of both funding and range of programmes. EU cultural development activities consist of EU programmes and initiatives such as the Cross-Border Programmes, the EaP Civil Society Facility, and the EU4Youth Package, which - while not being strictly cultural cooperation programmes – include significant elements in support of culture development or have positive spill-overs in culture-related sectors.

The main complementary actions include:

Bilateral programmes:

The Culture Bridges programme in Ukraine is a unique initiative in the region, 'which offers grants for mobility and cooperation projects managed by the EU network of cultural institutes' (EUNIC). Also in Ukraine, the House of Europe Programme will implement a scheme for professional exchange, cooperation and mobility for target groups, including in the culture sector; this will be looked at for possible expansion or repetition in a regional format. The Support to SME Development (SMEDA) programme in Armenia includes a component on CCI sector research at EaP-wide level, which will be of use for implementing activities under the EU4Culture programme.

In Georgia, the EU Delegation supports Georgia's participation in Creative Europe since 2015, which has so far led to 22 Georgian winners in the programmes. . Under the EU4Business Initiative, the project 'SME Development and DCFTA in Georgia' is supporting development of furniture, film and design clusters. EUD is actively involved in EUNIC network in Tbilisi and

organizes EU language days every year. EUD also promotes initiatives like Europa Nostra, the European Festival Label, the EU Prize for Literature, etc.

Regional or cross-border programmes:

With EU funding from the Black Sea Basin Cross-Border Cooperation programme, the Black Sea Silk Road Corridor project brought together four countries – Greece, Turkey, Georgia and Armenia – in a common initiative to promote tourism, travel and shared culture. With this action, we plan to provide continuity to this work in the entire Southern Caucasus.

For example, the Routes4U Project⁷ is a joint programme between the European Commission (DG REGIO) and the Council of Europe to strengthen regional development through promotion of European Cultural Routes in the EUSDR and three other EU macro-regions.

4. DESCRIPTION OF THE ACTION

4.1. Overall objective, specific objective(s), expected outputs and indicative activities

Overall objective: To promote culture as an engine for growth and social development across the EaP region

The **specific objectives** (SO) are to:

SO1: Promote local cultural heritage, culture and creative industries as resources for socio-economic development and intercultural dialogue for peaceful inter-community relations;

SO2: Favour intercultural dialogue and knowledge exchanges across the EaP partner countries and between the EaP partner countries and the EU;

SO3: Improve local governance in the culture sector through support for regulatory processes and policy dialogue.

These objectives will be pursued at regional and local level. A pre-identified network of towns and cities, from each of the six partner countries, will be established as main beneficiary of the action.

The **expected outputs** will include:

Specific Objective (SO) 1: Promote cultural heritage and culture and creative industries as resources for socioeconomic development, inclusion and citizen participation

Output 1: At least one⁸ non-capital city/town per country is identified as part of a cultural heritage network and is supported in promoting its heritage-based tourism policies.

Output 2: The attractiveness of the network heritage sites is increased through the improvement of management structures and the support to rehabilitation and presentation of cultural heritage at the identified sites, while local ownership and private sector engagement are strengthened.

Output 3: CCI sector operators in the identified towns/cities are supported in developing marketing, branding and labelling projects at the cultural heritage sites; local service providers in the cultural tourism sector have improved capacity to delivery high-standard services. Projects at cultural heritage sites will be undertaken in line with

⁷ See www.coe.int/routes4u.

⁸

international standards for heritage preservation and presentation, as set forth by UNESCO and ICOMOS.⁹ Also include reference to the recent.

Specific objective (SO) 2: Favour intercultural dialogue and knowledge exchanges across the EaP partner countries and between the EaP partner countries and the EU

Output 4: National EaP cultures, with focus on creative industries, are promoted across borders and knowledge of cultural contexts and challenges is shared.

Output 5: The number and reach of EaP-wide cultural events and the exposure of local artists and performers to international audiences from other EaP countries and beyond are increased.

Output 6: The capacity and tools at the disposal of local cultural operators to manage multicultural and international events are strengthened.

Specific objective (SO) 3: Improve the local governance in the culture sector through support for regulatory processes and policy dialogue

Output 7: The resources, capacities of local authorities to manage cultural policy and creative industries development, together with their engagement in the promotion of cities/municipalities are strengthened, and cooperation with their counterparts in the other EaP countries is increased. Cooperation with the EU/UNESCO Expert Facility will be promoted.

Output 8: Local cultural businesses, representative associations, and civil society organisations are involved in the policy discourse and engaged in constructive dialogue with public authorities.

Main activities:

Specific activities will be developed in further detail during the final formulation stage, and confirmed through an agreement with the chosen implementing partner, in the Delegation Agreement (Annex I Description of the Action).

However, it is envisaged that *activities* may include, but will not be limited to, the following:

SO1

- Establishment of a set of common criteria for the selection of the towns/cities that will be part of the programme network. The criteria will look, from a cultural heritage perspective, at existing linkages among towns/cities in the six countries (e.g. nomination for the UNESCO World Heritage List, participation in established cultural corridors, similar heritage, etc.);
- Establishment of the network with municipal authorities and local CCI's representatives;
- Communication campaigns targeting regional, EU and international markets to attract new tourists to visit pilot EaP itineraries;
- Business management and business development trainings for CCI actors.
- Support of rehabilitation and presentation activities at selected heritage cities

SO2

⁹ ICOMOS - "European quality principles for EU-funded interventions with potential impact upon cultural heritage"
<https://www.icomos.org/en/about-icomos/committees/regional-activities-europe/58799-european-quality-principles-for-eu-funded-interventions-with-potential-impact-upon-cultural-heritage>

- Techniques and skills development for the improvement and diversification of the cultural products and/or services; review of legislation and funding mechanisms;
- A programme of inter-city festivals, arts competitions, and other cultural events on a rotating basis in each of the sites;
- Supporting rehabilitation or renovation – when and if needed – of cultural events sites (concert halls, arts galleries, museums, public spaces, etc.);
- Mobility grant scheme for participation in international circuits: to find and meet partners, join networks, participate in residencies, cross-sectoral initiatives, fairs and festivals.

SO3

- Establishment of peer-to-peer exchange mechanisms to strengthen the capacity of CCI representatives to address institutional regulatory and policy challenges at local level;
- Technical advice on data analysis and management, and on ways to improve data production and collection for the benefit of the culture sector.

4.3 Intervention logic:

As demonstrated by other past or ongoing cooperation programmes), cultural corridors or networks that connect sites in different countries have the potential to promote a shared understanding of culture, develop a sense of common heritage, and promote intercultural dialogue for peaceful inter-community relations. The specific objectives of this programme – notably to promote local cultural heritage and culture and creative industries, favour intercultural dialogue and knowledge exchanges, and improve local governance in the culture sector – is seeking to develop this potential in the EaP partners countries.

For this reason, it is proposed to develop and structure the programme around the creation of a network of cities/towns across the six EaP partner countries, which will be the direct beneficiaries of the action. The proposed activities will thus target the municipal and local authorities, CCI’s representatives, civil society actors, businesses and service providers in and around the established network. They will be implemented in all or some of the identified sites. This approach will enable the expected outputs to also be delivered at the local and regional level.

The importance of the strengthening of the EaP partner countries’ cultural and CCI sectors is accepted as a priority by national policy makers but the challenges and bottlenecks that culture policy encounters at the regional and local levels are often ignored. Similarly, the contribution that cultural heritage, cultural businesses and cultural initiatives at local level make to local economies and the huge untapped potential they have, are seldom recognised by national policy makers.

In this context, and in line with the guiding principles from the Communication of 2016 ‘Towards an EU strategy for international cultural relations’, the action seeks to reaffirm in the EaP region a broader understanding of culture as a vector for social and economic progress and to concretely boost its potential in the EaP partner countries.

4.3 Mainstreaming

A recent research-based report on gender in four of the EaP partner countries showed that CCI’s development could contribute pragmatically and significantly to cultural sector’s gender issues.¹⁰ While in certain areas of the cultural sector women are often appropriately represented in terms of numbers – on occasions they are even a majority – hierarchical issues remain. Senior positions

¹⁰ Gender Equality and Empowerment in the Creative and Cultural Industries. Report for Armenia, Azerbaijan, Georgia and Ukraine (British Council, 2018).

disproportionately go to men. Given that participation in EU programmes often offers career-enhancement and other opportunities, it is important for this action to proactively monitor gender participation rates and selection criteria.

In relation to people with disabilities, it is important that the programme sets standards and acts as a model for contributing to their wider participation in the culture and CCI sectors. The programme can make a meaningful contribution to raising awareness of inclusiveness issues. It is timely because the first real participatory programmes to promote opportunities for people with disabilities are just becoming successfully established¹¹.

The region consists of a significant number of country-specific ethnic and religious minority groups as well as various regional diasporas (e.g. Armenians in Georgia, Ukrainians in Transnistria, Moldovans in South-West Ukraine, Russians in Belarus, etc.). Development of existing and new transnational cultural routes could be a helpful instrument for intercultural dialogue in the region.

The programme is not directly contributing to other cross-cutting issues such as the environment and global warming but it is expected that it will provide a valuable contribution to the promotion of intercultural understanding and strengthening of peaceful societies.

4.4 Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDG 4.7 ('ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development'), while also contributing to SDG 8.9 ('ensure sustainable tourism development that contributes to the creation of new jobs and increase in demand for local products') and SDG 11.4 ('strengthen efforts to protect and safeguard the world's cultural and natural heritage').

5. IMPLEMENTATION

5.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner countries.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented is 72 months from the date of adoption by the Commission of this Financial Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3. Implementation modalities

¹¹ Georgia has made the first official and national commitment to arts and culture access for people with disabilities.

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.¹²

5.3.1 Indirect management with entrusted entities

This action may be implemented in indirect management with entrusted entities which will be selected by the Commission's services using the following criteria:

The entity has internationally recognised role and experience in the promotion of cultural heritage, equality of cultures, and has the capacity to develop and implement programmes, platforms and actions with partners in the area of cultural development.

The entity has a clear mandate for the implementation of cooperation activities in the area of culture and is guided by international standards and recognised normative instruments on cultural heritage, industries and dialogue, and has a network of technical experts deployed worldwide.

The entity has demonstrated transparency, impartiality, and the absence of conflict of interest, in other cooperation programmes with the EU.

The implementation by this entity entails meeting all three specific objectives of the action:

SO1: Promote local cultural heritage, culture and creative industries as resources for socio-economic development and intercultural relations;

SO2: Favour intercultural dialogue and knowledge exchanges across the EaP partner countries and between the EaP partner countries and the EU;

SO3: Improve local governance in the culture sector through support for regulatory processes and policy dialogue.

5.3.2 Changes from indirect to direct management mode due to exceptional circumstances

Due to circumstances outside of the Commission's control, the alternative preferred implementation modality to indirect management indicated in paragraph 5.3.1 will be grants as described below.

(a) Purpose of the grant(s)

The objective of the grant is to achieve the three specific objectives (SO1, SO2 and SO3) of the action.

(b) Type of applicants targeted

The type of applicants targeted are cultural operators and associations with operational capacity and proven experience in support of cultural heritage promotion and support to cultural and creative industries and who manage local interventions in the six partner countries. Applicants may equally be economic operators with proven experience in relevant culture sectors.

5.4 Scope of geographical eligibility for grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of

¹² www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative Budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
5.3 All objectives and outputs will be varied out by indirect management with an entrusted entity (5.3.1)	7 850 000	n/a
Total	7 850 000	n/a

5.6 Organisational set-up and responsibilities

This action will be managed by EU Commission services (Directorate-General for Neighbourhood and Enlargement Negotiations). For each component, in the cases where a steering committee is created, the participation as observer of relevant Commission services (NEAR and/or Delegations) is foreseen.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Log-frame matrix.

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the nature of the action, a mid-term evaluation and a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for learning purposes, in particular with respect to the establishment of a network of cities and the assessed needs to successfully deliver on planned activities in each network city.

The Final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that sustainability and continuation of this programme at the beneficiary sites should be ensured.

The Commission shall inform the beneficiaries at least 2 weeks in advance of the dates foreseen for the evaluation missions. The beneficiaries shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation,

as well as access to their premises and activities.

The evaluation reports shall be shared with the partner countries and other key stakeholders. The beneficiaries and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility

Communication and visibility will be given high importance during the implementation of the action. The implementation of communication activities shall be funded from the amounts allocated to the action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU, in line with the EU communication and visibility requirements in force. Actions shall aim at strengthening the awareness of the target audiences and the general public of the added value and impact of the EU's interventions.

All EU supported communication and visibility actions shall demonstrate how the intervention contributes to the agreed programme objectives and will promote transparency and accountability on the use of funds.

All stakeholders and implementing partners shall ensure the visibility of EU financial assistance provided through the European Neighbourhood Instrument throughout all the phases of the programme cycle. Appropriate contractual obligations shall be included in, respectively, delegation agreements and procurement and grant contracts.

It is the responsibility of the implementing organisation to keep the EU Delegations and, where relevant, DG NEAR and EEAS, fully informed of the planning and implementation of the appropriate milestones of specific visibility and communication activities. Visibility and communication actions shall be complementary to the activities implemented by the Directorate-General for Neighbourhood and Enlargement Negotiations and the EU Delegations in the field.

Effectiveness of communication activities will be measured inter alia through public surveys among the beneficiaries on awareness about the action and its objectives as well as the fact that it is funded by the EU. As a minimum one survey should be carried out before the start of the implementation of the communication and visibility plan and one after its completion.

APPENDIX - Indicative Logframe matrix]

	Results chain: Main expected results	Indicators	Sources of data	Assumptions
Impact (Overall Objective)	To promote culture as an engine for growth and social development across the EaP region	(i) Increased share of the contribution of cultural activities to GDP; (ii) Cultural employment (i.e. people employed in culture sector/total employed population); <i>Baseline year: 2018</i>	UNESCO CDIS indicators National statistics/ barometers Annual GDP figures	<i>Not applicable</i>
Outcome(s) (Specific Objective(s))	SO1: Promote local cultural heritage, culture and creative industries as resources for socio-economic development, inclusion and citizen participation; SO2: Favour intercultural dialogue and knowledge sharing across the EaP partner countries and between the EaP partner countries and the EU; SO3: Improve local governance in the culture sector through support for regulatory processes and policy dialogue;	(i) Number of activities related to preservation or valorisation of cultural heritage sites and development of cultural corridors/routes targeted; ii) Number of cultural heritage platforms (associations, working groups, committees, clusters, etc.) for EaP regional initiatives created or existing ones supported through the project and involved in projects for the valorisation of cultural heritage and support of local creative business; <i>Baseline: 0 in 2019 to measure the specific contribution of the Programme</i> (i) Number of joint supported projects valorising cultural heritage and having a component on intercultural dialogue; (i) At least one regulatory measure/policy is initiated in each of the participating cities for the improvement of local regulations in the culture sector (based on priorities of regional development plans);	Programme annual reports; Local authorities data;	The selection of network cities is completed as the first activity and with the agreement of the local authorities.
Outputs	<i>SO1: Promote local cultural heritage, culture and creative industries as resources for socio-economic development, inclusion and citizen participation</i>			Reports are accurate and local beneficiaries contribute to data collection and surveys

	<p>Output 1: At least one 13 non-capital city/town per country is identified as part of a cultural heritage network, and is supported in promoting its heritage-based tourism policies.</p> <p>Output 2: The attractiveness of the network heritage sites is increased through the improvement of management structures at the identified sites, and local ownership as well as private sector engagement are strengthened.</p> <p>Output 3: CCI sector operators in the identified towns/cities are supported in developing marketing, branding and labelling projects at the cultural heritage sites; local service providers in the cultural tourism sector have improved capacity to delivery high standard services.</p> <p><i>SO2: Favour intercultural dialogue and knowledge sharing across the EaP partner</i></p>	<p>(i) Number of EaP cities joining the project network; (ii) Number of tourism promotion activities at the identified sites. <i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i> (iii) Increase in local tourism figures (number of visitors, tourist facilities occupancy rate, etc <i>Baseline: 2019 figures</i></p> <p>(i) Number of private sector-sponsored or public private partnerships rehabilitation and/or site management activities; (ii) Number of managers from the culture and cultural tourism sectors trained; <i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i></p> <p>(i) Increased number of jobs created in cultural and tourism-related activities promoted by the project at the identified sites (designers, marketing agents, tourist guides, sites managers, etc.); <i>Baseline: 2019 figures</i> (ii) Number of small CCI businesses targeted at identified programme network sites. (iii) Number of agencies supported and increase in satisfaction rating of supported CCI agencies; <i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i></p> <p>(i) Number of culture professionals who received training and/or skills development courses offered by the project;</p>	<p>Programme annual reports; Programme survey results; National and local government annual figures on tourism activities and revenue;</p>	<p>completion.</p>
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	<p><i>countries and between the EaP countries and the EU;</i></p> <p>Output 4: National EaP cultures, with focus on creative industries, are promoted across borders and knowledge of cultural contexts and challenges is shared.</p> <p>Output 5: The number and reach of EaP-wide cultural events and the exposure of local artists and performers to international audiences from other EaP countries and beyond are increased.</p> <p>Output 6: The capacity and tools at the disposal of local cultural operators to manage multicultural and international events are strengthened.</p> <p><i>SO3: Improve local governance in the culture sector through support for regulatory processes and policy dialogue.</i></p>	<p><i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i></p> <p>(i) Number of festival activities supported by the programme and number of people reached through the events;</p> <p>(ii) Number of collaborations with festivals or festival players/operators in EU Member States; <i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i></p> <p>(i) Increased participation rates in international events by country; <i>Baseline: 2019 figures</i></p> <p>(ii) Number of event managers, organisers, and promotion operators trained;</p> <p>(iii) Number of established capacity building courses and mobility schemes for cultural operators; <i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i></p> <p>(i) Number of programme activities to support recent and new professional bodies and associations (information sessions, information platforms online, communications, lobbying and developing investment training, membership recruitment support, etc.);</p> <p>(ii) Number of knowledge-sharing and technical assistance activities for local policy makers related to cultural information and data collection and analysis; <i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i></p> <p>(i) Number of stakeholders and beneficiaries directly involved in the programme's activities.</p>		
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	<p>Output 7: The resources, capacities of local authorities to manage cultural policy and creative industries development, together with their engagement in the promotion of cities/municipalities are strengthened, and cooperation with their counterparts in the other EaP countries is increased.</p> <p>Output 8: Local cultural businesses, representative associations, and civil society organisations are involved in the policy discourse and engaged in constructive dialogue with public authorities.</p>	<p>(i) Number of organisations participating in cultural heritage and creative industry policy platforms and consultation events under the programme. <i>Baseline: 0 in 2019 to measure the specific contribution of the programme</i></p>		
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