

Annex

POLAND-RUSSIA CBC PROGRAMME 2014-2020

06.11.2020



POLAND - RUSSIA
CROSS-BORDER
COOPERATION PROGRAMME
2014-2020



THIS PROGRAMME IS CO-FUNDED BY THE EUROPEAN UNION

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LIST OF ACRONYMS

AA	Audit Authority
AaE check	Administrative and eligibility check
AF	Application Form
BO	Branch Office
CBC	Cross-border Cooperation
CCP	Control Contact Point
CfP	Call for Proposal
EC	European Commission
ERDF	European Regional Development Fund
ENI	European Neighbourhood Instrument
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
FA	Agreement on financing and implementation of the Cross Border Cooperation Programme “Poland – Russia” 2014 – 2020 (Financing Agreement)
FAQ	Frequently Asked Questions
GoA	Group of Auditors
IB	Intermediate Body
IR	Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument with further amendments
JMC	Joint Monitoring Committee
JOP	Joint Operational Programme
JTS	Joint Technical Secretariat
LIP	Large Infrastructure Project
MA	Managing Authority
MS	Member State
NA	National Authority
NUTS	Nomenclature of Territorial Units for Statistics
OLAF	European Anti-Fraud Office
PMCS	Programme Management and Control System
RoP	Rules of Procedures
SEA	Strategic Environmental Assessment
TA	Technical Assistance
TO	Thematic Objective

INTRODUCTION

The Poland-Russia Cross-border Cooperation Programme 2014-2020 has been drafted jointly by the Polish and Russian parties. It will be co-financed by the European Union and the Russian Federation. The financial contribution of the EU will be provided by the European Neighbourhood Instrument and European Regional Development Fund under the 2014-2020 financial perspective of the European Union.

The Joint Operational Programme for the Poland-Russia CBC Programme 2014-2020 was prepared in the legal framework of the following regulations and documents:

- Council Regulation (EC, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Communities;
- Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument;
- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external actions;
- Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument;
- Commission Implementing Regulation (EU) 2020/879 of 23 June 2020 amending Implementing Regulation (EU) No 897/2014 as regards specific provisions to align the provisions for the implementation of cross-border cooperation programmes financed under the European Neighbourhood Instrument with specific measures in response to the COVID-19 pandemic;
- Programming document for EU support to ENI Cross-Border Cooperation (2014-2020);
- Agreement on financing and implementation of the Poland-Russia 2014-2020 Cross Border Cooperation Programme (Financing Agreement);

Additionally, for the Russian Federation the document was prepared on the basis of the following documents:

- the Strategy of the Social and Economic Development of the North-Western Federal District Region of the Russian Federation till 2020 approved with the Government Executive Order of the Russian Federation № 2074-p of 18 November 2011; Federal law on procurement № 44-ФЗ of 5 April 2013;
- Strategy for the social and economic development of the Russian Federation till 2020
- Programme of the Government of the Russian Federation «Social and economic development of the Kaliningrad region till 2020»;
- Concept for the Foreign Policy of the Russian Federation adopted by the President of the Russian Federation on 12 February 2013;

- Tax Code of the Russian Federation;
- Applicable decrees of the President of the Russian Federation and the Russian Government

Implementation of the Programme will comply with the provisions of relevant financing agreement between the Russian Federation, the European Union and the Republic of Poland after the JOP is adopted.

The Programme has been elaborated by the Joint Programming Committee (JPC), which has had the overall responsibility for preparation of the Poland-Russia CBC Programme 2014-2020. In the meetings, as well as within the whole programme preparation phase, representatives of central and regional authorities of both countries were actively involved, i. e.:

- for the Polish side:
 - Ministry of Development Funds and Regional Policy,
 - Ministry of Foreign Affairs of Poland,
 - Marshal Office of Pomorskie Voivodship,
 - Marshal Office of Podlaskie Voivodship,
 - Marshal Office of Warmińsko-Mazurskie Voivodship,
 - Euroregions (Baltic and Niemen)
- for the Russian side:
 - Ministry of Economic Development of the Russian Federation,
 - Ministry of Foreign Affairs of Russian Federation,
 - Ministry of Finance of the Russian Federation
 - Agency for Foreign Affairs and Regional Cooperation of the Kaliningrad region.

Representatives of the European Commission and INTERACT ENPI Technical Assistance Project have also participated in meetings of the Joint Programming Committee as observers. In order to find a common view about the content of the Joint Operational Programme 6 meetings were organised:

- Warsaw (Poland), 29 August 2013;
- Moscow (Russia), 24 March 2014;
- Warsaw (Poland), 12 February 2015;
- Kaliningrad (Russia), 29 April 2015;
- Warsaw (Poland), 9-10 June 2015;
- Warsaw (Poland), 12 April 2016.

In addition to that public hearings were held in the Russian Federation and Poland in order to acquaint potential beneficiaries as well as other participants and stakeholders with the programme. Within public hearings needs and ideas of the above-mentioned groups were collected. The results of the consultations were helpful in drafting the final version of the Joint Operational Programme before its adoption by the European Commission.

The Strategic Environmental Assessment (SEA) was developed in dialogue between external environmental experts, the MA, the JPC and the wider audience via public consultations. The

SEA was published on the ENPI CBC Lithuania-Poland-Russia Programme website, which facilitated access to the document by all interested parties.

1. DESCRIPTION OF THE PROGRAMME AREA

Poland–Russia Cross-border Cooperation Programme 2014-2020 consists of four regions (three in Poland and one in the Russian Federation):

- Pomorskie region, Republic of Poland;
- Warmińsko-Mazurskie region, Republic of Poland;
- Podlaskie region, Republic of Poland;
- Kaliningrad Oblast, Russian Federation.

The length of the land border between Poland (regions: Pomorskie, Warmińsko-Mazurskie and Podlaskie) and the Russian Federation (Kaliningrad Oblast) is 210 km. There is also a maritime border between Poland and the Russian Federation. There are 4 road border-crossing points and 3 rail border-crossing points operated on the Polish-Russian border.



Map 1. Area of the Cross-border Cooperation Programme Poland-Russia 2014-2020

Programme area consists of core regions, adjoining regions and major social, economic and cultural centres.

CORE REGIONS

The Programme area includes the following units as core regions:

- In Poland – NUTS III units:

- Gdański subregion (Pomorskie region);
 - Trójmiejski subregion (Pomorskie region);
 - Starogardzki subregion (Pomorskie region);
 - Elbląski subregion (Warmińsko-Mazurskie region);
 - Olsztyński subregion (Warmińsko-Mazurskie region);
 - Ełcki subregion (Warmińsko-Mazurskie region);
 - Suwalski subregion (Podlaskie region);
- In the Russian Federation:
 - Kaliningrad Oblast.

Elbląski, Olsztyński, Ełcki and Suwalski subregions are directly located on the border between Poland and the Russian Federation. Trójmiejski subregion has been administratively separated from Gdański subregion while maintaining full functional coherence with it, and due to its location on the Bay of Gdańsk, it is intersected by the sea border between Poland and Russia. Starogardzki subregion has relatively strongly developed cross-border linkages and is situated close to the border, within Pomorskie region. The longest land border with Kaliningrad Oblast, 210 km length encompasses Warmińsko-Mazurskie Voivodship.

ADJOINING REGIONS

The Programme area includes also the following NUTS III as adjoining regions:

- Słupski subregion (Pomorskie region);
- Białostocki subregion (Podlaskie region).

The abovementioned regions are included into the Programme area as they assure a continuation of existing cooperation schemes developed within the Lithuania-Poland-Russia 2004-2006 and the Lithuania-Poland-Russia ENPI CBC Programme 2007-2013. Institutions from these regions participated in projects, as well as cooperation between partner towns and euroregions is observed. This is important to ensure the continuity of partnerships built in the years 2004-2013 between social, economic, scientific and local institutions.

MAJOR SOCIAL, ECONOMIC AND CULTURAL CENTRES.

Moscow has been included in the Programme as a major economic, social and cultural centre. Organisations located in Moscow enjoy de jure or de facto monopoly and have the technical competence, high degree of specialisation or administrative power required to implement projects under TO 10 (Promotion of border management and border security, mobility and migration management). Moscow's participation will therefore strongly contribute to achieving the programme's objectives and will bring substantial added value for the core/adjoining regions. Its participation in the Programme shall be limited to activities under TO 10.

Warsaw has been included in the programme as a major economic, social and cultural centre. Organisations located in Warsaw enjoy de jure or de facto monopoly and have the technical competence, high degree of specialisation or administrative power required to implement projects under TO 7 (Improvement of accessibility to the regions, development of

sustainable and climate-proof transport and communication networks and systems). Warsaw's participation will therefore strongly contribute to achieving the programme's objectives and will bring substantial added value for the core/adjoining regions. Its participation in the Programme shall be limited to activities under TO 7.

GEOGRAPHICAL ELIGIBILITY REQUIREMENTS

All projects need to be implemented in the Programme area. Activities outside the Programme area can be implemented only in duly justified cases where it is necessary for achieving the programme's objectives and they benefit the core/adjoining regions. The involvement of beneficiaries located in major social, economic and cultural centres has to be specified and justified at project level, it has to be essential for achieving the specific project objectives in the core/adjoining regions of the Programme and it must be the key to ensuring the sustainability of the actions in the core/adjoining regions of the Programme. The total amount spent under the programme to activities outside the programme area cannot exceed 10% of the Union contribution at programme level.

Projects in the adjoining regions can be implemented within the Poland-Russia CBC Programme under the condition that Programme funds allocated to projects from these subregions will not exceed 10% of the EU allocation to the Programme. Organisations from the adjoining regions can apply for Programme funds under the same conditions as those in the core regions. The above-mentioned rule needs to be observed by the Joint Monitoring Committee during selection of projects for financing from the Programme funds.

Large Infrastructure Projects shall be implemented only in the core area of the programme.

Within projects' implementation involvement of other than situated in the programme area or stipulated above major social, economic or cultural centres is not foreseen in the Poland-Russia CBC Programme.

2. PROGRAMME STRATEGY

2.1 DESCRIPTION OF THE PROGRAMME STRATEGY

The main objective of the Poland-Russia CBC Programme 2014-2020 is to support cross-border cooperation in the social, environmental, economic and institutional spheres. Essentially, the Programme is designed in such a way that the implementation of measures in the aforementioned spheres should produce results not only within those particular spheres but should also lay the foundations for building and developing cross-border cooperation and good neighbourly relations in the cross-border region. In the long-term, such activities are expected to foster integration of the eligible area. For this to happen, it is necessary both to reduce barriers obstructing development and to tap the existing potentials and development opportunities.

It can be argued that the measures undertaken as part of the Programme should focus, first and foremost, on how to reinforce and make use of the region's strengths and to create conditions in which the development opportunities can be taken advantage of. It should be borne in mind, however, that this is a cross-border, and not purely developmental, programme, and therefore activities promoting development should always visibly include an aspect of building and strengthening cooperation between institutions and individuals from both sides of the border.

In accordance with the *Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)* Programme Strategy takes account of and contributes to three overarching strategic objectives defined by the mentioned document, i.e.:

- to promote economic and social development in regions on both sides of common borders;
- to address common challenges in environment, public health, safety and security;
- promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

For the Russian Federation this Programme shall also contribute to the implementation of the strategic goal of *The Strategy for the Social and Economic Development of the North-Western Federal District for the Period up to the Year 2020* which is a sustained improvement in living standards and living conditions differences reduction in the North-Western Federal District regions, based on the:

- accelerated development of the innovation economy;
- boosting investment policy;
- inter-regional and international cooperation.

The thematic objectives of this Programme are defined in accordance with the main measures of the *Action plan of the NWFD Strategy 2020*:

- economic development;

- removal of the transport, energy, information and other infrastructural limitations and barriers;
- social development of the NWFD;
- tackling environmental problems.

Based on such assumptions, building on the analysis of socio-economic situation of the Programme eligible area and its identified strengths and weaknesses, as well as opportunities and threats, taken account of the lessons learnt from the past CBC Programmes, the Programme focuses on four Thematic Objectives selected from a list attached to the Programming Document 2014-2020:

- Thematic Objective 3 (Promotion of local culture and preservation of historical heritage);
- Thematic Objective 6 (Environmental protection, climate change mitigation and adaptation);
- Thematic Objective 7 (Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems);
- Thematic Objective 10 (Promotion of border management and border security, mobility and migration management).

In order to increase its impact and reflecting the specific circumstances and requirements of the Programme area, the Poland-Russia CBC Programme 2014-2020 selected the following priorities:

THEMATIC OBJECTIVE	PRIORITY	ACRONIM
Thematic Objective 3 – Promotion of local culture and preservation of historical heritage	Priority 1. Cooperating on historical, natural and cultural heritage for their preservation and cross-border development	Heritage
Thematic Objective 6 –Environmental protection, climate change mitigation and adaptation	Priority 2. Cooperation for the clean natural environment in the cross-border area	Environment
Thematic Objective 7 – Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems	Priority 3. Accessible regions and sustainable cross-border transport and communication	Accessibility
Thematic Objective 10 – Promotion of border management and border security, mobility and migration management	Priority 4. Joint actions for border efficiency and security	Borders

Table 1 Thematic objectives and priorities of the Cross-border Cooperation Programme Poland-Russia 2014-2020

HERITAGE

TO 3 – Promotion of local culture and preservation of historical heritage

Thematic Objective 3 aims at preserving and promoting the cultural and historical heritage of the cross border regions, strengthening of cultural links and cooperation, improving the region's image and attractiveness, and increasing the vitality of local communities. Presence of well-maintained cultural and natural heritage objects is closely linked to the development of cross border tourism. Therefore, tourism has been defined as a sector with the highest potential to become one of the main income generating sectors and a growing source of employment and investment, especially in coastal and rural areas. To better use the regional heritage and increase the number of incoming and local tourists various cultural and natural sites need improvement and the tourism infrastructure shall be further developed. Support under the Priority of Thematic Objective 3 will therefore focus on development of cross border cultural, historical and natural potentials, as well as on development of cross border tourism. The Priority will concentrate on improving the physical state of culture and heritage "objects" as well as on tackling "softer" issues, for example: conferences, seminars, meetings etc. The development of physical infrastructure shall be supported by strengthening contacts and networks among the stakeholders in culture and tourism sectors. In addition, tourism attractiveness and sectoral growth are strongly influenced by the diversity and quality of tourism services, the region's image and a proper seasonal spread of tourism activities. Therefore activities aiming at promotion and diversification of tourism products will also be covered by this Thematic Objective.

For the Polish side, the activities to be funded under TO3 (Promotion of Local Culture and Preservation of Historical Heritage) should be complementary to those of the 2014-2020 Rural Development Programme for Poland, particularly those undertaken under measure 7.6 ("Restoration and upgrading of the cultural and natural heritage of villages") and double funding should be avoided. The obligation to avoid double funding also applies to the beneficiaries from Russia that will receive EU funding.

Priority 1. Cooperating on historical, natural and cultural heritage for their preservation and cross-border development

Proposed indicative actions within the priority:

- Joint initiatives and events regarding promotion and preservation of local culture, history and natural heritage;
- Joint projects to support, promote and preserve the traditional crafts and skills;
- Joint projects concerning preparation and realisation of investments in tourist infrastructure and services increasing the sustainable use of cultural and natural heritage in tourism including complementary tourist infrastructure to facilitate the use of cultural, historical and natural heritage (e.g. cycle routes, water tourism trails, nature trails, educational paths, signage, infrastructure for people with special needs, etc.), development of recreational areas;
- Joint creation of tourist products respecting the need to protect cultural, historical and natural heritage; joint projects stimulating cooperation between institutions in

the field of historical, cultural and natural heritage e.g. management of natural heritage, development of joint tourism products and services, marketing of the heritage resources (exchange of best practices and other related capacities);

- Conservation, preservation and adaptation or development of cultural, historical or natural heritage for tourism purposes and social, cultural, educational and other community purposes;
- Joint training of staff and exchange of staff, aiming at increase of capacities in the field of cultural or natural heritage management, development of joint tourism products and services, marketing of the heritage resources of the Programme area and other related capacities,
- Preservation, restoration and reconstruction of properties of cultural and historical heritage, monuments and their surroundings,
- Preparation and development of analyses, research studies, strategies and programmes for the conservations of cultural heritage,
- Creation of systems of cultural information,
- Conservation of natural heritage of common ecological and cultural value, e.g.: reserves, national parks, etc.

ENVIRONMENT

TO 6 – Environmental protection, climate change mitigation and adaptation

A clean natural environment is a necessary prerequisite for ensuring a suitable quality of life for the region's residents. Environmental problems are specifically cross-border in nature, as pollutants easily cross the administrative borders. The environmental dimension is well visible and significant at the border between Poland and the Kaliningrad Oblast, an area which encompasses sensitive and important ecosystems such as the Vistula Lagoon, the Vistula Spit, the Bay of Gdańsk or Masurian Lakeland. Here, the protection of surface and ground waters is of cardinal importance, also because its impact reaches far beyond the eligible area, i.e. it can seriously influence the condition of the Baltic Sea ecosystem. The actions under Thematic Objective 6 shall cover a large list of environmental activities in cross border water and waste management, air monitoring, mitigation of climate change, biodiversity preservation, etc.

Priority 2. Cooperation for the clean natural environment in the cross-border area

Proposed indicative actions within the priority:

- Joint projects regarding preservation and sustainable use of natural assets such as parks, water supplies etc.;
- Cross-border cooperation to protect valuable ecosystems and endangered species;
- Development of the infrastructure for water treatment, waste management, preventing and reducing pollution (including air pollution) in the cross-border area, e.g. construction/modernisation of equipment for water supply and wastewater treatment, creation/modernisation of systems for collection of waste and recycling, ecological waste keeping, etc.;

- Joint projects on water resources management in connection with climate changes (floods, droughts, water shortages);
- Joint projects on sustainable management, protection and use of freshwater resources;
- Joint monitoring of the environmental conditions (air, water) for better environmental protection;
- Revitalisation of polluted areas and areas posing threat for environment, including degraded areas;
- Joint projects supporting energy saving and increase of use of renewable sources of energy (solar, water, wind, biomass) at local/regional level;
- Joint trainings, meetings and exchange of knowledge projects of public services addressing common climate challenges (forest fires, floods, droughts, heavy snowfalls, strong winds);
- Joint actions for protection of coastal areas, including efficient management of the Baltic Sea and its resources;
- Joint development of strategies, skills and cooperation between local and regional authorities in the field of natural assets (such as parks, water supplies etc.) management;
- Joint trainings, meetings and exchange of best practices between local and regional authorities in the field of environmental protection;
- Joint actions aimed at preventing and mitigation of the effects of climate changes in agriculture, fisheries and forestry sectors;
- Support of joint actions taken in response to threats to human health caused by climate changes and pollution (emergency situations, climate-related diseases or health hazards);
- Developing spatial development plans, common strategies, crisis management systems, monitoring and warning systems for the cross-border area in connection with climate challenges and adaptation to climate change;
- Preparation of analyses, researches, environmental studies, strategies which help to deal with cross border challenges regarding water condition improvement as well as projects concerning the development of infrastructure related to environment protection.

ACCESSIBILITY

TO 7 – Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems

The region is characterised by the weak connectivity and insufficient communication networks and systems which hamper the cross-border contacts and impede transit traffic, and in consequence cripple the region's attractiveness for investors. Some support was provided to alleviate these deficiencies by the predecessor Lithuania-Poland-Russia ENPI Programme 2007-2013, nevertheless the needs in this respect remain noticeable. Therefore, Thematic Objective 7 will further support the actions related to improvement of transport accessibility, development of environmental-friendly transport, construction and modernisation of communication networks and systems. The focus should be on development of local roads offering important cross-border effects and influence. Equally

important is to integrate various transport modes and transport operators to make the passenger and cargo transit through the Programme area faster and more customer-oriented. All initiatives and efforts improving transport accessibility shall be based on environmentally friendly solutions.

Priority 3. Accessible regions and sustainable cross-border transport and communication

Proposed indicative actions within the priority:

- Joint investments in the quality and accessibility of the social and economic infrastructure;
- Common development of multi-modal transport systems;
- Joint developing and improving the quality and safety of existing communication links;
- Joint preparation of feasibility studies, environmental impact assessments and technical documentation for transport systems;
- Joint initiatives on promotion of the sustainable passenger and freight transport;
- Common projects on improvement of the mobility of persons and goods;
- Developing and improving environmentally friendly low-carbon transport systems (including reducing noise level)
- Joint initiatives on development and improvement of the quality of existing ICT infrastructure;
- Joint projects on preparation of feasibility studies, environmental impact assessments and technical documentation related to creation of broadband networks;
- Common creation of broadband networks.

BORDERS

TO 10 – Promotion of border management and border security, mobility and migration management

The implementation of the thematic objective will lead to increasing the effectiveness of infrastructure and border procedures as well as enhancement of border safety. Increased capacity of border-crossing points and the security thereof shall also contribute to other objectives of the Programme. Removal of administrative, institutional and infrastructural barriers in a good flow of goods, services and persons is desired in order to make full use and increase the potential of the Programme area. To this end, the Programme should support activities increasing the transparency and efficiency of border and customs procedures. Accelerating border checks procedures will be the aim of these actions and the expected outcome is to be a possibility of border crossing in a faster and more secure way. TO10 includes possibility to co-finance projects regarding modernisation of the infrastructure of border crossing points. It can also encompass the co-financing of the action with a purpose of increasing border security, including prevention and fight against illegal migrations and contraband, fight against organised crime, prevention of spreading of human, animal or plant diseases across the border and prevention and elimination of trade of rare or endangered species.

Priority 4. Joint actions for border efficiency and security

Proposed indicative actions within the priority:

- Joint initiatives on improving border-crossing infrastructure;
- Joint initiatives on adaptation and extension of the existing border crossings for the needs of pedestrian and bicycle traffic;
- Joint creation of a coherent system of signs and visual identification of border crossings;
- Joint projects regarding equipment of existing border crossings allowing streamlining of their operation;
- Joint development and modernisation of border crossings' supporting infrastructure;
- Common initiatives for the facilitation of border crossing procedures and trainings for the personnel of customs and border services;
- Common initiatives for the support of border management in the field of prevention and fight against illegal migration, trade and fight against organised crime and serious incidents of criminal nature.

2.2 JUSTIFICATION FOR THE PROGRAMME STRATEGY

2.2.1 THE SOCIO-ECONOMIC AND ENVIRONMENTAL ANALYSIS¹

BACKGROUND INFORMATION AND DEMOGRAPHIC SITUATION

The total Poland-Russia CBC Programme 2014-2020 area encompasses 68 952 sq.km, i.e.:

- on the Polish side 53 852 sq.km (including 13 316 sq.km in adjoining regions) and
- on the Russian side 15 100 sq.km.

The detailed information on the Programme regions in relation to their area, population and number of inhabitants is presented in the table below.

Region	Land area (sq.km)	Population per sq. km	Number of inhabitants	
			2009	2013
core area				
Gdański Subregion	4 444	125	514 420	554 144
Trójmiejski Subregion	414	1 804	742 910	747 476
Starogardzki Subregion	5 268	96	492 321	504 975
Elbląski Subregion	7 497	71	529 620	534 510
Olsztyński Subregion	10 329	60	613 565	621 453

¹ Source: <http://stat.gov.pl/>, <http://kaliningrad.gks.ru>

Elcki Subregion	6 347	46	283 933	290 952
Suwalski Subregion	6 237	44	276 028	276 683
Kaliningrad Oblast	15 100	63	937 914	963 128
adjacent area				
Słupski Subregion	8 184	60	480 448	489 216
Białostocki Subregion	5 132	100	504 845	510 785

Table 2 The area, population and density of the eligible regions in the Programme

Source: GUS, *Area and population in the territorial profile in 2014* and <http://kaliningrad.gks.ru>.

The eligible area has a population of 5.493 million, with the majority, i.e. 4.530 million residents, living on the Polish side of the border (82,47%), and 963 128 – on the Russian side of the border (17,53%). The population density (84.1 residents/sq.km in the Polish part and 63 residents/ sq.km in the Russian part) can be regarded as moderate as compared to the average density in Poland, and relatively high as compared to the European part of the Russian Federation. The population is quite strongly concentrated spatially, particularly in the Kaliningrad Oblast, where 431 000 people (45%) live in the region's capital. The metropolitan area made up of three cities (Gdańsk-Gdynia-Sopot) and inhabited, within the administrative boundaries, by 747 000 residents, is the largest urban complex in the Polish part of the eligible area. Other large cities with regional significance include: Białystok (300 000), Olsztyn (175 000) and Elbląg (124 000), whereas Suwałki, Ełk, Tczew and Malbork play supra-local functions.

In the period 2010-2014 the number of the population in the Kaliningrad Oblast slowly increased and reached 963 thousand persons in 2014. In 2004-2012, the population of three Polish regions covered by the Programme increased by slightly over 2%. This was a result of natural increase, which offset the migration outflow.

Negative migration balance in rural areas and small urban settlements is caused mainly by the outflow of young people seeking better education and job opportunities in large urban centres or abroad. Therefore the Programme should contribute to the creation of conditions favourable to keeping and creation of workplaces in the eligible Programme area.

In 2013 a major part of the Programme area population (over 60%) was in the productive age, ca 20% was in the pre-productive age and ca 16% in the post-productive age. The age structure is quite similar in the whole Programme area. In a long run one might expect some improvements of the birth rates as the result of increasing economic and social security in the Programme area, provided that some supportive measures are taken (kindergartens, flexible working regimes etc.). Population ageing processes are progressing dynamically on both sides of the border, which can create unfavourable conditions for future economic development.

ECONOMIC CAPITAL

The economic structure of the eligible area on the two sides of the border was quite similar and at the same time comparable to the respective national average figures. Primary sectors (agriculture, forestry and fishery) played a more prominent part in the economy of the Polish

part. On the other hand, the Kaliningrad Oblast was characterised by a higher share of manufacturing in the regional economy.

A lower development level in the eligible area in comparison to the respective national averages was largely a result of less effective use of local workforce rather than of the structural factor. In 2013 the level of registered unemployment in the Polish part of the eligible area reached ca. 17.94% and was higher than the average in the country at large. The situation in this respect deteriorated in the recent years. In 2014 the situation changed slightly and the level of registered unemployment in the Polish part of the eligible area decreased to 14.75% but was still higher than the average in the whole country. In contrast, in 2014 the unemployment rate in the Kaliningrad Oblast was 5.1% and a gradual decrease in unemployment was observed in the Russian part of the eligible area over the last few years.

The border region is strongly varied as far as its attractiveness for inward capital is concerned. On both the Polish and Russian sides of the border, investors from abroad were encouraged to invest in special economic zones: Pomeranian, Warmińsko-Mazurska, Słupska and Suwalska in Poland and the special economic zone in Kaliningrad Oblast, whose status was accorded to the entire territory of the Kaliningrad Oblast in 1996. Altogether, by the end of 2012, 12 billion PLN (approximately 2.93 billion EUR) was invested in the Polish economic zones in eligible area. Special Economic Zone in the Kaliningrad Oblast of the Russian Federation (hereinafter - SEZ) covers the entire territory of the Kaliningrad Oblast and provides a special legal regime for economic, investments and other activities. SEZ was originally created in the Kaliningrad Oblast in 1996. As of January 1, 2015 the total number of registered residents in SEZ totalled to 99 organisations. The total investment of SEZ residents at that time reached 89 billion rubles.

The programme area has a considerable potential for tourism, associated mainly with the Baltic Sea coast and lakeland landscape, in addition to the presence of large cities with notable historic and cultural assets. In consequence, tourism plays quite a significant role in economic development, both on the Polish and Russian sides of the border. In 2013 the Polish part of the eligible area was visited by nearly 8.5 million tourists using accommodation facilities, of whom 698 000 were from abroad. Altogether, tourists can choose from among 44 200 hotel beds and 100 800 more in other types of accommodation on the Polish part of the programme area. Also in Russian side is a promising sector of the regional economy and its development is emphasised by the regional authorities. In 2013 in accordance with the official statistics the number of tourists accommodated in the Kaliningrad Oblast was 272 600 persons, including 48 671 foreign tourists. There are 85 officially registered hotels in the Kaliningrad Oblast (excluding micro enterprises) with 3211 rooms and 6210 hotel beds.

Tourism concentrates on the Baltic coast, but also the inner territory of the area provides opportunities for its various types, including educational, cultural, business and congress tourism. Due to these factors, tourism industry in the Kaliningrad Oblast is showing steady annual growth in recent years. Tourism infrastructure is rapidly updated, commissioning new hotels, restaurants, cultural and historical sites. The Kaliningrad Oblast is one of the most active Russian regions in terms of business and congress tourism. Due to these factors, the tourism industry in Kaliningrad is showing steady annual growth in recent years amounting to 10-12%.

The potential for endogenous development varies across the two parts of the eligible area. On the one hand, there is a relatively well-developed SME sector. In 2013, the number of registered business entities reached 100 per 1000 inhabitants in the Polish part, having increased rapidly in the recent years and nearly equalling the level of the national average. In the Russian part, the number of business entities was lower, with 55 businesses per 1000 inhabitants, a value which was nearly two times higher than the national average.

The border region has an insignificant transit potential, despite its location in the triangle Riga-Kaliningrad-Gdańsk, and being a component of the first pan-European transport corridor. On the other hand, the region is a notable sea transport hub, with a complex of sea harbours in the port of Gdynia, the port of Gdańsk and in Kaliningrad. Further practical improvements are necessary to fully benefit from the seaport and sea transport potential of the area and reach equal access to all seaports in the Vistula Lagoon. The national roads leading to the border crossings, with the exception of the route from Elbląg to Kaliningrad, which was refurbished and upgraded to the standard of the S22 expressway, do not have an upgraded standard (DK54, DK51, DK65). In addition, despite the well-established passenger rail connections, only one of them is still operated, i.e. Gdańsk-Kaliningrad.

There were seven border crossings (4 road border-crossing points and 3 rail border-crossing points, p. 5) handling regular passenger traffic at the Polish-Russian border. The traffic was distributed rather evenly. The significance of the rail crossing in Braniewo for passenger traffic is marginal. The highest volume of traffic (at the level of 5 million crossings per year) was recorded at the Polish-Russian border in 1997. Since then, the number of crossings was in decrease, to fall to 2.3 million in 2011. This situation changed with the introduction of the local border traffic, which brought an increase in the number of crossings to 6.5 million in 2014² and 6.1 million border crossings in 2015³. In consequence, the capacity of border crossings for all types of traffic is insufficient, a situation which leads to bottlenecks and longer waiting time needed to cross the border.

The presence of the state border is one of main barriers hindering the development of cross-border cooperation between Polish regions and the Kaliningrad Oblast. In case of this particular border (external border of the European Union), the border regime can be described as 'hard' – due to the legal and procedural requirements to be fulfilled for the flow of goods and services, but also to the development of socio-cultural cooperation. Visa regime as well as the infrastructure of the border crossings (long waiting time to cross the border) slow down the cross-border interactions. The local (visa-free) border traffic agreement streamlines border checks only to a limited degree.

HUMAN AND SOCIAL CAPITAL

The population of the area could be described as rather educated (compared to national averages) and relatively young. Labour force in the Programme area is relatively qualified and educated with experience in various industries, SMEs and agricultural activities. The rates of employment of working men and women are comparable. The area houses a

² Source: WWW.strazgraniczna.pl

³ Source: Ministry of Foreign Affairs of the Republic of Poland

number of universities, colleges, vocational training and other institutions of education. However, there is still a need for reorganisation of school programmes as training for specialties in demand is lacking. Adult education and qualification raising and retraining systems require development. Higher education rate is at a similar level on both sides of the border. In 2011, the share of the population with a higher education degree was about 16 % in the both Polish and Russian parts of the cross-border region.

Access to higher education in the whole of the cross-border region can be regarded as good. The Immanuel Kant Baltic Federal University, Technical University of Kaliningrad and other universities and research centers operate in Kaliningrad Oblast. In Polish regions main academic centres are located in Tri-City, Białystok, Olsztyn and Suwałki, where Gdynia Maritime University, University of Gdańsk, Medical University of Białystok, University of Białystok, Higher Vocational School in Suwałki and University of Warmia and Mazury in Olsztyn operate. In Warmińsko-Mazurskie region also function among others the State University of Applied Sciences in Elbląg and Police Academy in Szczytno. As a result, in 2012, in the Polish part of the eligible area, there were nearly 40 post-graduate students per 1000 of population. Similar values were recorded in the Kaliningrad Oblast, with nearly 35 students per 1000 population (in 2013). The situation in that regard on both sides of the border did not differ in a significant way from the national average of the two countries.

The region tends to have high rates of morbidity and premature mortality due to certain diseases of affluence, including some due to complications of diabetes, cardiovascular disease and cancer. The increase in the incidence of mental illnesses is also alarming. Access to health care is gradually improving although there are still big problems with the provision of specialised health services. On the whole the areas, especially rural ones require improved hospital/clinic networks, which would bring primary care closer to the patient. It should be expected that changes in the age structure of the population (the aging process) will, among other things, contribute to an increase in demand for health and nursing services. Due to the above-average attractiveness and developed tourist infrastructure of the region, it is expected that the services for the elderly, but also related to the spending of leisure time will be an increasingly important segment of economic activity, mainly strengthening the local economy.

The cross-border region is characterised by a unique environment and landscape values and cultural diversity. The cultural heritage is increasingly perceived as an important factor of local development (a way to economic activation, creating new jobs and creating a positive image of a given area). In addition, the importance of regional culinary and food products of high quality is increasing. The region offers ample opportunities to participate in the culture. Numerous investments in cultural facilities as well as more and more ambitious cultural events (exhibitions, performances and festivals) allowed for the creation of a qualitatively new artistic offer recognisable on a national and international level. On the other hand, it should be noted that building awareness of cultural differences and understanding and tackling for common benefit are regarded as one of major challenges in cross-border cooperation.

NATURAL CAPITAL

The Poland-Russia CBC Programme 2014-2020 eligible area is characterised by diverse and relatively well-preserved natural environment. It hosts three national parks (two on the Polish side and one on the Russian side of the border), which together occupy, respectively, 1.98% and 0.4% of these two areas. In addition, numerous landscape parks in Poland occupying 8.83% of the eligible area and seven areas enjoying a similar status in the Russian part can be found in the Programme area. Additionally, Natura 2000 areas can be found there and the Special Protection Areas thereof reach 28% of the Programme area and Special Areas of Conservation reach 18%.

The Baltic Sea is the major ecosystem having a cross-border nature. In order to ensure comprehensive protection of the Baltic Sea environment, the Helsinki Convention was adopted and signed by all Baltic states, including Poland and Russia. The most pressing problems include water eutrophication, pollution with hazardous substances and overfishing. The volume of nitrogen and phosphorus compounds supplied by the rivers is gradually decreasing, but this process is accompanied by an increasing volume of nitrogen from air pollutants. Hazardous substances come from rivers but also from fuel leaks and disrupted sea bottom deposits as a result of construction works.

The main sources of pollution with cross-border significance are water and air pollutants. Emission of air pollutants per capita remains at a relatively low level but water quality poses a more serious concern. According to HELCOM 2012 data (and its review of 2013), the priority problems in the Kaliningrad Oblast are, i.e. lack of effective transboundary management programmes for the Vistula lagoon and Curonian lagoon and municipal and industrial pollution from the city of Kaliningrad. On the Polish side two *hot-spots* – the Vistula lagoon transboundary management programme mentioned above and the agricultural runoff in the Vistula river basin – are considered as priority problems.

The volume of untreated sewage shows a falling trend, both in the Polish and Russian parts of the eligible area. 93% of the residents of the Polish part of the eligible area and 91% of the Russian part have access to a sewage network. However, the sewage treatment remains a crucial environmental challenge, especially for the Kaliningrad city. Lack of proper water management infrastructure causes pollution and severe eutrophication of the Vistula Lagoon.

Other environmental hazards in the area include the oil drilling platform on the Russian sea waters, at a distance of only 22 kilometres from the national park protecting the vulnerable ecosystem of the Curonian Spit. Electric power generation is an important activity in terms of environmental impact. In 2010, the Kaliningrad Oblast of the Russian Federation became self-sufficient in this regard, thanks to the launch of a new, natural gas-fired 500 MW power plant. In the Polish part of the area concerned, power is transmitted from other parts of the country, especially across the Warmińsko-Mazurskie and Podlaskie regions. In parallel, over the last five years, renewable energy sources, mostly wind power, have been developed in the region. Currently, more than 70% of power generated in the Warmińsko-Mazurskie region (ca. 200 MW) comes from renewable sources. The renewable energy sector is also developed in the Russian part of the area concerned, mainly hydro-plants (with about 150 MW of installed power), but also wind power stations (ca. 5 MW).

The new Poland-Russia CBC Programme 2014-2020 can continue providing more opportunities to initiatives concerning environmental improvements, i.e. in the field of water protection, conserve natural resources for future generations, maintenance of biological diversity, in the field of prevention and mitigation of effects of climate changes.

SWOT ANALYSIS

Based on the analysis of socio-economic situation of the Programme eligible area and identified common challenges we can identify strengths and weaknesses relating to cross-border cooperation, as well as opportunities and threats which might arise in the external environment:

Strengths	Weaknesses
Well-developed socio-cultural cooperation, largely reflecting the potential of the border regions in this sphere	Border regime associated with the external border of the European Union, with various dysfunctions that occur at border crossings and which considerably hamper cross-border interactions
Interest in developing institutional cooperation, expressed by partners on both sides of the border	Underdevelopment of technical infrastructure (water, tourism, transport and border crossings), which poses a barrier to the development of cross-border interactions
Cross-border ecosystems with significant environmental assets	Cross-border environmental pollution, especially in the Vistula Lagoon and the Bay of Gdańsk
Existing cooperation network and know-how created through EU-funded Programmes in the years 2004-06 and co-funded by the European Union and the Russian Federation in the years 2007-13	-
Diverse culture	-
Touristic and natural assets	-
Opportunities	Threats
High potential for tourism development	Climate change
Collaboration of border areas in water treatment, waste handling and protected areas	Continued pollution of surface water and lakes;
Cooperation in tourism development	Increasing economic disparities between urban centres and rural areas
Development of international transport networks	Outward migration of younger population; ageing population
Strength of global tendency to build knowledge-based economy	Increased pollution due to industrial growth, road traffic
Close cooperation between authorities on various level and institutions	Economic slowdown and weakening of trade ties between the partner countries (also resulting from the political situation at the period of the preparation of the Programme)
-	Introducing administrative restrictions constricting the cross-border traffic

Table 3 SWOT analysis

2.2.2. LESSONS LEARNT FROM THE PAST CBC PROGRAMMES

The Poland-Russia CBC Programme 2014-2020 builds on experience of cooperation between Polish and Russian local, regional and national governments in the eligible area that started to develop actively in the 1990s. Cross-border co-operation from the very outset has concentrated on the common problems of the neighbouring regions and aimed at making the regions more competitive and attractive.

In 1990 a first border crossing point (Braniewo-Mamonovo) was opened between Poland and the Russian Federation. Co-operation between both countries is reflected in the work of Polish-Russian Council for Cooperation of Polish Regions with the Kaliningrad Oblast of the Russian Federation. The Council was officially established in 1992 on the basis of Contract between the Government of the Republic of Poland and Government of the Russian Federation on cross-border cooperation from 2 October 1992 and on the basis of Agreement between the Government of the Republic of Poland and Government of the Russian Federation on cooperation of north-eastern regions of the Republic of Poland and the Kaliningrad Oblast of the Russian Federation. The authorities of Polish regions covered by the Programme signed agreements on permanent co-operation with their Kaliningrad counterparts. Euroregions were also established: the Niemen-Neman-Nemunas in 1997 and Euroregion Baltic in 1998. The euroregional structures have been used for channelling EU funds (PHARE and TACIS) for regional development and cross-border cooperation.

Between 2004 and 2006, a new EU supporting programme for the Kaliningrad Oblast of the Russian Federation and its regional neighbours from Poland and Lithuania was launched: the Neighbourhood Programme Lithuania, Poland and Russian Federation INTERREG IIIA /Tacis. More than EUR 44.5 million (EUR 36.5 million from ERDF and EUR 8 million from TACIS) were allocated to the programme for the period 2004-2006, which resulted in 162 cross-border projects co-financed.

The main lessons learnt from the Neighbourhood Programme were the following:

- The implementation structure of the Programme was too complicated. Different procedures for Interreg and Tacis resulted in the duplication of the activities taken by different institutions and created additional workload. Documents used in the Programme proved to be too complicated for beneficiaries;
- Required provision of 10 % of national co-financing and a relatively high minimum limit for the project value (EUR 50 000) hindered many potential beneficiaries (especially NGOs) from applying for Programme funds;
- A better mechanism of co-operation between the Joint Technical Secretariat, the regional branch office and the Regional Info Points should be put in place. It was also crucial to improve the publicity of the programme;
- Poor communication between the project partners resulting from misunderstanding of the Programme rules and ignorance of English;
- According to Russian partners, natural environment, culture, tourism, IT, health of population, more active introduction of modern means of communication into the teaching process, cooperation of municipalities were indicated as the most welcome spheres of future co-operation ;

- The following topics should be strengthened under the future CBC programme in line with views expressed by Russian partners: more active involvement of authorities (primarily, the regional ones) in project activities, dialogue between authorities and society, participation of social organisations in the Programme;
- There was a need to establish more stable frames for exchanging experience between projects and securing cooperation between projects of the Neighbourhood Programme (CBC), Tacis (ENPI) projects and this CBC Programme.

Under the 2007-2013 financial perspective the trilateral cooperation between Polish, Russian and Lithuanian regions was continued within the Lithuania-Poland-Russia European Neighbourhood and Partnership Instrument Cross-border Cooperation Programme 2007-2013. Based on the previous experience, the Programme adopted a new approach on allowing the creation of joint projects across the border financed from one financial source and with one administrative procedure. In addition, the beneficiaries were enabled to request pre-financing of the project costs what broadened the scope of Programme applicants. Three Branch Office(s) of the Joint Technical Secretariat were installed in the Programme area (Olsztyn, Vilnius and Kaliningrad) in order to support the JTS and facilitate the access of the stakeholders to the Programme information. Besides regular projects a remarkable amount was allocated to Large Scale Projects related to infrastructure. The Programme budget amounting to 145.8 mln EUR: (124.2 mln EUR (EU contribution) and 21.6 mln EUR (Russian Federation contribution) was earmarked to 60 projects (53 regular projects and 7 Large Scale Projects) within two priorities: Contributing to solving common problems and challenges (priority 1); and Pursuing social, economic and spatial development (priority 2).

Regardless of the fact that the Programme Lithuania-Poland-Russia ENPI 2007-2013 has not been finished at the stage of preparation of the Programme Poland-Russia 2014-2020 some key issues for the successful Programme implementation have already been identified and will be taken aboard for the new period:

- Close involvement of and cooperation between the national/regional authorities is essential at every stage of Programme implementation process;
- The full structure of the Programme bodies shall be set up as soon as possible in order to support the potential applicants with development of projects at an early stage. The programme implementation documents (manuals, instructions etc.) should be prepared and be available in national languages before contracting process;
- Electronically submitted version of the Application Form should be allowed in order to streamline the application procedure and to more efficiently organise projects evaluation process (previously, only paper versions were allowed);
- Capacity building measures should be provided not only to beneficiaries but also to bodies involved in project management and controls. Trainings shall be conducted in national languages and organised in the regions;
- The documents used by the Programme in accordance with the PRAG requirements hindered a flexible implementation of many projects.

Nevertheless, it should be stressed that the main lesson learnt from the programmes of the previous financial perspectives clearly demonstrate that joint cross-border initiatives play an important role in building good neighbourly relations between the residents of the border areas, provide opportunities to acquaint the neighbours living on the other side of the border and help enhance mutual understanding. The cross-border cooperation programmes assist in addressing common challenges and solving common problems of trans-border character, i.e. in the field of environment protection. In addition, they can help establish lasting contacts and lay the foundation for collaboration as part of larger-scale initiatives, also those funded from sources other than CBC programmes.

2.2.3 COHERENCE WITH OTHER EU FUNDED PROGRAMMES AND NATIONAL AND REGIONAL STRATEGIES

The Poland-Russia CBC Programme 2014-2020 is intended to continue cooperation in the border region of Poland and the Russian Federation which was earlier developed under the Lithuania-Poland-Russia European Neighbourhood and Partnership Instrument Cross-border Cooperation Programme 2007-2013.

The Programme thematic objectives comply with the *Programming document of the EU support to ENI Cross-Border Cooperation (2014-2020)*. It should be pointed out that the Programme puts emphasis on enhancing integration in the cross-border region while striving to improve transport accessibility of the regions and address the common environmental problems, the natural environment being one of the components responsible for the quality of life.

There is also a far-reaching consistency of the proposed arrangements and solutions with the *EUROPE 2020 Strategy and the Russian Strategy 2020*, particularly those aimed at environmental protection in the border areas. In this context, the programme is also consistent with the *Action Plan for the European Union Strategy for the Baltic Sea Region* which focuses i.e. on environmental protection and water quality and with the Russian Strategy for the Social and Economic development of the North-West federal district 2020.

Practical coordination and information exchange mechanisms to promote synergies in the thematic areas which are common to the Programme and the EUSBSR (TO7 and the 'Save the Sea' objective; TO10 and the 'Connect the Region' objective) shall be provided. In order to ensure that the Programme implementation process is appropriately aligned with the EU Strategy for the Baltic Sea Region, the representatives of the Polish coordinator of the EUSBSR and Russian subcommittee of the Baltic Sea Region Programme may be invited to the JMC meetings. The Poland-Russia CBC Programme is consistent with the *External Borders Fund* aimed to improve the control and management of the flows of persons at the external borders of the EU. In particular, the Programme should complement actions undertaken as part of the Fund by efforts aimed to streamline and facilitate the crossing of the external border, also in terms of convenience.

The Programme Poland-Russia CBC Programme 2014-2020 Thematic Objectives (TOs) comply with the *Programming document for EU support to ENI Cross-border Cooperation (2014-2020)*. Priorities are complementary with the wider development priorities of the countries whose territories fall into the programme area, i.e. the Republic of Poland and the Russian Federation. The Programme is compliant with:

- *Strategy for Responsible Development 2020 (Poland);*
- *Long Term Development Strategy. Poland 2030 – the Third Wave of Modernity (Poland);*
- *National Regional Development Strategy 2010-2020: Regions, Cities, Rural Areas (Poland);*
- *National Spatial Development Concept 2030 (Poland);*
- *The Concept of External Policy of the Russian Federation*
- *Concept of Cross-Border Cooperation of the Russian Federation (Russian Federation);*
- *The State Programme for Socio-Economic Development of the Kaliningrad Region until 2020 (Russian Federation).*
- *The Strategy of Social and Economic Development of the North-Western Federal District of the Russian Federation up to 2020*

In Poland the Programme's priorities are also in line with the operational programmes for 2014-2020, especially with the Eastern Poland Programme and particular regional operational programmes for relevant voivodships.

The Strategy for Responsible Development 2020 was adopted by the Council of Ministers on 14 February 2017. It provides an actualisation to the medium-term strategy for the country's development, i.e. *the National Development Strategy 2020*. The strategy is an instrument to flexibly manage main development processes in Poland, defining a new model of development. It combines a strategic and operational dimension – it points out necessary activities and implementation instruments. The main objectives of the "Strategy..." are: sustainable economic growth increasingly driven by knowledge, data and organisational excellence; socially sensitive and territorially sustainable development; effective state and economic institutions contributing to growth, as well as social and economic inclusion. The Poland-Russia CBC Programme 2014-2020 fits into the abovementioned objectives.

The Long Term Development Strategy. Poland 2030 – the Third Wave of Modernity, accepted by the Council of Ministers on 5 February 2013, was developed in years 2011-2012 as an answer to the financial crisis. Its main goal is aimed to improve the quality of life of Poles thanks to stable, high economic growth. The main goal of the Strategy should be reached through three strategic areas: competitive and innovative economy, balancing of development potential of Polish regions, effectiveness and efficiency of the state. The Poland-Russia Programme contributes i.a. to the improvement of transport accessibility and regional development of the Programme area.

The National Strategy of Regional Development 2010-2020: Regions, Cities, Rural Areas - document adopted by the Polish Council of Ministers on 13 July 2010. The document strengthens the role and importance of regional policy in the implementation of the most important development activities related to the spatial aspects of development. It will ensure greater consideration of specific needs and potentials of individual areas of Poland under public policies.

The Concept of Cross-Border Cooperation of the Russian Federation which was adopted by the Government of the Russian Federation on February 9, 2001. The concept defines main goals, objectives and priorities of cross-border cooperation of the Russian Federation. It also determines the powers of federal and regional authorities in this area. It will serve as a general basis for the Russian participation in the CBC Programme "Poland – Russia"

The Strategy for the Social and Economic Development of the Northwestern Federal District for the Period up to the Year 2020 was adopted by the Government of the Russian Federation on November 18, 2011. It defines the main priorities and targets of social and economic development of the NWFD in years to come. The strategy serves as a basis for chosen thematic objectives of the CBC Programme "Poland – Russia" from the Russian side. The results of the Programme in the Russian territory will be evaluated in relation to this Strategy.

The State Programme for Socio-Economic Development of the Kaliningrad Region until 2020 was drawn up by the Ministry of Regional Development of the Russian Federation, which was responsible for its implementation. The state programme aims to facilitate the comprehensive socio-economic development of the Kaliningrad Oblast, make the region attractive to investors, encourage the development of sectors that contribute most to economic growth in the region, create new production facilities and develop new industrial clusters and tourism. The state programme is expected to deliver on the following objectives: creating the basic infrastructure in the region, developing competitive economic sectors, improving the standard of living and the quality of life in the region and developing tourism and increasing the population's mobility. The Poland-Russia ENI CBC Programme 2014-2020 fits into the abovementioned strategic area, especially focusing on infrastructure and tourism improvements.

Other documents that were considered during the preparation of the programme are:

- *Pomorskie Voivodeship Development Strategy 2020 (Poland);*
- *Strategy for Socio-Economic Development of the Warmińsko-Mazurskie Voivodeship until 2025 (Poland);*
- *Podlaskie Voivodeship Development Strategy 2020 (Poland);*
- *Programme for socio-economic development of the Kaliningrad Oblast for 2007-2016 (Russia);*
- *The Strategy for socio-economic development of the Kaliningrad region in a long-term perspective (Russia).*

The Pomorskie Voivodeship Development Strategy 2020 was adopted by the Regional Council of Pomorskie in 2012. The Strategy indicates three complementary to each other strategic goals which are: modern economy, active residents and attractive space. The overriding goal is cohesion of the region and the main principles of *the Strategy* are connecting of forces and resources as well as coordination of efforts of each party. The main strategic challenges which the strategy describes are accessibility of transport, special management (including optimal and sustainable use of the environment) as well as energetic safety and eco-technologies.

The Strategy for Socio-Economic Development of the Warmińsko-Mazurskie Voivodeship until 2025 was adopted by the Regional Council of the Warmińsko-Mazurskie in 2013. It was developed on a basis of the revision of *The Strategy* of 2005. Presently, this is third revision of the document. One of the main assumptions of *The Strategy (...) until 2025* is the aspiration to thematic concentration of planned activities. It indicates three priority areas: competitive economy, open society and modern network. As a consequence, the document focuses on the increase of competitiveness of the economy, increase of social activity, increase of the number and quality of network connections as well as on modern development infrastructure.

The Podlaskie Voivodeship Development Strategy 2020 was adopted by the Regional Council of Podlaskie Voivodeship in 2006 and revised in September 2013. The Podlaskie Voivodeship is entitled as the “Gateway to the East”. The revised document puts a stronger focus of public intervention on strengthening the region’s competitiveness and unblocking the growth processes by a fuller use of competitive advantages and development potential (concentrating attention on endogenous territorial features instead of exogenous investments and transfers, and opportunities for development are emphasised rather than barriers). It also proposes to move from the short-term model of top-down subsidy distribution to a model of long-term, decentralised development policies geared towards supporting all regions, regardless of how wealthy they are, by methods including mobilisation of local resources and funds in such a way that particular competitive advantages can be exploited without excessive reliance on domestic transfers and subsidies. It also calls for a change from diffused intervention towards more selective (concentrated) investments.

The Programme for socio-economic development of the Kaliningrad Oblast for 2007-2016 was approved in December 2006. It is focused on improving the living standards of the population in the Kaliningrad region and ensuring a sustainable economic growth in the region on the basis of development of its potential. It envisages measures and activities for creating favourable investment, business and social climate in the region; pursuing efficient industrial policy; developing transport and energy infrastructures as well as communication infrastructure and access to ICT as a necessary link in interregional and international relations; supporting a tourism and recreation sector, hospitality infrastructure and creation of an attractive image of the region.

The Strategy for socio-economic development of the Kaliningrad region in a long-term perspective was approved in August 2012. It determines priorities in the socio-economic development of the Kaliningrad region and provides a basis for elaborating the programme

of the socio-economic development of the Kaliningrad region, regional target programmes, short- and long-term forecasts of the region's development, etc. The Strategy defines long-term objectives to be achieved in order to ensure a better quality of life and stable economic development in the Kaliningrad region. They envisage the creation of favourable social environment for realising human potential based on the region's dynamic economic growth (including development of the region's demographic potential, modernisation of public health and education, effective protection of the environment, preservation and promotion of its natural and cultural heritage, etc.). The Strategy also recognises the need for developing the regional transport and logistics sector as well as its tourism and recreation potential.

Cross-border cooperation programmes where the geographical area is at least partly overlapping with the Poland-Russia CBC Programme 2014-2020 are:

- Lithuania-Russia CBC Programme 2014-2020,
- Lithuania-Poland Programme 2014-2020,
- Poland-Belarus-Ukraine 2014-2020,
- South Baltic Programme 2014-2020,
- Interreg Baltic Sea Region Programme 2014-2020,
- Central Europe 2014-2020.

In addition, there are also European wide cooperation programmes such as Interreg Europe. As a number of Structural and Investment Funds programmes co-exist in the programme area, the scope of the Programme shall ensure synergy with the other programmes (e.g. through selected thematic objectives) and also ensure that the risk of double financing is avoided.

As the Programme budget is limited and not sufficient to address all common challenges and problems of the Programme area, the Programme shall focus on the most crucial ones by the means of selected Thematic Objectives, relevant to meet the goals provided for in the ENI regulation and addressing the common problems of the cross-border area, characteristic for the Programme area and deemed important for both countries participating in the Programme. It shall also contribute to solving those problems in compliance with other programmes and strategies implemented in the Programme area.

2.2.4 RISK ANALYSIS AND MITIGATING MEASURES

The Programme prepared an analysis of potential risks. The risks and their cause were described and their impact identified. After that the relevance of each risk factor was assessed. The risks have been evaluated according to their probability and impact with a scale (high, medium, low).

DESCRIPTION AND CAUSE OF THE IDENTIFIED RISK	IMPACT OF THE IDENTIFIED RISK	RELEVANCE ASSESSMENT OF THE IDENTIFIED RISK	PROPOSED MITIGATION MEASURES
Joint principles of Programme implementation cannot be agreed by partner countries due to different visions of CBC	Programme cannot be started or is started with heavy delay. Programme funds are not spent and allocations lost in line with relevant EU regulations.	High	Partners jointly decide on the Programme goals and its implementation mechanisms. Programme partners seek compromise on relevant issues. Representatives of partner countries meet on regular basis.
Inconsistent programme management and control system is installed as result of creation of new Programme bodies required by the ENI CBC IR	The projects expenditures are verified erroneously. There is a risk of ineligible expenditure, including fraud.	Medium	Entrusting of new functions to the bodies experienced in CBC/ EU funds management. Capacity building measures / trainings are provided to programme bodies on ENI requirements. Responsibilities and obligations are defined between the partner countries.
No agreement on selection of projects can be reached due to disregard to the selection criteria and results of project evaluation.	Selection of projects of poor quality and/or with poor CBC effect. Delay in start of projects implementation. Achievement of Programme goal is at risk.	Medium	Projects are selected with respect to the selection criteria. Ranking list prepared by assessors is the basis for project selection.
Small amount of projects apply for funds due to complicated Programme	Selection of projects of poor quality. High number of projects are rejected due to formal criteria. The scope of	Medium	Information campaigns and trainings for stakeholders are conducted. Simplified and beneficiary-friendly procedures for applying for

requirements and low interest of stakeholders	beneficiaries is mainly limited to beneficiaries of the previous programme.		Programme funds are put in place.
Slow and poor implementation of contracted projects due to the complicated and overblown procedures.	Projects do not receive funds in line with their action plans. Projects lose financial liquidity and stop implementation. Projects do not reach their objectives.	Medium	Simple and transparent procedures and documents for reporting and requesting of funds are prepared. Capacity building / trainings for beneficiaries and Programme bodies are conducted.

Table 4 Risks for the Programme

Based on documented cases and on the update of identified risks and of risk management measures the monitoring and evaluation will be performed and reported to the JMC annually in connection with the drafting of the annual report.

2.3. OBJECTIVELY VERIFIABLE INDICATORS

Achievement of the Programme will be measured by way of objectively verifiable indicators. Taking into account the provisions of Regulation (EU) No 897/2014, the Programme includes, in particular:

- The expected results for each priority, and the corresponding result indicators, with a baseline value and a target value;
- The output indicators for each priority, including the quantified target values, which are expected to contribute to the results.

Some of the output indicators come from the ENI CBC “Common Output Indicators” developed by the European External Action Service (EEAS) with the support of the Interact ENPI project in order to increase accountability and facilitate reporting on progress at instrument level.

Thematic Objective	Priority	Output Indicator	Target value	Result Indicator	Baseline value / target value
TO 3. Promotion of local culture and preservation of historical heritage	Priority 1. Cooperating on historical, natural and cultural heritage for their preservation and cross-border development	ENI/ CBC 6. Number of organisations using programme support for promoting local culture and preserving historical heritage	number of organisations	Increased number of visitors to the historical heritage and cultural sites	0%/2,7%
			9 (13*)		
		Number of improved cultural, historical touristic and natural sites as a direct	cultural, historical, tourist and natural sites	Increased number of visitors to the historical and	0%/6%

		consequence of programme support	92 (18*)	natural heritage and cultural sites	
		Number of cross-border cultural events organised using the Programme support	cultural event 22 (9*)	Increased number of visitors to the cultural sites	0%/2,5%
TO 6. Environmental protection, climate change mitigation and adaptation	Priority 2. Cooperation for the clean natural environment in the cross-border area	Additional population served by improved wastewater or waste treatment systems	population equivalent	Percentage of population served by improved wastewater or waste treatment systems	0%/0,43% (0,13%*)
			22 799 (6 805*)		
		Additional wastewater and waste treatment capacity	population equivalent /day or tonne/day	Percentage of population served by developed wastewater or waste treatment systems / percentage improvement of water status/class.	0%/0,3% (0,0%*)
			3 220		
		Number of projects aimed at improving the water supply	project	Percentage of population served by improved water supply	0%/1,56% (0,2%*)
			2 (1*)		
		Number of joint actions and measures aimed at environmental protection or preventing climate change	project/action	Percentage of population benefiting from environmental protection and climate change preventing measures	0%/1,7% (0,6%*)
			3		
TO 7. Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems	Priority 3. Accessible regions and sustainable cross-border transport and communication	ENI/ CBC 27 Total length of reconstructed or upgraded roads	km	Increased safety/decreased no. of accidents in cross-border traffic	0%/0,006% (0,011%*)
			21,297 km (37,133 km*)		
		Number of organisations using programme support for information and communications	organisation	Increased number of persons using information and communications	0%/0,0083% (0,02%*)

		technologies (ITC) development	8 (16*)	technologies (ITC)	
TO 10. Promotion of border management and border security, mobility and migration management	Priority 4. Joint actions for border efficiency and security	ENI/CBC 38. Increased throughput capacity of persons on land border crossing points	persons/day	Increased efficiency of border clearance	N/A
			N/A		

Table 5 Programme indicators

* in case of non-implementation of LIPs

2.4. MAINSTREAMING OF CROSS-CUTTING ISSUES

Environmental sustainability is an important cross-cutting issue in the programme implementation. It shall be reflected at all stages of the programme implementation, starting from the evaluation of applications and selection process, through project implementation phase. Projects with a direct negative environmental impact shall not be financed within the Poland-Russia CBC Programme.

Strategic Environmental Assessment was prepared simultaneously with the preparation of the Joint Operational Programme in order to ensure that environmental impacts are assessed and considered during the preparation of the Poland-Russia CBC Programme 2014-2020.

The Regulation (EU) No 897/2014 states that each programme should precise ways of mainstreaming such important cross-cutting issue as HIV/AIDS. The Poland-Russia CBC Programme 2014-2020 within whole programme duration needs to focus on rising awareness of society in the field of health. The Programme is able to reach that objective also by economic development of the programme eligible area. More economically advanced societies have stronger tendency to care and be vigilant about their health. This element shall be reflected at all stages of programme implementation. Projects with negative impact in the abovementioned will shall not be financed within the Poland-Russia CBC Programme 2014-2020.

Other important elements which should be reflected during the programme preparation and implementation period are equal opportunities and non-discrimination, gender equality and democracy. In order to share the idea of democracy the public hearings of the draft Joint Operational Programme were organised in both countries. The Programme at all its stages will respect the idea of democracy, equal opportunities and non-discrimination and gender equality, i.e. by encouraging all the eligible stakeholders to actively participate in the programme and projects implementation. The same rights, opportunities and obligations in all fields of the society shall be reflected in the

Programme implementation. The Programme at all its stages will also promote the idea of active participation, transparency, partnership and responsibilities of various stakeholders. The beneficiaries of the projects should ensure that the principle of equal opportunities and non-discrimination is respected and promoted during the implementation of operations.

3. STRUCTURES OF COMPETENT AUTHORITIES AND MANAGEMENT BODIES

In accordance with the legal basis of the Programme, the representatives of the participating countries decided to arrange the following joint and national institutional structure for the Programme implementation.

The management functions shall be performed by the following institutions:

- Joint Monitoring Committee (JMC);
- Managing Authority (MA), located in the Ministry of Development Funds and Regional Policy of the Republic of Poland;
- National Authority (NA) in the Russian Federation, located in the Ministry of Economic Development of the Russian Federation;
- National Authority in Poland, located in the Ministry of Development Funds and Regional Policy of the Republic of Poland;
- Joint Technical Secretariat (JTS) appointed as Intermediate Body (IB) - located in Olsztyn, Poland within the structure of the Centre of European Projects;
- Branch Office – located in Kaliningrad (Russian Federation).

The control functions shall be performed at the following levels:

- Independent auditors who will be selected by the project beneficiaries and who will be responsible for expenditure verification at the project level;
- MA and JTS who will be assisted by the Control Contact Points (CCP) in each country:
 - in Poland: Centre of European Projects;
 - in the Russian Federation: Ministry of Economic Development of the Russian Federation.

The audit functions shall be performed by the following institutions:

- Audit Authority (AA) – Head of the National Revenue Administration, Ministry of Finance of the Republic of Poland;
- Group of Auditors (GoA) which shall be composed of the following members:
 - Poland shall be represented by the Ministry of Finance of the Republic of Poland;
 - The Russian Federation shall be represented by the Ministry of Finance of the Russian Federation.

PROGRAMME MANAGEMENT STRUCTURE

The JMC is responsible for the quality and efficiency of the implementation of the Programme. The MA is responsible for managing the Programme and ensuring that decisions of the JMC comply with the regulations and provisions in force. NA supports the MA in the

management of the Programme on its own territory. The JTS and BOs shall assist the MA and the JMC in carrying out their respective functions.

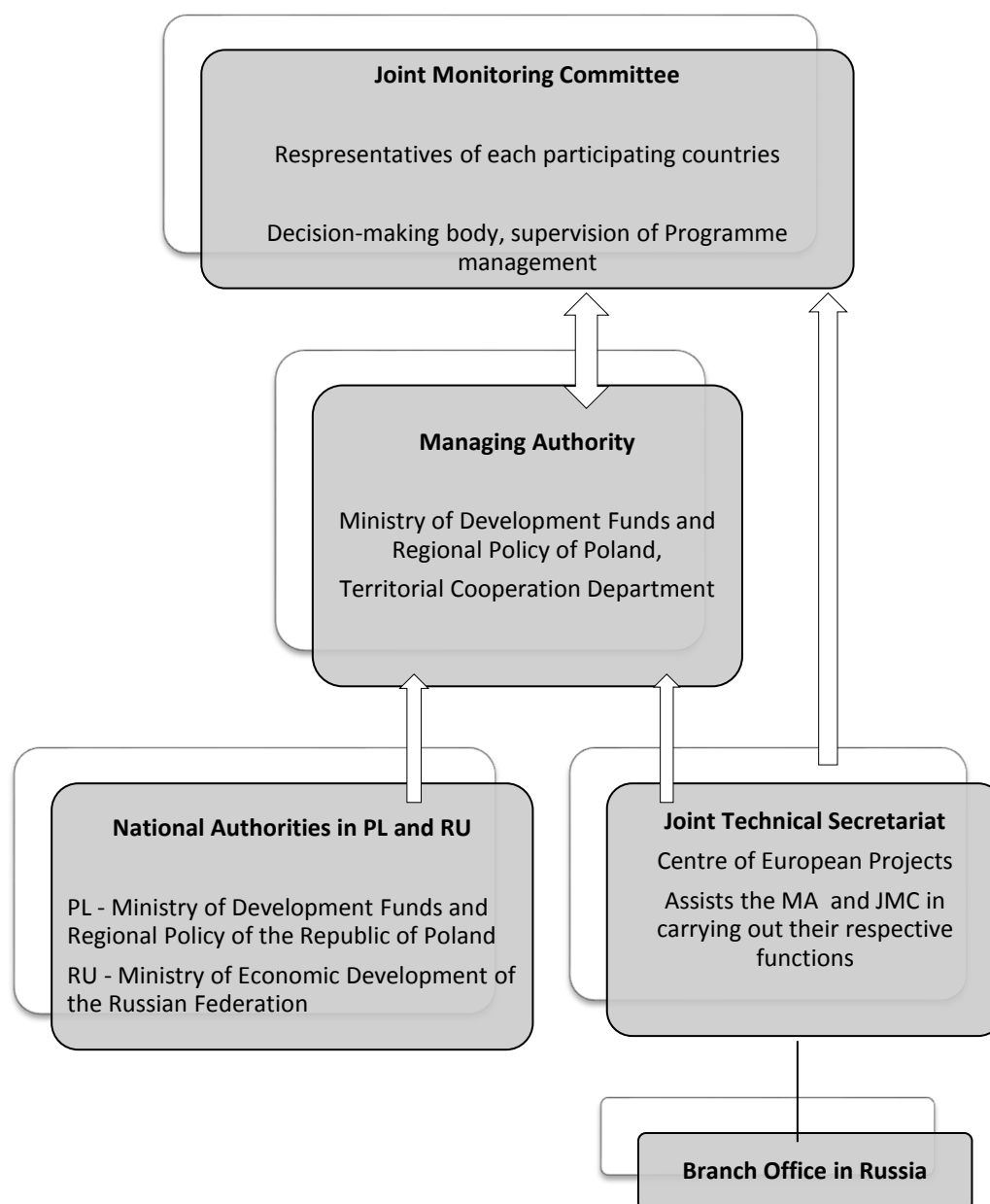


Figure 1 Programme management structures

PROGRAMME CONTROL STRUCTURE

The CCP will support the MA in its control tasks. Also, the role of the JTS is to assist the MA in carrying out its control functions, upon request.

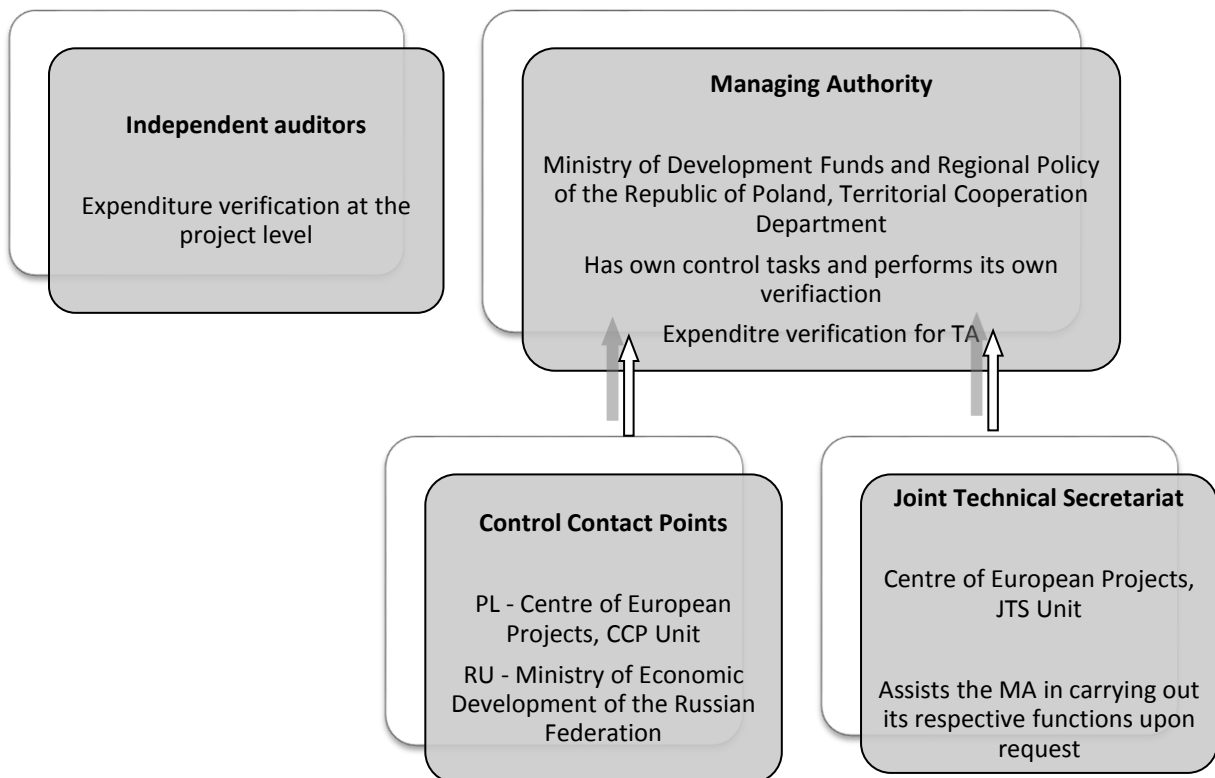


Figure 2 Programme control structures

Programme audit structure

The AA shall ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the Programme. The AA will be assisted by a GoA with the representatives of both countries.

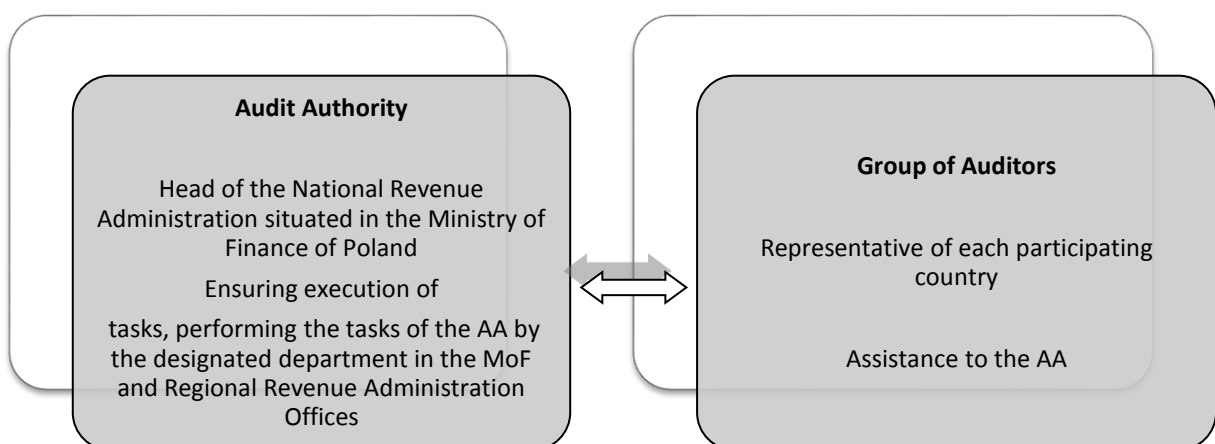


Figure 3 Programme audit structures

Detailed roles and responsibilities of the abovementioned Programme bodies are stipulated in further chapters of the Joint Operational Programme (JOP) and in the Description of the Management and Control System (DMCS).

3.1 JOINT MONITORING COMMITTEE

The JMC is the main decision-making body of the Programme. The JMC is responsible for the quality and efficiency of the implementation of the Programme.

COMPOSITION OF THE JOINT MONITORING COMMITTEE

The JMC shall include representatives of national and regional authorities from the programme eligible area from both countries. Each country will have one vote irrespective of the number of members.

POSITION	INSTITUTION
Chairperson	On rotation basis - representatives of the NAs of the Republic of Poland and the Russian Federation
Secretary (Non-voting)	Joint Technical Secretariat (Centre of European Projects)
Poland	<ol style="list-style-type: none"> 1. Ministry of Development Funds and Regional Policy (National Authority) 2. Ministry of Foreign Affairs 3. Ministry of the Interior and Administration 4. Marshal Office of Pomorskie Voivodship 5. Marshal Office of Podlaskie Voivodship 6. Marshal Office of Warmińsko-Mazurskie Voivodship <p>Observers:</p> <ol style="list-style-type: none"> 7. Control Contact Point (Centre of European Projects) 8. Audit Authority (Ministry of Finance) 9. Euroregions (Baltic and Niemen)
Russian Federation	<ol style="list-style-type: none"> 1. Ministry of Economic Development (National Authority) 2. Ministry of Foreign Affairs 3. Kaliningrad region authorities <p>Observers:</p> <ol style="list-style-type: none"> 4. Control Contact Point (Ministry of Economic Development) 5. Member of Group of auditors (Ministry of Finance)
Other non-voting observers	<ol style="list-style-type: none"> 1. European Commission 2. Managing Authority (Ministry of Development Funds and Regional Policy of the Republic of Poland) 3. Joint Technical Secretariat 4. Branch Office

Table 6 Composition of the JMC

The European Commission shall be invited to each meeting of the JMC and shall be informed of the results of its deliberations. It may take part in each JMC meeting as an observer and without decision-making power.

The JTS as well as BOs shall take part in JMC meetings as observers and without decision-making power.

In addition to the duly appointed representatives, in order to ensure the close association of different stakeholders or experts in the implementation of the Programme, other participants may be invited to participate in the meetings of the JMC (as the non-voting observers) according to the issues of the JMC concern and subject to the approval of the chairperson of the JMC. Among these observers, in order to ensure that the Programme implementation process is appropriately aligned with the EU Strategy for the Baltic Sea Region, as well as that the synergies of the Programme with the EU Internal Security Fund actions are provided, the representatives of Polish coordination of the EUSBSR and ISF Responsible Authority and the Russian subcommittee of the Baltic Sea Region Programme, may be invited to the JMC meetings. Additionally, in order to ensure the proper alignment of the Programme implementation with the objectives and priorities of the Strategy of the social and economic development of the North-Western Federal District of the Russian Federation the representatives of the Office of the Plenipotentiary representative of the President of the Russian Federation in the North Western Federal District may also be invited.

RESPONSIBILITIES OF THE JOINT MONITORING COMMITTEE

The JMC shall follow the Programme implementation and progress towards its priorities using the objectively verifiable indicators and related target values defined in the Programme (Programme indicators, point 2.3). The JMC shall examine all issues affecting the Programme performance. The JMC may issue recommendations to the MA regarding the Programme implementation and evaluation. It shall monitor actions undertaken as a result of its recommendations.

The JMC shall in particular:

- approve the MA's work programme and financial plan, including planned use of technical assistance;
- monitor the implementation by the MA of the work programme and financial plan;
- approve the criteria for selecting projects to be financed by the Programme;
- be responsible for the evaluation and selection procedure applicable to projects to be financed by the Programme;
- make the final decision on approval or rejection of the project applications and decide on the final sums granted to them;
- take decisions concerning any proposal to amend the Programme;
- examine all reports submitted by the MA and, if necessary, take appropriate measures;
- examine any contentious cases brought to its attention by the MA;
- examine and approve the Programme annual report;
- examine and approve the Programme annual monitoring and evaluation plan;
- examine and approve the Programme annual information and communication plans.

THE JOINT MONITORING COMMITTEE FUNCTIONING

The JMC shall be set up within three months after adoption of the Programme by the European Commission (EC) following the approval of the Programme by the governments of the Russian Federation and the Republic of Poland.

The JMC shall take decisions by consensus. Each country shall have one vote, regardless the number of the voting members within its delegation. Details on the functioning of the JMC shall be described in the Rules of Procedure (RoP) of the JMC which shall be unanimously approved during its first meeting.

The JMC shall be chaired on the annual rotation basis by the representatives of both countries participating in the Programme (NA). The representative of the JTS shall act as secretary of the JMC.

The JMC shall meet as often as necessary and at least once a year. It shall be convened by the MA or following a duly justified request from one of its appointed members or from the EC. It may also take decisions through written procedure at the initiative of the MA or the country participating in the Programme. In case of disagreement any member may request that the decision will be discussed at a meeting.

The JTS will be responsible for secretariat and organisation of the JMC meetings. After each meeting, the minutes shall be drawn and circulated to all members for approval. The final version of the minutes will be sent to each member and observer.

The MA and the national bodies will support the members of the JMC in obtaining visas.

3.2 MANAGING AUTHORITY

The role of the MA is entrusted to the Ministry of Development Funds and Regional Policy of Poland. The MA is particularly responsible for managing the Programme in accordance with the principle of sound financial management and for ensuring that decisions of the JMC comply with the regulations and provisions in force.

DESIGNATION

During the programme preparation phase, on the second meeting of the Joint Programming Committee (JPC), which took place on 24 March 2014 in Moscow, representatives of the countries participating in the Programme jointly decided to entrust the former Minister of Infrastructure and Development (current Minister of Development Funds and Regional Policy) of Poland with the task of the MA of the Programme.

After the JOP's submission to the EC, the MA shall undergo a designation procedure. It shall be based on an opinion and report produced by an independent audit body, i.e. the AA. This audit shall assess the compliance of the management and control systems, including the role

of the joint technical secretariat appointed as an intermediate body, with the designation criteria laid down in Annex I to Implementing Regulation. The AA shall take into account, where relevant, whether the management and control systems for the Programme are similar to those in place for the previous programming period, as well as any evidence of their effective functioning. The AA shall carry out its functions in accordance with internationally accepted audit standards.

The Republic of Poland shall submit the formal designation decision to the European Commission as soon as possible after the Programme adoption by the EC. Within two months of receipt of the formal decision, the EC may request the report and the opinion of the AA and the description of the management and control system as regards, in particular, those parts concerning project selection. If the EC does not intend to request these documents, it shall notify Poland as soon as possible. If the EC requests these documents, it may make observations within two months of the receipt of these documents which shall be reviewed taking into account the observations. When the EC does not have any initial or further observations, it shall notify Poland as soon as possible.

Where existing audit and control results show that the designated authority no longer complies with the designation criteria, Poland shall, at an appropriate level, set the necessary remedial action and fix a period of probation according to the severity of the problem, during which such remedial action shall be taken. At the same time, where the designated authority fails to implement the required remedial action within the period of probation determined by Poland, Poland at an appropriate level shall end its designation.

The Republic of Poland shall notify the EC without delay when:

- a designated authority is put under probation, and provide information on the remedial actions and the respective probation period, or
- following implementation of remedial actions the probation is ended, or
- the designation of an authority is ended.

The notification that a designated body is put under probation by Poland shall not interrupt the handling of payment requests.

Where the designation of the MA is ended, the participating countries (the Republic of Poland and the Russian Federation) shall appoint a new authority or body to take over the functions of the MA. That body or authority shall undergo the designation procedure described above and the EC shall be notified thereof. This change shall require a revision of the Programme.

Specification of the legal form of the designation decision:

The role of the body which is responsible for the designation procedure is entrusted to the Minister of Development Funds and Regional Policy of the Republic of Poland. The Minister of Development Funds and Regional Policy carries out its tasks regarding designation procedure by the use of a separate and functionally independent from the MA unit of the Certification and Designation Department of the Ministry of Development Funds and Regional Policy in the Republic of Poland.

The role of the independent audit body which shall issue an opinion and report assessing the compliance of the management and control system with the designation criteria laid down in Annex to the IR is entrusted to the Head of National Revenue Administration which is situated within the Ministry of Finance of Poland and is also responsible for performing function of the AA.

Steps of the designation process and timeline:

- the MA submits to the independent audit body the declaration of readiness to undergo a designation procedure. With the declaration of readiness the MA submits to the independent audit body and to the body which is responsible for the designation procedure the description of the management and control systems and other relevant documents,
- the independent audit body performs the audit work required and issues an opinion and report that shall assess the compliance of the management and control system with the designation criteria. The opinion and report are submitted to the MA and to the body which is responsible for designation procedure at the Ministry of Development Funds and Regional Policy of Poland,
- the body which is responsible for designation procedure issues the decision on designation of the MA. The formal designation decision is issued by the body which is responsible for designation in written form and submitted to the Managing Authority and to EC.

The Republic of Poland shall inform the JMC about the commencement and the finalisation of the designation procedures.

ORGANISATION OF THE MANAGING AUTHORITY

The Minister of Development Funds and Regional Policy of Poland performs duties of the Managing Authority. In accordance with separation of functions principle, functionally independent units shall function within the MA: operational unit, financial unit, control unit and paying unit. Specific tasks of each unit may be delegated further but shall not overlap.

The Authorising Officer is the Secretary of State at the Ministry of Development Funds and Regional Policy of Poland, or authorised director or deputy director of the Territorial Cooperation Department of the Ministry of Development Funds and Regional Policy of Poland.

The MA is supported by the JTS in the implementation of its tasks.

OPERATIONAL UNIT

The Programming Unit “East” of the Territorial Cooperation Department of the Ministry of Development Funds and Regional Policy of Poland shall act as the operational unit. Its responsibilities include:

- supporting the work of the JMC;

- providing the JMC with the information it requires to carry out its tasks, in particular data relating to the progress of the Programme in achieving its expected results and targets (with support of JTS);
- drawing up and, after approval by the JMC, submitting operational annual/final reports to the European Commission and the Russian National Authority;
- sharing information with the JTS, the AA, NAs and beneficiaries that is relevant to the execution of their tasks or project implementation;
- establishing and maintaining a computerised system to record and store data on each project necessary for monitoring, evaluation, financial management, control and audit, including data on individual participants in projects, where applicable. The system shall provide all data required for drawing up payment requests and annual accounts, including records of amounts recoverable, amounts recovered and amounts reduced following cancellation of all or part of the contribution for a project or Programme (in cooperation with the financial and paying units, JTS, CCPs and AA);
- carrying out where relevant environmental impact assessment studies at Programme level (with support of JTS);
- implementing the information and communication plans (with support of the JTS and JTS BOs);
- implementing the monitoring and evaluation plans (in cooperation with the financial and paying units);
- drawing up and launching the calls for proposals (with support of the JTS);
- managing the project selection procedures, providing the lead beneficiary with a document setting out the conditions for support for each project including the financing plan and execution deadline (with support of the JTS), as well as submitting recommendation regarding submitted applications to the JMC and for information to the EC (with support of the JTS);
- signing grant and service contracts, and then, if necessary, signing addenda to concluded contracts (with support of the JTS);
- managing the technical assistance budget.

FINANCIAL UNIT

The Certification, ENI Financial Management and Procedures Unit of the Territorial Cooperation Department at the Ministry of Development Funds and Regional Policy of Poland shall act as the financial unit. Its responsibilities include:

- verifying that services, supplies or works have been performed, delivered and/or installed and whether expenditures declared by the beneficiaries have been paid by them and that this complies with applicable law, Programme rules and conditions for support of the projects (in cooperation with the JTS and CCPs);
- ensuring that beneficiaries involved in project implementation maintain either a separate accounting system or a suitable accounting code for all transactions relating to a project;
- drawing up the management declaration and annual summary;
- drawing up and submitting payment requests to the EC;

- maintaining computerised accounting records for expenditure declared to the EC and for payments made to the beneficiaries;
- drawing up the financial part of the annual/final financial reports;
- keeping an account of amounts recoverable and of amounts reduced following cancellation of all or part of the grant;
- carrying out financial corrections and follow-up of the recoveries.

CONTROL UNIT

The Management and Control Systems Unit of the Territorial Cooperation Department at the Ministry of Development Funds and Regional Policy of Poland shall act as the control unit. Its responsibilities include:

- putting in place effective and proportionate anti-fraud measures taking into account the risks identified;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure a suitable audit trail are held.

PAYING UNIT

The Accounting Officer is the chief accountant of the Ministry of Development Funds and Regional Policy of Poland.

The Funding of the Territorial Cooperation Programs Unit of the Budget Department of the Ministry of Development Funds and Regional Policy of Poland shall act as the paying unit. Its responsibilities include:

- setting-up and managing two separate bank accounts of the Programme (for EU-co-financing and for the Russian Federation co-financing);
- establishing the accounts of the Programme (the accounting system is specific and separate and exclusively deals with operations related to the Programme, allowing for the analytical follow-up per TO, priority and project);
- receiving payments from the EC;
- executing payments to beneficiaries and contractors;
- giving opinions and initialling of documents which are the basis for financial flows, i.e. contracts, annexes, decisions, calls for payment.

Organisation chart of the MA and Polish NA:

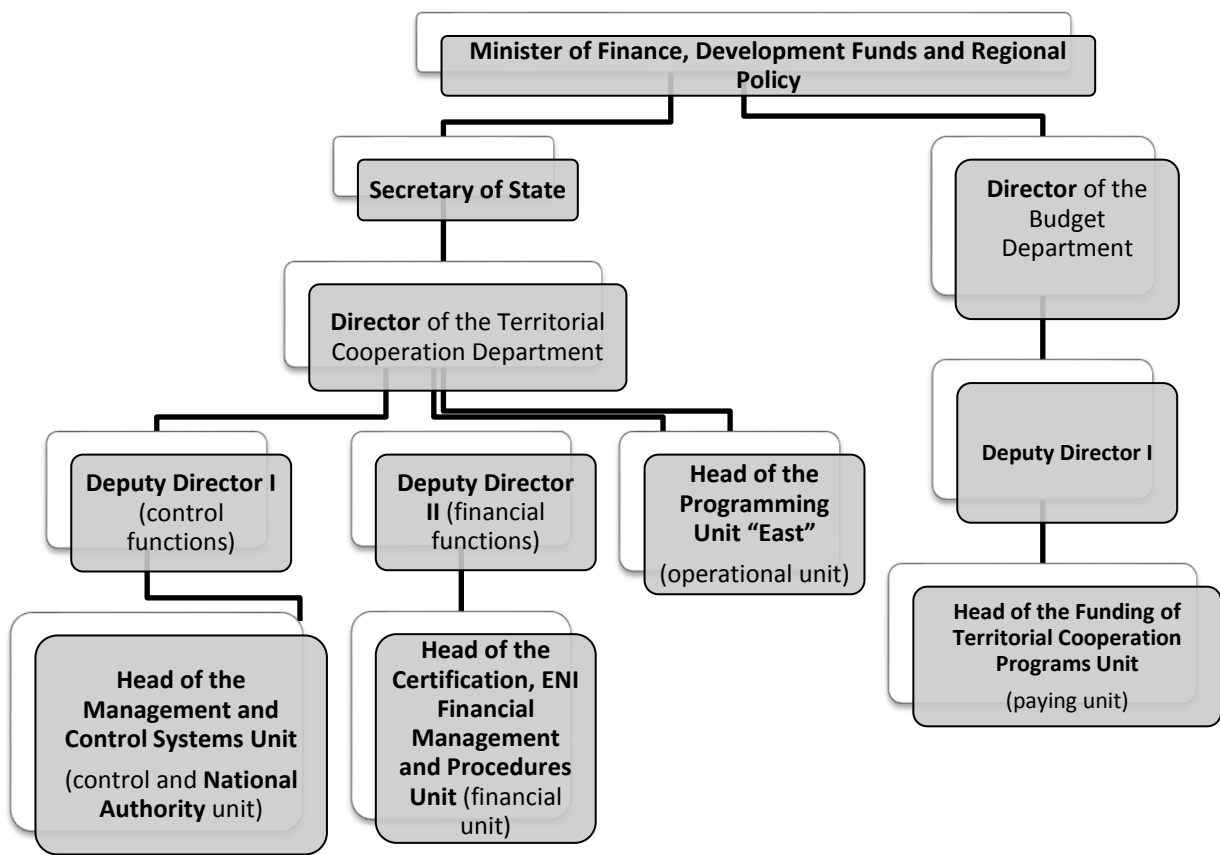


Figure 4 Organisation chart of the MA and NA

Extract from the organisational structure of Ministry of Development Funds and Regional Policy of Poland in regards to the ENI:

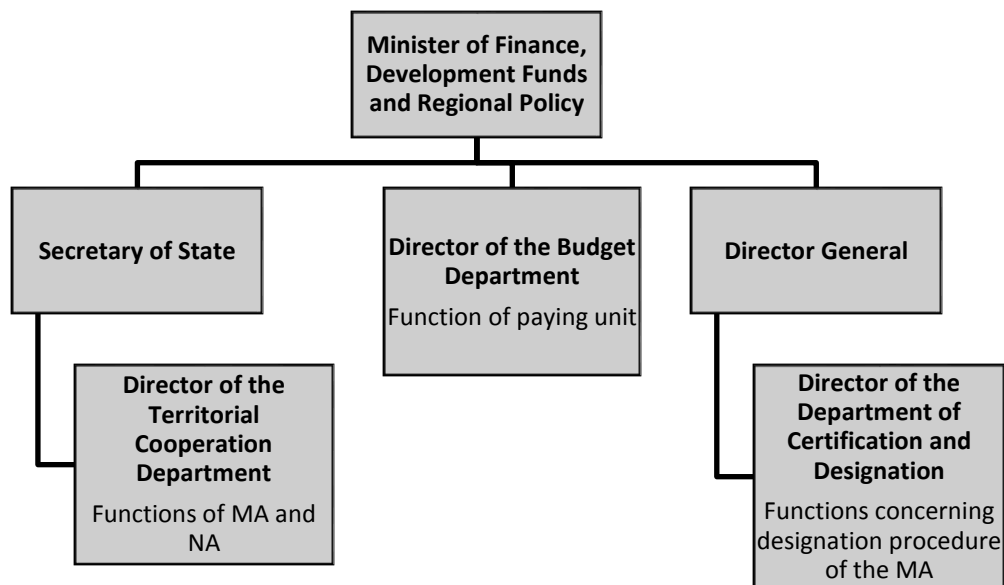


Figure 5 Organisational structure of the Ministry of Development Funds and Regional Policy of Poland in regards to the ENI

3.3 NATIONAL AUTHORITIES

The NA of the Russian Federation and Poland cooperate with the MA during preparation and implementation period of the Programme, and are responsible for coordination of programming and implementation process on their territories in fields of Programme management, control, audit, irregularities and recoveries issues. The Russian NA is responsible for the correct implementation of the provisions of the financing agreement in the Russian Federation.

The following institutions will play the role of the NAs:

- In Poland: the Management and Control Systems Unit of the Territorial Cooperation Department of the Ministry of Development Funds and Regional Policy,
- In Russian Federation: Ministry of Economic Development of the Russian Federation, Department of Development and Regulation of External Economic Activities, Unit of the Interregional and Cross-border Cooperation.

The Programming Unit “East” and the Management and Control Systems unit are functionally separate units. The MA functions in regards to supporting the work of the JMC, monitoring programme implementation, drawing up and submitting annual/final reports, sharing information with appropriate bodies, running computerised programme system, implementing information and communication plans, as well as evaluation plans, are located in the Programming Unit “East”. The unit is also responsible for preparing and managing the selection procedures, signing contracts and managing projects (including the TA projects). The Management and Control Systems unit acts as the National Authority. It is responsible for performing the NA control functions at the national level as well as the MA control functions. The controls include verification that services, supplies and works have been performed, delivered and/or installed and whether expenditure declared by the beneficiaries has been paid by them and that this complies with applicable law, programme rules and conditions for support of the projects, ensuring the beneficiary meets the accounting requirements and ensuring a suitable audit trail. The control functions at the national and the Programme’s level will be performed by the same unit for practical reasons. The other functions of the NA (set up and effective functioning of management and control systems at national level, coordination of institutions involved at the national level) are separate from the MA at the unit level.

The NAs shall support the MA in the management of the Programme in accordance with the principle of sound financial management. They shall inter alia:

- be responsible for the set up and effective functioning of management and control systems at national level;
- ensure the overall coordination of the institutions involved at national level in the Programme implementation, including, inter alia, the institutions acting as Control Contact Points and as member of the Group of Auditors;

- represent the country in the JMC.

The assistance of NAs in Programme management may include:

- supporting the MA in providing specific national data related to Programme implementation;
- supporting the MA in the organisation of environmental impact assessment consultations on their territory (with the support of the relevant institutions) if relevant;
- supporting the MA/JTS in carrying out the eligibility/administrative check (providing opinions in relation to e.g.: eligibility of the respective applicant/partner, compliance of the respective supporting document with the national legislation, etc.);
- facilitating the setting up of branch office on their territory e.g. providing necessary information regarding: the institution that may host/ take up responsibilities of BO and other support, if needed and agreed,
- supporting the MA/JTS in solving possible challenges and problems in projects implementation in respective countries, supporting the MA in prevention, detection and correction of irregularities, including fraud and the recovery of amounts unduly paid, together with any interest pursuant to the financing agreement in case of the Russian Federation and in case of the Republic of Poland in accordance with Art. 74 of the IR and the legislation of the parties. They shall notify these irregularities without delay to the MA and keep them informed of the progress of related administrative and legal proceedings. Responsibilities of participating countries for amounts unduly paid to a beneficiary are laid down in financing agreement in case of the Russian Federation and in case of the Republic of Poland in Art. 74 of the IR.

Support provided to the MA by the NAs in preventing, detecting and correcting irregularities as well as recoveries on their territory may include:

- prevention: contribution to the elaboration of guidelines on the eligible expenditure for project beneficiaries, etc.;
- detection: management verifications of its own and/or support to management verifications of MA/JTS, expenditure verification of its own or support to verifications of the MA (role of the Control Contact Point);
- correction: support to the MA in implementing the corrections of the cases detected;
- notifying irregularities to the MA without delays;
- defining together with the MA effective and proportionate anti-fraud measures to be put in place on their territory;
- supporting the MA in recovering the amounts from project beneficiaries (private and public entities) established on their territory and other support, if needed and agreed.

In case of the Russian NA, the terms of liability for recovery of the amounts unduly paid to the beneficiaries operating in the Russian part of the Programme area, where these amounts cannot be recovered, as well as the mechanisms for such recovery, will be stipulated in the Financing Agreement to be concluded between the Russian Federation and the European Union.

3.4 JOINT TECHNICAL SECRETARIAT AND BRANCH OFFICE

The MA has set up the Joint Technical Secretariat appointed as intermediate body referred to in Article 20(3) of the IR to carry out the practical implementation of the Programme. The JTS shall assist the MA, the JMC and where relevant also the AA in carrying out their respective functions. In particular, the JTS shall inform the potential beneficiaries in the Russian Federation and Poland about funding opportunities under the Programme and shall assist beneficiaries in the project implementation. The JTS is located in the state-owned body Centre of European Projects. The relevant arrangements between the MA and the JTS will be formally recorded in writing.

The JTS will be located in the separate unit of the CEP which shall be functionally independent from the unit acting as the Polish CCP.

It is recommended that employees from the whole Programme area participate in the work of the JTS.

The JTS and the Branch Office in cooperation work with the public and the stakeholders in Polish and Russian languages, in addition to the English language.

The internal structure of the JTS will be set up in the DMCS. Operational management functions and financial management functions shall be organised separately within the JTS.

The costs of JTS functioning shall be covered from the Programme TA budget.

The JTS shall be responsible for the performance of the following tasks:

- Supporting the organisation of calls for proposals:
 - Preparation in cooperation with the MA of model documents for Programme beneficiaries (guidelines, manuals, instructions to binding documents);
 - Launching calls for proposals following the decision of the JMC;
 - Receiving and registering application forms of the project;
 - Carrying out and coordination of administrative, quality and eligibility assessment of application forms;
 - If necessary, engagement of impartial external experts both from Russia and Poland for the purpose of assessment of applications and organising, if necessary, meetings of experts;
 - Preparation of the ranking list;
 - Informing each applicant about the results of the assessment of its application form.
- Supporting the work of Programme managing structures (JMC, NAs, CCPs, GoA etc.) including:
 - Preparation of necessary materials, documents, expert opinions and other contribution for meetings of the Programme managing structures;
 - Drawing up invitations, minutes of meetings and other documents from meetings;

- Assistance to MA/JMC in carrying out written procedure in accordance with the Rules of Procedure of the JMC;
- Informational support to the national authorities about projects and programme on request.
- Providing assistance to applicants and beneficiaries, including:
 - Providing all information related to the principles of applying for the Programme financing, eligibility of expenditure, project application forms, procedures on granting financing for a project, providing assistance and support at each stage of project implementation;
 - Organisation of necessary trainings, partner search forums, workshops etc.;
 - In problem cases contact with all project partners (not only with the lead partner) and promote to resolve the problems.
- Information and promotion of the Programme, including:
 - Publication and distribution of leaflets and other informational materials promoting the Programme;
 - Organisation of conferences and seminars addressed to applicants and beneficiaries;
 - Organisation of trainings and workshops for beneficiaries;
 - Maintaining and updating the web site of the Programme;
 - Dissemination of publications;
 - Cooperation with media within the scope of informing about the possibility to obtain assistance under the Programme;
 - Preparation of the annual plan of information and promotion activities of the Programme along with the indicative budget and submitting to the MA the above mentioned plan;
 - Ensuring that beneficiaries meet EU and Programme visibility requirements across the whole of the programme area as well as Russian visibility requirements in the territory of the Russian Federation.
- Communication, information, assistance to the MA in project management and follow-up of the projects implementation including assisting beneficiaries on both countries inter alia as follows:
 - Cooperation with the MA in the process of implementation and use of the electronic system for the purposes of collecting and processing the financial and statistical data concerning Programme and projects;
 - Preparation of analyses, lists and current reports as well as annual and final reports on the Programme implementation and forwarding them to the MA;
 - Preparation, management and monitoring of service contracts with Branch Office (in cooperation with MA financial and paying units and Russian NA regarding the BO on the Russian territory);
 - Monitoring of TA budget funds (e.g. JTS contracts with service providers, usage of funds, reallocations etc.);
 - Preparation of drafts of Grant Contracts in cooperation with the paying unit, submitting them to the MA for signature and sending them on behalf of the MA

- to Lead Beneficiaries in order to sign them and then, if necessary, preparation of annexes to concluded contracts;
 - Supporting the Group of Auditors;
 - Formal and financial check on the grounds of adequate checklists of interim and final reports received from beneficiaries (except for beneficiaries of the Technical Assistance);
 - Preparing request for payments and sending them to the paying unit of the MA;
 - Taking account of the results of all audits carried out by or under the responsibility of the AA when drawing up and submitting payment requests;
 - Conducting on-the-spot checks and monitoring visits;
 - Verifying of changes proposed by lead beneficiaries in their projects (both minor and major);
 - Co-operation with organisations, institutions and networks relevant for meeting the objectives of the Programme;
 - Informing the MA on the detected irregularities.
- Keeping all documents related to the project and Programme implementation, in particular documents concerning expenditure and control required for ensuring adequate audit trail.

JTS BRANCH OFFICE AND ITS FUNCTIONS

Following a decision of the participating countries, a Branch Office in Kaliningrad (Russia) will be set up. The Branch Office will operate in cooperation and under the supervision of the JTS. By the recommendation of Russian national and regional authorities the hosting organisation for the Branch Office in Kaliningrad will be the Kaliningrad Regional organisation “Transboundary Initiatives Support Center”. Its role may include among the others:

- consult national and regional authorities on the programme related issues at their request;
- implementation of the information and communication plan;
- perform communication and information tasks in line with the Programme’s communication strategy and annual communication plans and requirements of the Russian legislation and EU Visibility Guidelines with the cooperation of the JTS;
- support the MA in the development of various documents of the programme including guidelines of the calls for proposals and follow-up of the projects implementation;
- take part in administrative checks and eligibility verifications of the applicants located in Russia;
- organise Programme events on the Russian territory, funded with the technical assistance budget of the Programme, and finance the participation of the Russian authorities in those events;
- monitor the projects activities implemented in the Russian territory;
- participate in the evaluation of implemented projects;

- consult potential participants of the programme on legal conditions of participation in the programme, project management etc., assist them in finding partners and preparing project proposals;
- providing information for the MA, JTS and project partners from Poland on Russian legislation;
- monitor the implementation of the Programme visibility rules by project partners in the Russian territory;
- support in the organisation of the meetings of the JMC and other important Programme events;
- collection of data to improve the monitoring of projects;
- other tasks supporting MA and JTS in their day-to-day implementation of the Programme;
- providing the support to the National Authority and Control Contact Point in Russian Federation in performance of their tasks;
- provide information, consultation and support to project partners and give guidance to potential applicants and beneficiaries/partners;
- assist the national and regional authorities in their work with the Programme;
- assist the MA and JTS in its contacts with Russian beneficiaries;
- The Russian Branch Office shall send reports on programme implementation to the Russian authorities on quarterly basis and at their request;

Procurement rules applied by the Russian Branch Office will be described in the relevant financing agreement.

At any rate, the Branch Office may not be entrusted with a task involving exercise of public authority or the use of discretionary powers of judgment regarding projects.

In case of the Russian Branch Office, the Managing Authority will make the legal contract based on the Practical Guide to Contract procedures for EC external actions (PRAG applicable at the moment of the JOP adoption by the EC) concerning the Branch Office and take care of the recruitment of the personnel with strong and requisite consideration of the recommendations provided by the Russian members of the Joint Monitoring Committee. In case of the Russian Branch Office all agreements with hosting organisation and requirements specification should be agreed by the Russian National Authority. The level of salaries shall take into account the level of qualification and expertise required by the position/s.

Minimum necessary qualifications of the BO experts and the number of BO employees shall also be laid down in the Terms of Reference.

The contract with the Kaliningrad BO will be implemented also in accordance with the legislation of the Russian Federation.

The Team Leader of the Kaliningrad BO will be approved in cooperation between the MA and the Russian NA.

3.5 AUDIT AUTHORITY AND GROUP OF AUDITORS

The AA ensures that audits are carried out on the PMCS, on an appropriate sample of projects and on the annual accounts of the Programme.

The role of the AA in the Programme is performed by the Head of the National Revenue Administration (the Secretary of State at the Ministry of Finance of the Republic of Poland). In practice, the tasks of the AA are carried out by a department of the Ministry of Finance (Department for Audit of Public Funds) and relevant Revenue Administration Regional Offices located at the voivodeship level (in Poland).

The Audit Authority is independent from the MA as well as from the Control Contact Points (CCPs). Functions of the AA, MA and CCPs are performed by separate and independent bodies.

All audit bodies are in every circumstance fully independent in their audit work in relation to the MA, to the CCPs and to the JTS as well as from other bodies involved into the implementation of the Programme. This shall be clearly stated in the Rules of Procedure of the Group of Auditors (GoA).

Each participating country has set the minimum qualifications and experience for the nationally designated members in the GoA and for the auditors carrying out the auditing duties. All of them must be qualified in audit work.

The Audit Authority in particular:

- shall ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the Programme;
- where audits are carried out by a body other than the AA, shall ensure that this body has the necessary functional independence;
- ensure that the audit work complies with internationally accepted auditing standards;
- shall submit an audit strategy for performance of audits to the European Commission within 9 months of the signature of the financing agreement. The audit strategy shall set out the audit methodology on the annual accounts and on projects, the sampling method for audits on projects and the planning of audits for the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2017 until end 2024. Where a common management and control system applies to more than one Programme, a single audit strategy may be prepared for the Programmes concerned. The updated audit strategy shall be submitted to the European Commission together with the Programme annual report;
- shall draw up an audit opinion on the annual accounts for the preceding accounting year and an annual audit report.

GROUP OF AUDITORS

Members of GoA shall assist the AA in the assessment of the national part of the management and control system and during the performance of sample checks of project expenditure. It also assists the AA in the elaboration of the audit strategy for the Programme either by preparing it jointly or by endorsing the one prepared by the AA.

GoA comprises a representative of each participating country. It shall be set up within three months of the designation of the MA. The GoA shall draw up its own RoP. The GoA shall be chaired by a representative of the AA.

The designated civil servants representing the following institutions and positions are nominated to the GoA:

- Poland: Head of the National Revenue Administration (Ministry of Finance, Department for Audit of Public Funds);
- Russian Federation: Ministry of Finance.

The following topics relating to audit work will be discussed in the meetings of the GoA:

- Audit Strategy (including sampling method, audit methodology on the annual accounts and on projects etc.);
- audit opinion on the annual accounts;
- annual audit report;
- other relevant issues raised by the member(s) of the GoA.

3.6 CONTROL CONTACT POINTS

The CCP are set up in each of the participating countries in order to support the Managing Authority in verification of expenditures declared by the beneficiaries.

Each participating country has appointed a CCP. The following institution will play the role of CCPs:

- in Poland – Centre of European Projects (the CCP will be located in the separate unit of the Centre of European Projects which shall be functionally independent from the other unit which is to be involved as the JTS);
- in Russian Federation – Ministry of Economic Development of the Russian Federation, Department for Development and Regulation of External Economic Activities, who shall be functionally independent from the unit which exercises functions of NA.

GENERAL FUNCTIONS OF CONTROL CONTACT POINTS

CCPs in Poland responsibilities may include:

- Supervising the expenditure verification at the project level by:
 - Setting up the criteria for the auditors to be contracted by beneficiaries;
 - Endorsing independent auditors contracted by beneficiaries;
 - On the request of MA, conducting quality control of the work of the auditors (in cooperation with the other respective institution) in case of any suspicion that work of the auditor is not reliable;
 - Assistance to JTS/MA in conducting trainings for auditors contracted by beneficiaries;
- Providing clarifications to the NA/JTS/MA on national rules (procurement, VAT, labour law, etc.) in cooperation with relevant public bodies;
- Answering possible requests for clarification put forward by the JTS/MA in order to give due course to payment requests;
- Supporting the MA/JTS/NA in recovery procedures;
- Supporting the JTS/MA in the drafting of a *Guidance on expenditure verification*;
- Assistance to JTS/MA in performing on-the-spot checks in projects on the national territory.

RESPONSIBILITIES OF THE CCP IN THE RUSSIAN FEDERATION

- Supervising the expenditure verification at the project level by:
 - Setting up the criteria for the auditors to be contracted by beneficiaries;
 - Assistance to JTS/MA in conducting trainings for auditors contracted by beneficiaries;
 - On the request of MA, conducting quality control of the work of the auditors (in cooperation with the other respective institution) in case of any suspicion that work of the auditor is not reliable.
- Providing clarifications to the NA/JTS/MA on national rules (procurement, VAT, labour law, etc.) in cooperation with relevant public bodies;
- Answering possible requests for clarification put forward by the JTS/MA in order to give due course to payment requests;
- Supporting the MA/JTS/NA in recovery procedures;
- Supporting the JTS/MA in the drafting of a *Guidance on expenditure verification*;
- Assistance to JTS/MA in performing on-the-spot checks in projects on the national territory.

3.7 INDEPENDENT AUDITORS

Expenditure declared by the beneficiary in support of a payment request shall be examined by an auditor being independent from the beneficiary and independent from MA/IB. The auditor shall examine whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the contract.

The independent auditors entitled to verify project expenditures will be either selected by the beneficiary and then endorsed by CCP (in case of Polish beneficiaries) or selected by the beneficiary from a list endorsed by relevant CCP (in case of Russian beneficiaries). Independent auditors should act in accordance with grant contract expenditure verification requirements and Programme control procedures.

4. PROGRAMME IMPLEMENTATION

4.1 MANAGEMENT AND CONTROL SYSTEMS

Management and control system shall include:

- the functions of each body involved in management and control;
- procedures for ensuring the correctness and regularity of expenditure declared;
- electronic data systems for accounting, storage, monitoring and reporting;
- systems for monitoring and reporting where the responsible body entrusts execution of tasks to another body;
- arrangements for auditing the functioning of the management and control systems;
- systems and procedures to ensure an adequate audit trail;
- procedures for prevention, detection and correction of irregularities;
- contract award procedures for technical assistance and projects selection procedures;
- the role of the national authority and the responsibilities of Poland in accordance with Art. 31 of Regulation (EU) No 897/2014 and the role and responsibility of Russia in accordance with the Financing Agreement.

The document “Description of the management and control systems for Poland-Russia CBC Programme 2014-2020” including all the above-mentioned elements will be prepared within the Programme as a basis information needed by the EU Member State Poland hosting the Managing Authority in order to proceed with the designation process.

This section presents the structures and procedures concerning the Programme implementation. Further details are provided in the full Description of the Management and Control System. The summary description of Programme structures and responsibilities of the Programme bodies is provided in Chapter 3.

4.1.1 PROGRAMME BODIES AND THEIR FUNCTIONS

Programme bodies has been set up at three different levels:

- management level;
- audit level;
- control level.

MANAGEMENT LEVEL STRUCTURES INCLUDE:

JOINT MONITORING COMMITTEE (JMC)

The JMC is the main body responsible for the quality and efficiency of the implementation of the Programme. The participating countries will set up a JMC within three months from the date of the adoption of the Programme by the Commission. The composition and main tasks of the JMC are laid down in point 3.1 of the JOP.

MANAGING AUTHORITY (MA)

The participating countries have appointed the Ministry of Development Funds and Regional Policy of Poland to act as the MA of the Programme. The functions of the MA are laid down in point 3.2 of the JOP.

NATIONAL AUTHORITIES (NAs)

Each participating country has nominated a body, which will act as a NA of the Programme. The relevant NAs and their functions are laid down in point 3.3 of the JOP.

JOINT TECHNICAL SECRETARIAT (JTS) AND BRANCH OFFICE (BO)

The MA has set up the JTS appointed as the intermediate body, located in the state-owned body Center of European Projects, to carry out the day-to-day implementation of the Programme. Following a decision of the participating countries, a BO was set up in Russia in order to assist the JTS in its functions. The JTS and BO functions are laid down in point 3.4 of the JOP.

AUDIT LEVEL STRUCTURES INCLUDE:

AUDIT AUTHORITY (AA) AND GROUP OF AUDITORS (GoA)

The functions of the AA will be performed by the Head of the National Revenue Administration situated in the Ministry of Finance of the Republic of Poland.

The AA will be assisted by the GoA comprising a representative of each country participating in the Programme. The designated civil servants representing the following institutions and positions are nominated to the GoA:

- Poland: Head of the National Revenue Administration (Ministry of Finance, Department for Audit of Public Funds).
- Russia: Ministry of Finance.

The tasks of AA and GoA are laid down in point 3.5 of the JOP.

CONTROL LEVEL STRUCTURES INCLUDE:

INDEPENDENT AUDITORS

The expenditures at the project level shall be verified by the independent auditors. The functions of independent auditors are laid down in point 3.7 of the JOP. Independent auditors should act also in accordance with the provisions of the grant contract regarding the expenditure verification requirements and in line Programme control procedures.

MANAGING AUTHORITY AND JOINT TECHNICAL SECRETARIAT

The MA is responsible for the financial management and control of the Programme. The functions of MA are laid down in point 3.2 of the JOP. Part of the tasks of MA may be carried out by the JTS, under the responsibility of the latter. The tasks of the JTS are laid down in point 3.4 of the JOP.

CONTROL CONTACT POINTS

The description of the CCPs and their tasks are laid down in point 3.6 of the JOP.

ARRANGEMENTS FOR ENSURING INDEPENDENCE BETWEEN BODIES

The AA is independent from the MA as well as from the CCPs. The functions of the AA, MA and CCPs are performed by separate and independent public bodies. All audit bodies are in every circumstance fully independent in their audit work in relation to the MA, to the CCPs and to the JTS as well as from other bodies involved in the implementation of the Programme.

SEPARATION OF FUNCTIONS WITHIN PROGRAMME BODIES

The principle of separation of functions mentioned in Art. 30 of the IR shall be taken into consideration when deciding on tasks division between separate units within the Programme bodies.

4.2 TIMEFRAME OF THE PROGRAMME IMPLEMENTATION

Programme implementation milestones	
Milestone	Indicative framework
JOP approval by Polish and Russian Governments and adoption by the EC	31.12.2016 at the latest

Calls for proposals	2017-2020
LIPs contracts signature	Before 30 June 2019
Other projects contract signature	31.12.2022 at the latest
Project's activities end	31.12.2023
END of the Programme	2025

Table 7 Programme implementation milestones

4.3 PROJECT SELECTION PROCEDURE

PREPARATION AND LAUNCHING OF THE CFPs

The JMC is responsible for the decision on launching of each of the calls for proposals (CfPs). All details regarding applications submission requirements applicable for the CfPs shall be stipulated in the Programme Manual updated for each call. As a rule, a minimum period between the date of the publication of the CfPs and the deadline for the receipt of proposals should be 90 days, subject to JMC decision.

The application package shall be approved by the JMC in order to be used during the CfPs.

Each call for proposal shall have a version of the application pack documents adjusted to the specific character of the call (e.g. the limited scope of grants to be awarded, updated legal requirements, etc.).

The CfPs shall be launched by the Joint Technical Secretariat (JTS), appointed as the Intermediate Body, after consultations with the MA and following the decision of the JMC on approving the application pack documents. Subject to the JMC decision, the CfPs can be open to particular TO as well as to all of them.

APPLICATION

The applicants shall fill in their Application Form using the e-application provided on the Programme website www.plru.eu and submit it to the JTS on-line with the use of the e-application.

During each CfP, the JTS with the support of the BOs shall organise relevant information sessions throughout the Programme area to disseminate information on the ongoing CfP and to provide potential applicants with relevant support on the preparation of project applications. All relevant information, including answers to applicant enquiries, shall be published on the Programme website.

EVALUATION AND SELECTION FRAMEWORK

The project evaluation and selection is the overall responsibility of the JMC. The whole evaluation process is laid down in the Evaluation and Assessment Manual, approved by the JMC.

Project selection procedures shall ensure that the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition are followed. With a view to respect these principles:

- the projects shall be selected and awarded on the basis of pre-announced selection and award criteria defined in the evaluation grid. The selection criteria serve to assess the applicant's ability to complete the proposed action or work programme. The award criteria shall be used to assess the quality of the project's proposal against the set objectives and priorities;
- the grants shall be subject to ex ante and ex post publicity rules;
- the applicants shall be informed in writing about the evaluation results. If the grant requested is not awarded, the MA shall provide the reasons for the rejection of the application with reference to the selection and award criteria that are not met by the application;
- any conflict of interest shall be avoided;
- the same rules and conditions shall be applied to all applicants.

The process of evaluation of submitted applications includes two steps:

- Administrative and eligibility check;
- Quality evaluation.

The evaluation process starts immediately after the closing of the call for proposals and ends with the JMC approval of a ranking list of submitted proposals.

ADMINISTRATIVE AND ELIGIBILITY CHECK (AAE CHECK)

All applications submitted on-line to JTS that have met the submission deadline shall be given a number and be the subject to the AaE check.

The AaE check is executed by the employees of JTS (acting as internal assessors) and BO in Kaliningrad. The AaE check is made in compliance with the criteria mentioned in the evaluation grid that is the part of the Application Pack approved by the JMC. During the AaE check, it has to be checked whether an application satisfies the administrative criteria and whether the applicant, its partners, the project and the costs are eligible under the Programme and the CfP. If necessary, the JTS/BO employees might be supported by the external experts in terms of assessment of the technical documentation, state aid rules and financial capacity of the beneficiaries.

If some of the criteria described in the Programme Manual are not satisfied, the application will be rejected or the applicant will be invited to submit clarifications. Clarifications will be requested by the JTS or its BO when information provided is unclear or incomplete, thus preventing the JTS from conducting an objective assessment.

If any of partners prove to be ineligible, the project is to be rejected on that sole basis and the application will not be further evaluated. Each applicant will be informed about the results of the AaE check. In case of rejection of the application, the applicant shall be informed about the reasons for the rejection. Applicants will have a possibility to appeal from the AaE check results to the MA via the JTS (the details on the appeal shall be described in the Programme Manual).

QUALITY EVALUATION

Each application that passed the AaE check will be the subject of the quality evaluation. It shall be performed by the JTS/BO employees (internal assessor). Responsibilities of the assessors shall be described in the Evaluation and Assessment Manual.

Once the quality check is finalised, the JTS prepares the draft Report on the Assessment of the Application Forms that is subject to the JMC approval. The ranking list, which is set out on the basis of the scores given by the assessors, shall be attached to the report. The applications that will receive programme support will be selected starting from the highest-ranking one.

In order to promote high effects of the cross-border activities and possible synergies and coherence with projects and programmes funded under other EU policies as well as to avoid duplication, after JMC meeting, the MA will send the list of approved projects to the EC to consult different DGs and EU Delegations. These consultations shall last 15 working days and take place before contracting. Following these consultations the JMC may decide to reject proposals previously approved.

Representatives of the EU Delegation may be invited in to participate in the selection of projects, as observers and with no voting rights, to better promote synergies between CBC activities and other EU-funded activities.

Following the JMC decision on the grant award, the JTS shall inform all applicants in writing whether the given application was approved for co-financing. If the decision is negative, the reasons shall be given in the letter. Appeal procedures shall be described in details in the Programme Manual relevant for each call for proposals. Applicants will have a possibility to appeal from the results of the quality evaluation to the MA via the JTS. The MA's reply to the appeal shall represent the final decision regarding the application.

The list of projects selected by the JMC is published on the Programme's website.

CONFLICT OF INTERESTS

It is required from all persons involved in the project selection process – internal assessors and external experts, members of the JMC – to maintain independent relation towards all applicants participating in the CfP. Before being involved in the process, all these persons shall sign the Declaration of Impartiality and Confidentiality in which they confirm their status in this regard. If persons appear to have a conflict of interest she/he cannot participate in the process.

TYPE OF SUPPORT

The objectives of the Programme are to be achieved through the financing of the cross-border projects implementation under all Programme TOs and priorities. Each of the projects shall clearly relate to the Programme's overall and thematic objectives.

As a general rule the financing for projects is provided via grants for the projects selected in the CfPs in conformity with the rules set out in the Programme. The only exception relates to the LIPs selected by the JPC via direct award procedure, described in point 4.4. and Technical Assistance. The list of LIPs selected by the JPC is enclosed in section 4.4. of the JOP.

BENEFICIARIES AND THE PROJECT

Each project shall involve beneficiaries from Poland and the Russian Federation.

To be eligible a beneficiary must meet all the following conditions:

- be legal persons⁴ established in the Programme area, or international organisations with a base of operations in the Programme area. A European grouping of territorial cooperation may be a beneficiary, regardless of its place of establishment, provided its geographic coverage is within the Programme area;
- comply with the eligibility criteria defined in Programme Manual for each selection procedure;

Beneficiaries that do not meet the establishment criteria may participate provided that all the following conditions are met:

- they are established in Poland or Russia;
- their participation is required by the nature and by the objectives of the project and is necessary for its effective implementation;
- the total amount allocated under the Programme to such beneficiaries does not exceed 20% of the EU co-financing to the Programme.

Grants shall not have the purpose or effect of producing a profit within the framework of the project.

The JMC may decide to define additional eligibility criteria to be met by Programme beneficiaries.

⁴ For Polish beneficiaries: also entities without legal personality: if their superior unit (having legal personality) grants them power of attorney and also assumes financial responsibility for the project implemented or on behalf of which the superior unit will apply for financing (with indication which entity will implement the project).

LEAD BENEFICIARY

Each project shall designate one Lead Beneficiary (LB) to represent the partnership. All beneficiaries shall actively cooperate in the development and implementation of projects. In addition, they shall cooperate in the staffing and/or financing of projects. Each beneficiary shall be legally and financially responsible for the activities that it is implementing and for the share of the programme funds that it receives. The specific obligations as well as the financial responsibilities of the beneficiaries shall be laid down in the partnership agreement.

The LB shall:

- receive the financial contribution from the MA for the implementation of project activities;
- ensure that the beneficiaries receive the total amount of the grant as quickly as possible and in full in accordance with the arrangements of the partnership agreement. No amount shall be deducted or withheld and no specific charge with equivalent effect shall be levied that would reduce these amounts for the beneficiaries;
- lay down the partnership arrangements with the beneficiaries in an agreement comprising, provisions that, inter alia, guarantee the sound financial management of the funds allocated to the project including the arrangements for recovery of funds unduly paid;
- assume responsibility for ensuring implementation of the entire project;
- ensure that the expenditure presented by the beneficiaries has been incurred for the purpose of implementing the project and corresponds to activities set in the contract and agreed between all beneficiaries;
- verify that the expenditure presented by the beneficiaries has been examined by an auditor being independent from the beneficiary who shall verify whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the grant contract.

The LB shall act as the direct contact between the project and the management bodies of the Programme. It is the responsibility of the LB to create a well working consortium ensuring the proper and sound implementation of the project. The possibility to initiate projects and to act as a LB will be open for all eligible organisations.

CONDITIONS FOR FINANCING

Using the application documents for particular CfP, the beneficiaries will jointly develop and submit a project to the MA via JTS. Projects may receive financial contribution from the Programme provided they meet all the following conditions:

- they deliver a clear cross-border cooperation impact and benefits as described in the Programming Document and demonstrate added value to the strategies of the EU, Russia and Poland;
- they are implemented in the Programme area.
- they fall within one of the following categories:

- integrated projects – where each beneficiary implements a part of the project on its own territory,
- symmetrical projects – where similar activities are implemented in parallel in the participating countries,
- single country projects – where projects are implemented mainly or entirely in one of the participating countries but for the benefit of all or some of the participating countries and where cross-border impacts and benefits are identified.

Projects may be partially implemented outside the Programme area if all the following conditions are met:

- the projects are necessary for achieving the Programme's objectives and they benefit the Programme area;
- the total amount allocated under the Programme to activities outside the Programme area does not exceed 10 % of the Union contribution at Programme level;
- the obligations of the Managing and Audit authorities in relation to management, control and audit concerning the project are fulfilled either by the Programme authorities or through agreements concluded with authorities in the countries where the activity is implemented.

DURABILITY OBLIGATION

Any investment project or project including an infrastructure component shall repay the Programme contribution if, within **five years** from the project closure (or within the period of time set out in the state aid rules, where applicable), it is subject to a substantial change affecting its nature, objective or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the MA in proportion to the period for which the durability requirement has not been fulfilled.

CONTRACTING

As described above, as a general rule, support to projects will be provided in the form of grants awarded to projects selected through CfPs.

The JTS prepares the contract dossier with the successful applicants using the grant contract template approved by JMC for the relevant CfP. Request for corrections, clarifications, minor changes (JMC recommendations) and additional documents should be sent to the successful applicants after the JMC has approved the Assessment Report of each of the CfPs.

Once the contract and its attachments are prepared and verified, the MA signs the contract.

The list of contracts awarded (to beneficiaries) by the MA must be published on the Programme's website.

GRANT CONTRACT MODIFICATIONS

No modification to the contract may alter the award conditions prevailing at the time the contract was awarded. The changes cannot be contrary to the principle of equal treatment of projects. Substantial modifications to the contract must be made by means of an addendum. Such an addendum must be signed by the contracting parties.

4.4 PROJECTS SELECTED THROUGH DIRECT AWARD PROCEDURE

Within the Programme Large Infrastructure Projects (LIPs) shall be selected only through a direct award procedure. The direct award procedure within the Programme shall be applied only to LIPs. A Large Infrastructure Project (LIP) is a project comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2.5 million EUR is allocated to acquisition of infrastructure.

Co-financing of LIPs shall be possible in all thematic objectives.

Other projects in which acquisition of infrastructure consumes more than 2.5 million EUR will not be selected in calls for proposals.

The projects proposed for selection without a call for proposals shall be approved by the European Commission based on a two-step procedure, consisting in the submission of a Project Summary followed by a Full Application Form. For each step, the European Commission shall notify its decision to the Managing Authority (MA) within two months of the document submission date. This deadline may be extended where necessary. Where the European Commission rejects a proposed project, it shall notify the MA of its reasons.

The LIPs to be financed within the Programme were selected and agreed by the JPC and then by the JMC. No other projects may be selected through direct award procedure. The list of LIPs selected by the JMC is presented below:

List of Large Infrastructure Projects:

Thematic Objective	3 - Promotion of local culture and preservation of historical heritage
Title	Development of tourist-recreational potential and water tourism in Svetly and Malbork towns (Phase 2)
Lead beneficiary	Administration of "Svetly urban district"
Other beneficiaries	Municipality of Malbork
Total project budget	5 117 838,46 EUR
Grant amount	4 606 054,61 EUR
Amount of infrastructure component	4 793 503,08 EUR
Project duration	36 months (01.06.2017 – 01.06.2020)
Scope of the project	Inland waterways of the Kaliningrad region and the Pomeranian Voivodeship of Poland are part of an international waterway "E-70", which passes through a large part of Central Europe from Antwerp to Klaipeda. The towns of Svetly and Malbork are located on the

	<p>route of the international waterway E70 (Kaliningrad Sea Canal and the Nogat River) that contributes to the development of water tourism.</p> <p>The problem is that the infrastructure for water tourism in Svetly has not been developed so far. To resolve this problem in Svetly first of all the construction of waterfront structures and development of the adjacent territory for touristic purposes is needed. A similar problem exists in Malbork. City of Malbork is planning to develop the area near the Nogat River: boulevards, city park, historical walls along the Nogat River.</p> <p>Technical documentation of the boulevards was prepared in the first edition of program. Both Towns will continue the works started under the Lithuania-Poland-Russia ENPI CBC Programme 2007-2013.</p> <p>Objectives of the project:</p> <p>The main aim of the project is to develop a water tourism between the Kaliningrad region and the Pomeranian Voivodship as part of the international waterway E70. This will be achieved through the construction of waterfront structures and the development of the adjacent territory. Distribution of water tourism will undoubtedly contribute to strengthening mutual contacts between Svetly and Malbork towns and cross-border cooperation between Poland and the Russian Federation. City of Malbork emphasizes on modernisation of the public space of the city values, cultural heritage, historical value and the location of the city on the river Nogat.</p> <p>Planned activities:</p> <ul style="list-style-type: none"> • Works carried out on the construction of waterfront structures on the Kaliningrad Sea Canal and development of the adjacent territory for touristic purposes in Svetly; • Works carried out on the arrangement of the piers and adjacent territory in Malbork; • Experience exchanged between the Partners of the Project to improve urban areas. <p>Project results:</p> <ul style="list-style-type: none"> • The waterfront structures in Svetly are constructed and the adjacent territory is developed for touristic purposes; • The piers and the adjacent territory in Malbork is arranged; • The water connection between cities is strengthened; • The attractiveness of cities for the tourists is increased and the number of visitors and tourists including water tourists is increased too. This also influences positively an economic situation in the project area in a whole. <p>Cross-border impact:</p> <p>As the towns of Svetly and Malbork are located on the route of the international waterway E70, the development of necessary infrastructure will give a good chance to the touristic companies of both cities to develop new common touristic products which could be attractive not only for citizens of the Kaliningrad and Pomeranian regions but also for the tourists outside the project area (specifically from the rest of Russia and European Union). According to the statistical data the number of tourists coming to the Kaliningrad region is growing every year. Implementation of this project will without any doubt add synergy to the tourism development in both cities.</p> <p>Moreover water border crossing is less timewasting and won't create additional pressure to the existing border crossing points which are overloaded especially in summer and holidays time.</p>
Justification for direct award	<p>Water front area on the banks of the Kaliningrad Sea Canal in Svetly is in the municipal property. Execution of works on construction of waterfront structures and development of the adjacent territory should be made only by the order of Administration of "Svetly urban district" due to its authorities prescribed by the Russian legislation. The appropriate authorisation of Administration of "Svetly urban district" is based on the Federal law of 06.10.2003 N 131-FZ "On General principles of organisation of local self-government in the Russian Federation, paragraphs 3, 17 and 20 of article 16 and the Charter of Svetly urban</p>

	<p>district.</p> <p>The partner – municipality of Malbork - implements its part of the work of the Project on its own territory: urban boulevards are owned and operated by Malbork. The responsibility for the landscaping of city boulevards is in the competence of a particular partner - municipality of Malbork. The municipality of Malbork is guided by the Area Development Plan approved by Regulations of the Town Council:</p> <ul style="list-style-type: none"> • 398/XLX/02 from the day 25.07.2012, • V/35/2011 from the day 10.02.2011, • 368/XLIII/2005 from the day 14.12.2005, • XVII/190/12 from the day 29.03.2012.
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Thematic Objective	3 - Promotion of local culture and preservation of historical heritage
Title	Cross-border cycle routes for promotion and sustainable use of cultural heritage
Lead beneficiary	Ministry for Tourism of Kaliningrad region
Other beneficiaries	Administration of Svetlogorsk municipality, Administration of Pionersky municipality, Administration of Zelenogradsk municipality, Ministry of infrastructure of Kaliningrad region, Ministry of construction of Kaliningrad region, Department of tourism of Warmia-Mazury voivodeship administration, European Foundation for Monument Protection (Poland)
Total project budget	4 500 000,00 EUR
Grant amount	4 046 692,50 EUR
Amount of infrastructure component	4 393 400,00 EUR
Project duration	36 months (01.06.2017 – 01.06.2020)
Scope of the project	<p>Rising share of individual tourists as well as active kinds of tourism shapes the global trend during last years. The Programme area located on two EuroVelo cycle routes (EV10 и EV13). Due to the lack of tourism infrastructure developed in accordance with EuroVelo requirements on both sides of cross-border area there are two large-scale on-going investments projects (“Green velo” (PL) and “Spit to spit” (RU)) which have to be coordinated at the stage of construction as well as planning of further use as cross-border cycle tourist and daily routes.</p> <p>Both “Green velo” (PL) and “Spit to spit” (RU) projects (415,9 km of cycle routes in Warmia and Mazury of total 1980 km in East Poland and 51 km of cycle routes in Kaliningrad region) could be only developed on the principles of cross-border partnership and neighbourhood to be sustainable in space and time.</p> <p>Objectives of the project:</p> <p>The rise in popularity of cycling determines the need of involvement of this type of active tourism into promotion of historical and cultural heritage objects in the border regions. The project will contribute to familiarisation of tourists with the common issues in the neighbouring regions of Russia and Poland as well as historical background of the former territory of East Prussia. The unique cultural and natural landscape within the cycling routes gives the opportunity of full appreciation of the cultural heritage of both countries. The cross-border effects will be created within the framework of new tourism routes contributing both to increase in mutual tourist flow and in the establishment of good-neighbourly relations and creation of favourable conditions for tourism infrastructure development and initiation of new points of attraction on the route</p> <p>Planned activities:</p> <ul style="list-style-type: none"> • Construction of cycle route (Zelenogradsk-Pionersky-Svetlogorsk-Primorye, 51 km) integrated to Poland-Kaliningrad region cross-border cycle routes network (RU). • Promotion of existing and development of new cross-border cycle tourist routes (PL,

	<p>RU).</p> <ul style="list-style-type: none"> • Organisation of interactive tourist cross-border products (events) based on cycle routes (PL, RU). • Issuing publications in 3 languages; issuing newsletters, dissemination of information in mass-media, newspapers etc. (PL, RU). <p>Project results:</p> <ul style="list-style-type: none"> • The cycle route in the Kaliningrad region are constructed and integrated into Poland-Kaliningrad region cross-border cycle route network; • Several cross-border touristic events based on cycle routes are implemented; • Promotion materials are developed and disseminated; • Contacts between authorities and bike organisations are strengthened. <p>Cross-border impact:</p> <p>The development of necessary infrastructure will give both regions a good chance to coordinate their touristic activities and develop new cycle-based touristic products which could be attractive not only for citizens of the Kaliningrad and Warmia-Mazury regions but also for the tourists outside the project area (specifically from the rest of Russia and European Union).</p>
Justification for direct award	<p>Due to federal legislation, realisation of the project has to be supported, coordinated and co-financed by regional and local authorities. In accordance to Federal Programme "Development of internal and in-coming tourist in the Russian Federation 2011-2018" the development of tourism and recreation zones should be based on tourist cluster approach while objects of supporting infrastructure (including cycle routes) have to be developed and co-financed by means of state, regional and local budgets.</p> <p>Found for Monument protection is specially invited to be a project partner as this organisation developed a Concept of trans-border touristic routes (including cycle ones) for the Kaliningrad region within the project "Crossroads" implemented in the previous neighbourhood programme "Lithuania-Poland-Russia 2007-2014" and has unique knowledge and competence in the matter. The proposed project will be implemented in accordance with the Concept and it seems natural that the Concept developers participate in the project as a partner.</p>

Thematic Objective	7 - Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems
Title	Reconstruction of the voivodeship road no 512 with the construction of the road and the bridge crossing in Bartoszyce including change of the route
Lead beneficiary	The Voivodeship Road Administration in Olsztyn
Other beneficiaries	Administration of Municipality of Gusev city district
Total project budget	8 040 000,00 EUR
Grant amount	7 236 000,00 EUR
Amount of infrastructure component	7 661 200,00 EUR
Project duration	–36 months
Scope of the project	<p>Background: According to the research carried out by the General Directorate for National Roads and Motorways Branch in Olsztyn in 2010, the average daily traffic volume on the only bridge in Bartoszyce along the national road no 51 leading to the border crossing Bezledy - Bagrationovsk was 17 119 cars. Agreement on local border traffic between the EU and the Russian Federation, which entered into force in July 2012, caused a significant increase in traffic volume via this border crossing. According to data of Polish border guards in 2012 the border crossing was passed by 1 059 778 people and 722 640 vehicles, whereas in 2013 – 1 764 416 people and 1 173 542 vehicles. This means the growth of over</p>

	<p>66% and 62% respectively. Simultaneously, the bridge has been identified as an important bottleneck. Any traffic incident in this area as well as any minor maintenance works on the bridge cause difficulties for the traffic towards/from the border and congest the city. The same challenges apply to traffic management in Gusiev (Kaliningrad Region), where city suffers from inappropriate parameters of road infrastructure due to high road traffic.</p> <p>Main objective of the project is to develop road infrastructure on the both sides of the border what will allow to decrease congestion in the municipalities located close to the border crossings (Bartoszyce-Bezledy, Gusiew-Goldap) affected by high traffic related with transit path.</p> <p>Planned activities: <i>On the Polish side:</i> In Bartoszyce (Warmińsko-Mazurskie) the project includes modernisation of circa 1 350 meters of the road as well as construction of the road-bridge crossing, change of the route of the voivodeship road no. 512 in Bartoszyce on the section from Gdańska street through undeveloped area to the Łyna river valley, using a bridge to cross the river and further to the junction of J. Poniatowskiego and J. Słowackiego street. Further, the route of the voivodeship road no. 512 leads through J. Poniatowskiego street, to the junction between the national road no. 51 leading to/from Bezledy – Bagrationovsk crossing;</p> <p><i>On the Russian side:</i> It is foreseen to provide works on extension of road infrastructure in Gusev, of approximately 2 km length in total. The project includes: construction of the promenade by Pissa river, reconstruction of Sovetskaya street leading to the newly built school No. 3, reconstruction of Sosnovaya and Lesnaya side streets, construction/reconstruction of sidewalks and bicycle paths, building a parking at Lesnaya street, road lighting and other accompanying works.</p> <p>Project's results: Project will allow to increase capacity of the road infrastructure in Gusiew and Bartoszyce loaded with transit cross border traffic. It will remove bottleneck in Bartoszyce (bridge reconstruction) and improve traffic flows both in Bartoszyce and Gusiew. Project result will be also an increase of road safety and decreased number of road accidents especially with pedestrians, as the rebuild infrastructure will be located in the municipal, urban area.</p>
<p>Justification for direct award</p>	<p>The Voivodeship Road Administration in Olsztyn enjoys a de jure monopoly of development and maintenance of regional roads within Warmińsko-Mazurskie Voivodeship. It administers a network of regional roads. Main activities within the framework of the Large Infrastructure Project concern modernisation of the voivodeship road, so the Regional Roads Authority in Olsztyn has the only right and competence to conduct any activities on this road.</p> <p>The current structure of the office and its scope of competence, developed in investing and managing roads over several years, ensure efficient implementation of the project. The Voivodeship Road Administration has experience in the implementation of programs under the structural funds of the European Union (among others also Lt-PI-Ru CBC Programme 2007-2013).</p> <p>In addition, as a road manager and investor, the beneficiary has a formal and legal possibilities in the form of so-called 'road special act of law'. This tool allows quick and efficient preparation and implementation of investments by means of 'decision on permission for the performance of a road investment'. The decision entitles the investor to immediate commencement of construction works (by means of so-called 'order of immediate enforceability') and to take over land for construction/extension, which becomes the property of Warmia and Mazury by virtue of law.</p> <p>Administration of Gusev city district enjoys a de jure monopoly of development and maintenance of streets within Gusev district. It administers streets and other urban infrastructure. Main activities within the framework of Large Infrastructure Project concern reconstruction of streets, sidewalks and infrastructure in the city, so Gusev city is the only</p>

	<p>authority entitled to conducting any activities on that terrain.</p> <p>Administration of the City of Gusev has many years' experience in implementing projects in various fields, within Lithuania-Poland-Russia Cross-border Cooperation Programme 2007-2013.</p> <p>Gusev city is also in possession of several projects of different values, which can be submitted and carried on as the Partner's activity.</p> <p>Gusev city is a credible and reliable partner, having experience in implementing projects with the European Union contribution. While another project within the Lithuania-Poland-Russia Program was being implemented, in spite of intensive searching for a Russian partner, Gusev occurred the only one which willingly teamed up with the Beneficiary and guaranteed the implementation of its part of the project and its promotion on the territory of the Russian Federation.</p> <p>Joint implementation of LIP will allow mutual exchange of experiences, which will help to establish and maintain close cross-border cooperation between the Russian Federation and Poland; moreover, new personal contacts between people working on the project in the Kaliningrad Region and Warmia and Mazury Voivodeship will be established.</p>
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DURATION

All contracts for the LIPs selected through direct award shall be signed before 30 June 2019.

All project activities financed by the Programme shall end on 31 December 2023 at the latest.

BUDGET

The share of the EU contribution allocated to large infrastructure projects may not exceed 30%. The EU allocation within the Programme for the LIPs shall not exceed 12 493 758,00 EUR. Additional funds may be allocated to the LIPs after the mid-term review, subject to availability of additional financing and availability of matching ENI funds, respecting the 30% rule.

4.5 RULES OF ELIGIBILITY OF EXPENDITURE

Grants shall not exceed an overall ceiling expressed as a percentage and an absolute value which is to be established on the basis of estimated eligible costs. Grants shall not exceed the eligible costs.

ELIGIBLE COSTS

Eligible costs are costs actually incurred by the beneficiary which meet all of the following criteria:

- they are incurred during the implementation period of the project. In particular:
 - costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after

expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred;

- costs incurred should be paid before the submission of the final reports. An exception is made for the costs related to preparation of the final report (limited to expenditure verification, audit and final evaluation of the project and salaries of project management staff up to 3 months after the implementation period), which may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;
 - an exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project;
 - procedures to award contracts⁵ may have been initiated and contracts may be concluded by the beneficiary(ies) before the start of the implementation period of the project, provided the provisions of Art. 52 of the IR and following have been respected;
- they are indicated in the project's estimated overall budget;
 - they are necessary for the project implementation;
 - they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary (separate accounts shall be created for the project purpose) and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;
 - they comply with the requirements of applicable tax and social legislation;
 - they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
 - they are supported by invoices or documents of equivalent probative value⁶. The exception to this rule is expenditure settled by using lump sums for project preparation costs and lump sums for staff costs, as well as flat rate for administrative costs;
 - they have not already been covered from different co-financing sources (no double-financing rule).

Programme may establish additional eligibility rules for the Programme as a whole, subject to JMC approval.

A grant may be **awarded retroactively** in the following cases:

⁵ Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument.

⁶ In case of expenditure covered by flat-rates or lump sums supporting documents will not be required for project reporting purposes. Expenditures related to lump sums should be documented by project results, for example, documents proving that the activities envisaged in the project have been accomplished. These do not have to be financial documents but rather proves of non-financial nature such as photographs, samples of project results, such as publications and other materials.

- where the applicant can demonstrate the need to start the project before the contract is signed. However costs eligible for financing shall not have been incurred prior to the date of the submission of the grant application; or
- for costs related to studies and documentation for projects including an infrastructure component. No grant may be awarded retroactively for projects already completed.

To allow the **preparation of strong partnerships**, costs incurred before the submission of the grant application by projects to which a grant has been awarded are eligible, provided that the following conditions are also met:

- they are incurred after the publication of the call for proposals;
- they are limited to travel and subsistence costs of staff employed by the beneficiaries;
- they do not exceed the maximum amount fixed at the Programme level.

DIRECT COSTS

The following direct costs of the beneficiary shall be eligible:

- the costs of staff assigned to the project under the following cumulative conditions:
 - they relate to the costs of activities which the beneficiary would not carry out if the project was not undertaken;
 - they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project;
 - they relate to actual gross salaries including social security charges and other remuneration-related costs;
- travel and subsistence costs of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the Commission at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;
- purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;
- the cost of consumables specifically purchased for the project;
- costs entailed by contracts awarded by the beneficiaries for the purposes of the project;
- costs deriving directly from requirements imposed by this Regulation and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

For project purposes separate bookkeeping accounts shall be established (costs, expenses, revenues).

Programme may establish additional eligibility rules for the Programme as a whole, subject to the approval of the JMC.

INDIRECT COSTS

- Indirect costs may be calculated on a flat-rate of up to 7 % of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.
- As indirect costs for a project shall be considered those eligible costs which may not be identified as specific costs directly linked to the implementation of the project and may not be booked to it directly according to the conditions of eligibility as defined above. They may not include ineligible costs listed below or costs already declared under another cost item or heading of the budget of the project.

NON-ELIGIBLE COSTS

The following costs relating to the implementation of the project shall not be considered eligible:

- debts and debt service charges (interest);
- provisions for losses or liabilities;
- costs declared by the beneficiary and already financed by the Union budget or federal/regional/local budget of the Russian Federation;
- purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the project concerned;
- exchange-rate losses;
- duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;
- loans to third parties;
- fines, financial penalties and expenses of litigation;
- contributions in kind.

The JMC may additionally decide on the non-eligibility of certain types of costs.

More detailed eligibility rules, including retroactivity of the grant, additional categories of non-eligible costs, as well as use of lump sum, unit costs, flat rate and use of indirect costs within supported projects financed by the Programme may be provided in the Programme Manual for respective call for proposals.

NO PROFIT PRINCIPLE

Grants shall not have the purpose or effect of producing a profit within the framework of the project.

Where a profit is made, the MA shall be entitled to recover the percentage of the profit corresponding to the EU and/or RF contribution to the eligible costs actually incurred by the beneficiary to carry out the project.

4.6 FINANCIAL MANAGEMENT AND VERIFICATION PROCEDURES

FINANCIAL FLOWS

Payments from the European Commission to the Programme will be done in accordance with Art. 59 and 60 of Regulation (EU) No 897/2014.

The Russian Federation transfers its co-financing of the Programme to the financial agent. At the requests of the MA, the NA of the Russian Federation issues an order to the financial agent to transfer the money to the MA's bank account set up for the RF co-financing. Both the co-financing of the Russian Federation and the European Union are used for funding the projects in the territory of the Russian Federation and technical assistance, in accordance with the terms of the Financing agreement. The European Union's co-financing will be used for financing the actions within the projects on the territory of Republic of Poland and technical assistance. Each year, the Managing Authority shall submit to the Russian National Authority a payment request based on the table *Annual FR commitments to the Programme*.

The MA proceeds with payments to a lead beneficiary on the basis of a signed grant contract. The project beneficiaries will have to ensure at least 10% co-financing of the total eligible project costs.

Lead Beneficiaries prepare consolidated progress reports composed of financial and operational parts and a payment claim for the whole project. Financial reports include certified statements of expenditure of all partners (certificates). Lead Beneficiaries may request further pre-financing payments and the final payment under conditions described in the grant contract. The progress reports and payment claims will be submitted to the JTS. Detailed verification process of project costs shall be described in the Guidelines on expenditure verification elaborated by the CCP in close cooperation with MA/JTS. This Guidelines should be adopted by the JMC.

The MA shall make payments to the Lead Beneficiary in euro, in accordance with grant contract provisions. Expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiary using the monthly accounting exchange rate of the European Commission of the month during which the expenditure was incurred.

CONTROLS AND AUDITS

The following controls and audits will be carried out in the process of Programme implementation:

TYPE OF CONTROL / AUDIT:	BODIES PERFORMING THE CONTROL / AUDIT:
Verification of project expenditures	Independent auditors acting in accordance with grant contract expenditure verification requirements and Programme control procedures.

Administrative verification of payment requests by beneficiaries together with certified statements and project progress reports. This verification may also include on-the-spot project verifications. The frequency and coverage of the on-the-spot verifications shall be proportionate to the amount of the grant to a project and the level of risk identified by these verifications and audits by the AA for the management and control system as a whole. On-the-spot project verifications may be carried out on a sample basis.	IB/MA. For the purpose of carrying out verifications throughout the whole Programme area, the MA may be assisted by CCPs.
Audit of projects, including Technical Assistance – to audit a sample of projects financed under the Programme.	AA and representatives of GoA or external audit company
Audits on the management and control system and on the annual accounts of the Programme – to certify the statement of revenue and expenditure presented by the MA in its annual financial report has been actually incurred and is accurate and eligible.	AA, representatives of GoA or external audit company
Controls by the EU – verification of the use of Union funds by the MA, beneficiaries, contractors, subcontractors and third parties in receipt of financial support by examining documents and/or conducting on-the-spot checks.	The Commission, the European Anti-Fraud Office, the European Court of Auditors and any EU external auditor authorised by these institutions and bodies

Table 8 Controls and audits of the Programme

VERIFICATION OF PROJECT EXPENDITURE

Verification of expenditure will follow grant contract requirements and will be extended to all projects independently of the amount granted. In each case, the verification will be done by independent auditors acting in accordance with the grant contract expenditure verification requirements and the Programme control procedures. An auditor shall examine whether the costs declared by a beneficiary and the revenue of a project are real, accurately recorded and eligible, in accordance with the contract.

Detailed verification process shall be described in the Guidelines on expenditure verification elaborated by CCP in close cooperation with the MA/JTS and approved by the JMC. The Guidelines shall cover all phases of the verification procedure and shall include all binding checklists and documents to be used during the verification procedure by independent auditors. The conclusion of the verification process shall be reflected in partial certified statements prepared and signed by independent auditors for each project beneficiary. Such statements will be obligatory to claim interim or final balance payment by lead beneficiaries.

Verification to be carried out on the territory of the Russian Federation shall be conducted in accordance with the FA.

ADMINISTRATIVE VERIFICATION OF PAYMENT REQUEST BY BENEFICIARIES

MA and JTS shall be responsible for administrative verification of payment requests by beneficiaries, which will be submitted along with independent auditors certified statements - certificates (relating to the reported expenditure) and project progress reports. The scope of administrative verification will be defined in the MA's and the JTS'/Polish CCP's Procedure Manuals and in the Guidelines on expenditure verification.

Based on the technical and financial project reports and the above-mentioned certified statements, the project managers of the JTS will check if all verifications are correctly undertaken and eventually proceed with the payment requests. The JTS will be responsible for the administrative verification of the reports and for the entry of the data presented in the beneficiaries' reports into the SL 2014 electronic system.

AUDIT OF PROJECTS

The AA with the assistance of GoA will ensure the audit on a sample of projects financed under the Programme. Within 9 months of the signature of the financing agreement in accordance with article 8(2) of Regulation (EC) No 897/2014 the AA shall submit an audit strategy for performance of audits to the EC and the Russian National Authority. The audit strategy shall set out the audit methodology on the annual accounts and on projects, the sampling method for audits on projects and the planning of audits for the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually and the updated audit strategy shall be submitted to the Commission and the NAs together with the programme annual report. The audit of the projects will be executed either by AA/GoA or by the external audit companies.

AUDITS ON THE MANAGEMENT AND CONTROL SYSTEMS AND ON THE ANNUAL ACCOUNTS OF THE PROGRAMME

The AA carries out each year an ex-post verification of the expenditure and revenue presented by the MA in its annual financial report, in accordance with the standards and ethics of the International Federation of Accountants (IFAC). The audit report certifies the statement of expenditure and revenue presented by the MA in its annual financial report, and in particular that the claimed expenditure has occurred and is accurate and eligible.

CONTROLS BY THE EU AND THE RF

The Commission, the European Anti-Fraud Office, the European Court of Auditors and any EU external auditor authorised by these institutions and bodies may verify the use of Union funds by the Managing Authority, beneficiaries, contractors, subcontractors and third parties in receipt of financial support by examining documents and/or conducting on-the-spot checks. Each contract shall expressly stipulate that these institutions and bodies can exercise their power of control, concerning premises, documents and information, irrespective of the medium in which they are stored. The modalities of the checks in the territory of the Russian Federation are to be regulated by the Financing Agreement. The authorities of the Russian Federation are entitled to check the expenditures of the RF funds including programme co-financing and contribution to the TA on the territory of the Russian Federation.

4.7 PROCUREMENT RULES BY BENEFICIARIES AND OTHER PRINCIPLES TO BE FOLLOWED

Tendering procedures at the level of projects depend on the nationality and the legal status of the beneficiary launching the tender.

Beneficiaries based in **Poland** have to comply with the Polish law on public procurement as compliant with the EU legislation applicable to procurement procedures.

Beneficiaries from the **Russian Federation** have to comply with the rules set in the Financing Agreement.

ELIGIBILITY FOR CONTRACTS

In all cases, the rules of nationality and origin set forth in Art. 8 and 9 of Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action and the financing agreement shall apply.

Corresponding provisions of the Financing Agreement are applied to the Russian beneficiaries.

GROUND FOR EXCLUSION FROM PARTICIPATION IN PROCUREMENT PROCEDURES

Candidates or tenders shall be excluded from participating in a procurement procedure if they fall within one of the situations described in Art. 106(1) and Art. 107 of Regulation (EU, Euratom) No 966/2012.

Corresponding provisions of the Financing Agreement are applied for the Russian beneficiaries.

STATE AID, EQUAL OPPORTUNITIES AND ENVIRONMENTAL RULES

Applicable EU rules on State aid will be taken into account during the implementation of the Programme on the territory of the EU. If needed relevant Russian legislation on competition will be applied on the territory of Russia.

4.8 MONITORING AND EVALUATION SYSTEMS

One of the MA's functions as regards the Programme management is the implementation of the monitoring and evaluation plans. Programme monitoring and evaluation shall aim at improving the quality of the design and implementation, as well as at assessing and improving its consistency, effectiveness, efficiency and impact. The findings of monitoring and evaluations shall be taken into account in the programming and implementation cycle.

MONITORING

Monitoring is the ongoing process of collecting and using standardised information to assess progress towards objectives, resource usage and achievement of results and impacts. Regular monitoring should provide detailed information (mainly on outputs and results achieved by the projects and the Programme, financial absorption and the quality of

implementation mechanisms) and allow for detection of warning signs. It usually involves assessment against agreed indicators and targets (as defined in point 3.1.6 of the JOP).

In conjunction with evaluation, effective monitoring and reporting should provide decision-makers and stakeholders with the knowledge they need to identify whether the implementation of a Programme is unfolding as expected and to manage the initiative on an ongoing basis. Monitoring forms the basis for evaluation and should provide valuable data for discussing the need for, timing and focus of evaluation at Programme level.

The MA/JTS shall establish and maintain a computerised system to record and store data on each project financed by the Programme (the SL 2014). The system shall archive all the information necessary for monitoring, evaluation, financial management, control and audit, including data on individual participants in projects, where applicable. In particular, it shall record and store technical and financial reports for each project. The system shall provide all data required for drawing up payment requests and annual accounts, including records of amounts recoverable, amounts recovered and amounts reduced, following cancellation of all or part of the contribution for a project or Programme. A Programme monitoring system shall collect and store necessary project and Programme information. All the information shall be inserted into the system on regular basis.

The annual implementation reports which are to be submitted to the EC and the National Authorities after their approval by the JMC are one of the key elements of the monitoring of an operational Programme. Such reports shall include technical and financial parts covering the preceding accounting year. Starting with the report for 2016 they shall describe e.g. basics on the implementation of a Programme and its TOs, all the issues affecting the performance of the Programme, including the achievement of values for the result indicators of Programme, progress towards achieving the objectives of the Programme. Each year also the information about the projects, their appraisal, final decision on co-financing and other details shall be indicated. The report submitted for 2023 and the final report shall include the above mentioned elements and information and assess the contribution to achieving the original Programme goals.

In addition to the requirements of the annual report, the MA might need to collect other data in the SL 2014 .

EVALUATION

Evaluation is a systematic method for collecting, analyzing, and using information to answer questions about projects, policies and programmes particularly about their effectiveness and efficiency to all stakeholders. Main questions concern the programme needs and how they are met, potential and real problems and the way how they are solved.

The Programme shall be subject to mid-term and ex-post evaluations. At the same time, the Programme may also order another specific evaluations in other periods which can be used as a basis for the preparation of the future programmes or revision of indicators' target values.

The evaluation during the programme period (mid-term evaluation) shall assess the programme, either from a strategic or an operational perspective or both. This can be either a 'traditional' mid-term evaluation half way through the programme or an evaluation at another juncture with a specific or overall content. The Programme will be subject to a mid-term evaluation, in 2021 at the latest.

The ex-post evaluation will be conducted after programme settlement. The purpose of the ex post evaluation shall be to obtain a view of the programming period as a whole. It will examine the effectiveness and efficiency of the EU and Russian co-financing of the programme.

MONITORING AND EVALUATION PLAN

The Monitoring and Evaluation Plan shall serve as a tool used in planning a collection of data needed in assessment of the Programme progress. It shall describe the indicative list of evaluations to be undertaken (including their subject and rationale) together with methods to be used for the individual evaluations and relevant data requirements. The plan shall give a timetable of the data collection, as well as a strategy to ensure use and communication of evaluations. The plan shall also include information on the indicative budget and human resources (and their possible development training plans) needed for its implementation.

Indicative Monitoring and Evaluation Plan				
Year	Day-to-day monitoring of projects		Internal result-oriented monitoring and evaluation	
	Activity	Responsible body	Activity	Responsible body
2016	-	-	-	-
2017	Monitoring	MA/JTS with support of BO/NA	Monitoring is conducted within the due time after the project implementation have started (on the spot monitoring visits are conducted based on the conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on-the-spot verification-	MA/JTS with support of BO/NA
2018	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events)	MA/JTS with support of BO/NA	Monitoring is conducted within the due time after the project implementation have started (on the spot monitoring visits are conducted based on the conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on-the-spot verification	
2019	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events)	MA/JTS with support of BO/NA	Monitoring is conducted within the due time after the project implementation have started (on the spot monitoring visits are conducted based on the conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on-the-spot verification	MA/JTS with support of BO/NA

2020	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events)	MA/JTS with support of BO/NA	Monitoring is conducted within the due time after the project implementation have started (on the spot monitoring visits are conducted based on the conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on-the-spot verification	MA/JTS with support of BO/NA
2021	Evaluation of the Programme	-	Mid-term evaluation of the Programme	MA (performed by external evaluators)
2021	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events)	MA/JTS with support of BO/NA	Monitoring is conducted within the due time after the project implementation have started (on the spot monitoring visits are conducted based on the conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on-the-spot verification	MA/JTS with support of BOs/NA
2022	Monitoring of the ongoing projects (in database, regular contacts, attending important projects' events)	MA/JTS with support of BO/NA	Monitoring is conducted within the due time after the project implementation have started (on the spot monitoring visits are conducted based on the conclusions of the day to day monitoring). It is possible to carry out on-the-spot monitoring visits together with on-the-spot verification	MA/JTS with support of BO/NA
2024/2025	Evaluation of the Programme	-	Ex-post evaluation of the Programme	MA (performed by external evaluators)

Table 9 Indicative Monitoring and Evaluation Plan

The Joint Monitoring Committee shall examine the evaluation plan and approve necessary amendments. Such examination and update shall take place as often as needed.

4.9 APPORTIONMENT OF LIABILITIES AMONG THE PARTICIPATING COUNTRIES

IRREGULARITIES AND RECOVERIES

The MA shall in the first instance be responsible for preventing and investigating irregularities⁷, for making the financial corrections required and for pursuing recoveries.

Participating countries shall prevent, detect and correct irregularities, including fraud and the recovery of amounts unduly paid, together with any interest pursuant art. 74 of IR on their territories (for the Polish side).

⁷ As stated in art. 2 (m) of IR 'irregularities' means any infringement of a financing agreement, a contract or of applicable law resulting from an act or omission by an economic operator involved in the implementation of the Programme, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.

The obligations and responsibility of the Russian side regarding irregularities and recoveries will be stipulated in the Financing Agreement.

A financial correction by the Commission shall not prejudice the MA's obligation to pursue recoveries of the EU co-financing under art. 74 and 75 of IR nor the obligation by Poland to recover State aid within the meaning of Art. 107(1) of the Treaty on the Functioning of the European Union and under Art. 14 of Council Regulation (EC) No 659/1999.

RECOVERY OF AMOUNTS UNDULY PAID

The MA shall be responsible for pursuing the recovery of amounts unduly paid. Provided the irregularity investigation results in the repayment of the funds, the MA shall recover the amounts unduly paid together with any interest on late payments from the LB.

The LB has to set up the procedure of recovering the irregularities/amounts unduly paid from the project partners in the partnership agreement. If the LB does not succeed in securing repayment from the concerned beneficiary, the MA shall formally notify the latter to repay to the LB. If the concerned beneficiary does not repay, the MA shall request the participating country in which the concerned beneficiary is established to reimburse the amounts unduly paid. With regards to the Russian Federation the provisions of the Financing Agreement and the grant contracts on recoveries are to be applied.

In case of systemic deficiencies in the Programme Management and Control System, the participating countries shall be responsible for the reimbursing for the amounts of the Union contribution concerned, proportionally to the scale of deficiencies in each participating country.

Where the recovery relates to a **claim against a beneficiary established in Poland** and the MA is unable to recover the debt, the MA shall pay the due amount and claim it back from the beneficiary.

Where the recovery relates to a **claim against a beneficiary established in the Russian Federation** and the MA is unable to recover the debt, the corresponding provisions of the Financing Agreement apply, as well as provisions set in the grant contracts.

The MA together with the respective NA shall exercise due diligence to ensure reimbursement of the recovery orders with support from the participating countries. The MA/NA shall in particular ensure that the claim is certain, of a fixed amount and due. Where the MA is planning to waive recovery of an established debt, it shall ensure that the waiver is in order and complies with the principles of sound financial management and proportionality.

DESCRIPTION OF THE PROCEDURE TO COMPLY WITH THE OBLIGATION TO REPORT IRREGULARITIES TO THE EC

The MA shall keep the European Commission and the National Authorities of Poland and of the Russian Federation informed of all steps taken to recover the due amounts.

Participating countries shall notify irregularities without delay to the MA and to the European Commission in accordance with the Financing Agreement, Programme documents and national legislation and keep them informed of the progress of related administrative and legal proceedings. Details on information to be provided by the MA to the Commission shall be described in the MA Procedures Manual.

Any repayment due to the European Commission shall be effected before the due date indicated in the recovery order. The due date shall be 45 days from the date of the issuing of the debit note. Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. The rate of such interest shall be three and a half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls. Amounts to be repaid may be offset against amounts of any kind due to the beneficiary or participating country. This shall not affect the parties' right to agree on payment in instalments.

Corresponding provisions of the Financing Agreement are applied for the Russian Federation.

NECESSARY PREVENTIVE AND CORRECTIVE ACTIONS

The MA shall in the first instance be responsible for making the financial corrections required and pursuing recoveries. In case of a systemic irregularity, the MA shall extend its investigation to cover all operations potentially affected. The MA evaluates the irregularity and if needed asks the NA/CCPs of the concerned country to undertake further investigation. On the basis of this investigation and results of NA/CCPs findings, the follow up measures shall be proposed and submitted to the NA of the concerned country for approval. In case of the EU funds, the MA decides on follow up measures.

The MA shall make the financial corrections required in connection with individual or systemic irregularities detected in projects, TA or in the Programme

The European Commission shall make financial corrections by cancelling all or part of the European Union contribution to the Programme as laid down in Art. 72 and 73 of the IR and the Financing Agreement.

ANTI-FRAUD MEASURES

One of the main tasks of the MA is to put in place effective and proportionate anti-fraud measures taking into account the risk identified. In order to protect the EU's and the RF's financial interests, the MA shall take all necessary measures to prevent, detect and correct, as well as provide adequate deterrence against irregularities and fraud.

Three key processes considered to be the most exposed to specific fraud risks and these shall be targeted:

- selection of beneficiaries;
- implementation and verification of projects;

- certifications and payments.

Monitoring may also include public procurements and the TA expenses.

The MA shall not only recognise fraud risks, conduct self-assessment of the likelihood and impact of specific fraud scenarios and risks, assess the effectiveness of current control, but also shall assess the effect of planned additional controls and define the target risks with the risk level which the MA considers tolerable.

4.10 PROGRAMME STRATEGIC ENVIRONMENTAL ASSESSMENT

The Strategic Environmental Assessment (SEA) of the Programme covers the whole programme area.

The Strategic Environmental Assessment (SEA) was conducted on the draft Programme in accordance with EC regulations⁸ and the Polish Act of 3 October 2008 on the Provision of Information on the Environment and its Protection, Public Participation in Environmental Protection and Environmental Impact Assessments. The legislation of the Russian Federation stipulates no specific provisions for the Strategic environmental assessment in the territory of the Russian Federation for the purposes of the implementation of a CBC Programme. The SEA was conducted in accordance with recommendations from the General Director of the Environmental Protection of Poland and the Chief Sanitary Inspector of Poland, with whom the scope and the degree of detail of the assessment were agreed. A draft Environmental report⁹ was developed and this report and the draft Programme document were made available for consultations. The statement being result of the SEA is annexed to the JOP (Annex 1).

The statement specifically outlines:

- How environmental considerations have been integrated into the Programme.
- How the recommendations and comments from the environmental report have been incorporated into the Programme and how the results of the consultations with the relevant authorities and the society have been considered, and
- The reasons for choosing the Programme as adopted, in the light of the other reasonable alternatives.

The Statement also includes information on how monitoring of the environmental effects will be carried out and information on the methods and frequency of the analysis of the implementation of the Programme provisions.

⁸ Directive 2001/42/EC of the European Parliament and of the Council

⁹ In accordance with the Polish Act of 3 October 2008 on the Provision of Information on the Environment [...] the Environmental Report is called "Forecast of Environmental Impact".

NON-TECHNICAL SUMMARY OF THE ENVIRONMENTAL IMPACT ASSESSMENT

FORMAL FRAMEWORK, GOALS AND SCOPE.

The overall aim of the Programme is to support cross-border development processes in the borderland of Poland and Russia. The Programme Strategy responds to the national and regional strategies for socio-economic development which shall be implemented by the strategic objectives of the Programme.

The Programme provides support of activities in the following priorities:

- **Priority 1.** Cooperating on historical, natural and cultural heritage for their preservation and cross-border development;
- **Priority 2.** Cooperation for the clean natural environment in the cross-border area;
- **Priority 3.** Accessible regions and sustainable cross-border transport and communication;
- **Priority 4.** Joint actions for border efficiency and security.

LEGAL BASIS AND SCOPE

The Environmental Report was evaluated in accordance with the Polish legislation i.e. in compliance with the Act of 3 October 2008 *on the provision of information about the environment and its protection, public participation in environmental protection and environmental impact assessment*¹⁰, which contains a transposition into Polish legislation of the Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 *on the assessment of the effects of certain plans and programmes on the environment*¹¹. Then, under arrangements with the competent authorities, the Scoping Report developed on the basis of the above mentioned legislation was complemented by other essential elements resulting from legal provisions of the Russian Federation.

While developing the Report, impact on all elements of the environment was analysed in compliance with legal provisions and arrangements.

ANALYSIS OF THE COOPERATION PROGRAMME PL-RU 2014-2020

Programme Analysis was the starting point for the study. It covered the basic structure of the Programme and based on this information from broad formulation of the support areas conclusions were drawn on specific activities that can be supported by this document, in order to clarify their possible impact on the environment.

The Programme analysis also examines the internal cohesion of the Programme. This analysis showed overall cohesion of the Programme with a varying degree of compliance.

¹⁰ Journal of Laws of 2017, item 1405, as amended.

¹¹ Official Journal of the European Communities L197/30 of 21.07.2001.

From the analysis of the basic EU documents relating to the Programme it can be concluded that the Programme meets objectives of these documents to the extent its financial scope allows.

Similarly, on the basis of the analysis it was found that the objectives and actions expected to be implemented under the Programme are consistent with the basic strategic papers of countries participating in the Programme.

ANALYSIS OF THE STATE OF THE ENVIRONMENT IN THE PROGRAMME ELIGIBLE AREA

The key issues and environmental hazards in the Programme eligible area were identified. The current state of the environment was also identified. On the one hand, it should serve such a formation of the Programme to maximise its use in order to improve state of the environment. On the other hand, it should serve such a formation of the Programme to enable environmental impact assessment and identification of any significant negative impacts, and to propose measures that will minimise this impact, indicate alternative and possible compensating actions. This analysis was also used to determine criteria for selecting projects to be funded under the Programme.

The analysis of the environment covered all its elements, in particular: nature and biodiversity, climate change, resources, waste and soil, quality of air, water and soil, impact on human health, flood and drought prevention issues and historical heritage objects.

Generally, it can be concluded that in terms of natural and landscape values the Programme eligible area belongs to the most valuable regions of the countries participating in the Programme, with a large share of Natura 2000 sites, Baltic Sea Protected Areas (BSPAs), national and landscape parks, and biosphere reserves by UNESCO. It is also rich in terms of the number of historical heritage objects.

THE ENVIRONMENTAL REPORT

The analyses included detailed assessment of possible impact that all support areas envisaged within the Programme may have on particular elements of the environment, including: humans, fauna, flora, water, air, soil, landscape, climate, natural resources, historical heritage objects and material goods. The assessment was based on previously developed evaluation criteria that take into account condition of the environment and its major problems, the possible negative impact and description of projects that can be supported by the Programme, as well as the goals of the strategic documents of the EU and the countries participating in the Programme.

Detailed analyses was performed for each project type that was identified as potential that is likely to be implemented under the Programme.

It should be emphasised that, given the general nature of the Programme, the presented hypothetical impacts can be showed only in a general way, and the specific impacts will depend on the location and characteristics of projects proposed for funding under the Programme.

The analyses showed, that the Programme's negative impact on the environment may occur during the implementation of projects relating to renewable energy sources and realisation of infrastructure investments (in the scope of roads, water and waste management) but it does not mean that such impact will occur. It could be identified only on the base of a concrete project analyses. Because, as noted in the Programme, they will be implemented on a small scale, their impact on the environment may be small as well. They can relate to impacts on the marine and terrestrial environment, and especially on biodiversity, fauna, flora and may affect the integrity of the protected areas. In terms of effects on air quality, climate, and human health, such type of projects will mainly have a positive impact. It will be linked to the replacement of the conventional energy based on fossil fuels, which involves the reduction of emissions, including emission of greenhouse gases. Negative impacts may be particularly associated with effects on marine and terrestrial ecosystems.

Positive impacts will characterise projects aiming at energy efficiency improvement, which will primarily serve the people. However, by improving and increasing the attractiveness of public transport the projects are likely to have impact on fuel consumption and thereby reduce adverse emissions of air pollutants and greenhouse gases. Increasing mobility in the region and (as a consequence) developing tourism may lead to increased pressures on the environment.

Although a number of projects will have an impact on raising the environmental awareness of business, public administration and society, and that will be positive. However, attention should be paid to this element when selecting projects to maximise their use for the good of the region.

Another group of projects implemented under the Programme will be relating to the protection and promotion of natural and cultural heritage. They will have a positive impact associated with an increase in environmental awareness, management of protected and cultural heritage areas, and increase in activity of the region's population. On the other hand, tourism development, which is the result of the mentioned activities, can increase pressure on the environment.

THE RESULTS OF ANALYSES OF RESEARCH ISSUES

In order to determine the impact of the Programme on the individual elements of the environment, and its overall impact on the realisation of a sustainable development policy, a wide range of specific tests was carried out.

These relating primarily to evaluation the Programme from the perspective of: complementarity, compatibility with the principles of sustainable development, adequacy with regard to the needs (especially environmental), minimisation of negative impacts, relevant criteria for project selection, compliance with the objectives of national and EU policies, effectiveness of the proposed actions, synergies, etc. Results of these analyses are included in the assessment of the Programme.

PROPOSED METHODS OF EVALUATING THE EFFECTS OF THE PROGRAMME IMPLEMENTATION

During the implementation of the Programme the most important are the process control, and impact assessment of the tasks covered by the financial support. Therefore, it is necessary to develop proposals of the analysis methods that will allow to evaluate implementation process and control realisation of the objectives established under the Programme, i.a. through monitoring of the environmental effects and changes in the environment. However, the Programme is developed on a high level of generality, and in most cases it does not specify projects that will be funded, nor their exact location. Moreover, it should be noted that it has limited impact on solving environmental problems, due to its limited financial scope. In this situation, it is proposed that the Programme's impact on the environment was monitored at the level of individual projects implementation, using monitoring systems that exists in both countries.

PUBLIC CONSULTATIONS

Following the Directive 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment, the SEA report was made available to the public. The SEA procedures were carried in accordance to the national legal acts. There were carried out two public consultations of the SEA. First one took place between 17 July 2015 and 10 August 2015. The summaries of the SEA Report were published in Polish and English language and were available on the Programme website as well as website of the Managing Authority. Within the first consultations no comments to the SEA were submitted.

Further public consultations were conducted in May-June 2016. Again, the summaries of the SEA Report were available on the Programme website as well as website of the Managing Authority. The comments that were received during the public consultations have been taken into consideration. A report on the public consultations presents all comments with response to them.

The Russian Federation legislation does not require public consultations of the SEA, as it stipulates no specific provisions for the SEA in the territory of the Russian Federation for the purposes of the implementation of a CBC Programme.

4.11 COMMUNICATION STRATEGY

The MA is responsible for creating and implementing the Communication Strategy of the Programme (approved by the JMC) strengthening its public awareness and ensuring the widest possible participation and visibility of the actions. The Programme Communication Strategy shall be developed in order to set out the aims and target groups as well as define the plan of the specific actions. For these activities an indicative budget shall be drawn up under the technical assistance allocation. An appropriate chapter on communication will be included in the annual reports.

MAIN OBJECTIVE OF COMMUNICATION STRATEGY

The main objective of all communication activities is to provide the potential applicants, beneficiaries, stakeholders as well as the general public with a wide access to information on

the Programme and its financing sources. All mentioned above target groups shall be adequately informed by the MA, the JTS and Branch Office on the objectives of the Programme, the conditions for applying for co-financing and the individual procedures to be followed as well as the results of the implemented projects.

Simultaneously, the informational and promotional activities of the Programme shall have the aim to strengthen the cooperation between partners and countries participating in the Programme and implement the Programme more effectively. This objective is to be accomplished by means of:

- providing constant and numerous information on the possibilities of financing being granted, including thematic objectives and priorities of the Programme as well as the steps that should be taken in order to apply for funds and the criteria of project selection,
- informing the general public on the state of the Programme's accomplishment, on regular basis, in particular on the results of the projects implemented within the Programme,
- creating a consistent image of EU co-funding and the role played by the participating countries, for example on the level of their co-financing,
- underlining the importance of cooperation between all the parties involved in the Programme implementation.
- all the communication activities in the territory of the Russian Federation should be conducted on the bases of equal visibility principle of co-financing parties of the Programme, applicable regulations of the Russian Federation and the Communication and Visibility Manual for EU External Actions.

TARGET GROUPS AND LEVEL OF DISSEMINATING INFORMATION

In order to make the information flow more efficient, consequently increase the quality and effectiveness of the Programme implementation, the communicational activities should be conducted on two levels: external and internal one. The first one is addressing potential applicants, beneficiaries, stakeholders as well as wider public of the Programme, in particular:

- regional and local authorities and other competent public institutions,
- regional and local entities,
- euro-regions,
- non-governmental and non-profit organisations,
- general public, including the mass media and people interested in the programme for scientific purposes.

The internal level of communication refers mainly to effective information flow between the institutions involved in the implementation of the Programme (Programme bodies) as well as across the other programmes.

INSTITUTIONS INVOLVED IN CONDUCTING AND COORDINATING COMMUNICATION STRATEGY

The Managing Authority is responsible for coordinating the Communication Strategy. The MA will delegate some competences to the JTS appointed as intermediate body referred to in Article 20(3) of the IR, which will be responsible for providing the information and promotion activities for the Programme and also for presenting the progress of the strategy fulfilment in a form of Annual Report. The separate informational and promotional initiatives should be conducted in cooperation with the JTS.

THE STRATEGY AND CONTENT OF COMMUNICATION STRATEGY

The Communication Strategy should ensure a transparency of support procedures under the Programme, and inform in an impartial and comprehensive way on the following items related to Programme functioning:

- thematic objectives,
- priorities,
- possible subjects of support,
- eligibility principles of expenditures,
- financial contribution of the EU and of the Russian Federation,
- procedures for examining applications,
- criteria of project selection,
- calls for proposals,
- results achieved by the projects through the implementation within the Programme,
- institutions on the national and regional level that can provide information on the Programme.

Moreover, the general public should be regularly informed on the progress of the implementation of the Programme and examples of best projects.

PROGRAMME LOGO

For an increased identification with the Programme, the logo of the Programme, symbolising the cooperation of the participating countries within the Programme will be designed. A joint logo of the Programme shall be placed on all information and promotion materials, Programme website and offices of the institutions that disseminate any external information on the Programme (e.g. to beneficiaries, partners etc.). The logo shall also be used for promotional reasons of particular projects implemented within the Programme. The logo shall be accompanied by words “Co-financed by the European Union.”

In the Russian territory, the visual demonstration of Russian financial participation in the Programme will consist of the Russian and the European Union flags along with the Programme logo. Such visualisation would apply to projects implemented on the territory of Russia. Every mention of the EU co-financing of a project in the Russian territory shall be accompanied by the identical mention of the Russian co-financing.

MAIN COMMUNICATION CHANNELS

The following communication channels may be used to disseminate information on the Programme:

- Internet

To ensure the constant access to the information about the Programme, its objectives and content, legal basis, procedure for submitting applications and selecting projects as well as official documents a Programme website shall be developed. It will be a comprehensive source of information regarding implemented within the Programme projects, provided events, meetings and workshops for all target groups of the Programme. Moreover, it will provide the access to contact persons, useful links, including coordinating institutions as well as access to all important documents and publications. The JTS will be responsible for its administration and updating.

The promotion of the Programme may be provided also via internet portals, internet editions of newspapers and other internet media sources like social media. Well-adjusted to the target groups internet channels could be used as an effective platform of communication of the Programme and projects implemented within.

- Mass media

Mass media, as one of the most effective media channels, can be used not only in the Communication Strategy of the Programme, mainly at regional and local level, but also in business, public opinion and thematic media (e.g. press including internet editions, outdoor, local/regional radio, local/regional TV, etc.). The JTS will prepare and conduct media campaigns and media relations according to the current stage of the Programme or projects' implementation.

Moreover, within the scope of project accomplishment, the beneficiaries shall conduct media relationships on their own. If necessary, they will be supported by the JTS, especially with regard to the Programme visibility requirements.

- Publications

The Joint Operational Programme is going to be published in an electronic form on the Programme website. Other, more detailed Programme documents or instructions will be published there as well.

In order to disseminate the appropriate information on the Poland-Russia Cross Border Cooperation Programme 2014-2020 various publications shall be prepared, e.g. a brochure/leaflet. All of them are going to inform the potential applicants about the legal basis, application requirements, criteria for project selection, main objectives of the Programme as well as available funds. Particular promotional materials will be created and published according to the current state of the Programme implementation. All publications shall be marked appropriately with the Programme visibility elements and should contain information on EU co-financing, and in case of the Russian territory also

information on Russian co-financing. They should have electronic versions available online prepared according to accessibility requirements for persons with disabilities.

- Events

Public events such as Programme conferences, informational meetings, workshops and trainings for potential applicants, beneficiaries and other institutions within a scope of transparent and effective implementation of the Programme will be organised with a view to share knowledge and communicate. Moreover, such events serve as a platform to present and compare achieved results and examples of the Programme implementation (“Best Practices”).

- Other forms of communication

Other, including non-standard forms of information and promotion, may be used during creation and execution of Programme Communication Strategy. Well addressed to the target groups, attractive and modern activities such e.g. internet competitions or social media activities can effectively strengthen the public awareness of the Programme and co-financed projects.

INDICATIVE BUDGET

The Managing Authority will take all necessary institutional, administrative and financial measures to accomplish goals of the Programme Communication Strategy. Therefore, the funds allocated for information and promotion are presented in the Programme Technical Assistance budget.

INDICATIVE INFORMATION AND COMMUNICATION PLAN (ICP) FOR THE 1ST YEAR

The first year of the Programme implementation is 2017. The communication activities in 2017 shall be based on the achievements and impact of the projects implemented within the 2007-2013 perspective. The ICP should seek to maximise synergies with the overall visibility strategy of the EU. In all communication activities, local languages should be used as far as possible. The ICP should incorporate the ability to exploit unexpected communication opportunities to the benefit of the Programme (e.g. public events). In order to ensure high quality and effectiveness of the Programme implementation, the informational and promotional activities should be conducted on two levels: external and internal (Programme bodies).

The main objective of the ICP for 2017 shall be to ensure information flow among the Programme bodies and across the Programme’s stakeholders in order to inform the potential applicant about the available funds and Programme requirements and raise awareness on the provisions of the JOP. At the same time, the ICP should contribute to maximise potential applicants’ skills to draft proposals in an effective manner. The ICP should also promote best cross-border cooperation practices based on the 2007-2013 projects’ experiences and motivate the new potential applicants to increase and develop the positive impact in the thematic areas defined by the Programme priorities.

A new website dedicated to the Programme should be developed as a communication hub. It should facilitate the partner search by potential applicants and contribute to raise the project management capacities of the potential beneficiaries.

Programme events (including i.a. LIPs workshop and CfP Partner Search Forum, workshops and trainings for applicants) are planned to be organised in 2017. If needed, further training and networking events will be organised, based on the Programme implementation schedule and the Programme institutions and applicants' needs.

4.12 INFORMATION SYSTEM OF THE PROGRAMME

In the Programme, the central ICT system will enable recording and storing in computerised form financial and descriptive data on each project, including data on individual participants in projects, necessary for monitoring, evaluation, financial management, control, audit and reporting.

The system shall meet accepted security and reliability standards.

Additionally, the local system can be built to support the processes related among other to the organisation of the CfPs (application, administration and quality assessment, selection, decision).

All details related to the information system functioning shall be described in its User Manual.

The relevant data on projects financed by the Programme will be also provided to KEEP 2.0 data base developed by INTERACT.

4.13 LANGUAGES

The working language of the Programme will be English. Contracts shall be concluded in English, and all official documentation and communications that are related to the Programme implementation should be in English. All the key documents of the programme (Joint Operational Programme, Communication Strategy etc.) are to be translated into the national languages. Supporting documents may be translated into Polish and Russian.

At the Programme level, any costs that are related to interpretation and translation should be budgeted in the TA budget. On a project level, interpretation and translation costs may be included in a project budget. Programme related documents will be translated into the national languages upon the decision of the NAs.

4.14 USE OF EURO

Expenditure incurred in a currency other than the euro shall be converted into euro using the monthly accounting exchange rate of the European Commission of the month during which the expenditure was incurred.

5. PROGRAMME FINANCES

5.1 INDICATIVE FINANCIAL PLAN

The indicative financial plan presents the available for the Programme amounts of the financial contributions of the EU and the Russian Federation.

	EU Funding (a)	Russian Federation Contribution (b)	Minimum Co-financing (c)	Total funding (e) = (a)+(b)+(c)
HERITAGE	14 590 931,73	8 087 149,52	2 267 808,13	24 945 889,38
ENVIRONMENT	12 391 570,20	6 884 205,66	1 927 577,59	21 203 353,45
ACCESSIBILITY	10 532 834,67	4 818 943,97	1 535 177,86	16 886 956,50
BORDERS ¹²	0,00	0,00	0,00	0,00
Technical Assistance	4 130 523,40	1 032 630,85	0,00	5 163 154,25
TOTAL	41 645 860,00	20 822 930,00	5 730 563,58	68 199 353,58

Table 10 Indicative financial table

In line with the Programming document for the EU support to ENI Cross-border Cooperation 2014-2020, additional ERDF allocations for 2018-2020 can be available for the Programme, subject to the mid-term review of the CBC and the availability of matching ENI funds. In case it happens, the second call for proposals will be organised using the additional funding and the Programme financial table will be updated accordingly.

Programme indicative financial table				
	A	B	C	D

¹² Due to the fact that there were no project proposals for TO Borders submitted during the 1st Call for Proposals, the TO Borders' allocation was shifted to TO Heritage, TO Environment and TO Accessibility.

	INDICATIVE PROVISIONAL COMMITMENTS BY THE EC	CO-FINANCING	PROGRAMME'S INDICATIVE PROVISIONAL COMMITMENTS - EC funding -	PROGRAMME'S INDICATIVE PROVISIONAL PAYMENTS - EC funding -
2015				
Projects	0,00	0	0,00	0,00
TA		(not applicable)	0,00	0,00
TOTAL 2015			0,00	0,00
2016				
Projects	9 199 293,00	0	0,00	0,00
TA		(not applicable)	0,00	0,00
TOTAL 2016			0,00	0,00
2017				
Projects	15 406 832,00	1 593 201,88	14 869 884,24	5 947 953,70
TA		(not applicable)	976 177,85	976 177,85
TOTAL 2017			15 846 062,09	6 924 131,55
2018				
Projects	5 243 855,00	1 907 550,00	16 449 667,26	11 245 207,78
TA		(not applicable)	481 949,10	481 949,10
TOTAL 2018			16 931 616,36	11 727 156,88
2019				
Projects	5 855 157,00	663 834,12	6 195 785,10	9 913 256,16
TA		(not applicable)	484 268,62	484 268,62
TOTAL 2019			6 680 053,72	10 397 524,78
2020				
Projects	5 940 723,00	0,00	0,00	4 832 712,38
TA		(not applicable)	673 611,34	673 611,34
TOTAL 2020			673 611,34	5 506 323,72
2021				
Projects	N.A.	0,00	0,00	3 717 471,06
TA		(not applicable)	488 977,48	488 977,48
TOTAL 2021			488 977,48	4 206 448,54
2022				
Projects	N.A.	0,00	0,00	1 858 735,52
TA		(not applicable)	408 067,28	408 067,28
TOTAL 2022			408 067,28	2 266 802,80
2023				
Projects	N.A.	0,00	0,00	0,00
TA		(not applicable)	385 065,66	385 065,66
TOTAL 2023			385 065,66	385 065,66
2024				

Projects	N.A.	0,00	0,00	0,00
TA		(not applicable)	232 406,07	232 406,07
TOTAL 2024			232 406,07	232 406,07
		X		
TOTAL	41 645 860,00		41 645 860,00	41 645 860,00
2015-2024				
TOTAL COFINANCING RATE			%	%

Table 11 Annual EU commitments to the Programme

Year	COMMITMENTS BY THE RUSSIAN FEDERATION
2015	-
2016	-
2017	-
2018	7 500 000,00
2019	7 670 313,00
2020	3 000 000,00
2021	2 652 617,00
TOTAL 2015-2021	20 822 930,00

Table 12 Annual commitments of the Russian Federation to the Programme

5.2 TECHNICAL ASSISTANCE

The goal of the Technical Assistance (TA) is the effective implementation of the Programme by providing competent preparation, management, implementation, monitoring, evaluation, audit and control of the Programme, as well as by supporting project partner search initiatives and Programme-related promotion and information activities. The TA level should reflect the real needs of the Programme.

In order to successfully implement the Programme, it is necessary to prepare an appropriate management and implementation system. The TA is established in order to support the institutions responsible for these processes. The provision of an effective Programme promotion and information system is also crucial. The TA will be earmarked to support projects assessment and evaluations, preparation of Programme documents, and employment of experts.

The TA will cover costs related to activities aimed at enhancing the final beneficiaries' capacity to absorb the Programme's assistance. Activities contributing to human resources development will also be eligible. Support is planned as well for activities aimed at enhancing the quality of the institutions involved in the Programme's management and implementation, in particular those related to the activities of the MA, the JMC, the JTS, the AA / GoA, BO, CCPs and NAs. TA will also cover costs related to promotion and information initiatives. Such initiatives include informing potential beneficiaries about the possibilities of receiving assistance from the Programme, training for Programme beneficiaries, and dissemination of good practices. Costs related to Information activities concerning the

Programme's management, monitoring and control will be covered by the TA. Activities aimed at ensuring the appropriate flows of information among institutions and actors involved in project management and implementation will also be financed under the TA budget. Trainings, seminars and conferences will be organised, including events focused on raising awareness on the Programme and its goals. Programme information shall be disseminated by means of TV, radio, press, Internet sites, brochures, leaflets etc. Communications will be targeted at potential applicants, beneficiaries and the general public in order to raise Programme awareness.

A maximum of 10% of the Union's total contribution and a maximum of 5% of the financial contribution of the Russian Federation to the Programme may be allocated to the TA. The part of the Russian Federation contribution allocated to the Technical Assistance will be earmarked for the financing of the functioning of the Branch Office in Kaliningrad (experts fees, incidental expenditure, expenditure verification costs).

Expenditure related to promotion and capacity building activities incurred outside the Programme area may be covered within the limit of 10% of the Union contribution at the Programme level.

Indicative actions:

- preparation, selection, appraisal and monitoring of projects,
- meetings of JMC (including travel costs of JMC members),
- functioning of the MA, the JTS, the AA / GoA and BO CCPs NAs. Staff costs of officials of the participating countries assigned to the Programme may be considered eligible as TA costs. Parallel remuneration systems and topping ups will be avoided,
- promotion and information actions concerning the Programme (e.g. seminars, Programme website and publications),
- supporting, consulting, and coordinating beneficiaries and institutions involved in the implementation of the Programme,
- analysis, surveys, researches and experts, evaluations and reports required for implementing and managing the Programme,
- translations.

Expected beneficiaries: institutions/bodies involved in the Programme management and implementation, in particular: the MA, the JMC, the JTS, the AA/GoA and the BO, the CCPs, the NAs.

If the implementation of the TA budget requires procurement, the contract must be awarded according to the following rules:

- where it is an entity established in a Member State it shall either apply national laws, regulations and administrative provisions adopted in connection with Union legislation applicable to public procurement or procurement rules set out in Title IV of Part Two of Regulation (EU, Euratom) No 966/2012 and Title II of Part Two of Delegated Regulation (EU) No 1268/2012;

- for the purpose of contracting the BO, the Programme shall follow the provisions of PRAG applicable at the moment of JOP adoption by the EC;
- in all other cases, the relevant procurement rules shall be described in the financing agreement referred to in Art. 8 and 9 of the IR.

The Programme preparatory activities (e.g. organisation of the JPC meeting, elaboration of external expertise) were conducted since 2013 and were financed from the ENPI CBC Programme Lithuania-Poland-Russia 2007-2013. As stipulated in the Commission Implementing Decision C(2015) 9211 of 18.12.2015 modifying the ENPI CBC Programme Lithuania-Poland-Russia 2007-2013, the TA budget of that Programme will be used to continue to finance the preparatory activities for the Poland-Russia CBC Programme 2014-2020 until the receipt of the first pre-financing under this Programme. At the same time, if needed, it shall be possible to finance preparatory actions referred to in Article 16 of the IR also from the ENI CBC Programme Poland-Russia 2014-2020. In this case, costs for preparatory actions referred to in Article 16 of the IR shall be eligible upon submission of the Programme to the Commission, but not earlier than 1 January 2014 provided the Programme is approved by the Commission, pursuant to Article 36 of IR.

SERVICE CONTRACT ESTABLISHING BO

The service contract establishing the BO in Russia will be awarded under negotiated procedure with a single tender on the basis of the case where, for technical reasons, the contract can be awarded only to a particular service provider (Art. 266 of Delegated Regulation (EU) No 1268/2012).

Based on Art. 37 of the IR, Art. 273 of the Delegated Regulation (EU) No 1268/2012 and following the decision of the JPC, it was decided that service contract dossiers within the Programme establishing BO in Russia will be drawn up on the basis of the Procurement and Grants for European Union external actions - a Practical Guide (PRAG) being the best international practice (version applicable at the moment of JOP approval) adjusted, if needed, upon the MA decision.

Scope of the main contract activities (to be a part of the tender dossier as the Terms of Reference) shall reflect results of the consultations with the national and/or regional authority of the country where the BO is planned to be established. The service contract shall be signed by the MA.

The costs of the functioning of the BO in Kaliningrad will be primarily financed from the Russian Federation financial contribution allocated to the Technical Assistance.

ELIGIBILITY OF COSTS OF THE BO

Eligibility requirements set out in Art. 48 of the IR apply mutatis mutandis to TA costs. Procurement by the BO shall be limited to ordinary running costs and costs for communication and visibility activities. The MA shall make payments to the BO in euro. Pursuant to Art. 67 of the IR the MA shall choose for the TA costs the method of conversion into euro of expenditure incurred in a currency other than the euro. This method shall apply throughout the Programme duration. Expenditure incurred in a currency other than the euro

shall be converted into euro by the BO using the monthly accounting exchange rate of the Commission of the month during which the expenditure was incurred.

MODIFICATION OF SERVICE CONTRACTS WITH THE BO

Specific procedures concerning modifications of service contracts concluded by the MA for the establishment of the BO shall be laid down in these contracts.

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