



TRADERUN MOODUL
TRADERUN MODULE



FUNDING PROJECTS IN RUSSIA AND EU PARTNERSHIP COUNTRIES
PROJEKTIDE RAHASTAMINE VENEMAAL JA EL IDAPARTNERLUSRIIKIDES

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Reading materials. PART 1.
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INTRODUCTION

The current reading material focuses on funding of international projects – investment-loan, state aid, development aid. It also shows examples of successful projects.

*The aim of the Traderun programme course “**FUNDING PROJECTS IN RUSSIA AND EASTERN PARTNERSHIP COUNTRIES**” is to provide the students with comprehensive and practical overview of the fundraising possibilities in EU and Estonia. The course gives an overview of EU structural support and regional implementing agencies, that are available for a businessman to apply for a fund.*

A successful student will be aware of and understand the EU fundraising possibilities in the frames of cooperation with Russian and Eastern Partnership countries, and able to define the financing criteria and priorities.

The current reading material summarises the main aspects covered by lectures and structures the information channels for the future.

The course supports the other Traderun courses, especially the course related to EU cooperation with Russia and Eastern Partnership Countries.

SECTION 1. STATE AID PROJECTS BY UN, WB and IMF

United Nations and its agencies.

The UN has played a crucial role in building international consensus on action for development. Beginning in 1960, the [General Assembly](#) has helped set priorities and goals through a series of 10-year International Development Strategies. While focusing on issues of particular concern, the Decades have consistently stressed the need for progress on all aspects of social and economic development. As the global centre for consensus-building, the UN has set priorities and goals for international cooperation to assist countries in their development efforts and to foster a supportive global economic environment.

At the [Millennium Summit](#) in September 2000, world leaders adopted a set of [Millennium Development Goals](#) aimed at eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases; and ensuring environmental sustainability — through a set of measurable targets to be achieved by the year 2015. Among these are: cutting in half the proportion of those who earn less than a dollar a day; achieving universal primary education; eliminating gender disparity at all levels of education; and dramatically reducing child mortality while increasing maternal health. The [2010 UN Summit on the Millennium Development Goals](#) concluded with the adoption of a [global action plan](#) to achieve the eight anti-poverty goals by their 2015 target date and the announcement of major new commitments for women's and children's health and other initiatives against poverty, hunger and disease. <http://www.un.org/en/globalissues/development/>

The Economic and Social Council ([ECOSOC](#)) is the principal body coordinating the economic and social work of the United Nations. The United Nations Department of Economic and Social Affairs ([DESA](#)) provides support to the intergovernmental processes on development issues in the General Assembly and in the Economic and Social Council, its functional commissions and expert bodies. The UN is the only global institution committed to development. Nearly every organization in the UN family has some aspect of development assistance and cooperation as its focus, either directly or indirectly. The [United Nations Development Group](#) unites the 33 UN funds, programmes, agencies, departments, and offices that play a primary role in development efforts.

Taking the lead in this effort is the [United Nations Development Programme](#) (UNDP), which is on the ground in 166 countries. The annual [Human Development Report](#), commissioned by UNDP, focuses the global debate on key development issues, providing new measurement tools, innovative analysis and policy proposals. <http://www.un.org/en/globalissues/development/>

The UN Children's Fund ([UNICEF](#)) is the lead UN organization working for the long-term survival, protection and development of children. Active in 190 countries, its programmes focus on immunization, primary health care, nutrition and basic education.

The World Food Programme ([WFP](#)) is the world's largest international food aid organization for both emergency relief and development. The UN Population Fund ([UNFPA](#)) is the largest international provider of population assistance.

The UN Environment Programme ([UNEP](#)) works to encourage sound environmental practices everywhere, and the UN Human Settlements Programme ([UN-Habitat](#)) promotes socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all.

To increase the participation of developing countries in the global economy, the UN Conference on Trade and Development ([UNCTAD](#)) promotes international trade. UNCTAD also works with the World Trade Organization ([WTO](#)), a separate entity, in assisting developing countries' exports.

The [World Bank](#) Group extends billions of dollars every year in low-interest loans, interest-free credits and grants to developing countries for a wide array of purposes that include investments in education, health, public administration, infrastructure, financial and private sector development, agriculture and environmental and natural resource management.

To accelerate development in Africa, which has 39 of the world's poorest countries, the UN system works closely with the New Partnership for Africa's Development ([NEPAD](#)), an African Union initiative that serves as a framework for international support for African development. <http://www.un.org/en/globalissues/development/>

Funding related to Millenium Development Goals

The eight Millennium Development Goals (MDGs), which range from halving extreme poverty to halting the spread of HIV/AIDS, to providing universal primary education – all by the target date of 2015 – form a blueprint agreed to by all the world's countries and all leading development institutions. In September 2000, world leaders came together at United Nations Headquarters to adopt the United Nations Millennium Declaration, with a deadline of 2015 – that have become known as the Millennium Development Goals.

The Millennium Development Goals are:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Each Goal has between one and eight targets, and each target has up to five indicators for monitoring progress. The UN Statistics website provides an [official list of the Goals, targets and indicators](#). The agenda was based on an achievable set of proposals outlined in March 2005 by Secretary-General Kofi Annan's report, *In Larger Freedom*.

At a High-level Event at UN Headquarters on 25 September 2008, governments, foundations, businesses and civil society groups rallied around the call to action to slash poverty, hunger and disease, by announcing new commitments to meet the Millennium Development Goals. The gathering "exceeded our most optimistic expectations," UN Secretary-General Ban Ki-moon said, noting that the High-level Event generated an estimated \$16 billion in pledges, including some \$1.6 billion to bolster food security, more than \$4.5 billion for education and \$3 billion to combat malaria. <http://www.un.org/en/globalissues/briefingpapers/mdgs/index.shtml>

The three-day Summit on the MDGs – formally a High-level Plenary Meeting of the General Assembly (20-22 September 2010) – concluded with the adoption of a global action plan spelling out specific steps to be taken by all stakeholders to accelerate progress on each of the eight Goals, based on successes and lessons learnt over the last ten years. The Summit also generated a major push for women's and children's health, with governments, the private sector, foundations, international organizations, civil society and research organizations pledging over \$40 billion in resources for the Secretary-General's Global Strategy on Women's and Children's Health. :

In the 2010 Summit outcome document, governments request the General Assembly to continue to review, on an annual basis, the progress made towards the achievement of the Millennium Development Goals, including on the implementation of the Summit outcome. They also request the President of the sixty-eighth session of the General Assembly to organize a special event in 2013 to follow up on efforts made towards achieving the Goals. In his closing remarks to the MDG Summit in September 2010, the Secretary-General said: "In a rapidly changing international environment, we must also look ahead, beyond the deadline for the goals. And so, in response to your request in the outcome document, I intend to

initiate a process that will result in a post-2015 framework for the development work of the United Nations.”

IMF and World Bank: Country Programs and Conditionality

The World Bank supports country development programs through a range of lending, analytical, and advisory services that reflect country priorities, need, performance, and institutional capacity as well as Bank comparative advantage. Building on its assessment of a country's development challenges covering the range of structural, social, environmental, institutional, and macroeconomic policies, the Bank develops a business strategy which aims to help the country carry out its own vision for growth and poverty reduction. This approach was set out in the paper Supporting Country Development in Low- and Middle-Income Countries, which was discussed by the Development Committee in September 2000.¹ The paper focused on the Bank's support for low-income countries, which has been strengthened through the Poverty Reduction Strategy Paper (PRSP) and the Heavily Indebted Poor Country (HIPC) initiatives partnered with the IMF. More recently, the Bank looked into its approach to supporting development in middle income countries, in the context of the Task Force on the World Bank Group and Middle Income Countries.² <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:20124835~pagePK:41367~piPK:51533~theSitePK:40941,00.html>

Against this background, the Bank also has been considering its experience with adjustment lending as part of its periodic review of operational policies and lending instruments. In the recent Adjustment Lending Retrospective, the Bank took stock of major developments in adjustment lending over the last two decades and examined the appropriate use of adjustment lending within the Bank's menu of lending instruments.³ In that context, the retrospective, which was discussed by the World Bank Executive Directors on May 9, 2001 also reviewed the use and design of conditionality. Building on the retrospective, and as part of a broader effort of Bank operational policy reform, work has begun on an update of the Bank's Operational Directive (OD) 8.60, Adjustment Lending Policy, and its conversion into the Operational Policy/Bank Procedure (OP/BP) format. Over the next few months, the Bank will prepare an issues paper that outlines key options for the proposed policy update, and where appropriate, possible modifications of the existing policy on adjustment lending. The issues paper will be discussed with the Executive Board and will be made available to the public, serving as the basis for a series of face-to-face consultations with representatives of member governments, members of civil society, and other development partners, that will then be held around the world.

This work has coincided with the IMF's initiative to streamline conditionality. The paper Strengthening IMF-World Bank Collaboration on Country Programs and Conditionality reviews the developments in both the IMF's and the World Bank's operations that have led to an increased need for collaboration both in the design of their support for country programs and in monitoring and evaluating country performance with respect to the attached conditions. The key message of this paper is that enhanced World Bank and IMF staff collaboration on conditionality will strengthen program design, but only if there is enhanced staff cooperation throughout the country program cycle. The paper was prepared jointly by the staffs of the two institutions and was discussed by the Bank Board of Executive Directors on July 26, 2001 (see attached Chairman's Summary, dated August 14, 2001) and by the IMF Board of Executive Directors on July 25 and July 27, 2001. The attached final

version reflects the comments of the Executive Directors' of both the Bank and the Fund. The IMF is also posting the paper on its website. <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:20124835~pagePK:41367~piPK:51533~theSitePK:40941,00.html>

Which projects have been successful in World Bank and IMF cooperation?

Project Name	ID	Commitment Amount*	Product Line	Country/Area	Status	Approval Date
FYR Macedonia Public Expenditure PBG	P133791	201.5	Guarantees	Macedonia, former Yugoslav Republic of	Active	08-JAN-2013
Albania MDTF for Extractive Industry Transparency Initiative (EITI), Implementation Support, Phase III	P143963	0.35	Recipient Executed Activities	Albania	Active	08-JAN-2013
Community Climate Change Project	P125447	12.5	Recipient Executed Activities	Bangladesh	Active	31-DEC-2012
Maldives Ari Atoll Solid Waste Management Project	P130163	1.33	Recipient Executed Activities	Maldives	Active	23-DEC-2012
Namibian Coast Conservation Additional Finance	P128511	1.93	Global Environment Project	Namibia	Active	20-DEC-2012
Second Additional Financing for the Second Village Investment Project	P130667	4.2	IBRD/IDA	Kyrgyz Republic	Active	20-DEC-2012
Third Phase Community Based Rural Development Project	P129688	70	IBRD/IDA	Burkina Faso	Active	20-DEC-2012
DEVSTAT Additional Financing	P131234	10	IBRD/IDA	Ukraine	Active	20-DEC-2012
Sustainable land and forestry management Project	P130568	7.41	Global Environment Project	Burkina Faso	Active	20-DEC-2012
Second Additional Financing to the North Sudan Decentralized Health System Development Project	P144040	2	Recipient Executed Activities	Sudan	Active	19-DEC-2012
Central African Republic - Post Compliance I	P133434	0.25	Recipient Executed Activities	Central African Republic	Active	18-DEC-2012
DRC Phase II: Extractive Industries Transparency Initiative	P113977	0.5	Recipient Executed Activities	Congo, Democratic Republic of	Active	18-DEC-2012
Afghanistan: National Horticulture and Livestock Productivity Project	P143841	100	Recipient Executed Activities	Afghanistan	Active	18-DEC-2012
Financial Reporting and Oversight Improvement Project	P130878	19	Recipient Executed Activities	Malawi	Active	13-DEC-2012
PE Social Inclusion TAL	P131029	10	IBRD/IDA	Peru	Active	13-DEC-2012
Alat and Karakul Water Supply Project	P118197	82	IBRD/IDA	Uzbekistan	Active	13-DEC-2012
HN Safer Municipalities	P130819	15	IBRD/IDA	Honduras	Active	13-DEC-2012
Disaster Risk Management Project	P131094	30	IBRD/IDA	Honduras	Active	13-DEC-2012
PE Social Inclusion DPL	P131028	45	IBRD/IDA	Peru	Active	13-DEC-2012

Alat and Karakul Water Supply Project	P118197	82	IBRD/IDA	Uzbekistan	Active	13-DEC-2012
HN Safer Municipalities	P130819	15	IBRD/IDA	Honduras	Active	13-DEC-2012
Disaster Risk Management Project	P131094	30	IBRD/IDA	Honduras	Active	13-DEC-2012
PE Social Inclusion DPL	P131028	45	IBRD/IDA	Peru	Active	13-DEC-2012
Social Welfare and Development Reform Project Additional Financing	P122702	100	IBRD/IDA	Philippines	Active	11-DEC-2012
NATIONAL PROGRAM FOR COMMUNITY EMPOWERMENT IN RURAL AREA (PNPM RURAL 2012-2015)	P128832	650	IBRD/IDA	Indonesia	Active	11-DEC-2012
HIGHER EDUCATION QUALITY IMPROVEMENT	P122194	25	IBRD/IDA	Peru	Active	04-DEC-2012
Lao PDR Second Trade Development Facility Project	P130512	4	IBRD/IDA	Lao People's Democratic Republic	Active	04-DEC-2012
KP Southern Area Development Project	P130835	18	Recipient Executed Activities	Pakistan	Active	03-DEC-2012
'Diri Sawiya' Assisting PWD through Cash Transfers and Training	P123632	2.59	Recipient Executed Activities	Sri Lanka	Active	30-NOV-2012
Comoros Development Policy Grant 2	P122941	5	IBRD/IDA	Comoros	Active	29-NOV-2012
Water Resources and Irrigation Project	P121186	40	IBRD/IDA	Albania	Active	29-NOV-2012
TAJKISTAN SECOND PUBLIC EMPLOYMENT FOR SUSTAINABLE AGRICULTURE AND WATER RESOURCES MANAGEMENT PROJECT	P133327	18	IBRD/IDA	Tajikistan	Active	29-NOV-2012
Competitiveness DPL	P126038	50	IBRD/IDA	Macedonia, former Yugoslav Republic of	Active	29-NOV-2012

Successful projects by countries: Georgia and Moldova

▶ Project Title	▶ Country	▶ Project ID	▶ Commitment Amount *	▶ Status	▶ Approval Date
Second Regional Development Project	Georgia	P130421	30.0	Active	NOV 06, 2012
First Competitiveness and Growth Development Policy Operation	Georgia	P129597	60.0	Closed	JUL 19, 2012
Third East West Highway Improvement Additional Financing	Georgia	P128863	43.0	Active	JUN 26, 2012
Regional Development Project	Georgia	P126033	60.0	Active	MAR 20, 2012
Second Secondary and Local Roads Project (SLRP II)	Georgia	P122204	70.0	Active	MAR 15, 2012
Georgia: Third Development Policy Operation	Georgia	P122202	40.0	Closed	JUL 21, 2011
South East Europe and Caucasus Catastrophe Risk Insurance Facility (Serbia and Macedonia)	South Eastern Europe and Balkans	P110910	10.0	Closed	MAR 03, 2011
Preparatory Work for 2014 Georgia National Population Census	Georgia	P125424	0.25	Active	FEB 09, 2011
Mobile Social Networking in Georgia	Georgia	P125782	0.04	Closed	JAN 10, 2011
ADDITIONAL FINANCING TO THE REGIONAL & MUN. INFRA. DEV. PROJECT	Georgia	P120887	45.0	Active	NOV 02, 2010

▶ Project Title	▶ Country	▶ Project ID	▶ Commitment Amount *	▶ Status	▶ Approval Date
Competitiveness Development Policy Operation	Moldova	P122226	30.0	Closed	NOV 01, 2012
Moldova Agriculture Competitiveness Project	Moldova	P118518	18.0	Active	MAY 01, 2012
MOLDOVA AGRICULTURE COMPETITIVENESS PROJECT (GEF)	Moldova	P127125	4.44	Active	MAY 01, 2012
Quality Education in the Rural Areas of Moldova AF	Moldova	P129552	1.0	Active	MAR 20, 2012
Moldova EFA FTI 3 Grant	Moldova	P128468	4.4	Active	FEB 09, 2012
Health Services and Social Assistance Additional Financing	Moldova	P125719	10.2	Active	DEC 08, 2011
BIOGAS GENERATION FROM ANIMAL MANURE PILOT	Moldova	P120702	0.98	Active	JUN 24, 2011
Strengthening the Effectiveness of the Social Safety Net Results-Based Financing Specific Investment Loan	Moldova	P120913	37.0	Active	JUN 09, 2011
Governance eTransformation Project	Moldova	P121231	20.0	Active	JUN 09, 2011
Moldova: Sida Trust Fund on Financing Energy Sector Reform and Efficiency Improvements	Moldova	P125137	2.87	Active	FEB 17, 2011

Successful project example from Ukraine: Additional Financing and Restructuring for the Development of the State Statistics System for Monitoring the Social and Economic Transformation Project

PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE¹

Report No.: AB7062

(The report # is automatically generated by IDU and should not be changed)

Project Name	Additional Financing and Restructuring for the Development of the State Statistics System for Monitoring the Social and Economic Transformation Project
Region	Europe and Central Asia
Country	Ukraine
Sector	ECSP3
Lending Instrument	Specific Investment Loan
Project ID	P076338
Parent Project ID	P131234
Borrower(s)	Ukraine/Ministry of Finance
Implementing Agency	State Statistics Service of Ukraine
Environmental Screening Category	C
Date PID Prepared	June 4, 2012
Estimated Date of Appraisal Completion	June 21, 2012
Estimated Date of Board Approval	October 25, 2012

¹ <http://documents.worldbank.org/curated/en/2012/08/16578187/ukraine-devstat-additional-financing>

Decision	Project authorized to proceed to appraisal upon agreement on any pending conditions and/or assessments
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I. Country Context

1. **Ukraine is an eastern European country with a population of approximately 46 million.** While transition from the socialist regime started in the early 1990s and much has been done in shifting to a market economy, there are many remnants of the previous system even after 20 years of transition.
2. **Ukraine was an average growth performer in a fast growing region, with GDP growth averaging 7 percent between 2000 and 2008.** Growth helped to significantly reduce poverty in the country. The poverty and vulnerability headcount index fell steadily from 46.9 percent in 2002 to just 12.3 percent in 2007 (measured by the USD 5 in Purchasing Power Parities poverty line). Growth over these years was primarily driven by external and temporary factors as opposed to the structural changes in the economy.
3. **As the crisis hit the Ukrainian economy it contracted by 15 percent in 2009, exposing its underlying macroeconomic and structural vulnerabilities. Ukraine's economy returned to growth in 2010-2011, but the recovery remains fragile.** After the sharp decline in Gross Domestic Product (GDP) in 2009, the economy grew 4.2 percent in 2010, and posted 5.2 percent growth in 2011. Ukraine's economy remains vulnerable and many spheres of economic and social activity are in need of fundamental reforms. Over the last 20 years there has been no shortage of strategic visions and government programs to realize Ukraine's vast economic potential. However, implementation of these programs has been disappointing and performance has remained below expectations.
4. **Lack of trust in the state has consistently undermined public support for economic reform.** The transition recession of the early 1990s has left deep scars. The outcome of the early transition years was the concentration of wealth in the hands of the few and the erosion of social security and public service standards. The failure of early reform efforts to deliver tangible improvements and the failure of government to stem state capture and corruption have sapped public support for reform and prompted successive administrations to opt for short-term fiscal hand-outs instead. Unlike in non-CIS transition economies, Ukraine failed to benefit from the strong anchor of an EU membership perspective which might have provided a focal point for reform efforts.

II. Sectoral and Institutional Context

5. **A reliable and trusted statistics system is key in recreating trust in the state and establishing an accountability link between the state, citizens, and businesses.** The Soviet system of statistics inherited by Ukraine has an extensive coverage and use of census based statistics. The Government of Ukraine had recognized the need to reform the statistics to develop a modern system that would meet the needs of a democratic society and market economy, and had initiated the reform process in 1993. The reform has been ongoing since then and the latest strategic document guiding the reform implementation is the Strategy of State Statistics Development till 2012 approved by the Government of Ukraine in 2008. The document has set a number of measures to approach the EU statistical standards and improved cooperation between the State Statistics Service and data users.
6. **The State Statistics Service of Ukraine (SSSU) has a central role as a producer of official statistics and coordinator of the National Statistical System (NSS) of Ukraine which comprises all bodies authorized to produce official statistics.** The organization of the SSSU as a decentralized institution (with 27 regional offices) and its structure in terms of the resources divided between the Central Office and regional offices, together with the legal environment, are a bottleneck in the process of the development towards a modern and more efficient organization of official statistics in Ukraine. The professional independence of the State Statistics

Service of Ukraine (SSSU) and the principles of objectivity and impartiality are recognized in the Law of Ukraine "On State Statistics" from 2000. At the same time, the Adapted Global Assessment of the National Statistical System funded by the EU identified potential risks to professional independence of the SSSU due to an attempt to subordinate the SSSU to the Ministry of Economic Development and Trade. The statistical methodology, statistical reports and documentation, as well as survey questionnaires have to be approved by the Ministry. Depending on the mode in which such supervision is conducted in practice, the professional independence of the SSSU may be jeopardized and the fundamental principles may be undermined. The recent initiative taken by the SSSU to amend Decree № 1085/2010 to ensure the professional independence of the SSSU is a positive development that is expected to be finalized by the end of 2012.

7. **The reform of state statistics had substantial progress and achieved several important results with support of several donor projects, including EU and World Bank.** The original DEVSTAT project has supported methodological improvements in the area of official statistics and improved government finance, monetary and balance of payments statistics. The Integrated Statistical Data Processing System (ISDPS) was developed and will be piloted by the end of 2012. The results achieved so far include introduction of sample survey based data collection, subscription to the IMF special data dissemination standards (SDDS), and partial application of the EU statistical standards.
8. **The remaining challenges are streamlining statistical data processing, further alignment with EU standards, and implementation of new business processes.** The improved data processing and new business processes are supported by the new ISDPS developed under the original DEVSTAT project. Once the system is rolled out, the SSSU will be able to fully utilize it and process data in a centralized manner. The shift to the centralized model will improve efficiency of the statistical system and help achieve provision of reliable and timely statistics. This creates a basis for the Bank support in this process through provision of capacity building and ICT infrastructure that would help implement the ISDPS nationwide.

III. Project Development Objectives

9. **The Project Development Objective (PDO) will be as stated in the original Project Appraisal Document (PAD) and the Loan Agreement for the original loan will be amended to reflect this.** The Loan Agreement will be amended so that the PDO is formulated as follows. *The development objective of the Project is to build a sustainable state statistical system which efficiently provides timely and accurate data for policy evaluation and decision making* that matched the PDO as stated in the original PAD.

IV. Project Description

10. **The scope of the DEVSTAT project will be extended due to additional activities which are aimed to improve the technical capacity of local statistical offices and knowledge sharing and to complement the ISDPS roll out.** The additional loan proceeds will be used to:
 - (i) procure the new work stations and complementary equipment to expand the technical infrastructure and improve performance of work places for statisticians at the regional level; and
 - (ii) conduct a number of training courses for staff involved in the ISDPS implementation and usage
 - (iii) enhance functionality of the ISDPS
11. **Extension of the DEVSTAT project is required to complete a number of procurements, particularly a single stage ICB for the acquisition of work stations and other IT equipment.** The current closing date of the Project is December 31, 2012. The extension was discussed with the SSSU and the Ministry of Finance as the Borrower and it was agreed that one year extension is needed to complete all activities envisaged in the AF. The original closing date of DEVSTAT project shall also be extended to match the proposed AF closing date. To ensure timely

completion of the remaining activities the ICB documents should be ready before the negotiations of the AF package.

V. Financing 10 million US\$

Source: IBRD Loan 10 million US\$

Borrower/Recipient n/a

IBRD 10 million US\$

Total 10 million US\$

VI. Implementation

12. The implementing agency for the Project is the State Statistics Service of Ukraine (SSSU). The SSSU will provide control over implementation of project activities, allocation of funds for identifies purposes, submission of the project reporting documents to the Bank, and project audit arrangements.

13. The Project Implementation Unit (PIU) established in the SSSU continues performing the activities as they were defined for the original project. These activities will be regulated by the loan agreement for the additional loan between Ukraine and the Bank as well as effective legislation and regulations of Ukraine. The task of the PIU is day-to-day project management. The PIU will have a staff of 2 persons who should cover such responsibilities as PUI Head, Financial Specialist and Procurement Specialist. Based on the previous experience when the scope of the original project was reduced after the project restructuring, responsibilities of the PIU Head and Financial Specialist were combined and performed by one person, while the other person covered responsibility of the Procurement Specialist

14. In addition to the PIU the Project Coordinator should perform responsibilities to ensure quality control on project implementation. The Project Coordinator position was introduced in 2010 per the Head of the SSSU request. The Project Coordinator is responsible for substantial monitoring and supervision of the project implementation progress, for keeping permanent dialogue with the supplier to ensure quality of the final product, and reports to the Head of the SSSU on project performance on a daily basis to ensure that the project is processing on track. Based on positive experience of two past years the management of the SSSU suggests to keep this position and to extend the existing contract with the well-performing consultant.

15. A tender committee with the qualified staff is set in the SSSU. This committee shall function in accordance with the Loan Agreement and procurement plan for the project. The PIU will include the Procurement Specialist to draw up procurement documents for the SSSU. The Procurement Specialist will attend the meetings of the tender committee to ensure compliance with the Bank's rules and regulations.

Applicable Guidelines will be (i) Guidelines for Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, edition of January 2011; (ii) Guidelines for Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers (January 2011).

For Consultant selection under the proposed project, the Bank's Standard Request for Proposals (RFP) would be used, where appropriate.

The Terms of Reference would be developed by the relevant departments of SCCU. All Terms of References shall be subject to Prior Review.

The SCCU developed a draft Procurement Plan (PP) for the entire project scope consistent with the implementation plan, which provides information on procurement packages, methods and the World Bank review method. This plan has been agreed between the SCCU and the project team and is to be finalized at negotiations. The finalized plan would be available on the World Bank's external website. The PP would be updated in agreement with the World Bank project team annually or as required to reflect actual project implementation needs and improvements in implementing agency's institutional capacity.

- 16. The Ministry of Finance of Ukraine should open banking accounts for the project in accordance with the arrangements as defined in the Regulation #1090 approved by the Cabinet of Ministers on September 5, 2007.**

Full details: <http://documents.worldbank.org/curated/en/2012/08/16578187/ukraine-devstat-additional-financing>

For more information about WB projects, see

[Supporting Country Development: World Bank Role and Instruments in Low- and Middle-Income Countries](#) (80KB PDF) (DC/2000-19), September 8, 2000

[Supporting Country Development: Strengthening the World Bank Group's Support for Middle-Income Countries](#) (DC2001-0005), April 10, 2001

[Adjustment Lending Retrospective](#) (SecM2001-0215), April 2, 2001
[Strengthening IMF-World Bank Collaboration on Country Programs & Conditionality](#)
[World Bank-IMF Collaboration on Conditionality: Chairman's Summary](#)

SECTION 2. EBRD DEVELOPMENT FUNDING

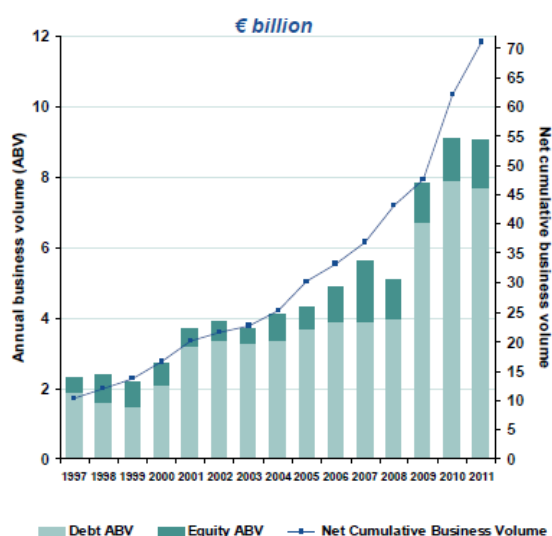
The EBRD is an international financial institution that supports projects from central Europe to central Asia and southern and eastern Mediterranean. Investing primarily in private sector clients whose needs cannot be fully met by the market, the Bank fosters [transition](#) towards open and democratic market economies. In all our operations we follow the highest standards of corporate governance and sustainable development.

What is the EBRD



European Bank
for Reconstruction and Development

- AAA/Aaa rated multilateral development bank
- Founded in 1991
- Owned by 62 shareholders – 60 states, EU and EIB
- Invested over €71 billion in more than 3,600 projects since 1991
- Record year in 2010 - €9.0 billion invested in 386 projects
- In 2011 €9.0 billion in 380 projects



We aim to promote market economies that function well – where businesses are competitive, innovation is encouraged, household incomes reflect rising employment and productivity, and where environmental and social conditions reflect peoples’ needs.

EBRD provides project financing for banks, industries and businesses, both new ventures and investments in existing companies. EBRD also works with publicly owned companies. Each of our projects is tailored to the needs of the client and to the specific situation of the country, region and sector. Direct investments generally range from €5 million to €230 million. EBRD provides loan and equity finance, guarantees, leasing facilities and trade finance. Typically we fund up to 35 % of the total project cost. The Bank invests only in projects that could not otherwise attract financing on similar terms. For each project we finance, we assign a dedicated team of specialists with specific sectoral, regional, legal and environmental skills. <http://www.ebrd.com/pages/about/what.shtml>

Through donor funds we mobilise investment capital and expertise by giving local business access to consultant experts. Donor programmes are funded by governments and international institutions, and are managed by the EBRD. EBRD also manages six nuclear safety and decommissioning funds. The biggest of these is for the transformation of the destroyed reactor in Chernobyl into an environmentally safe state. <http://www.ebrd.com/pages/about/what.shtml>

**A network of 33 offices in 29 countries
More than half our bankers based in the region**



The EBRD is renowned for its flexibility and the diversity of its debt products. The timing and nature of the EBRD's issuance is driven by opportunities that arise across all markets. The proceeds of transactions are typically swapped into a floating US Dollar LIBOR or EURIBOR pool, to facilitate asset and liability management. However, owing to rising demand for local currency financing, the EBRD increasingly holds proceeds in the currencies of its countries of operations. Under the 2013 Borrowing Programme EBRD is expected to borrow approximately €7 billion.

<http://www.ebrd.com/pages/workingwithus/capital/funding.shtml>

The EBRD will continue to follow three paths:

- seeking attractive opportunities for issuing products in emerging markets;
- furthering its drive to be a partner for sophisticated investors in structured products; and
- issuing bonds in the currencies and markets of its countries of operations as part of its mandate to stimulate and encourage the development of capital markets.

Past structured issues have included:

- Commodity linked issues where the return to investors is dependent on a single commodity or a basket of commodities
- Equity linked products such as debt linked to single and multiple equity indices, customised equity baskets and exchangeable bonds
- Yield curve based products where the payoff is linked to a variety of interest rates and yields
- FX linked products where the payoff to the investor is based on the performance of interest rates and FX rates
- Credit linked issues where the return to investors is dependent on a single credit or a basket of credits

Fund linked products which provide investors with exposure to the performance of a fund. <http://www.ebrd.com/pages/workingwithus/capital/funding.shtml>

What can be financed by EBRD

- **Municipal Infrastructure**

- Waste water treatment plants, pipes, meters, pumping stations, sewage plants, process plants, incinerators

- **Transportation**

- Rail track maintenance equipment, locomotives, signal systems, trams, buses, air traffic control and navigation equipment, motorway construction, management information systems

- **Power and Energy Efficiency**

- Power transmission lines and substations, distribution control systems, power stations and sub-components, meters, energy efficiency equipment, refurbishment of plants, management information systems

- **Nuclear Safety**

- Various works related to nuclear plants decommissioning

Financing requirements:

Ensure appropriate returns by carefully assessing the risks:

- Management strength and strategy
- Clear business plan and project costs
- Transparency of operations
- Disclosed identity of final shareholders and corporate structure
- Identified and limited tax liability risk
- Recourse to subsidiaries generating profits and holding assets
- Provide EBRD with an **overview of proposed investment**
- **Commitment to cooperation**
 - clarify role of EBRD
 - mandate to initiate transaction
 - mutual understanding of corporate integrity issues
- **Project / business plan**, market analysis, strategy, ownership structure, financial analysis, risk assessment
- **Exit strategy**

EBRD financial solutions:

Loans:

- Senior, subordinated, convertible
- Long Term
- Working capital
- Floating/ Fixed interest rates
- Major currencies and some local currencies (e.g. Romania, Russia, Poland)
- Political risk Guarantees

Equity:

- Common/preferred shares

- Mezzanine financing
- Exclusively minority participations (up to 35%)
- “Portage Equity”

Syndication

- In-house syndication unit
- Lender of record
- EBRD’s Preferred creditor status attracts other Financiers

EBRD trade Facilitation Program: EBRD supports trade by providing

- guarantees that cover risks arising from trade finance transactions
- short-term advances/financing to banks in the Countries of Operation for trade finance purposes
- TC funded trade finance training and advisory service to local banks

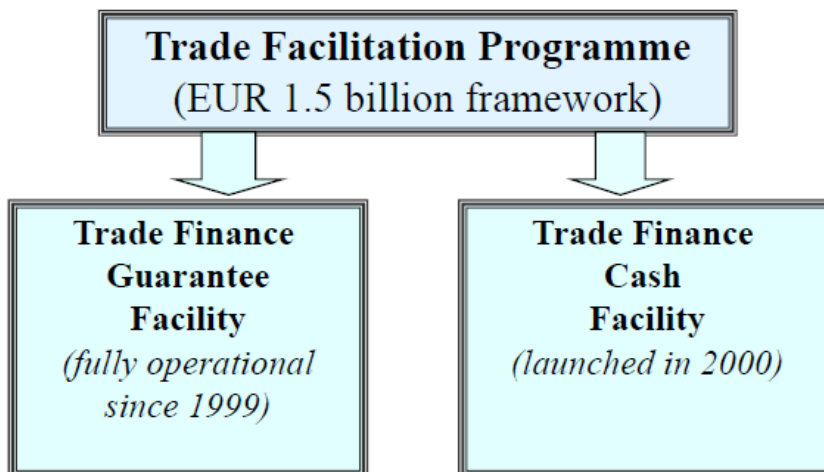


Illustration: Trade Facilitation Program

Trade Facilitation Program

- Active Issuing banks: 134
- Confirming Banks: 736 in 77 countries
- Since 1999, more than 12,400 transactions
- Supporting €8.6 billion trade volume and
- Effectively covering €7.9 billion worth of trade finance.

Estonia in particular:

- 60 export transactions from and via Estonia totalling € 22.4 million
- 4 Estonian Confirming Banks (as of January 2012)
 - _ AS Swedbank
 - _ AS Danske Bank, Estonian Branch
 - _ AS Unicredit Bank, Estonian Branch
 - _ AS SEB Pank

Export Transaction under Global Trade Facilitation

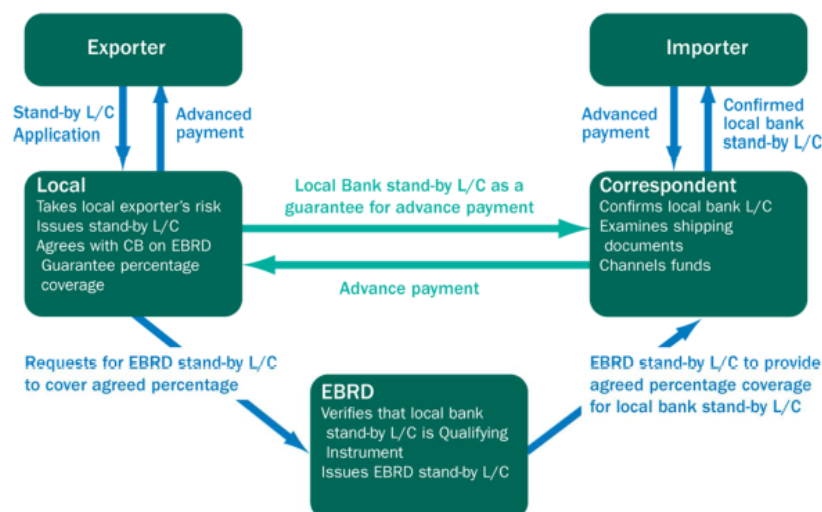
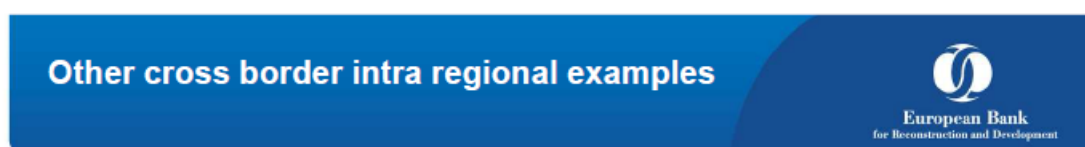


Illustration: TFP overview

Cross-border cooperation projects



Project name	Country	Sector	Investor	EBRD finance
Nasicecement D.D	Western Balkans Region	Manufacturing & Services	Nasicecement (Croatia)	€20 million long term loan
FYR Macedonia Transmission Interconnection	FYR Macedonia & Bulgaria	Power & Energy	Elektrostopans tvo na Makedonija (ESM)	€41 million sovereign-guaranteed loan
Frikom AD	Serbia & region	Agribusiness	PKB Frikom MDD (Serbia)	€13.1 million corporate loan
Cersanit Invest	Ukraine	Manufacturing & Services	Cersanit S.A. (Poland)	€ 81 million provided under the A/B structure with participation of commercial banks
Credit Europe Bank Senior Loan	Russia	Financial Institutions	Fiba Group (Turkey)	RUB 2.9 billion senior loan

EBRD, Estonia and cooperation in region

EBRD is prepared to²

² <http://www.conference-checkin.com/wp-content/uploads/2012/06/Matti-Hyyrynen-EBRD%C2%A0supporting%C2%A0cross-border-activities-of-Estonian-companies.pdf>

- Support Estonian companies investing in EBRD countries of operations
- Assist Estonian companies to enhance their participation and success in the EBRD procurement tenders
- Through Trade Facilitation Programme mitigate risks related to trade financing
- EBRD closed its office in Tallinn at the end of 2007, but has remained engaged here.
- Since 1991 EBRD invested EUR 539 million in Estonia in 82 projects of total project value over EUR 1.3 billion
- 85% of the investments have been in the private sector
- Current portfolio represents EUR 80 million in 8 projects with Estonian entities (and 18 regional projects having allocations into Estonia)
- EBRD has invested through equity funds in 47 Estonian companies and is still invested in 16

Project examples:

- **Estonian Cell:** A €5 million (33%) equity investment and a €14 million subordinated loan to finance the construction of a green-field BCTMP pulp mill with a capacity of 150,000 tonnes p.a. in Kunda. *(signed in 2004)*
- **BaltCap:** A €20 million investment in private equity fund to support growth and development of medium sized enterprises in Estonia, Latvia and Lithuania. *(signed in 2007)*
- **Freenergy:** A €18.85 equity investment (35%) to develop wind farms in Estonia, Latvia and Lithuania. *(signed in 2009)*

Baltic projects:

- **E Energija**, a Lithuanian, privately owned multi-utility energy company providing heat and hot water services to residential and industrial customers in Lithuania and Latvia. **EBRD Finance:** €5 mn equity and €15 mn debt. **Use of Proceeds:** To support the company's expansion in Ukraine and energy efficient investments in Latvia and Lithuania. **EBRD Added Value:** country knowledge, local presence, risk sharing (equity), policy dialogue
- **Vakaru Medienos Grupe**, a Lithuanian privately owned woodprocessing company with a long history of co-operation with IKEA. **EBRD Finance:** Senior loan of €19.5 million and subordinated loan of €6.5. million. **Use of Proceeds:** To finance the development of a green-field, integrated wood processing complex in Mogilev FEZ. **EBRD Added Value:** Political, encouraging FDI into Belarus, needed maturities not available in commercial market, subordinated feature. **Associated TC:** Energy audit and a 'Belarus Forestry Sector Study'.

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³ <http://www.conference-checkin.com/wp-content/uploads/2012/06/Matti-Hyyrynen-EBRD%C2%A0supporting%C2%A0cross-border-activities-of-Estonian-companies.pdf>

SECTION 4. EUROPEAN UNION - EUROPEAID

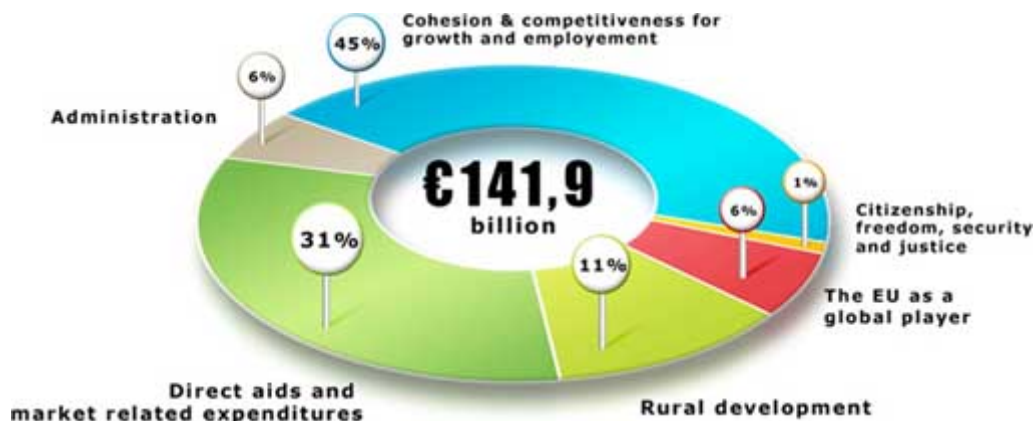
European Commission cooperation and aid instruments: EuropeAid

EU budget and external cooperation

At a time when the world order is changing rapidly and emerging economies like China, India, and Brazil are asserting their influence, Europe must stand together and be an active partner to shape global action. To pull its weight on the global scene and defend its interests and values, Europe needs to pool its resources and act united, for example through its common trade policy, by preparing accession candidates to become new members, by investing in our neighbourhood, and by helping those in need.

The European Union's budget is small (around 1% of EU gross national income, with EU external actions consuming only around 6% of the whole EU budget) but produces concrete results on many things where financing at EU level gives a better return on investment.

[The new financial framework 2014-2020](#) will also address how the EU budget makes Europe count in the World.



The MFF translates the Union's political priorities for at least five years into financial terms. It sets annual maximum amounts (ceilings) for EU expenditure as a whole and for the main categories of expenditure (headings), while being not as detailed as an annual budget. On 29 June 2011, the European Commission presented its proposals for the MFF 2014-2020. The European Union has a small budget, but with a big impact for Europe's citizens. The Commission's proposal for a multi-annual budget for 2014-2020 responds to today's concerns and tomorrow's needs. It represents a budget for investment and growth to ease the pressure on Member States' finances, focussing on Europe 2020 priorities, impacts and results. The proposal focuses further on priority funding at the EU level that provides true added value. The overall amount proposed for the next seven years in 2011 prices is €1,025 billion in commitments (1.05% of the EU GNI) and €972.2 billion (1% of EU GNI) in payments. http://ec.europa.eu/europeaid/how/finance/mff/eu-budget_en.htm

The legislative package presented today is part of the proposals of the next MFF. It consists of a main Communication entitled 'Global Europe' and legislative proposals for nine geographic and thematic instruments.

At a time when the world order is changing rapidly and emerging economies like China, India, and Brazil are asserting their influence, Europe must stand together and be an active partner in shaping global action. To pull its weight on the global scene and defend its interests and values, Europe needs to pool its resources and act united, for example through its common trade policy, by preparing accession candidates to become new members, by investing in our neighbourhood, and by helping those in need.

An increased external relations budget will help make Europe count in a world of shifting alliances and emerging new powers. The changing context means that Europe must do more to make its voice count. €18 billion will be allocated to our Neighbourhood Policy to promote democracy and prosperity in countries neighbouring Europe. We will also continue delivering on our commitments to help the poorest in the world. The Development Cooperation Instrument (DCI) will receive €23 billion to focus on poverty eradication and to maintain our pledge on the Millennium Development Goals (MDGs). This adds to the proposed €30 billion to be financed by the European Development Fund outside the EU budget. http://ec.europa.eu/europeaid/how/finance/mff/eu-budget_en.htm .

The international partnership between developed and developing countries to mobilise more financing for development to meet the [Millennium Development Goals](#) was set out in the 2002 [Monterrey Consensus](#) , and further elaborated at the Doha Follow-up International Conference on Financing for Development (the [Doha Declaration 2008](#))

The EU and its Member States collectively provide more than half of global ODA. They have taken various commitments on all areas of financing for development, unlike most other donors. Some examples:

- **On ODA**, the EU remains committed to increasing its support to developing countries to 0.7% of its GNI by 2015.
- **On Domestic resource mobilisation**, the EU supports strengthening [public financial management and tax systems](#) in developing countries
- **On Aid for Trade**, the EU and its Member States exceeded already in 2008 their collective commitment to increase Trade Related Assistance to €2 billion.
- **On Aid effectiveness**, the EU has led the global efforts to make all [aid more effective](#)
- **On innovative financing sources and mechanisms**, the EU and its Member States are pushing for more action, as demonstrated by the discussions on setting up a Financial Transaction Tax which would also indirectly support tackling global challenges or greater use of innovative mechanisms. . This includes scaling up the use of mechanisms that leverage additional development finance, for example through blending grants and loans and greater use of risk-sharing mechanisms, as stressed in the Agenda for Change. http://ec.europa.eu/europeaid/what/development-policies/financing_for_development/index_en.htm

The [European Consensus on Development 2005](#) is a policy statement that reflects the EU's willingness to eradicate poverty and build a more stable and equitable world.

The [European Consensus on Development](#) identifies shared values, goals, principles and commitments which the European Commission and EU Member States will implement in their development policies, in particular:

- reducing poverty - particularly focusing on the [Millennium Development Goals](#). This will help meet other challenges such as sustainable development, HIV/AIDS, security, conflict prevention, forced migration, etc., to bring about equitable globalisation.
- development based on Europe's democratic values - respect for human rights, democracy, fundamental freedoms and the rule of law, good governance, gender equality, solidarity, social justice and effective multilateral action, particularly through the UN.
- developing countries are mainly responsible for their own development - based on national strategies developed in collaboration with non-government bodies, and mobilising domestic resources. EU aid will be aligned with these national strategies and procedures.
- The EU (which already provides over 50% of all development aid worldwide) has agreed to increase its [official development assistance](#) to 0.56% of its gross national income by 2010 (on the way to achieving the UN target of 0.7% by 2015) .
- Half the additional aid will go to Africa - with special attention to [fragile states](#), countries with low numbers of donors and poor people in middle-income countries.
- The EU and its member countries are committed to making the aid they provide more effective, particularly through better coordination and ensuring it complements other development support and work in the beneficiary country.

The Commission and the member states will also coordinate their positions in the UN and international financial institutions, to speak more often with a single voice. http://ec.europa.eu/europeaid/what/development-policies/financing_for_development/index_en.htm

EU development assistance

EU development assistance is distributed through multi-annual strategies and programmes which are jointly prepared by the [European Action Service \(EEAS\)](#) and [EuropeAid](#).

When formulating and managing these programmes, the **EU consults the authorities in partner countries and regions**. This results in an agreed [country and regional strategy paper](#), which includes a multi-annual national/regional indicative programme highlighting a limited number of focal areas for funding.

During the programming phase, the situation at national and sectoral level is analysed to **identify problems** and constraints, and an EU response strategy is established for EU cooperation. This involves a review of socio-economic indicators, and of the priorities of the EU, its partner countries and other donors. The purpose is to ascertain the main objectives and sectoral priorities for cooperation so as to provide a relevant and feasible framework within which programmes and projects can be defined and prepared. The relevance of this framework is regularly reviewed during Mid Term and End of Term Reviews. http://ec.europa.eu/europeaid/how/finance/programming_en.htm

It is worth noting that, as far as programming is concerned, the **legal basis** for the cooperation with [ACP countries](#), financed by the [European Development Fund \(EDF\)](#), is the

[Cotonou Agreement](#) (revised in March 2010), whereas for cooperation with other countries, financed by the EU budget, the legal basis is constituted by specific basic acts such as the [Development Cooperation Instrument Regulation 1905/2006](#).

The response strategy is defined in line with EU development policy priorities – as outlined in the [European Consensus on Development](#) and other documents – such as alleviating poverty, promoting sustainable development, [increasing aid effectiveness](#) and achieving the UN's [Millennium Development Goals](#). Every effort is also made to ensure that the strategy is coherent with other relevant EU policy areas (trade, the environment, migration, employment and social cohesion, agriculture, etc).

The EU is committed to the principle of 'ownership', i.e. that **partner countries are in the lead in the process** of developing the cooperation strategies and programmes which benefit them. In that respect, the EU acknowledges not only the **responsibility** of the government but also the essential oversight role of democratically-elected representatives. Therefore, it encourages national assemblies, parliaments and local authorities to get more closely involved in preparing country strategy papers. Likewise the participation of civil society representatives in the policy dialogue phase on programming is also considered very important.

As part of the programming process, EU Member States and other bilateral and multilateral donors are consulted in order to ensure that all their developmental actions are **complementary** with the aim of fostering the division of labour, particularly with EU donors. Eventually, this may lead to a joint programming exercise. http://ec.europa.eu/europeaid/how/finance/programming_en.htm

Country/region strategy papers and corresponding national/regional indicative programmes, as well as their related annual action programmes, are presented to representatives of all EU Member States, the majority of which have to give a positive opinion before the European Commission can make a final decision.

The [European Parliament](#) exerts a "scrutiny right" but only for development assistance financed by the EU budget. Regarding the cooperation financed by EDF, country

Overall goal of these instruments is the eradication of poverty in partner countries and regions in the context of sustainable development. Based on strategy papers and annual action programmes, EU funding is delivered through [budget support, grants and contracts](#).

Programming is an essential decision-making process aimed at defining the European Commission strategy, budget and priorities for spending aid in non-EU countries. EC assistance priorities identified in:

1. General Strategy Papers covering the period 2007-2013, e.g Country Strategy Papers (CSPs) or Regional Strategy Papers (RSPs), for the [African, Caribbean and Pacific countries \(ACP\)](#) and other non- EU countries with [Regional Strategy Papers](#).
2. More detailed Indicative Programs which cover 2007-2009 and 2010-2013, e.g. National Indicative Programs (NIP) and Regional indicative Programs (RIP).
3. Detailed [Annual Action Programs\(AAP\)](#) for each year of the programming period.

For the 2007 to 2013 financial perspective, the EU has adopted a package of new instruments for the implementation of external assistance. External action is mainly based

on three “geographical” instruments: Development Cooperation Instrument (DCI), European Neighbourhood and Partnership Instrument (ENPI), European Development Fund (EDF).

The EU’s thematic development programs and instruments seek to help developing countries meet the relevant Millennium Development Goals by focusing on specific themes. They supplement other EU aid, which is geographically-based.

Grants are awarded as donations to third parties that are engaged in external aid activities. Procurement procedures are launched when the Contracting Authority wants to purchase a service, goods or work in exchange for remuneration. Procedures for grants and contracts under the relevant EU external aid programs are consolidated in the Practical Guide.

Grants are direct financial contributions from the EU budget or from the European Development Fund. They are awarded as donations to third parties that are engaged in external aid activities. The Contracting Authority awards grants that are used to implement projects or activities that relate to the EU’s external aid programmes. http://ec.europa.eu/europeaid/index_en.htm

Grants fall into two categories:

- Grants for actions: aim to achieve an objective that forms part of an external aid programme.
- Operating grants: finance the operating expenditure of an EU body that is pursuing an aim of general European interest or an objective that forms part of an EU policy.

Grants are based on the reimbursement of the eligible costs, in other words, costs effectively incurred by the beneficiaries that are deemed necessary for carrying out the activities in question. The results of the action remain the property of the beneficiaries. http://ec.europa.eu/europeaid/work/funding/index_en.htm

Grants are subject to a written agreement signed by the two parties and, as a general rule, require co-financing by the grant beneficiary. Since grants cover a very diverse range of fields, the specific conditions that need to be fulfilled may vary from one area of activity to another.

Those intending to apply for a grant should consult the calls for proposals.

Procurement procedures are launched when the Contracting Authority wants to purchase a service, goods or work in exchange for remuneration. A procurement procedure leads to the conclusion of a public contract. http://ec.europa.eu/europeaid/index_en.htm

The difference between a public contract and a grant is clear:

- in the case of a contract, the Contracting Authority receives the product or service it needs in return for payment.
- in the case of a grant, it makes a contribution either to a project carried out by an external organisation or directly to that organisation because its activities contribute to EU policy aims.

Procurement procedures are governed by specific rules which vary depending on the nature of the contract (service, supplies, work) and the threshold.

Those intending to apply for a contract should consult the procurement notices. http://ec.europa.eu/europeaid/work/funding/index_en.htm

Assessment and evaluation

EuropeAid has a key role to play in the European Commission's external relations and development policies. Its main purpose is to implement most of the Commission's external assistance instruments. This vital task requires EuropeAid to deliver the EU's aid budget in an open and accountable fashion.

The European Union spends billions of euros assisting developing countries. It is up to EuropeAid to get the best possible results from the aid budget. In line with set objectives, it must ensure that resources are used and managed appropriately. EuropeAid must, therefore, report on its activities in an accurate, accountable and transparent manner.

In this context, accountability takes in a number of factors. These include:

Developing a culture based on individual and collective responsibility.

Ensuring quality in the design and implementation of projects – in terms of their relevance, sustainability and timeliness. This is pursued through close coordination with other donors, partner countries and EuropeAid's own Quality Support Groups. Quality is the watchword that runs through the design and implementation of external aid programmes and projects. Monitoring and evaluation is thorough and regular assessment means that feedback on lessons learned can be used to inform subsequent activities.

The establishment of management, supervision, support and control systems that are required to achieve EuropeAid's objectives. The aim is to ensure sound financial management, consistency and transparency in contract award procedures. Good systems also allow for simplification and rationalisation of external aid management procedures and help to improve the auditing of operations.

Developing a dialogue with other European institutions, partners and stakeholders from civil society, business and government.

Reporting in a transparent way on the activities, results and use of allocated resources. In accordance with the Charter of Authorising Officers – through sub-delegation – each EuropeAid director reports regularly to the director-general, taking into account field reports from the devolved delegations. In turn, the director-general must report annually to the College on EuropeAid's activities, policy achievements, management performance, internal controls and financial statements. The declaration appended to the director-general's report is an explicit demonstration of EuropeAid's accountability for the management of resources it has at its disposal. http://ec.europa.eu/europeaid/index_en.htm

EuropeAid's activities are also subject to scrutiny by the EU's Court of Auditors and the Legislative Authority in the context of annual discharge procedures relating to the way the Commission executes its budget and its use of the European Development Fund (EDF).

EuropeAid must also ensure that the public is made aware of its work. The recently established External cooperation Info point will improve communications activities and help to raise the profile of the Commission's external aid programmes and performance.

The EU Accountability Report on Financing for Development assesses on a yearly basis where the EU and its Member States stand in relation to their common commitments on financing for development especially in relation to the United Nations Millennium Development Goals (MDGs), aid effectiveness, aid for trade, fast-start climate finance and good governance in tax matters and development. The report fulfils the Council's mandate to the European Commission to monitor progress and report annually on common EU commitments. The report is also intended to serve as input for EU preparations for several international meetings. It is compiled on the basis of feedback to a questionnaire circulated to all Member States and the various Commission services and provides a compilation on an annual basis of what policies are being put in place or strengthened. (http://ec.europa.eu/europeaid/index_en.htm)

The European Commission's approach to aid effectiveness is reflected in the European Consensus on Development. The quality of aid is of utmost importance for the European Commission and is monitored against concrete targets agreed internationally such as the Paris Declaration (2005), the Accra Agenda for Action (2008), and the Busan Partnership for Effective Development Cooperation (2011).

Increasing the effectiveness of aid means ensuring that aid helps developing countries to improve the welfare of their poorest populations. For this reason, aid must be genuinely focused on development priorities set by these countries. Developing countries bear the primary responsibility for their own development, but the EU accepts its share of responsibility and accountability for the joint efforts undertaken in partnership.

The European Commission's commitment to increasing the effectiveness of aid, including its own, is taken forward at three interlinked levels through:

- Influencing at the international level through the Global Partnership for Effective Development Cooperation, managed by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and development (OECD) and the UNDP.
- Coordinating and promoting at the level of the European Union (the Commission and the 27 member states) to increase the effectiveness for more than half of global development assistance (ODA) it provides worldwide.
- Implementing the European Commission's commitments on aid effectiveness through its annual development assistance programmes implemented globally through around 110 EU delegations worldwide.

Office Quality Support Groups (oQSGs) perform peer reviews of EuropeAid's external assistance activities. The oQSG mechanism helps to improve the design of aid measures at the identification and formulation stage. The groups make use of in-house expertise and best practice culled from previous projects and programmes. Five oQSGs are currently operating, one for each of EuropeAid's four geographic regions, and one dealing with measures funded through thematic budget lines.

The internal monitoring of projects is a key part of EuropeAid's quality assurance activities. The EU Delegations in partner countries are responsible for the monitoring of projects and programme implementation. This process is supervised by the geographical Directorates in EuropeAid.

A results oriented monitoring system (ROM) helps EuropeAid assess project results. Independent experts carry out regular on-site assessments of projects and programmes. They check progress towards stated objectives using a variety of methodologies. ROM provides important information for internal monitoring and makes a positive contribution to improving project quality and performance of projects and programmes. http://ec.europa.eu/europeaid/index_en.htm

Additional information:

- Read Communication "[Agenda for Change](#)"
 - [Impact assessment](#)
 - [Executive summary of the impact assessment](#)
- Read Communication on [Budget support](#)

Getting financed from EuropeAid: rules and procedures

Procurements and grants are awarded according to strict rules. These help ensuring that suitably qualified contractors and grant beneficiaries are chosen without bias and that the best value for money or the best price is obtained, with the full transparency appropriate to the use of public funds. Procedures established by the European Commission for procurement and award of grants under the relevant EU external aid programmes are consolidated in this Practical Guide.

Before starting any tender or grant procedure, it must have been approved under a Financing Decision and, where appropriate, under a subsequent Financing Agreement and the funds must be available, except in the case of procedures with a 'suspension clause'

Procurement or grant award procedures for projects financed under EU external aid programmes vary according to the different arrangements for managing the project (referred to as 'management modes' or 'implementation methods'):

- Direct centralised management. The European Commission is the Contracting Authority and takes decisions for the beneficiary country so, in such cases, references in this Guide to the 'Contracting Authority' in fact refer to the European Commission, acting on behalf of and for the account of the beneficiary country.
- Indirect centralised management. The European Commission delegates certain budget implementation tasks to a national body, which thus becomes the Contracting Authority. This national body is usually a development agency (or equivalent) of an EU Member State. In most cases, the national body's rules and procedures are used, so this Guide does not apply, but if the delegated entity awards grants financed by the EU General Budget, the Guide does apply, with the exception of the obligation to publish calls for proposals on the Europeaid website.
- Decentralised management:
 - *Ex-ante decentralised management*. Decisions on the procurement and award of contracts are taken by the beneficiary country, which acts as the Contracting Authority, following the prior approval of the European Commission.
 - *Ex-post decentralised management*: decisions provided for in the Financing Agreement are taken by the beneficiary country, which acts as the Contracting Authority without prior approval by the European Commission (apart from exceptions to the standard procedures given in this Guide).

The conditions of access to EU external assistance (including EDF) are laid down in the basic acts governing such assistance. When there is no basic act, the eligibility rules are those laid down in Title V of Part I of the Financial Regulations, under articles 113 and 114, as well as in article 172 and the Rules of Application of the Financial Regulations.

For each basic act specific eligibility provisions may apply⁷. However, in general, participation in the procurement and grant procedures is normally open on equal terms to all natural persons who are nationals of or legal persons established in:

- a. a Member State of the European Union;
- b. a Member State of the European Economic Area;
- c. an official candidate country or potential candidate that is a beneficiary of the Instrument for Pre-Accession Assistance, depending on the basic act;
- d. a country that is a direct beneficiary of the aid implemented through the corresponding basic act;
- e. a developing country as specified by the OECD Development Assistance Committee referred to in the annex to the instrument, for procurement and grants financed by the EU Budget under a thematic programme; for EDF programmes, all least developed countries as defined by the UN;
- f. another third country, according to the derogations stated in the basic act
- g. another country covered by a European Commission decision establishing reciprocal access to external aid. Reciprocal access in the least developed countries is automatically granted to OECD/DAC members. For regional programmes which include at least one least developed country, the automatic reciprocal access applies to the whole regional programme.

These procedures are also open to international organisations. For aid channelled through an international organisation or in co-financing with third countries, its rules on nationality and origin may be applied provided that these do not exclude any eligible country according to the applicable EDF/EU basic act(s).

Under EDF, whenever the fund finances an operation implemented as part of a regional initiative, participation in procedures for the awarding of procurement contracts of grants shall be open to all natural and legal persons eligible under EDF, and to all natural and legal persons from a country participating in the relevant initiative. The same rule applies for supplies and materials.

For the purposes of verifying compliance with the nationality rule, the tender dossier and the guidelines for applicants require tenderers and applicants being natural persons to state the country of which they are nationals. For legal persons, the tender dossier and the guidelines for applicants requires that the country in which they are established is stated and evidenced by presenting the documents required under that country's law.

If the Contracting Authority (or Evaluation Committee) suspects that a candidate/tenderer/applicant does not comply with the rules it must ask the candidate/tenderer/applicant to provide evidence demonstrating actual compliance with the applicable rules.

- In view to demonstrate their actual compliance with the "establishment" criteria, legal person have to demonstrate that their legal person is formed under the law of an eligible State and

- that its head office is within an eligible State. "Head office" must be understood as its central administration or principal place of business.

This is to avoid awarding contracts to firms which have formed 'letter box' companies in an eligible country to circumvent the nationality rules.

The decision on whether or not candidates/tenderers/applicants are eligible is taken by the Contracting Authority (usually on the basis of the information and evidence provided during the evaluation).

Experts: Unless otherwise provided for in the basic act and/or the Financing Agreement, natural persons employed or otherwise legally contracted by an eligible contractor or, where applicable, by an eligible subcontractor, may be of any nationality.

The basic means of awarding contracts is competitive tendering. The purpose is twofold:

- to ensure that operations respect the awarding principles; and
- to obtain the quality of services, supplies or works wanted, at the best possible price.

There are several different procurement procedures, each allowing a different degree of competition.

A contract may be awarded directly in the following circumstances:

- when the contract to be concluded does not exceed EUR 20 000 (using the 'single tender procedure');

- in exceptional and duly justified cases, where the factual or legal circumstances described in Articles 266, 268 and 270 of the Rules of application of the Financial Regulation are met (using the 'negotiated procedure'). No specific threshold applies in such cases.

Since EU law states when the negotiated procedure may be used, no prior approval can be granted to use other negotiated procedures not stipulated in this Guide.

In case of negotiated procedure without prior related unsuccessful tender procedure, an evaluation committee must be nominated in order to proceed with the negotiation. In all cases, the Contracting Authority must draft a report explaining the Rules of application w participant(s) in the negotiations were picked and the price set, and the grounds for the award decision. The Contracting Authority must follow the negotiation steps shown in the negotiation report template and ensure that basic principles relating to procurement procedures such as checking compliance with eligibility rules (nationality rules) Selection and exclusion criteria are duly applied.

If applicable, payments for amounts less than or equal to EUR 2500 may consist simply in payment against invoices without prior acceptance of a tender.

SECTION 5. EUROPEAN UNION - ENP and ENPI

Description:

In order to realise the vision of building an increasingly closer relationship with our neighbours, and a zone of stability, security and prosperity for all, the EU and each ENP partner reach agreement on reform objectives across a wide range of fields within certain “common” areas such as cooperation on political and security issues, to economic and trade matters, mobility, environment, integration of transport and energy networks or scientific and cultural cooperation. The EU provides financial and technical assistance to support the implementation of these objectives, in support of partners’ own efforts.

Operational since January 2007, the [ENPI](#) has replaced the MEDA instrument that was supporting the [Euro-Med Partnership](#) and the [TACIS](#) instrument for the Eastern neighbours, as well as other financial mechanisms.

From 1 January 2007 the European Neighbourhood Policy and Strategic Partnership with Russian Federation are financed through a single instrument - the ENPI. It is designed to target sustainable development and approximation to EU policies and standards - supporting the agreed priorities in the ENP Action Plans, as well as the Strategic Partnership with Russia.

This assistance aims at building relations, supporting the reform efforts undertaken by the partners themselves, and promoting the priorities agreed with each country after consultation with the governments and other actors. Assistance priorities can be found in numerous documents, including:

- The [country reports](#).
- The National Indicative Programmes (available from [here](#))
- Priorities identified in the [Action Plans](#).
- Detailed Annual Programmes [East](#).
- Detailed Annual Programmes [South](#).
- For Russia all relevant links can be found [here](#).

The overarching aim of the [ENPI](#) is to create an area of shared values, stability and prosperity, enhanced cooperation and deeper economic and regional integration by covering a wide range of cooperation areas.

It is a more flexible and policy driven mechanism, as the allocation of funds depends on a country’s needs and absorption capacity and its level of implementation of agreed reforms.

As from 2014 the ENPI will be replaced by the [European Neighbourhood Instrument](#)(ENI), which will provide increased support to 16 partner countries to the East and South of the EU’s borders. http://www.enpi-info.eu/main.php?id=402&id_type=2

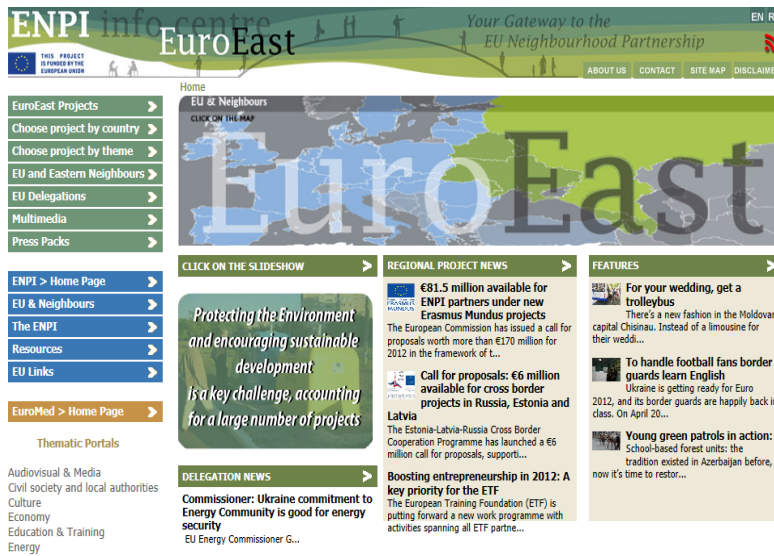
The 16 [ENPI](#) Partner Countries are:

ENPI South - [Algeria](#), [Egypt](#), [Israel](#), [Jordan](#), [Lebanon](#), [Morocco](#), [Occupied Palestinian Territory](#), [Syria](#), [Tunisia](#)

ENPI East - [Armenia](#), [Azerbaijan](#), [Belarus](#), [Georgia](#), [Moldova](#), [Ukraine](#), [Russia](#)

Russia is receiving funding from the [ENPI](#) even though relations with this neighbour country are not developed through the ENP, but through a strategic partnership covering four “common spaces”.

[Libya](#) has an observer status in the Euro-Mediterranean Partnership and is eligible for funding under the ENPI. Negotiations for an EU-Libya [Framework Agreement](#) got underway in November 2008.



Financial tools:

For the Financial Framework 2007-2013, approximately €12 billion in EU funding are available to support these partners' reforms, an increase of 32% in real terms as compared to 2000-2006 Financial Framework. Until 31 December 2006, EU assistance to the countries of the ENP and to Russia was provided under various geographical programmes including TACIS (for Eastern neighbours and Russia) and MEDA (for Southern Mediterranean neighbours), as well as thematic programmes such as [EIDHR](#) (European Initiative for Democracy and Human Rights).

For the budgetary period (2000-2006), the funds available were approximately €5.3 billion for MEDA and €3.1 billion for TACIS, as well as approximately €2 billion in European Investment Bank lending for MEDA beneficiary countries and €500 million for TACIS beneficiary countries. (http://ec.europa.eu/world/enp/funding_en.htm)

The largest percentage of [ENPI](#) funds will be used for [bilateral actions](#), that is [country initiatives](#). Funds are also allocated to the two [ENPI regions](#) and regional and cross-border initiatives and mechanisms. The funding for regional programmes allocated to the two regions for the period 2011-2013 is: ENPI [South](#) €288 million; ENPI [East](#) €348.57 million. (See 'regional funding' below for more detail). http://www.enpi-info.eu/main.php?id_type=2&id=708

A number of innovative [ENPI](#) components and tools, give further substance to the EU aim of avoiding new dividing lines:

- [Cross Border Cooperation](#) (CBC) under which it finances joint programmes bringing together regions of EU member states and partner countries sharing a common border. CBC is co-financed by the [European Regional Development Fund \(ERDF\)](#). Two types of programmes are established: bilateral programmes covering a common land border (or short sea crossing), and multilateral programmes covering a sea basin.
- The [Governance Facility](#) which provides additional resources to those partners that have proved their will to carry forward essential reforms agreed in their Action Plans. An indicative €50 million per year have been set aside for this component.
- The [Twinning](#) initiative and the [TAIEX](#) (Technical Assistance and Information Exchange) instrument which encourage cooperation between the public administration of a partner country and the equivalent institution of a member state, aiming to upgrade and modernize institutions in the beneficiary states.

In addition, the [Neighbourhood Investment Facility](#) (NIF) funds projects of common interest, focusing primarily on energy, environment and transport. The EC allocated €700 million to the Facility, for the period 2007-2013, and asked Member States to gradually match this contribution, to maximize the leverage of loans.

An [Inter-Regional Programme](#) (IRP) has also been established by EuropeAid to support partners in the ENPI Southern and Eastern regions, as it considers some aid activities can be managed more efficiently and flexibly at inter-regional level. Some €757.6 million have been set aside for the IRP for the [period 2011-2013](#).

In addition, the [European Investment Bank](#) assists the partner countries.

In the South, it does so through its [Facility for Euro-Mediterranean Investment and Partnership \(FEMIP\)](#), which brings together the whole range of services provided by the EIB to assist the economic development of the Mediterranean partner countries. Operational since October 2002, FEMIP is now a key player in the financial partnership between Europe and the Mediterranean, and has invested €10 billion between October 2002 and December 2009. In the [East](#), the EIB has earmarked €3.7 billion for the partner countries for the period 2007-2013.

[Tenders](#) under EC assistance programmes are open to interested parties from the EU Member States, the candidate and potential candidate countries and from the neighbourhood countries themselves, and are awarded in line with standard EC procurement rules. http://www.enpi-info.eu/main.php?id_type=2&id=708

The main co-operation fields with the Eastern partners are: [Transport](#); [Energy](#); [Sustainable management of natural resources](#); [Border and migration management](#), the [fight against transnational organized crime and customs](#); [People-to-people activities](#); elimination of [landmines](#), explosive remnants of war, small arms and light weapons.

The main cooperation fields with the South were defined since the start of the [Euro-Med Partnership](#) and the Barcelona declaration, and cover: Political and Security Dialogue ([justice](#), [freedom & security](#), [migration](#), [political dialogue](#)); Economic and Financial Partnership ([economy](#), [energy](#), [environment](#), [information society](#), [transport](#)); Social, Cultural and Human Partnership ([audiovisual & media](#), [culture](#), [education & training](#), [gender issues](#), [youth](#), [civil society and local authorities](#)). http://www.enpi-info.eu/main.php?id=402&id_type=2

From the ENPI to the ENI: from 2014, the new European Neighbourhood Instrument

In the context of the [renewed approach to the European Neighbourhood Policy](#) (ENP) outlined on 25 May 2011, the ENPI will from 2014 be replaced by the [European Neighbourhood Instrument](#) (ENI), which will provide increased support to 16 partner countries to the East and South of the EU's borders.

The proposed ENI budget for the period 2014-2020 is €18.2 billion, 40 per cent up on the amount available under the ENPI from 2007-2013.

The new instrument will be increasingly policy-driven and provide for greater differentiation, more flexibility, stricter conditionality and incentives for best performers, reflecting the ambition of each partnership. Building on the achievements of the ENPI, the ENI will contribute to strengthening bilateral relations with partner countries and bring tangible benefits to both the EU and its partners in areas such as democracy and human rights, the rule of law, good governance and sustainable development. http://www.enpi-info.eu/main.php?id=402&id_type=2

2011: EUROPE IN THE WORLD

- ENPI (European Neighbourhood and Partnership Instrument) , incl. €1.7bn
 - Baltic Sea Strategy: €7.9M
 - Palestine: €200M
- Turkish Cypriot community: €25M
- Global Fund against Aids, Tuberculosis and Malaria: €65M
- Copenhagen – Climate change: €65M
- European voluntary humanitarian corps: launch

Funds allocated to [individual country programmes](#) depend on their needs and absorption capacity as well as their implementation of agreed reforms. An important aspect of the ENP, and the strategic partnership with Russia, is to markedly improve cross-border cooperation with countries along the EU's external land and maritime borders, thus giving substance to our aim of avoiding new dividing lines. The ENPI therefore supports cross-border contacts and co-operation between local and regional actors and civil society. The 15 ENPI cross-border cooperation (CBC) programmes, identified on the external borders of the EU, are receiving financial support of €1.18 billion for the period 2007-2013. The programmes are getting underway at the end of 2007/beginning of 2008. The Commission approach to CBC can be found in the [ENPI Cross-Border Cooperation Strategy Paper](#).

Activities concerning Eastern Partnership

Democracy, Good Governance and Stability

Human Rights (CoE Facility)

IBM

EUBAM

Response to the Natural and man made disasters

Economic Development

SME Development (SME Facility, EBRD TAM-BAS extension)

Territorial Cooperation – CBC between ENPI East countries, Cohesion

Transport - TRACECA

Climate Change, Energy and Environment

Climate change

Energy (INOGATE)

Environmental Governance

Environmental Protection and Natural Resources (Bucharest Convention)

Advancing Integration with the EU and Regional Co-operation

Eastern Partnership meetings and pilot projects

Black Sea Synergy, Northern Dimension

Youth and Culture

Regional allocations for Info Communication and PCM

New forms of technical assistance have been extended to ENP partners. Legislative approximation, regulatory convergence and institution-building are being supported

through mechanisms which proved successful in transition countries that are now EU Member States i.e. targeted expert assistance (Technical Assistance and Information Exchange - [TAIEX](#)), long-term [twinning](#) arrangements with EU Member States' administrations – national, regional or local – and participation in relevant Community programmes and agencies.

Interregional priorities

Under all these instruments, EU assistance priorities are identified, together with the countries concerned and other relevant actors, in general Country Strategy Papers (CSPs) covering 7 year periods, National Indicative Programmes (NIPs) covering 3 years and detailed annual programmes. The priorities identified in the Action Plans, agreed with the authorities of the country, are also useful in guiding the programming of assistance programmes – including for other donors and IFIs. [Tenders](#) under EC assistance programmes are open to companies from the 27 EU Member States, from the candidates (1) and potential candidates (2) and from ENP partners themselves, and are awarded in line with standard EC procurement rules. (http://ec.europa.eu/world/enp/funding_en.htm)

Priority Area 1: Promoting reform through European advice and expertise – SIGMA, TAIEX

Priority Area 2: Promoting higher education and student mobility TEMPUS, Erasmus Mundus

Priority Area 3: Promoting cooperation between local actors in the EU, and in the partner countries – CIUDAD

Priority Area 4: Promoting Investment projects via Neighbourhood Investment Facility (NIF)



Cross-border cooperation (CBC)

At EU external borders covered by ENPI - over €1.1 billion from ENPI and ERDF (2007 to 2013)

CBC objectives

- Promoting economic and social development
- Addressing challenges in environment, public health, the prevention of/fight against organised crime
- Ensuring efficient and secure borders
- Promoting local cross-border "people to people" activities

Example: Moldova and ENPI

- ENPI 2007 Sector Budget Support (SBS) in Social area – 21 M EUR
- ENPI 2008 Health sector - 46,6 M EUR,
- ENPI 2009 Water and sanitation sector – 50 M EUR,
- ENPI Action Plan 2010 (66 MEUR) Rural Development Budget Support, Twinning, Energy Biomass TA.
- ENPI AP 2011 (78 MEUR), Energy Budget Support, Confidence Building measures, Twinning, Justice TA.
- ENPI Action Plan 2012 (94 MEUR). Assessment mission ongoing.
- ENPI Action Plan 2013 (100,4 MEUR)

Its includes:

- ✓ Around 140 programmes and projects ongoing or in preparation in Moldova
- ✓ Phasing out of TACIS and TACIS CBC, Lower Danube Programmes
- ✓ 4 Budget Support programmes (Social, Health, Water, Rural development)
- ✓ Technical Assistance (social, health, economy, mobility partnership, water, justice, public administration, etc)
- ✓ Twinning (Parliament, Penitentiary, Public Procurement, Intellectual Property, Competition)
- ✓ Thematic Budget lines projects (media, anti-torture, legal protection, elections, migration, energy, environment, etc)
- ✓ Cross Border Cooperation projects (water, infrastructures, tourism, historic towns, etc)
- ✓ Macro-Financial Assistance
- ✓ NIF bilateral – Roads, Water, Health, Air Logistics, Airport, Trolleybuses, - in pipeline wine sector, roads,

Background Info

DG [EuropeAid – the ENPI](#)

[ENP website – Funding](#)

[ENPI Regulation](#)

[ENPI Origins and Background](#)

[ENP Reference Documents](#)

[ENP FAQs](#)

European External Action Service (EEAS) – [Regions](#)

Read also appendix 1 for more background information about conditionality.

SECTION 5. EUROPEAN INVESTMENT FUND

OTHER - Financial instruments

Financial instruments are provided to financial intermediaries such as banks, credit institutions or investment funds to extend their lending capacity of SMEs.

European Investment Fund

European Investment fund EIF (<http://www.eif.org>) is managing three programmes:

- a) High Growth and Innovative SME Facility together with the European Commission with the aim of supporting both early stage and expanding SMEs;
- b) SME Guarantee Facility provides additional guarantees for increasing the supply of debt financing to SMEs;
- c) Capacity Building Scheme that supports financial intermediaries in some member states.

JEREMIE – GUARANTEEING LOANS

The European Commission, The European Investment Bank and the European Investment Fund have launched a joint initiative – Joint European Resources for Micro to medium Enterprises, which enables EU member states and regions to use part of their structural funds to provide guarantees for loans as well as equity and venture capital to finance SMEs⁴.

⁴ http://www.eif.org/what_we_do/jeremie/index.htm

ABOUT TRADERUN PROGRAMME

The aim of the one year study programme **TRADERUN** is to increase the development of Russian and Eastern Partnership countries' environment and its impact on the business society to value the quality and expertise of Estonian higher education. The goal of this multilateral MA training programme is to introduce a unified academic module that gives an overview of economic, cultural, political, administrative business settings in Russia and Eastern Partnership countries.

The programme is developed in cooperation between **University of Tartu, University of Tallinn, Tallinn University of Technology and Estonian School of Diplomacy** and representatives of business, government and education sector. The project raises the competence and ability of Estonian higher institutions to analyze economic and political-administrative environment and to foresee the possible changes of business development of Russia and Eastern Partnership countries. Furthermore, the module does not focus only on business awareness, but combines the economic, cultural and political sciences and provide the problem-oriented knowledge and abilities.

The programme is designed for MA students, entrepreneurs, managers, consultants, officials, public servants, wide public. The BA degree or equivalent is required. The programme is aimed to improve the cooperation between business and educational institutions and to develop awareness of Eastern Partnership countries' culture, economics, law and public administration.

The programme is taught by the best academics of Estonian and foreign universities and the experts and professionals working in the field of cooperation with Russia and Eastern Partnership countries ([see list of lecturers](#)). The courses are taught in English.

2011/2012 academic year programme is made of 10 courses during one year (from September to June). Total amounts of credits to earn is 30 ECTS. All the credits collected can be added to or used in the curricula. It is necessary to fulfill 6 courses out of 10 in order to get a certificate.

Economy and Business Climate in Eastern Partnership Countries
Russians: History, Myths and Ideology
EU Cooperation with Russia and Eastern Partnership Countries
Russian Legal System and Regulations in Practice I
Regionalism and Regional Administration in Russia
Russian Legal System and Regulations in Practice II
Funding projects in Russia and Eastern Partnership Countries
Economy and Business climate in Russia
Contemporary Russian Society and Culture
Russian Political Economy



MORE INFO: <http://www.traderun.ee/>