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**ACTIVATION OF CROSS-BORDER COOPERATION IN UKRAINE IN CONTEXT OF
EUROPEAN NEIGHBORHOOD POLICY**

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Two main factors hinder successful realisation of the European Neighborhood Policy in Ukraine. Firstly, Ukrainian legislation has the considerable failings, which hamper the development of cross-border cooperation. Secondly, the level of activity of Ukrainian regional and local governments in the sphere of cross-border cooperation is low.

The inadequate level of realisation of cross-border cooperation and European Neighbourhood Policy in Ukraine creates the threats of reduction the volumes of international financial help, worsening Ukraine's image, growth of mistrust toward Ukrainian institutions as partners for collaboration.

Cross-border cooperation has a long history in Poland. In the past, in Poland there were the same problems which touched upon the imperfection of project management in regions, sometimes lack of financial resources for the realisation of the projects. Cooperation with Polish partners is treated as an example of a model solution and may be adapted to the realities of Ukrainian regions.

This paper aims to raise the problems concerning the inadequate level of the realisation of cross-border cooperation and of the European Neighbourhood Policy (ENP) in Ukraine. The study opens with a description of new prospects and challenges for European Neighborhood Policy in Ukraine. The second section deals with Ukrainian legal aspects of cross-border cooperation. The third part is devoted to the activity of Ukrainian regional governments in the sphere of cross-border cooperation. In the fourth section, the threats for Ukraine are described. The next section of the paper offers the Polish experience as an example of a solution model for Ukraine. The paper concludes with a set of recommendations for Ukrainian policy and conclusions.

The history of the development of cross-border cooperation in Ukraine and in Poland shares a lot of similarities. For example, both of these states face problems concerning limited rights of regional governments, lack of citizen participation in the cross-border policy process, shortcomings of project management in regions, and lack of financial resources. At the same time, the membership of Poland into the EU is the factor which does not allow examining the Polish and Ukrainian cases as identical, but these cases have many similar characteristics. For this reason, the Polish experience is treated as an example of a solution model and may be adapted to the realities of Ukrainian regions.

New prospects and challenges for European Neighborhood Policy in Ukraine

The new European instrument of neighbourhood and partnership “Poland-Belarus-Ukraine 2007-2013”, financed at the amount of 186.2 million euro, opens considerable prospects for economic integration and collaboration. This can potentially offer considerable economic and political benefits to Ukraine because it offers a wider spectrum of mechanisms of co-operation, including Twinning and TAIEX (Technical Assistance and Information Exchange). Twinning is the common use of projects by Ukrainian and European state bodies which have similar functions, lasting up to two years at the cost of 2 million euro. TAIEX is used as short-term non-permanent aid for participation of the Ukrainian civil servants in educational-informative measures in a foreign country and in Ukraine.

The European Neighbourhood Policy has extended into the territory of Ukraine since 2004 and gives the possibility to build relationships with the EU on privileged principles, attracting the financial technical aid of the EU, particularly in the sphere of the development of cross-border cooperation. However, because of political games played by state authorities in Ukraine, the absence of a proper system of informing about potential possibilities of ENP instruments and the existence of opaque rules of channeling the financial resources, providing ground for corruption and resulting in low efficiency of the use of aid and EU policy of neighborhood with Ukraine goes

down. The consequences of this problem are sharply presented at the regional level. Thus, one of the seven programs of neighborhood “Poland – Belarus - Ukraine” INTERREG IIIA / Tacis CBC, purpose of which is the socio-economic integration of boundary territories of the three states, was not marked by an intensity of the realisation of projects in Ukraine. Within the framework of the Neighborhood Program “Poland-Belarus-Ukraine” in 2006, Poland realised 64 cross-border projects, while Ukraine realised only 14. In 2007, the amount of realised projects grew to 137 in Poland and to 28 in Ukraine. This fact indicates the insufficient use of present possibilities and resources for deepening the bilateral collaboration of Ukraine with Poland or Belarus.

These considerations point to the urgent necessity of coordination of actions within the European Neighbourhood Policy. It is important to combine national and foreign financial resources for the intensification of economic collaboration of Ukraine with Belarus and Poland, which is especially urgent in the context of the creation of free trade area with EU.

Two main factors hinder successful realisation the European Neighborhood Policy in Ukraine:

1. The Ukrainian legislation has the considerable failings, which damper the development of cross-border cooperation.
2. The level of activity of Ukrainian regional and local governments in the sphere of cross-border cooperation is low.

Ukrainian legal aspects

A strong legal basis is needed for the realisation of the neighbourhood programs, in particular financing within its framework. The national legislation must exactly determine rights and obligations of subjects of cross-border cooperation, order of receipt of foreign financial aid and its reflection in accounting. The transparent legislative base helps to avoid legal collisions and liquidate such reason of passivity

of participants of cross-border activity as opacity and complication of the use of ENP funds in certain state, for example in Ukraine.

The European Neighbourhood Policy in Ukraine, above all things, focuses on the implementation of the Action Plan Ukraine - EU. As the European instrument of neighborhood and partnership “Poland-Belarus-Ukraine 2007-2013” aims to solve common problems of boundary territories, its realisation is regulated by a number of legal acts in the field of cross-border cooperation.¹

The Law of Ukraine “About Cross-Border Cooperation” determines tasks, principles of state policy, rights and obligations of subjects in the field of cross-border cooperation, principles and forms of state support, financial resources for cross-border cooperation. It is necessary to pay attention to some negative aspects of the law. This document, at first, does not consider cross-border cooperation as the constituent of regional policy of Ukraine. Secondly, it does not take into account the change of mechanisms of support of cross-border cooperation from the side of the EU, in particular new instruments of neighbourhood and reformation of the proper programs (FARE, TACIS, INTERREG). Thirdly, it actually preserves the existing forms of state financial support, not determining sources and mechanisms of its receipt. Fourthly, this law contains contradictory legal norms in the part that regulates different questions of participation of local authorities in cross-regional and cross-border cooperation.

An operating legislative base in a sufficient degree provides opportunities for the use of potential of cross-border cooperation for solving the problems of boundary regions. However, it needs adaptation to the standards of EU and subsequent normative and legal decisions expanding rights of local authorities and local self-government. In particular, it regulates the preparation and implementation of the local budgets.

¹ The main laws are as follows: the Law of Ukraine “About Cross-Border Cooperation” # 1861-IV (dated 24.06.2004), Government program of development of cross-border cooperation for 2007-2010; European conventions to which Ukraine has acceded, and a row of bilateral agreements with the neighbors-states.

Mechanisms and instruments of realisation of collaboration and channeling the technical aid need more considerable revision. In Ukraine the Law “About international technical aid” is not accepted. That is why there is no clear mechanism of channeling the foreign financial aid fastened at legislative level. This circumstance also interrupts the process of realisation of ENP.

Activity of Ukrainian regional governments in the sphere of cross-border cooperation

The level of activity of Ukrainian regional and local governments in the sphere of cross-border cooperation is very low. Local governments have a direct obligation to provide informative support of cross-border programs, to help in the search of foreign partners for realisation of projects and to organize consultations on the stage of introduction of project. However, they do not execute this obligation well. This is confirmed by a small quantity of applications on projects. Thus, at the fourth round of projects of the program “Poland-Belarus-Ukraine 2004-2006” L’viv region offered 16 applications, Volyn’ region – 6, Transcarpathian region – 4. At the same time Lublin voivodship offered 56 applications, Subcarpathian voivodship – 48, Podlaskie voivodship – 30, Masovian voivodship – 3.

The reasons of this are as follows:

1. Ukrainian regional and local governments have limited rights. There are considerable bureaucratic obstacles on the way to the realisation of projects.
2. The representatives of regional and local governments have a lack of experience in the field of creation of intergovernmental projects.
3. Local budgets are too limited. Governments do not have enough facilities, to input the obligatory particle in financing of cross-border projects within ENP.
4. A weak knowledge of potential beneficiaries is in relation to possibilities of ENP both from the Ukrainian and European sides. In particular, 18% of the population of Poland knows about ENP, and in Ukraine this index is smaller. Access to

information about the particular programs, terms and principles of preparation of documents for the receipt of technical aid, is limited to small groups of experts.

Threats for Ukraine

The inadequate level of the realisation of cross-border cooperation and European Neighborhood Policy in Ukraine poses a risk of reduction in the volumes of international financial help, worsening Ukraine's image, and growth of mistrust towards Ukrainian institutions as partners for collaboration. It is important to mark that slow development of cross-border cooperation in Ukraine is a significant barrier to the realisation of Strategy of integration to EU in part of boundary collaboration with the neighbouring states.

The Polish experience

Cross-border cooperation has a long history in Poland. The allocation amount from the Cross-border Programmes for Poland was several times higher than that allocated to the Ukrainian border areas. For example, in 2004-2006 within the Neighbourhood Program "Poland-Belarus-Ukraine 2004-2006", eastern Polish regions received 40 million euros in subsidies for programs with Ukraine and Belarus under the Interreg fund. Ukraine and Belarus at the same time could receive 8 million Euro under the Tacis program. Moreover, the program implementation period for EU funds absorption was longer in Poland. As a result, the connections established in the Polish borderland proved to be much more developed than those existing in Ukrainian border areas. For this reason, cooperation with Polish partners is treated as an example of a model solution and may be adapted to the realities of Ukrainian regions.

The Polish experience could be shared in the following fields: extension of rights of regional governments, solution of problems which touched imperfection of project management and lack of finances, development of cross-border cooperation of boundary territories within the euro-regions.

Extension of rights of regional governments

It is important to mention that in Poland, as well as in Ukraine nowadays, very similar problems to those noted currently in Ukraine by regional governments are present. In particular, the following problems could be identified:

- limited rights of regional governments;
- inconsistent and conflicting distribution of objectives and competencies between central and local administrations, as well as unclear scope of responsibilities at different levels of government;
- lack of citizen participation in the cross-border policy process, and weak public control over the activities of governments in cross-border cooperation;
- highly centralised budget system;
- financing all budget funded organisations from the national budget.

As a result of the reform at the beginning of 1998, the rights of territorial self-governments in Poland were substantially extended. They could determine their own objectives and priorities for cross-border policy.

The Polish experience of cross-border cooperation shows that it is considered as part of policy of regional development. In Poland, there is no law on cross-border cooperation, but there are laws acting in relation to regional development, for example the Law on the Regional Self-Government.

Solution of problems which touched imperfection of project management and lack of finances

Poland began to develop active cross-border cooperation earlier than Ukraine. The same types of problems were noted in the past in Poland, inadequate project management in regions, and at times lack of financial resources for the realisation of the projects.

These problems were addressed in the course of numerous trainings, consultations and studies. General Technical Secretariat of neighbourhood programs

together with regional informative points organized informative campaign and series of seminars in regions. At first these consultations were conducted by the representatives of General Technical Secretariat, later – by the representatives of local authorities. Consulting organizations and non-government organisations participated in such trainings too and this practice was very effective.

The announcements of neighbourhood programs were published in regional and local newspapers. Within Neighbourhood Program “Poland-Belarus-Ukraine 2004-2006” special seminars were organised for almost 600 representatives of potential beneficiaries. Instruction on how to fill in an application form in order to help applicants lacking experience in project management was introduced. As a result of informative campaign and seminars the amount of requests of cross-border projects increased.

Another area where it would be worth sharing the Polish trans-border cooperation experience is in supporting economic cooperation and providing economic consulting for businesses looking for partners on the other side of the border. This type of projects was executed in Poland under the INTERREG program with a great deal of success. Support of business assists economic development of region and increase income of local budgets. This solves a problem of the limited financial resources.

The role of euro-regions in the development of cross-border cooperation

An important contribution regarding the development of cross-border cooperation in Poland was carried out by euro-regions. It is necessary to add that the idea of euro-regions sometimes is confronted with criticism, which perceives this form of cooperation as a threat to independence, favouring foreign interests and even an attempt to change the political borders of the countries. Generally, in Poland, positive attitudes towards euro-regional cooperation decisively dominate both in the local communities and the local and among government officials. The evidence of it is the fact that 13 euro-regions have been created, all comprising almost the whole border territory of Poland. On the western border there are 4 euro-regions, on the southern -

6, on the eastern - 2 and on the northern - 1. The total area of this cooperation is over 36% of the area of Poland.

Euro-regions have been and continue to be not only active participants in the selection of projects backed by EU assistance funds but also animators of numerous grassroots.

As it can be concluded from the Polish experience aid funds provided by the European Union for the euro-regions mainly target the development of the cross-border infrastructure (55%) and the protection of the environment on the border territories (25%). A considerably smaller part of these funds is designated for the municipal economy of the border regions, the increase and change of professional qualification (4%) and other purposes.

An analysis of status and importance of the euro-regions in Poland, and also in a structure and policy of EU testifies that the European regions are gradually taking on real significance for the development of cross-border relations.

Recommendations

Several measures need to be carried out for the purpose of the activation of cross-border cooperation by the regional bodies:

1. It is necessary to complement the staff of local self-government with specialists in the sphere of cross-border cooperation and international technical help. It is desirable, that these people have knowledge of foreign languages and experience of project management. Their participating in the measures of Twinning has to be obligatory.

2. In order to develop high-quality cross-border projects governments ought to collaborate with leading scientific establishments.

3. Nongovernmental organisations (NGOs) have to be involved in the realisation of regional programs regarding technical help. NGOs play an important public role. They form the public opinion, and that is why their participating in the support of ENP will be instrumental in the distribution of euro-integration ideas among the Ukrainian population.

4. It is necessary to increase information support of ENP programs through mass media, meetings and Internet.

5. It is important to stimulate development of cross-border cooperation of boundary territories within the euro-regions (“Bug” and “Karpathian”). It will be instrumental in the increase of level of integral competitiveness of boundary regions.

Some changes have to be made in the legislative base:

1. It is necessary to initiate passing an Act of Ukraine “About an international technical aid” and to create a national complex development conception taking into account the recommendations of the World Bank. (The World Bank promulgated and successfully realised in twelve projects the complex development conception which touches use of technical aid taking into account the features of a particular country.)

2. The Ukrainian legislative base needs perfection in the direction of increasing of plenary powers of local authorities and local self-government, granting them greater independence in the decision of the general tasks of regional and local development with regions of nearby states (in particular, it touches forming of local budgets and their use). Existing legislative acts of Ukraine, which provide cross-border cooperation, have to be adapted to the standards of EU.

Conclusions

The realisation of ENP program in Poland and in Ukraine takes place in different conditions. The main difference is that Poland is a member of the EU, and that is why it gets financing from the structural funds of the EU. However, the basic lesson from the Polish experience is as follows: leading role in development of cross-border cooperation belongs to the regions. The central bodies of power can only partly influence on this process in the case of legislation improvement.

The realisation of the cross-border programs is impossible without mobilisation of local actors (bodies of power, business and public), a combination of foreign and internal resources of territory, determination and the realisation of pilot projects. It requires the creation of regional cooperation networks, organisation of the effective

decision-making groups, involving bringing professional institutes and scientific establishments into cross-border activity.

The Polish experience testifies that the main pre-condition of active development of cross-border cooperation is strong motivation of subjects of cross-border cooperation. They have to understand all advantages of participating in the realisation of ENP programs. Based only on this condition, subjects of cross-border cooperation will initiate necessary changes into the legislation, will search partners for the realisation of projects and enrich their own experience.

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