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## INTERNATIONAL FINANCIAL SUPPORT OF THE UKRAINIAN CROSS-BORDER COOPERATION PROJECTS

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The theoretical aspects of cross-border cooperation between Ukraine and the EU. The state of international financial support for Ukraine cross-border cooperation projects. Identify priority directions of the state policy of cross-border cooperation of Ukraine. Grounded practical significance CBC Ukraine projects in various industrial and service sectors.

**Keywords:** financial support, design, cross-border cooperation, public policy, international activity.

Modern international relations strive to globalize and show rapid growth of the cross-border, regional and international cooperation intensification in various fields and industries. Cross-border cooperation (CBC) for Ukraine is one of the most effective tools on the way to the EU at the regional level, particularly through active participation of local communities of the neighboring countries, in cooperation with neighbors. All Eastern European countries that joined the EU in recent decades had chosen this way [3; 5]. The economic map of Europe now resembles a tight lace created from dozens of European regions that overlap with each other. This form of cooperation has a long practice in the EU [4].

CBC is one of the main innovations under the European Neighborhood and Partnership Instrument. This innovation was seen as a way of empowering local authorities, promoting local development and ultimately strengthening local democracy after implementing of 13 work programs. These programs cover the entire EU land border and three seas that the EU shares with its neighbors: the Black Sea, Baltic Sea and Mediterranean Sea [2; 5].

CBC Programme allow to solve a significant number of regional problems – developing of the small and medium enterprises, tourism, trade, transport, accelerate the introduction of new technologies. These international projects are the «points of growth» that significantly affect the economy and the cultural level of the state as a whole. Thanks to EU Ukrainian border regions are able to gradually turn into centers of European development, which will make Ukraine's European aspirations [1; 6].

We aimed here to study CBC international financial support of the Ukraine.

Ukraine has the longest border area with the EU among all CIS states – 1152 km, bordering such European countries, as Poland, Slovakia, Hungary and Romania. The territory of the European regions is almost a third of the total area of Ukraine. European regions include 9 oblasts – Volyn, Ivano-Frankovsk, Lviv, Odessa, Sumy, Chernovtsy, Chernihiv and Kharkov. At the moment in Ukraine there are nine European regions, five of them created by the European Union states. Along with it since 1993 we can see actually CBC between 12 regions of Ukraine. However, the effectiveness of such cooperation within the European regions is insufficient. In order to improve it there is a need

to solve many organizational and financial issues like preparation of CBC project funding, creation of clusters, cross-border industrial parks.

International financial support for Ukrainian CBC is provided under a financial instrument of the European Neighborhood and Partnership Program, which includes national, international, regional, thematic and cross-border programs. These programs are designed to perform four interrelated objectives [3; 6]:

- Promotion of economic and social development in border areas;
- Cooperation in addressing common challenges in fields such as environment, health, prevention and fighting organized crime;
- Ensuring efficient and secure borders;
- Promotion of interpersonal contacts.

Today Ukraine is involved in four CBC projects. Three neighborhood programs designed for land borders: Poland – Ukraine – Belarus with financing 186.2 million euro; Hungary – Slovakia – Romania – Ukraine (68.6 million euro); Romania – Ukraine – Moldova (126.7 million euro). Also there is the multilateral Black Sea Programme (17.3 million euro).

The Neighbourhood Programme «Poland-Belarus-Ukraine» Lviv region, Zakarpattiaregion, Ivano-Frankovsk region of the Carpathian European region are members of the CBC projects. One of the areas of such cooperation – the development of tourism in the border areas – provides creation of the service infrastructure for supporters of rural and green tourism. In particular, the project «Creation of tourist information infrastructure in Lviv» aims to open tourist information center. Center Speaking Languages are Ukrainian, Russian, English, Polish and German. Accordingly, each tourist can get travel and any other information related to the stay in Lviv. Visitors center have access to Wi-Fi internet. Financing of the project was around 700 thousand euro [6].

As part of the «Ukraine-Romania» CBC Program within the region were completed projects «Cross-border partnership for sustainable community development» and «Improved flood protection and ecological rehabilitation of the environment at the Ukrainian-Romanian border area of the river Tisza». Black Sea regions of Romania, Bulgaria, Greece, Turkey, Russia, Ukraine as well as Moldova, Georgia, Armenia and Azerbaijan cooperate long term within the Black Sea CBC. After Romania and Bulgaria became part of the EU, opportu-

nities for such cooperation have expanded considerably. Black Sea partnership program under the auspices of the European Union aims to develop cooperation between the Black Sea countries and also the new European regions creation.

Crimea, Donetsk, Zaporizhia, Mykolayiv, Odesa and Kherson regions and Sevastopol City since 2009 involved in the CBC Programme «Black Sea 2007-2013», which aims to promote economic and social development of coastal regions. Program Strategy focuses on the development of civil society and CBC at the local level, with a view to expanding relations with other national and international programs and strategies. The priorities of the program – cross-border partnership support for economic development; protection and preservation of the environment and the creation of a common cultural environment in this basin.

A positive experience of CBC between Lublin (Poland) and Lutsk (Ukraine) draws certain attention. Main cooperation areas were chosen tourism, entrepreneurship, community initiatives, and environmental protection. Funds for projects come from the Norwegian Financial Mechanism, with a certain percentage of own contribution from Lublin. Total funding for European cross-border programs is up to 200 million euro, which are provided on a competitive basis under a well-calculated business projects. In fact, the budget of the initial phase of the project, – creation of the grant writing teams, is 24,000 euro (20 thousand – funds from Norway, rest – from city of Lublin).

The logic of CBC projects between Ukraine and Poland is quite simple. When you bring together information on projects aimed at supporting entrepreneurship, you can see clear picture of a comprehensive approach to this promising business. The main projects' purpose is the CBC development and expansion in the culture of entrepreneurship and its institutional development, as well as direct support for small and medium businesses, establishing and consolidating business ties between businessmen, social, educational, governmental and nongovernmental institutions of Ukrainian, Belarusian and Polish border regions.

These projects include «Ukrainian-Polish-Belarusian Technology Park»; «Restoring the main waterway E-40 at the site of the Dnieper-Wisla: from strategy to planning»; «Creating of the inter-state information complex of the cross-border ecological tourism in European region «Bug»; «Cross-border investor search system Poland-Ukraine»; «Cross-border cooperation for access of the entrepreneurs from small cities to advisory and legal services – Business without Borders» and others.

Draft of the Romania-Ukraine Neighbourhood Program «Cross-border partnership for sustainable community development» and «Improved flood protection and ecological rehabilitation of the environment at the Ukrainian-Romanian border area of the river Tisza» covered Tyachiv and Rakhiv areas with 135 thousand residents (Ukraine) and 62 thousand people, residing in Maramures (Romania). The total cost of the project with 24 months implementation period is amounted to 891.9 thousand euro as the European Commission grant and 10% of this amount as a contribution from the Ukrainian side. The project aimed to achieve the

minimization of significant damage to transient flood and improve the environmental situation in the Ukrainian-Romanian border area of the river Tisza with the length of almost 65 km.

Slovak Hydrometeorological Institute (Bratislava), Department of Water Resources (Banska Stiavnica), Zakarpattia Regional Centre for Hydrometeorology (Uzhgorod) and State Enterprise «Joint directorate of the water management facilities construction of the Zakarpattia region» within the Ukrainian-Slovak project «Programme of improving the flood management system – MOSES» had project budget amounted to 300.0 thousand euro, including 250 thousand euro from European Commission grant and 30 thousand UAH as contribution from the Ukrainian side. The duration of the project was 14 months [6].

Polder – is a drained plot of the sea, lake or river, designed to conduct agricultural activities. Polders are usually located in the lowlands and protected from flooding waters with surrounding trees, dams and other waterworks. Several hundred years ago in the Netherlands windmills not only milled grain, but also pumped water out of polders. Germany, Denmark and the USA also have great experience in the polder melioration. During the floods nearby rivers can throw off excess water in submergible polders, which allows avoiding the most disastrous consequences. Neighbourhood Programme Hungary-Slovakia-Ukraine «Development of Beregove's cross-border polder system in the Tisa basin» is improving flood protection, as well as water and environmental situation in Beregove's cross-border drainage system. The project cost is 800 thousand euro; operational time – 24 months.

The CBC Project «Clean Water», funded by the European Community under the program «Hungary-Slovakia-Ukraine» aims to the improvement of environmental protection in the field of water management in cross-border areas of the three states. The project cost over 600 thousand euro. The first phase had to resolve the issue of the drainage and wastewater treatment facilities in Ukrainian villages Kinchesh, Chaslivtsi and Korytnany using the experience of the Кољиче Region (Slovakia).

Travel industry refers to such type of activity, where the range of customer requests and service level are virtually unlimited – from ascetical and debilitating hikes to luxury tours and individual VIP-programs. Ukrainian tourism industry needs powerful travel agency with its own aircraft and 5-star hotels, as well as a small business with a small bus and enthusiastic local historian. The main thing – it's giving to potential tourist needed service in the right time and right place. The capital of Ukraine and major tourist centers already have such infrastructure is more or less developed. But closer to the border, where, apparently, people could take daily visitors from neighboring countries – tourist services industry is in its infancy. This does not correspond to the tourism potential of these regions of Ukraine.

During 2008-2010 years in the Odesa region successfully implemented international project «Strengthening integration of border regions in the development of green tourism» within Neighbourhood Programme «Romania-Ukraine», funded

by the European Union. The purpose of the project is a new form of small tourism infrastructure as well as making tourism management system in the region more effective. The EU contributed 675 thousand euro to the overall 765.9 thousand euro-project budget.

As part of the CBC Program «Development and strengthening of ties between border tourism with Zakarpattia Oblast and Szabolcs-Szatmár-Bereg County» in the Yanoshivillage of the Beregove district (Ukraine) with support from the European Union, provided the infrastructure creation for recreational cycling trips in the mountains and popularizing of this leisure method among Ukrainian and foreign tourists. Estimated biennial budget of the «Bicycle Country» program was more than 500 thousand euro. In the minds of European community bike regarded as democratic, promising and inexpensive vehicle.

Summarizing the results of the international CBC projects of the EU and Ukraine allows us to formulate the following conclusions:

1. EU Member States within the CBC consider Ukraine as a potential member and capable partner of these activities. Currently implemented CBC projects show a wide range of opportunities to expand international cooperation both with the EU states in different sectors of human activity.

2. Developing cross-border and trans-regional cooperation, Ukraine receives a number of benefits. From a political point of view – this is the ability to remove the political and administrative

barriers between neighboring nations to step up reforms aimed at strengthening democratic initiatives. From an economic point of view – to create economic and social infrastructure as well as economic conditions for the formation of joint bodies, businesses. From humanitarian – to overcome existing stereotypes and prejudice on both sides of the border, use the tools of scientific, cultural diplomacy in order to form the citizen who is fully aware of its responsibility for the community, region and country.

3. Priority directions of the state policy on cross-border cooperation Ukraine should be:

– The creation of favorable conditions for investment activity in the border regions through the development of information exchange, providing advisory services, use of tax incentives for local authorities;

– The creation of conditions for free border crossing while ensuring the safety of the border regions population by developing a system of simplified border controls, planning and coordination of law enforcement agencies collaboration to prevent crimes on both sides of the border;

– The increasing of the border area transit capacity;

– The ensuring of the joint control over the environmental situation and rational use of natural resources;

– The development of new Ukrainian CBC Projects in social and humanitarian areas within European regions.

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## МІЖНАРОДНА ФІНАНСОВА ПІДТРИМКА ПРОЄКТІВ ТРАНСКОРДОННОГО СПІВРОБІТНИЦТВА УКРАЇНИ

### Анотація

Досліджено теоретичні аспекти транскордонного співробітництва України з ЄС. Проаналізовано стан міжнародної фінансової підтримки проєктів транскордонного співробітництва України. Визначено пріоритетні напрями державної політики транскордонного співробітництва України. Обґрунтовано практичну значимість проєктів транскордонного співробітництва України у різних виробничих та обслуговуючих сферах.

**Ключові слова:** фінансова підтримка, проєкт, транскордонне співробітництво, державна політика, міжнародна діяльність.

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## **МЕЖДУНАРОДНАЯ ФИНАНСОВАЯ ПОДДЕРЖКА ПРОЕКТОВ ТРАНСГРАНИЧНОГО СОТРУДНИЧЕСТВА УКРАИНЫ**

### **Аннотация**

Исследовано теоретические аспекты трансграничного сотрудничества Украины с ЕС. Проанализировано состояние международной финансовой поддержки проектов трансграничного сотрудничества Украины. Определены приоритетные направления государственной политики трансграничного сотрудничества Украины. Обоснована практическая значимость проектов трансграничного сотрудничества Украины в разных производственных и обслуживающих сферах.

**Ключевые слова:** финансовая поддержка, проект, трансграничное сотрудничество, государственная политика, международная деятельность.