

Cross-Border Cooperation as a Mechanism of Europeanization of Ukraine

The article analyzes the state of cross-border cooperation between Ukraine and EU Member States. The authors of the article deeply analyze the literature on cross-border cooperation as well as the typology of border regions in Europe. The article analyzes in depth the cross-border cooperation between Ukraine and the EU within the framework of the European Neighborhood Policy. The authors make a comparative analysis of two CBC programs for 2007-2013 and 2014-2020. They conclude that, unlike the program for 2007-2013, where the focus was on the economic development, in 2014-2020, the focus was on development of health care, cultural heritage, infrastructure projects and security.

Keywords: cross-border cooperation, European Neighborhood Policy, Europeanization, Ukraine, EU.

Współpraca transgraniczna jako mechanizm europeizacji Ukrainy

Artykuł analizuje stan współpracy transgranicznej między Ukrainą a państwami członkowskimi UE. Autorzy artykułu dogłębnie analizują literaturę dotyczącą współpracy transgranicznej oraz typologię regionów przygranicznych w Europie. Artykuł zawiera dogłębną analizę współpracy transgranicznej między Ukrainą a UE w ramach Europejskiej Polityki Sąsiedztwa. Autorzy dokonują analizy porównawczej dwóch programów CBC na lata 2007-2013 i 2014-2020. Stwierdzają, że w przeciwieństwie do programu na lata 2007-2013, w którym skupiono się na rozwoju gospodarczym, w latach 2014-2020 skupiono się na rozwoju ochrony zdrowia, dziedzictwa kulturowego, projektach infrastrukturalnych i bezpieczeństwie.

Słowa kluczowe: współpraca transgraniczna, Europejska Polityka Sąsiedztwa, europeizacja, Ukraina,

Транскордонне співробітництво як механізм європеїзації України

У статті проаналізовано стан транскордонного співробітництва між Україною та країнами-членами ЄС. Автори статті проводять детальний аналіз літератури з

проблематики транскордонного співробітництва, аналізують типологію прикордонних районів Європи. У статті проведений глибокий аналіз транскордонної співпраці між Україною та ЄС, яка відбувається в рамках Європейської політики сусідства. Автори статті проводять порівняльний аналіз двох шестирічних програм співпраці на 2007-2013 рр. та 2014-2020 рр. та доходять висновку, що на відміну від програми на 2007-2013 роках, де основний акцент було зроблено на економічному розвитку, у 2014-2020 роках акцент зроблено на розвиток на сфері охорони здоров'я, охорони культурної спадщини, інфраструктурні проекти та безпеку.

Ключові слова: транскордонне співробітництво, Європейська політики сусідства, європеїзація, Україна, ЄС.

Introduction. Cross-border cooperation is one of the forms of interregional cooperation (a more general phenomenon) and is considered a means for the ongoing regionalization. The increased borders permeability is reflected in the institutional and functional situation of the border regions, providing a unique site for cross-border regionalization. Ukraine-EU border region is one of the grounds where the potential for regionalization is implemented via spatial agreements ranging from large multinational agreements, such as the Black Sea region, to very small local regions near the border checkpoints. Such agreements facilitate transboundary cooperation.

Cross-border cooperation (CBC) is a key element of the European Union (EU) policies regarding its neighbors. CBC supports sustainable development along the EU external borders and helps diminish differences in standards of living while addressing common problems across these borders. Since the EU expansion in 2004 and 2007, various forms of bilateral cooperation have been introduced between the new member states of the EU and countries, which are united under the European Neighborhood Policy, in particular, Ukraine. They strive to maintain existing relations in the spheres of human contacts, cultural exchanges, trade and seasonal migration. Here, the role of CBC in the regional development is determined by its ability to mobilize and utilize the existing potential of the border regions and to combine the resources of the border regions of neighboring countries to solve common problems and to promote cross-border cooperation.

Research Background. The problems of cross-border cooperation were studied by many European scholars. Thus, A. van der Veen and D. J. Boot¹ investigated two aspects of cross-border cooperation between the EU internal regions and the border regions. Scientists claim the main motives of the EU for cooperation across its internal borders to result from the regional development and functional integration. Many border regions lag in development and hence cross-border cooperation is considered an important strategy of addressing their structural

¹ A. Van Der Veen, D.-J. Boot, *Competitive European peripheries*. Berlin, Heidelberg 1995, p. 75-94.

problems. In their CBC study, G. Nippenberg and J. Marcus² claimed that “territory is an essential element of modern states since it provides a crucial foundation for their functions. Functions of the borders are derived from the functions of the state”. J. Anderson³ notes that “it is necessary to analyze the functions of the borders to understand the hindrances to cross-border cooperation; to learn how to create a network of trust and to achieve the democratic cooperation management”.

M. Buffon and V. Markelj⁴ explores the introduction of local cross-border governmental institutions and analyzes the experience of cross-border cooperation in Central Europe using Slovenia model. He presents the advantages and interferences of established cross-border cooperation. The author notes that the main challenge of today’s European reality is an attempt to provide a solid foundation for social, economic and political integration under conditions of cultural diversity, subsidiarity and multilevel governance. I. Blatter⁵ conducted even a broader analysis. They investigated cross-border cooperation in Europe through the prism of historical development, institutionalization and differences while compared with North America. The idea of Europe as (re)integrated macro-region could not be implemented without a direct social and economic development of all its regions and areas. This creates a rather new context for border areas and regions since they are both peripheral within individual state systems and central within the EU integration programs. While exploring the multidimensionality of integration between the EU border regions, F. Durand and A. Decoville⁶ (2019) define similarities and differences observed between different European regions in the context of the intensity of cross-border cooperation as a cross-border functional dimension of integration. The representative dimension lies in the level of mutual social trust among the border groups. The third dimension envisages inviting the parties concerned to the cross-border cooperation projects (institutional dimension).

Among the Ukrainian scientists, O. Zarichna⁷ (2018) analyzes the experience of the international community regarding the implementation of the cross-border cooperation system and explores the legal and methodological framework of cross-border cooperation as the direction of the European integration processes in Ukraine. A. Kuzmin and I. Kravchenko⁸ analyzed cross-border cooperation of enterprises and suggested to define the following levels of cross-border cooperation: meta-level – European; macro-level – national; meso-level-regional

² H. Knippenberg, J. Markuse, *Nationalising and denationalising European border regions, 1800–2000: views from geography and history*. Dordrecht: Kluwer 1999, p.1–19.

³ J. Anderson, *Why study borders now?*, “Regional and Federal Studies”, 2002, No 12, Pp. 1–12.

⁴ M. Buffon, V. Markelj, *Regional Policies and Cross-Border Cooperation: New Challenges and New Development Models in Central Europe*, “Revista Română de Geografie Politică”, 2010, no. 1, Pp. 18–28.

⁵ J. Blatter, C. Norris, *II Introduction to the Volume: Cross-Border cooperation in Europe: Historical development, institutionalization, and contrasts with North America*, “Journal of Borderlands Studies”, 2003, No. 15.1, Pp. 14–53.

⁶ F. Durand, A. Decoville, *A multidimensional measurement of the integration between European border regions*, “Journal of European integration”, 2019.

⁷ O. Zarichna, *New Forms of Cross-Border Cooperation*, “Management”, 2018, No. 2, Pp. 99–107.

⁸ O. Kuzmin, I. Kravchenko, *Cross-border cooperation of enterprises: essence and significance*, “Econtechmod. An International Quarterly Journal”, 2014, Vol. 3. No. 2. Pp. 37.

and micro-level – local. N. Mikula believes that cross-border cooperation should be considered both a result of the regions' development and a tool for economic growth in border areas⁹.

However, theoretical and empirical studies on the features of cross-border cooperation between Ukraine and the EU, in particular, in the framework of the 2014-2020 cross-border cooperation programs, are still insufficiently described in the literature and require detailed research to determine their role in the border territories development.

Therefore, the purpose of this article is to study the peculiarities of the cross-border cooperation between Ukraine and the EU Member States and to identify specific economic problems of Ukraine in the context of cross-border cooperation.

The Background of the Cross Border Cooperation between Ukraine and the EU. While considering the typology of European border regions per the potential of their cross-border cooperation, M. Buffon¹⁰ defines three groups: Western, Central and Eastern Europe. "Old" borders developed along with the historical regions of the area are typical for Western European group. In such an environment, relatively early forms of institutional cross-border cooperation emerged in the 1960s-70s. At the same period, the first border regions ("Euroregions") were formed.

The second typological group of border areas and regions is characteristic for Central Europe. In this area, historical regions often do not correspond to the actual spatial regionalization within the framework of individual States due to the numerous disengagement processes, especially after the two world wars. Consequently, these cross-border regions correspond to the previously existing historical regions rather than to administrative units. In addition, they do not get institutional support from local or state authorities that may resent cross-border cooperation because of the unresolved issues between neighboring States, caused by the separation processes. However, in addition to the "official" inter-state cooperation and openness, such types of border regions demonstrate extremely high potential for social (re)integration. It usually leads to the formation of functional cross-border systems, which can be defined as "regions within regions"¹¹

The third and the last group is typical for Eastern Europe, merging old and new borders, which are traditionally less developed and sparsely populated. Such areas have their own weak socio-economic and demographic capabilities, as well as rather limited opportunities to create more intensive forms of cross-border cooperation and (re)integration. Such border regions are often merely nominal, and, therefore, can be defined as "regions under reconstruction".

Based on the above classification, we consider cross-border cooperation between Ukraine and the EU a combination of the second and third groups. After all, the Euroregions that

⁹ N. Mikula, *Interterritorial and cross-border cooperation: Monograph*, Lviv, 2004, p. 22.

¹⁰ M. Bufon, *Le regioni transfrontaliere nel processo di unificazione Europea*, In Bonavero, P. and Dansero, E. (Eds.) *L'Europa delle regioni e delle reti*, 126-142, UTET: Torino 1998, p. 126-127.

¹¹ M. Bufon, *Geography of border landscapes, borderlands and euroregions in the enlarged EU*, "Rivista Geografica Italiana", 2006, No. 113/1, p. 47-72.

currently cooperate with the EU (“Carpathian” and “Buh” regions in particular) are characterized by a joint state border with close industrial, socio-economic and ethnocultural connections, overpassing national borders and a common historical past. On the other hand, their ability to create more intensive forms of cross-border cooperation is comparatively limited.

In Europe of the late twentieth century, social and cultural communication had become increasingly difficult, resulting in new forms of social organization, both within different countries and between national systems. Most interstate and international activities do not hinge on the change or adaptation of the borders to the developing geopolitical situation (as it used to be in the period of nationalism and early modernism) but primarily to their weakening and elimination¹². Thus, in the modern socio-political and economic conditions, cross-border cooperation has become one of the most effective ways to address common developmental challenges and deepen mutually beneficial contacts between populations of the neighboring countries¹³.

Cross-border cooperation program (CBC) between Ukraine and the EU has existed for 15 years. It aims to support developmental processes in the border territory of Belarus, Poland, Romania, Hungary and Ukraine while financing various projects. All projects funded under CBC are non-profit and contribute to improving the quality of life in these territories. The projects funded within the Program demonstrate a substantial cross-border effect due to the institutional partnership of the countries and primarily due to their operations’ results and the projects’ positive impact on the border territories¹⁴.

In the process of facilitating cross-border cooperation in Ukraine, which began in 1993 with the accession of Ukraine to the “European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities” and the introduction of Law of Ukraine “On cross-border cooperation” dated June 24, 2004. The country was revitalized when the EU introduced the Eastern partnership initiative in 2009. Law of Ukraine “On cross-border cooperation” is peculiar as it defines tasks and principles of state policy, rights and duties of the CBC subjects, principles and forms of state support, financial resources for cross-border cooperation, while considering the geopolitical changes caused by the EU expansion to the East in 2004¹⁵.

After signing of the Association Agreement in 2014, Ukraine began a new stage of cooperation with the European Union. This has particularly influenced the Ukrainian legislation on cross-border cooperation and effected the implementation of cross-border

¹² M. Bufon, V. Markelj, *Regional Policies and Cross-Border Cooperation: New Challenges and New Development Models in Central Europe*, “Revista Română de Geografie Politică”, 2010, no. 1, Pp. 18.

¹³ N. Kukharska, *Cross-border cooperation as a form of Ukraine’s economic development on the regional level. In Management of modern socio-economic systems Collective monograph* [edited by J. Žukovskis, K. Shaposhnykov], Kaunas, Lithuania: Izdėmnieciba “Baltija Publishing”, 2017, Vol. 1, Pp., P. 264.

¹⁴ Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020, URL <https://www.pbu2020.eu/ua/projects2020> [odczyt: 22.01.2021].

¹⁵ Н.О. Кухарська, Транскордонне співробітництво як форма розвитку економічних відносин України на регіональному рівні. In *Management of modern socio-economic systems: Collective monograph* [edited by J. Žukovskis, K. Shaposhnykov]. Kaunas, Lithuania: Izdėmnieciba “Baltija Publishing” 2017, Vol. 1, P. 270.

cooperation programs. An integrated approach to economic, environmental, cultural, historical and social relations is crucial in the context of interregional cooperation of Ukraine and EU countries.

The Association Agreement between Ukraine and the EU provides a wide range of possibilities for the modernization of regional policy and cross-border cooperation. In particular, on August 6, 2014, State Strategy of Regional Development for the period until 2020 was adopted. It lists cross-border cooperation among the primary tasks within two strategic purposes. Agreement on financing Sector Policy Support Program concluded and ratified in November 2014 – Support to Ukraine’s Regional Policy is the main tool of the EU support to the implementation of the State Strategy of Regional Development. It presents the opportunity to bring 55 million euro from the European Union funds for implementing the State’s regional policy goals¹⁶. On February 5, 2015, the Verkhovna Rada of Ukraine adopted Law “On Principles of State Regional Policy”¹⁷. It stipulates:

- development and execution of interrelated tasks and measures of socio-economic development in the medium (three to five years) and long term (over five years) periods.
- introduction of several implementing principles of state regional policy, including the coordination principle – interrelation and coherence of long-term strategies, plans and developmental programs at national, regional and local levels;
- system of interlinked documents to determine state regional policy;
- Latitude of Central Executive authority that provides the formation of the state regional policy and the authority that ensures its implementation;
- coordination of actions of executive authorities and local self-government bodies on the formation and implementation of state regional policy.

There is also the State Program for the development of cross-border cooperation for the 2016-2020 period. It entails providing state financial support to the implementation of certain activities and CBC projects for developing the infrastructure of border regions of Ukraine and environmental protection.

Before 2007, projects in Poland and Hungary were financed by the European Regional Development Fund, while Belarus, Moldova and Ukraine were financed by TACIS (22 million euro allocated to Ukraine), which considerably complicated the financing mechanism. Since 2007, CBC programs have been implemented within the framework of the European Neighborhood and Partnership Instrument (ENPI). Moreover, the funding of the EU Program for the 2007-2013 period has increased up to 351 million euro. It is important to note that the total project cost cannot be fully financed by the EU funds. Grant funds cannot

¹⁶ Eurointegration portal (2020), *Cross-border and Regional Cooperation*, URL <https://eu-ua.org/yevrointehratsiia/transkordonne-ta-regionalne-spivrobitnytstvo> [odczyt: 21.01.2021] [in Ukr.].

¹⁷ Verkhovna Rada of Ukraine Law on Principles of State Regional Policy, No. 156-VIII, 2015, URL: <https://zakon.rada.gov.ua/laws/show/156-19#Text> [in Ukr.].

exceed 90% of the total project cost. The difference (10% of co-financing) must be backed either by the applicant, partners or with any other funds except for those of the European Union Budget or the European Development Fund. Co-financing must constitute at least 10% of the total project cost¹⁸. Therefore, financial support of cross-border cooperation should be considered as a mechanism of producing a significant socio-economic effect on the border region while using a relatively modest share of personal funds that in turn attract external financial resources¹⁹.

The Poland-Belarus-Ukraine project was the largest among CBC projects of Ukraine in 2007-2013 (see table 1). It had achieved positive changes in social infrastructure, healthcare, education, tourism, protection of cultural heritage, security and border-crossings' infrastructure and services²⁰.

Table 1. Target costs on the CBC projects with the participation of Ukraine in 2007-2013

	Security		Environment		Social development		Economic development	
	Mln Euro	% to total	Mln Euro	% to total	Mln Euro	% to total	Mln Euro	% to total
RO-UA-MD	5%	5%	5%	5%	5%	5%	48,8	14%
PL-BY-UA	9%	9%	9%	9%	9%	9%	67	19%
HU-SK-RO-UA	3%	3%	3%	3%	3%	3%	13,2	4%

Source: Ex-post Evaluation of 2007-2013 ENPI CBC Programmes. Final report, European Commission, Brussels 2015, p. 20.

During the 2007-2013 program period, Ukraine remained a lead partner in 17% of the projects and acted as a partner country in 77% of the projects. At the same time, organizations from Poland (within the “Poland-Ukraine-Belarus” CBC Program) were lead partners in 76% of the projects, and from Romania (in “Romania-Ukraine- Moldova” CBC Program) – in 61% of the projects. For instance, among 617 applications (73%) submitted for the leading position in the project, Poland won 89 applications, while Ukraine won only 20 out of 183 (22%). It is worth mentioning that Poland and Romania (in “Romania-Ukraine-Moldova” CBC Program) participated in 100% of the projects²¹. Somewhat different was the situation with the CBC program “Hungary-Slovakia-Romania-Ukraine”, where organizations from Ukraine acted as lead partners in the biggest number of projects (42 out of 138).

It must be noted that the majority of participants were local organizations and regional authorities (32.8% for the lead partners and 35,6% for partners), private institutions (35.8% and 39.7% respectively) and public authorities (26% and 21.5%,

¹⁸ The Hungary-Slovakia-Romania-Ukraine ENI CBC Programme 2014-2020, Financed Projects Database, URL <https://huskroua-cbc.eu/projects/financed-projects-database> [odczyt: 24.01.2021]

¹⁹ V.S. Kravtsiv (ed.) The Development of cross-border cooperation: scientific and analytical review, Lviv, 2017, p. 6. [in Ukr]

²⁰ European Commission, *Ex-post Evaluation of 2007-2013 ENPI CBC Programmes. Final report*, Brussels 2015, p. 20.

²¹ European Commission, *Ex-post Evaluation of 2007-2013 ENPI CBC Programmes. Final report*, Brussels 2015, p. 386.

respectively)²². It is also worth noticing that there were no private companies or businesses among the applicants.

Current state of the cross-border cooperation between Ukraine and the EU. The CBC programs 2014-2020, which have been implemented within the European Neighborhood Instrument (ENI), support sustainable development across the EU external borders, help to equate the standards of living and to solve common problems via borders. Total funding for Ukraine amounts 350 million euro. It is necessary to highlight that the funding program has changed. In particular, the financing of the Poland-Belarus-Ukraine CBC program has decreased (from 185 to 175 million euro) while the financing of the Hungary-Slovakia-Romania-Ukraine program, on the contrary, has increased (from 65 to 81 million euro). 60 million euro were allocated to the separate program Romania-Ukraine²³.

Depending on the needs of each region, current CBC programs have defined thematic objectives (TO) and priorities that are somewhat different from the 2007-2013 programming period. Thus, the Poland-Belarus-Ukraine program defined four thematic objectives: heritage, accessibility, security and borders. Within the framework of the Hungary-Slovakia-Romania-Ukraine program, there are other thematic objectives, namely culture and heritage, environmental protection, sustainable and climate-proof transport, security and safety. The CBC program Romania-Ukraine provides for the implementation of projects within the following thematic objectives: education, research and innovation, culture and heritage, infrastructure and security.

In terms of its budget, Poland-Belarus-Ukraine program is the largest CBC program on the EU borders. The program allocated 175,7 million euro²⁴ to the projects aimed at protecting and promoting the border areas' cultural and natural heritage, transport infrastructure of the regions, improving the infrastructure and operation of border crossing points, as well as the development of health services and public safety²⁵. The overall goal of the program is to support processes of cross-border development in the border regions of Poland, Belarus and Ukraine.

Within the 1st and 2nd qualifying stages²⁶ Ukraine was involved in 34 projects that cover 50.4% of the entire program funding (88.6 million euro) (see Fig. 1). This includes both regular and large infrastructure projects (over 5 million euro) of the CBC program Poland-Belarus-Ukraine. Out of these, 30 projects are implemented jointly by Ukraine and

²² European Commission, *Ex-post Evaluation of 2007-2013 ENPI CBC Programmes. Final report*, Vol. III, Brussels 2015, p. 110, 226, 403

²³ European Commission, *Ex-post Evaluation of 2007-2013 ENPI CBC Programmes. Final report*, Vol. III, Brussels 2015, p. 196/

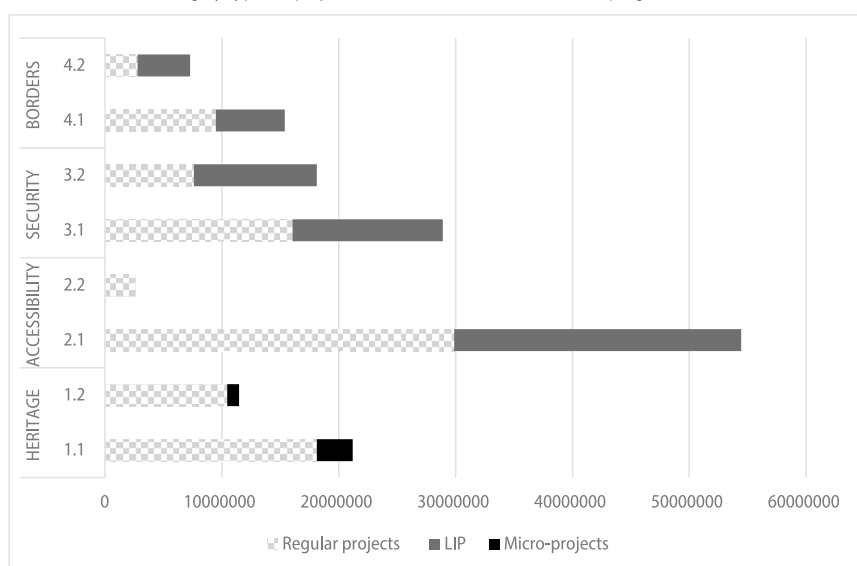
²⁴ Programming of the European Neighbourhood Instrument (ENI) - 2014-2020, *Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)*, URL http://ec.europa.eu/archives/docs/enp/pdf/financing-the-enp/cbc_2014-2020_programming_document_en.pdf [odczyt: 22.01.2021].

²⁵ Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020, URL <https://www.pbu2020.eu/ua/projects2020> [odczyt: 22.01.2021].

²⁶ These are large infrastructure projects (10 projects) and regular projects (64 projects). The third selection phase covers 67 micro-projects still lasting up to 12 months.

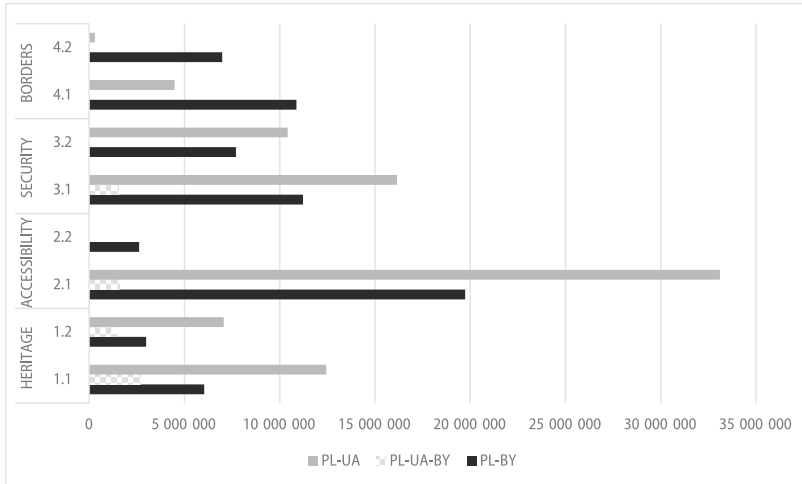
Poland, and four by Ukraine, Poland and Belarus. It should be noted that Polish companies or authorities are the main beneficiaries in most projects (for instance, Ukraine is the main beneficiary in four out of the 26 regular projects). In large infrastructure projects, Ukraine acts as the main beneficiary in three out of six projects. However, it should be noted that compared to the 2007-2013 program period, the number of regular projects decreased (from 108 projects in 2007-2013 to 64 projects in 2014-2020). On the other hand, in the program period 2014-2020, 67 micro-projects are being implemented, which was not the case in the previous program period.

Fig. 1. Distribution of funding by types of projects in Poland-Belarus-Ukraine CBC program in 2014-2020, in euros



Source: compiled by the authors based on data of Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020, URL <https://www.pbu2020.eu> [odczyt: 22.01.2021].

Among the projects of the 1st and the 2nd qualifying stages involving Ukraine, the largest share (48.5%) is allocated to the thematic objective Accessibility (priority 2.1. Development of the information and communication technologies (ICT) infrastructure) (see Fig. 2). Suggested enterprises under priority 2.1 include joint initiatives to develop and improve the quality of the existing ICT infrastructure; joint projects for feasibility studies concerning the creation of broadband access networks; the creation of broadband networks; joint initiatives in creating digital resources and data exchange; joint initiatives to ensure interoperability of ICT infrastructure. Within this priority, three major infrastructure projects were financed with the participation of Volyn and Lviv regional state administrations (with the Polish side as the main beneficiary).

Fig. 2. Costs of the projects of Poland-Belarus-Ukraine CBC Program 2014-2020, in thousand euro

Source: compiled by the authors based on data of Cross-border Cooperation Programme Poland-Belarus-Ukraine 2014-2020, URL [https://www.pbu2020.eu\[odczyt:22.01.2021\]](https://www.pbu2020.eu[odczyt:22.01.2021]).

In terms of funding, the second-largest thematic objective is safety. The project with participants from the Ukrainian side get nearly 30% of the funding. This objective has two priorities: priority 3.1 Support to the development of health protection and social services, and 3.2 Addressing common security challenges. The two largest projects of the priority 3.1 are “The project for reducing the risk of tuberculosis epidemic in the border regions of Ukraine and Poland” (Health Department of the Regional State Administration of Transcarpathian Region is the main beneficiary of the project) and “The project for the environmental improvement of the Natural Park “Lakes of Shatsk” (with Shatsk Regional State Administration as the main beneficiary). The large infrastructure project “For establishing the system of dynamic response to information of crimes or other events in Lviv” is the largest project within the priority 3.2 (with Lviv Regional Board of Administration of the National Police as the main beneficiary). It should be noted that in the 2014-2020 program period, there are six major projects, whereas, in 2007-2013, there were four. Thus, we can conclude that continuation of the cooperation between border regions of Poland and Ukraine has a positive effect.

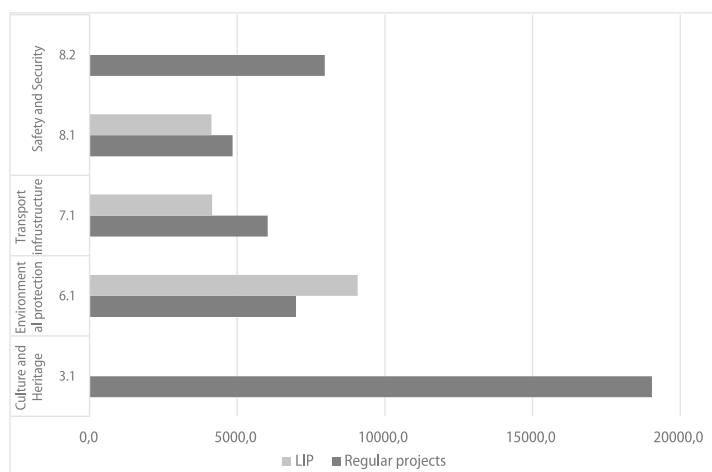
The rest of the financing (21.5%) covers the TO Heritage and TO Borders. It is also worth noting that the funds for Belarusian projects are distributed more equally. In particular, in Polish-Belarusian projects, 25% is allocated to financing TO Borders (Priority 4.1 Promoting border efficiency and security, and Priority 4.2 Improving borders management, customs and visa procedures).

The second-largest budget of the funding program within the ENP is the Hungary-Slovakia-Romania-Ukraine CBC program, which received 81 million euro from the European

Neighborhood Instrument²⁷ and the European Regional Development Fund. The main goal of the program is to strengthen cooperation in the context of sustainable development of the environment, economy and social sphere between Transcarpathian, Ivano-Frankivsk and Chernivtsi regions of Ukraine and adjacent areas of Hungary, Romania and Slovakia. The first stage of this CBC program was opened specifically for Large Infrastructure Projects where the budget share of at least 2.5 million euro (as for the beginning of March there are three LIPs on the stage of implementation). The second stage of the program envisages the implementation of 30 projects with Ukraine involved (projects end in 2021 or 2022) and the total EU funding is 22 million euro)²⁸. The qualification for the third stage was completed in February 2020 (the funding amounts to 17.3 million euro).

In contrast to the previous Ukraine-Poland-Belarus CBC program, funding of the projects of Hungary-Slovakia-Romania-Ukraine CBC program is much smaller (from 250,000 euro for regular projects to 3,732 million euro for LIP). However, the Ukrainian side acts more often as the main beneficiary of the projects (9 out of 30 projects). It concerns the implementation of projects for security, culture and historical heritage, environment and transport. Most projects implemented per priority 3.1 (Promoting local culture and historical heritage along with tourism functions) and priority 8.2 (Support to the development of health) (see Fig. 3).

Fig. 3. Target costs for projects in the framework of Hungary-Slovakia-Romania-Ukraine CBC Program 2014-2020, in thousand euro



Source: compiled by the authors based on data of Hungary-Slovakia-Romania-Ukraine ENI CBC Programme 2014-2020, Financed Projects Database, URL <https://huskroua-cbc.eu/projects/financed-projects-database> [odczyt: 24.01.2021]

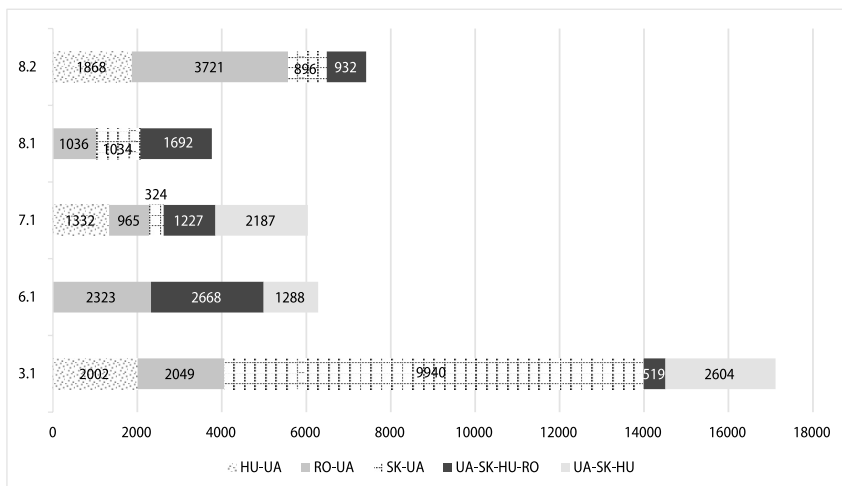
²⁷ Programming of the European Neighbourhood Instrument (ENI) - 2014-2020, *Programming document for EU support to ENI Cross-Border Cooperation (2014-2020)*, URL http://ceas.europa.eu/archives/docs/enp/pdf/financing-the-enp/cbc_2014-2020_programming_document_en.pdf [odczyt: 22.01.2021].

²⁸ The Hungary-Slovakia-Romania-Ukraine ENI CBC Programme 2014-2020, *Financed Projects Database*, URL <https://huskroua-cbc.eu/projects/financed-projects-database> [odczyt: 24.01.2021]

At the same time, large infrastructure projects are implemented in three priorities such as: 6.1 (Sustainable use of the environment in the cross border area - preservation of natural resources, actions to reduce GHG emission and pollution of rivers), 7.1 (Development of transport infrastructure to improve the mobility of persons and goods), and 8.1 (Support to joint activities for the prevention of natural and man-made disasters as well as joint action during emergency situations). Ukraine is lead partner in two of them: “Strengthening of cross-border safety by joint measures aimed at flood and inland water prevention in the interfluves of Tisza-Tur rivers” (pr. 8.1) and “Roads to Healthy Forests: Resilient, Adaptive, Diverse and Sustainable Forests in Cross-border Region of Ukraine and Slovakia” (pr. 6.1). In comparison, in the previous programming period 2007-2013, major LIPs were implemented within only one priority - Priority 3: Increase border efficiency.

Most regular projects in terms of funding are implemented jointly by Ukraine and Slovakia (8 projects worth 12.1 million euro) (Fig. 4). Among them, participants from Ukraine are the main beneficiaries in three projects, in particular in one large infrastructure project. Ukrainian-Romanian projects (12 projects worth 10.1 million euro) are on the second place, while Ukrainian-Hungarian projects (6 projects worth 5.2 million euro) are on the third. It is also worth noting that under the Hungary-Slovakia-Romania-Ukraine CBC program, a quarter of regular projects are implemented jointly by representatives of all participating countries (10 projects worth 7 million euro). Generally, Ukraine acts as the main beneficiary in 15 projects, including 2 infrastructure projects.

Fig. 4. Target costs for regular projects by participants within the Hungary-Slovakia-Romania-Ukraine CBC program in 2014–2020, in thousands euro

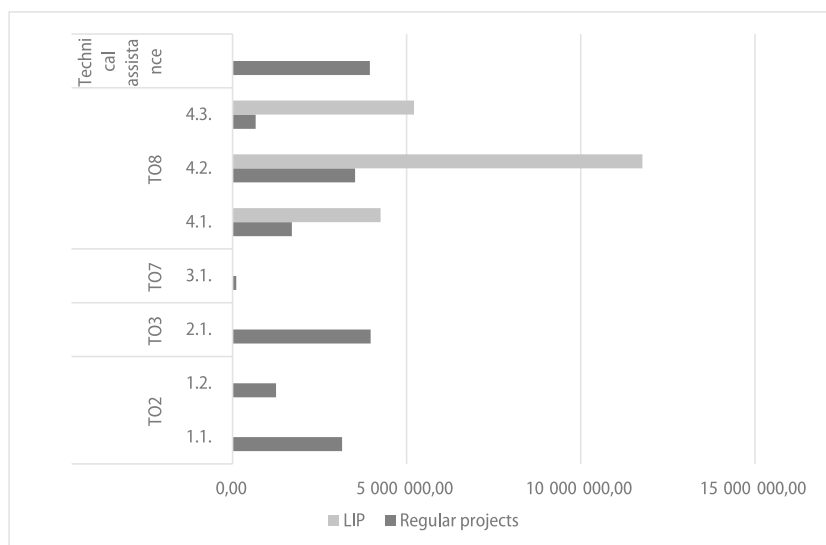


Source: compiled by the authors based on data of Hungary-Slovakia-Romania-Ukraine ENI CBC Programme 2014–2020, Financed Projects Database, URL <https://huskroua-cbc.eu/projects/financed-projects-database> [odczyt: 25.01.2021].

Ukraine-Romania CBC program takes the third place per funding and the number of projects. It received 60 million euro for the 2014-2020 period²⁹. The main goal of the program is to boost economic development and improve quality of life through joint investments in education, economic development, culture, infrastructure, health and safety of the citizens of the two countries.

Within the framework of the program, almost 4 million euro were allocated to three projects for technical assistance. These projects aim to support the functioning of the CBC program Romania-Ukraine and include facilitating preparation, management, monitoring, evaluation, informing, resolving complaints, monitoring and audit activities related to the program implementation. In addition, Ukraine-Romania CBC program has four major infrastructure projects for safety, health and environmental protection (at a total of 21.2 million EUR or 28%) (fig. 5). During the 2007-2013 program period, there were five major projects (at a total of 13.2 million euro).

Fig. 5. Target costs for projects in the framework Romania-Ukraine CBC Program 2014-2020, in thousand euro



Source: compiled by the authors based on data of Romania-Ukraine ENI CBC Programme 2014-2020 (2020), URL <http://ro-ua.net/en/> [odczyt: 25.01.2021].

At the same time within Ukraine-Romania CBC program, as of July 2020, 40 regular projects are under implementation (EU funding ranges from 98,000 euro to 946,300 euro). The projects are performed in the following thematic goals: TO 2. Support to education, research, technological development & innovation (11% of total funding), TO 3. Promotion of local culture and preservation of historical heritage (10%), TO 7. Improvement of accessibility to

²⁹ Romania-Ukraine ENI CBC Programme 2014-2020 (2020), URL <http://ro-ua.net/en/> [odczyt: 25.01.2021].

the regions, development of transport and common networks and systems (0,3%), and TO 8. Common challenges in the field of safety and security (15%). The biggest financing got the projects in the TO Security (Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint actions during emergency situations). For example, nearly 500,000 euro have been allocated to a project aimed at preventing natural and man made disasters; 491,000 euro were granted to the project aimed at creation of an emergency warning system in the delta of Danube. However, the lead partner of these projects is situated in Romania.

Within the framework of TO 8. Common challenges in the field of safety and security, four large infrastructure projects in three priorities are being implemented – 4.1. Support to the development of health services and access to health; 4.2. Support to joint activities for the prevention of natural and man-made disasters as well as joint action during emergency situations; 4.3. Prevention and fight against organized crime and police cooperation.

The Joint Operational Program Black Sea Basin 2014-2020 is the smallest CBC program in terms of funding (the program includes eight countries: Bulgaria, Armenia, Georgia, Greece, Moldova, Romania, Turkey and Ukraine)³⁰. The EU funding for this program amounts to 49 million EUR. The program includes two thematic objectives. The first “Supporting business and entrepreneurship” includes two priorities: 1.1. Joint support for business and entrepreneurship in tourism and culture and 1.2. Increasing cross-border trade opportunities and modernization of agriculture and allied sectors.

Thematic objective 2 “Supporting coordination in the sphere of environmental protection and joint action to reduce marine pollution in the Black Sea basin” includes the following priorities:

- strengthening joint monitoring of the environment;
- promoting joint actions to raise awareness and reduce river and sea pollution. The total sum for those priorities is about 10 million EUR or 24% of the total funding.

There are 23 projects within the Black Sea Basin Program, with Ukraine participating in 12 of them (10.4 million euro or 22% of total funding). Most projects are carried out within TO 1 – “Supporting business and entrepreneurship” (four projects for 1.1 and 1.2 each). However, in all projects, Ukraine acts as a partner country, not the main beneficiary.

Therefore, after analyzing all existing CBC programs with Ukraine involved, we can conclude that unlike the previous programs of 2007-2013 that were aimed at economic development (in particular, at supporting the development of small and medium enterprises), the 2014-2020 programs focus on the health sector development, cultural heritage protection, infrastructure projects and security (except for several projects that support SMEs under the Black

³⁰ Black Sea Basin ENI CBC Programme 2014-2020 (2020), URL [https://blacksea-cbc.net/black-sea-basin-2014-2020/jop/\[odczyt: 27.01.2021\]](https://blacksea-cbc.net/black-sea-basin-2014-2020/jop/[odczyt: 27.01.2021]).

Sea Basin Program). Just like in the previous program period, Poland and Romania are the main beneficiaries of the projects (the only exception is the Hungary-Slovakia-Romania-Ukraine CBC program, where Ukraine acts as the main beneficiary in one third of the currently implemented projects). However, given that the ENP CBC program for the 2014-2020 period is still in the implementation, we cannot conduct a full comparative analysis (in particular, to compare two program periods per number of implemented projects).

Article 447 of the Association Agreement³¹ confirms this necessity while stating that “parties have to support and strengthen the involvement of local and regional authorities of cross-border and regional cooperation and appropriate governance structures to achieve the following goals: 1) to increase cooperation via creating a favorable legislative framework; 2) to support and facilitate development; 3) to strengthen cross-border and regional economic relations and business partnership”.

However, significant differences in the level and pace of economic development of Ukraine and EU countries, as well as fiscal and customs barriers act as a serious socio-economic barrier to the development of cross-border partnerships. The state policy of Ukraine regarding the development of cross-border cooperation should promote the transfer of most managerial powers on cross-border cooperation to the local level of self-government bodies. Nowadays it must become a priority.

Another obstacle in researching CBC is the lack of statistical information on CBC, for it makes it impossible to conduct an in-depth analysis of the impact on the border regions' development.

Conclusions. As a new phenomenon for the countries of the former socialist system, cross-border cooperation faces several fundamental challenges. The problem lies not in the interaction but in the particular need to combine strategic policies of the bordering States with the interests and peculiarities of the border regions. Therefore, the greatest complications occur due to the lack of the required normative-legal base, when the administrative-territorial units cooperate without indications of the international law subjects.

Ukraine is being Europeanized through cross-border cooperation. In particular, through the adaptation of EU legislation in the Public Finance sphere per the EU regulations. The implementation of the EU standards to the domestic law and practice mean greater decentralization of this process. Undoubtedly, the development of two-sided cooperation between Ukraine and the EU within cross-border and regional cooperation will boost economic activity in border regions and create a favorable business climate for the development of existing businesses and establishing new businesses in support of such regions.

However, basing on the conducted analysis, we can conclude that there are significant disparities in CBC between Ukraine and the EU, especially in the case of the

³¹ Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part, “Official Journal of the European Union”, L 161.

Poland-Belarus-Ukraine program, where Poland is the main beneficiary of 70% of the projects. In addition, the EU is the sole decision-making authority in project selection. Thus, Ukraine, just like other member states of the European neighborhood policy, cannot be an active participant in the CBC programs.

During the 2014-2020 programming period, the emphasis was on the development of infrastructure and cultural projects, which had a relatively indirect impact on the economic development of the border regions. Such a situation could have been altered by the budget allocation to co-financing projects supported by the European Commission. In addition, researchers have repeatedly emphasized the need to concentrate the efforts of local authorities and local self-government, the academic and business environment on the practical implementation of investment, science, technology and innovation projects within cross-border cooperation. The introduction of national cross-border statistics compilation and processing per Eurostat recommendations should be one of the priority measures of Ukraine, as it would allow a more detailed and objective assessment of the effectiveness of cross-border cooperation between Ukraine and the EU.

The analysis of spatial projects of border specialization, determining the cause and effect relationships between the specifics of the socio-economic development of the region and the level of border specialization, identifying factors that affect the intensity of border specialization are promising areas of research.

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