1. Basic information

Desiré number: BG0007.04.01
Title: Joint Small Projects Fund
Sector: Socio Economic Development
Geographical Location: Bulgarian and Romanian border regions:

The Small Project Fund will finance small projects for the following NUTS III regions: Vidin, Vratza, Montana, Veliko Tarnovo, Pleven, Rousse, Silistra and Dobrich.

A mirror Small Project Fund will be financed by the Romanian CBC Programme for the following NUTS III regions: Mehedinți, Olt, Dolj, Teleorman, Calarasi, Giurgiu and Constanta.

2. Objectives:

The Joint Small Projects Fund (JSPF) supports the key objectives of the Bulgarian-Romanian CBC Programme, namely to help the border regions to overcome specific development problems resulting from their relative isolation in the framework of national economics; the JSPF also supports the establishment and development of co-operative networks on both sides of the border and the creation of linkages between these networks and wider European Union networks.

2.1. Wider Objectives

The JSPF aims:
- to support the further development of the economic potential of the border regions by strengthening existing structures, and through the utilisation of the tourism potential;
- to reduce the peripheral character of these areas, thereby improving the quality of life and creating a co-operative network on both sides of the border;
- to contribute to the development and strengthening of an effective implementation structure for the programme.

In pursuing these objectives, the JSPF provides a flexible approach to funding smaller-scale actions, which are defined on the basis of local/regional needs, and which have a cross-border impact.

2.2. Immediate Objectives

The projects shall support development in particular in the fields of small-scale people-to-people activities across the border and tourism development. In overall terms, the JSPF will seek to:
- the development of cultural co-operation between neighbouring regions on both sides of the border;
- the support and increase in numbers of cross border meetings of various groups of the population, especially of youth;
- the support of educational activities for institutions and individuals involved in local/regional development, in local government and in organisations of public interest;
- the raising of the level of public awareness and information on cross-border co-operation affairs and on the process of European integration.
- encourage local involvement in the Phare CBC Programme and to support small-scale actions which may form the basis for larger cross-border co-operation projects;
- build and develop the specialist resources of local and regional institutions involved in regional development, groundwork and implementation of cross-border projects in line with EU practice;
- stimulation and support to the creation of permanent structures among the local and regional organisations in the border region in question, particularly organisations with membership for both sides of the border;
- enhance possibilities for cross-border tourism attraction and linkages between the tourism support infrastructures on either side of the border;
- develop and enhance co-operation between the communities on either side of the border with a view to joint improvement of economic development, living conditions and on-going contact.

2.3 Accession Partnership

The JSPF plays a key part in the process of preparation of the Bulgaria and Romania for accession, in particular through the capacity building dimension of local/regional actors. These funds are part of a process of creating "integration-minded" border regions. The project represents thus an important element in the preparation of Bulgaria and the Romania Republic for the adoption of Structural Funds. In addition, the project supports the social and economic integration between the border regions of candidate countries.

2.4. Cross-border Impact of the Project

The Programme will contribute to the removal of existing disparities between regions on both sides of the border and thus to the gradual alignment of economic and social development. This is particularly important in view of future integration into the European Union. Full membership will require the approximation of levels of economic activity and living standards in particular in border regions in order to avoid undue problems connected to the removal of borders and the introduction of the principle of free movement.

The SPF emphasises projects with a cross-border impact and encourages the development of linkages between the communities /organisations/ institutions on either side of the border. In general, the "people-to-people" character of the individual projects and the general direction of the fund guarantee a high degree of cross-border relevance of the scheme.

The Regional Steering Committee will be composed of representatives of the relevant Bulgaria and Romania border regions.
3. Description:

3.1 Background

Within the previous Phare CBC Programme between Bulgaria and Romania for 1999 it exists a Preparation of Co-operation Development Plan, covering the regions on both sides of the border. After its elaboration a long list of priority projects will be envisaged in two main sectors:

- Infrastructure improvement of the border area;

- “Soft measures” for business co-operation, enterprise development, technology transfer and marketing for small and medium size enterprises, training, employment, measures for health and cultural exchanges, improvement of information flow and communications between border regions etc.

The Small Project Fund will finance projects from “Soft Measures” sector, created in parallel or after elaboration of Co-operation Development Plan.

To summarise, the inclusion of the SPF into the programme is a logical step forward in the overall context of the Romania Republic’s and Bulgaria’s future accession to the EU, and in the specific context of the development of cross-border co-operation and evolution of the Phare CBC Programme in the pre-accession context.

3.2 Results

The establishment of a JSPF, which will provide financial support to small-scale “people-to-people” actions in the border regions.

3.3 Activities

General Criteria for Eligibility

In general terms the eligible actions should meet the following conditions:

- have a strong and evident cross-border aspect (joint projects, especially where co-financed jointly by Bulgaria and Romania project partners, will be particularly prioritised)
- be financially assessed realistically and transparently
- be ready for implementation
- availability of co-financing. Minimum co-financing will be 10% of the cost of the project in case of soft projects (even in kind), and 25% in case of small investment projects (in cash only)
- under no circumstances be in contradiction with the long-term development plans of the municipality or the region (projects that are part of an overall strategy/plan for the development of the region/town/municipality will be prioritised)
- contain innovative approaches (e.g. pilot projects)
- comply with the minimum level of project support (1 000 Euro) and with the maximum level of project support (300 000 Euro according to the draft JPD guidelines)
On this basis, the Bulgarian Implementing Agency and the Romanian Implementing Authority will develop more detailed operational guidelines in consultation with the appointed Regional Steering Committee.

Small-scale "people-to-people" Projects

The general aim of the sub-programme is to support "people-to-people" projects and non-investment projects within the Phare CBC Programme. The purpose of the support of these projects is to broaden the field of activity of the CBC Programme, to encourage local involvement and to facilitate the implementation of small-scale actions that constitute the basis for larger cross-border co-operation projects.

The Fund will support small-scale people-to-people actions across the following priority areas.

Cultural Exchanges: Those cultural exchanges that already exist and that are being newly established between local groups on both sides of the border region. Meetings and exchanges among youth; artistic and supporting activities; folk events and similar actions with the emphasis on the establishment of traditions and long-term co-operation;

Local Democracy: Schemes will be supported that help create and intensify the skills of organisational structures in local and regional public administration and other elements of a democratic society (chambers of commerce, trade associations, trade unions, NGOs). Relevant training courses and information will be provided supporting exchange visits, project preparation and procedural matters. Joint projects may also involve the elaboration of materials for distance learning and so forth. Exchange of know-how and experience in education at various levels will also be supported.

Planning and development studies: Projects providing a basis for planning within a border region. Projects can be supported that create the preconditions for joint planning in a border region, for framing joint research programmes, for drawing up joint strategies for regional development in a border area with the aim to jointly define the development priorities and so forth. Development of project applications and feasibility studies are also included;

Economic Development: support for small projects focusing on economies, which enhance the economic base of the border region. For example proposals for the development of small-scale enterprise, marketing initiatives, markets, exhibitions and advertising events, and so forth; the creation of cross-border co-operation structures and partnerships among supporting organisations;

Environment: Projects focusing on specific problems of the environment of the region, such as the drafting of studies, assessment of problems, environmental training, actions aimed at increasing public environmental awareness and so forth.

Tourism: The SPF will provide funding for a range of "soft" actions for tourism development studies, planning, institutional strengthening measures, specific SME training and related HRD programmes.

Administrative support for operating the fund

Concerning administrative support for operating the fund, the Phare contribution may finance indirect (overhead) costs up to 7% of total amount eligible costs (maximum 35 000 Euro).

4. Institutional Framework
The JSPF will operate under the General Guidelines for SPF and detailed guidelines that will be developed for the JSPF in Bulgaria and in Romania, and which will have to be approved by the Commission. These guidelines will include a standardised application form, common eligibility criteria, common selection criteria and common rules for publicity.

1. Call for proposal: the Implementing Agency (the Ministry of Regional Development and Public Works -MRDPW) will manage to launch and advertise the call for proposals in the Bulgarian eligible regions. This call for interest will be synchronised with the one that will be launched in Bulgaria. The application forms will be standardised for the two countries.

2. Registration of Bulgarian project proposals and checking of formal criteria by counties

3. The Bulgarian project proposals are evaluated by an evaluation committee, taking into account the compliance with priorities specified within RDPs and NDP; This evaluation committee is formed by counties’ and experts already nominated within the Joint Working Group. The EC Delegation reserves the right to nominate a representative as independent observer to this evaluation.

4. Decision of the evaluation committee will have to be approved by the Regional Steering Committee (county Presidents, Phare CBC Bulgarian PMU and Romanian PCU Directors, representatives of each border Development region, representatives of the relevant line Ministries, experts nominated within the Joint Working Group, and the EC Delegation).

5. Budget (in MEURO):

<table>
<thead>
<tr>
<th>Bulgarian Allocation</th>
<th>Investment (**)</th>
<th>Institution Building (**)</th>
<th>Total Phare (=I+IB)</th>
<th>Recipient (*)</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Small Project Fund</td>
<td>0.3</td>
<td>0.2</td>
<td>0.5</td>
<td>0.1</td>
<td></td>
<td>0.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0.3</td>
<td>0.2</td>
<td>0.5</td>
<td>0.1</td>
<td></td>
<td>0.6</td>
</tr>
</tbody>
</table>

(*) co-financing is needed and will be one criteria for eligibility of projects. Minimum co-financing will be 10% of the cost of the project in case of soft projects (even in kind), and 25% in case of small investment projects (in cash only).

(**) the split between IB and Investment is purely indicative, since we do not know the projects that are going to be financed at this stage

6. Implementation arrangements:

The Project shall be managed under the Decentralised Implementation System (DIS). The Bulgarian Implementing Agency is the Ministry of Regional Development and Public Works (MRDPW). A Programme Authorising Officer (PAO) will be nominated for the Programme by the National Authorising Officer (NAO) after consultation of the National Aid Co-ordinator (NAC).
The CBC Implementing Agency retains overall responsibility for the implementation of the whole programme. This includes: approval of terms reference, of tender documents, of evaluation criteria, of evaluation of offers, signature of contracts, authorisation and payments of invoices.

7. Implementation schedule:

<table>
<thead>
<tr>
<th>Establishment of the Regional Steering Committee</th>
<th>09/2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>First calls for proposals:</td>
<td>12/2000</td>
</tr>
<tr>
<td>Completion of projects</td>
<td>12/2002</td>
</tr>
</tbody>
</table>

8. Equal opportunity:
In the whole process of preparation and implementation of the projects no discrimination between men and women will be made.

9. Investment Criteria:
Catalytic Effect: Bulgaria and Romania according to their geographical position share a common infrastructure and economic problems. The implementation of projects within "Small Project Funds" is extremely important to improve the relations between both countries and to promote cross-border co-operation from both countries as well as preparation of projects ready for financing in the future.
Sustainability: The development of Bulgarian Northern Border Region is part of the Government's strategy for achieving the good relations with its neighbours and relationship with the EU accession countries. Bulgaria and Romania have signed several bilateral treaties to underline and intensify bilateral relations.
Competition: It is confirmed that all aspects of the above mentioned studies is open to competitive tender within the European Union and PHARE recipient countries, and all PHARE procedures regarding competition and transparency are fully complied with.

Annexes:
1. Logframe planning matrix for project
2. Implementation Time Chart
3. Cumulative Quarterly Commitment and Disbursement Schedule
## ANNEX 1 - LOGFRAME PLANNING MATRIX

**BG0007.04.01 - Joint Small Project Fund**

<table>
<thead>
<tr>
<th>Immediate Objectives</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>- Strengthening of local co-operation across the border;</td>
<td>- Intensity of cross-border links, number of cross-border actions;</td>
<td>- CBC Implementing Agency (Bg) and Implementing Authority (Ro);</td>
<td>- Efficient programme management (implementation, monitoring assessment);</td>
</tr>
<tr>
<td>- Stimulation and support to creation of permanent structures among the local and regional organizations in the border regions;</td>
<td>- increase in regional / local capacities to design and implement development programmes and projects;</td>
<td>- monitoring and assessment reports;</td>
<td>- continued commitment of the Government towards the priorities of the programme and regional development;</td>
</tr>
<tr>
<td>- building and developing specialist resources of local and regional institutions involved in regional development and cross-border cooperation;</td>
<td>- growth of tourism sector in border regions.</td>
<td>- reports of the PCU (Ro) and PMU (Bg).</td>
<td>- continued commitment of regional and local actors;</td>
</tr>
<tr>
<td>- contribute to the development of local/regional economic and employment development;</td>
<td></td>
<td></td>
<td>- availability of qualified staff and institutional support;</td>
</tr>
<tr>
<td>- contribute to the development and strengthening of an effective implementation structure.</td>
<td></td>
<td></td>
<td>- functioning cooperation between all relevant partners;</td>
</tr>
</tbody>
</table>

**Contracting period expires:**
31.12.2002

**Disbursement period expires:**
31.12.2003

**Total Budget:** 0.60 MEURO

**Phare Allocation:** 0.5 Meuro

---

**Final**
<table>
<thead>
<tr>
<th>Results of Project (5)</th>
<th>Indicators of Achievement (6)</th>
<th>Sources of Information (7)</th>
<th>Assumptions and Risks (8)</th>
</tr>
</thead>
</table>
| • Establishment of Small Projects Fund;  
• People-to-people cross border links increased and intensified;  
• enhance the economic base of the border region.  
• cooperation between local authorities and NGO in border regions strengthened;  
• institution-building in border regions, qualification in regional development  
• enhancing cross-border tourism attraction and linkages between the tourism support on either side of the border. | • SPF in operation and used;  
• Regional (Development) authorities’ personnel trained, regional institutions qualified;  
• number of people-to-people actions carried out;  
• number of economic actions carried out  
• number of tourists/visitors in border regions | • PCU (Ro) and PMU (Bg) reports;  
• project completion reports;  
• monitoring and assessment reports;  
• programme evaluation. | • Availability of qualified experts and contractors;  
• well functioning cooperation and coordination between PCU (RO) or PMU (Bg), Regional Steering Committee, CBC Regional Office, beneficiaries and other involved parties;  
• CBC Regional Office well staffed with competent personnel; |
<table>
<thead>
<tr>
<th>Project</th>
<th>Joint Small Project Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2000</td>
<td>T</td>
</tr>
<tr>
<td>Q4 2000</td>
<td>C/I/D</td>
</tr>
<tr>
<td>Q1 2001</td>
<td>I/D</td>
</tr>
<tr>
<td>Q2 2001</td>
<td>I/D</td>
</tr>
<tr>
<td>Q3 2001</td>
<td>I/D</td>
</tr>
<tr>
<td>Q4 2001</td>
<td>I/D</td>
</tr>
<tr>
<td>Q1 2002</td>
<td>I/D</td>
</tr>
<tr>
<td>Q2 2002</td>
<td>I/D</td>
</tr>
<tr>
<td>Q3 2002</td>
<td>I/D</td>
</tr>
<tr>
<td>Q4 2002</td>
<td>I/D</td>
</tr>
</tbody>
</table>
ANNEX 3 - Cumulative Quarterly Commitment Schedule

BG0007.04.01 - Joint Small Project Fund

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Small Project Fund</td>
<td>500.000</td>
<td>0</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>500.000</td>
<td>0</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
<td>500.000</td>
</tr>
</tbody>
</table>

Cumulative Quarterly Disbursement Schedule in EURO

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Small Project Fund</td>
<td>500.000</td>
<td>0</td>
<td>25.000</td>
<td>75.000</td>
<td>150.000</td>
<td>225.000</td>
<td>300.000</td>
<td>375.000</td>
<td>425.000</td>
<td>475.000</td>
<td>500.000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>500.000</td>
<td>0</td>
<td>25.000</td>
<td>75.000</td>
<td>150.000</td>
<td>225.000</td>
<td>300.000</td>
<td>375.000</td>
<td>425.000</td>
<td>475.000</td>
<td>500.000</td>
</tr>
</tbody>
</table>