1. Basic information

Désirée number: 2003/005.632.02
Title: Joint Small Project Fund
Sector: Social Economic Development (SO)
Geographical Location: Turkish and Bulgarian NUTS III regions:

The Small Project Fund will finance small projects for the following NUTS III regions: Bourgas, Yambol and Haskovo.

A mirror Small Project Fund will be financed by the Bulgarian CBC Programme for the following NUTS III regions Edirne and Kirklareli.

2. Objectives:

The Joint Small Projects Fund (JSPF) supports the key objectives of the Turkish-Bulgarian 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

- Improve cross-border co-operation at local level between the two countries
- Support the further development of the economic potential of the border regions

2.2. Purpose of the project

- Strengthening of local co-operation across the border;
- Stimulation and support to creation of permanent structures among the local and regional organisations in the border regions;
- Capacity building development of local and regional institutions involved in regional development and cross-border co-operation;
- Development of local/regional economic and employment;
- Development and strengthening of an effective implementation structure.

2.3. Accession Partnership

The JSPF plays a key part in the process of preparation of the Turkey and Bulgaria for accession, in particular through the improvement of the administrative capacity 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 Turkey and Bulgaria 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 JSPF promotes the elaboration of projects with a cross-border impact and encourages the development of linkages between the communities /organisations/ institutions on both sides of the border. In general, the "people-to-people” aspects of the individual projects and the general direction of the fund guarantee a high degree of cross-border relevance of the scheme.

The JSPF Committee will be composed of representatives of the relevant Turkey and Bulgaria border regions.

3. Description:

3.1 Background and justification

With a view to strengthen the local cross-border co-operation of the two border regions, Turkey and Bulgaria decided in 2002 to start to implement a JSPF. Relevant Turkish and Bulgarian authorities held two meetings, the first in Edirne on 25 February 2003 and a subsequent one in Sofia on 7 April 2003 at which agreement was reached on including a project to this effect in the 2003 pre-accession financial assistance programme. This scheme will finance “soft” projects: 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. An external expert contracted under a framework contract with the Commission will also provide technical assistance in the preparations for the implementation of the JSPF as well as support for the preparation of a Joint Programming Document for the period 2004-2006.

In order to reach a sufficient impact, these schemes need to be implemented in a multi annual perspective.

The inclusion of the JSPF into the programme is a logical step forward in the overall context of Turkey and Bulgaria 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 Linked activities

N/A

3.3 Results

Financial support to small-scale “people-to-people” actions in the border regions in the field of economic development, environment, tourism, cultural exchanges, institutional capacity building, planing and development studies etc.
3.4 Activities

The project will support:
- The financing of the selected small-scale “people-to-people” projects (project located in the Bulgarian border region, or Bulgarian contribution to common Bulgarian-Turkish projects)
- Technical assistance for operating the fund. Up to 7% of the PHARE contribution (maximum 35,000 EUR for each country) may be used for administrative costs for operating the fund - expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

The grants will only be made for projects whose immediate objective is non-commercial and strictly non profit-making. Under no circumstances may grant give rise to profits (i.e. it will be restricted to the amount required to balance income and expenditure for the project).

General Criteria for Eligibility

In general terms the eligible actions in the framework of the JSPF should meet the following conditions:
- have a strong and evident cross-border aspect (joint projects, especially where co-financed jointly by Turkish and Bulgarian project partners, will be particularly encouraged),
- be financially assessed realistically and transparently,
- be ready for implementation,
- the Phare contribution have to be between € 10,000 and € 100,000,
- availability of co-financing. Minimum co-financing will be 10% of the cost of projects (in cash),
- 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),
- if possible, contain innovative approaches (e.g. pilot projects).

On this basis, the Turkish Implementing Authority and the Bulgarian Implementing Agency will develop more detailed operational guidelines, including specific project support level/country (minimum/maximum) in consultation with the appointed JSPF Committee.

Priority areas

The Fund will support small-scale people-to-people actions across the following priority areas:
- 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, information networks creation and improvement of custom’s services;
- Environment: Projects focusing on specific problems of the environment of the region, such as the drafting of studies, assessment of problems, environmental training, actions aiming at increasing public environmental awareness e.g. strengthening forest fire fighting capacity, preservation and rehabilitation of the forestry and river basins, stimulating organic farms activities 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.
• **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; youth, artistic and sporting activities, inter-university cultural exchange and activities; folk events and similar actions with the emphasis on the establishment of traditions and long-term co-operation;

• **Institutional capacity building at regional level:** 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 NUTS III region. Projects can be supported that create the preconditions for joint planning in a NUTS III region, for framing joint research programmes, for drawing up joint strategies for regional development in NUTS ??? regions with the aim to jointly define the development priorities and so forth. Development of project applications and feasibility studies are also included;

**Selection process**

The JSPF Committee (joint committee with representatives from both Bulgaria and Turkey) will issue a call for proposals that must be open and fair to all eligible organisations. The submitted applications will be assessed by an appropriate Team of Assessors for each country. On the basis of these recommendations, a joint evaluation will be performed and the final decision will be taken.

The project applicants will, in many cases, need considerable development assistance. Training and information workshops may be organised to inform and assist would-be participants, so as to ensure high transparency and encourage good quality proposals. The Secretariat will also appoint experts to visit would-be project applicants in order to provide assistance, especially in relation to matters such as project cost assessment.

Lessons have been learned from the experiences with other projects for PPF on the PHARE CBC Programme with Romania and Greece.

Based on the Interim Evaluation [Reports] of the European Union Pre-Accession Instrument Phare (2002, 2003) for Bulgaria, the staff from the IA involved in the implementation and monitoring phase has been increased and trainings have been carried out to ensure a quality preparation of new projects and their further successful management.

**3.5. Lessons learned**

Lessons are based on the experiences with other projects for (J)SPF - three with Romania (2000, 2001 and 2002 FM) and two with Greece (2001 and 2002 FM).

Based on the Interim Evaluation [Reports] of the European Union Pre-Accession Instrument Phare (2002, 2003) for Bulgaria, in order to improve the management of the projects, the regional experts from the MRDPW, have been well trained and experienced in management of
projects and programs under PHARE CBC and PHARE ESC. They are also effectively involved in implementation and monitoring of the SPF projects on regional level.

In addition, a preliminary public awareness campaign in eligible areas is to take place in order for future applicants to be well-informed and aware of ESF and ERDF Funds and Programs.

The staff within the Implementing Agency has been increased and staff training has been carried out.

4. Institutional Framework

1. The key institutions of the Joint Small Projects Fund are the Bulgarian and Turkish Contracting Authorities (CA) for the Phare cross-border co-operation programme, the Joint Co-operation Committee (JCC), the Joint Evaluation Committee (JEC), the Secretariats for the Joint Small Projects Fund, the Team of Assessors for the assessment of project applications (Expert Panel), and the European Commission (EC) represented by the EC Delegations in Bulgaria and Turkey.

2. The Joint Small Projects Fund will be implemented as much as possible on a decentralized basis. The selection of projects to be supported by the JSPF shall be carried out with ex-ante approval of the EC according to PRAG. The projects shall be implemented with ex-post control of the EC. The publicity, evaluation/selection of projects, and contracting will be carried out in accordance with PRAG.

Operation of the JSPF

1. The Contracting Authority in Bulgaria (CABg) is the Ministry of Regional Development and Public Works (MRDPW), CBC Implementation Agency.

The Contracting Authority in Turkey (CATr) is the Central Financing and Contracting Unit (CFCU).

The Joint Evaluation Committee (JEC), the Secretariats for the Joint Small Projects Fund, the Team of Assessors for the assessment of project applications will be defined in the Special Guidelines for Management for Joint Small Project Fund.

Eligible beneficiaries

In principle, it will include all non-profit-making decentralised, local organisations, such as:

- Municipalities and Communities within the defined NUTS III region
- County and district level organisations
- Inter-communal co-operation organisations
- Chamber of Commerce
- Professional associations
- Trade Union Organisations
- NGOs
- Research and education institutions

Profit making organisations and national organisations without a distinctive role in the NUTS III region will not be eligible.
5. Budget (in MEUR):

<table>
<thead>
<tr>
<th>Turkish Allocation</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>0.465</td>
<td><strong>0.465</strong></td>
<td>0.053</td>
<td>0</td>
<td><strong>0.553</strong></td>
</tr>
<tr>
<td>Technical assistance to JSPF</td>
<td>0.035</td>
<td><strong>0.035</strong></td>
<td>0</td>
<td></td>
<td><strong>0.035</strong></td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>0.500</strong></td>
<td><strong>0.500</strong></td>
<td><strong>0.053</strong></td>
<td></td>
<td><strong>0.553</strong></td>
</tr>
</tbody>
</table>

(* co-financing is needed and will be one criterion for eligibility of projects. Minimum co-financing will be 10% of the cost of soft projects to be borne by the organization submitting the project proposal.

6. Implementation arrangements:

6.1 Implementing agency

The Implementing Agency will be the Ministry of Regional Development and Public Works, which will retain overall responsibility for the implementation of the programme, including: approval of tender documents, evaluation criteria, evaluation of offers, signature of contracts, authorisation of invoices. The payments of invoices will be made by the Payments Directorate within the same ministry.

6.2. Non-standard aspects

There are no “non-standards aspects”. The “Practical Guide to Phare, Ispa and Sapard contract procedures” will strictly be followed.

6.3. Contracts

Grant Contracts will be signed according to the Practical Guide to Phare, Ispa and Sapard.

7. Implementation schedule

Co-ordination with the Bulgarian authorities will be ensured so that the call for proposals are launched in the same time with identical deadlines.

<table>
<thead>
<tr>
<th>Establishment of the JEC, Team of Assessors</th>
<th>11/2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>First calls for proposals:</td>
<td>10/2003</td>
</tr>
<tr>
<td>Completion of projects</td>
<td>06/2005</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. Environment
Environmental aspects will be assessed individually for each of the proposed projects.

10. Rates of return
N/A

ANNEXES TO PROJECT FICHE
1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter
4. Template for the institutional framework/implementation arrangements for JSPF between Turkey and Bulgaria
## ANNEX 1 - LOGFRAME PLANNING MATRIX

*Joint Small Projects Fund*

### Wider Objectives

- Improve cross-border co-operation at local level between the two countries
- to support the further development of the economic potential of the NUTS III region

### Indicators of Achievement

- Number of local projects financed;

### Sources of Information

- CBC Implementing Agency (Bg) and CBC Implementing Agency (Tr);

### Immediate Objectives

- Strengthening of local co-operation across the border;
- Stimulation and support to creation of permanent structures among the local and regional organisations in the border regions;
- Capacity building and development of local and regional institutions involved in regional development and cross-border co-operation;
- development of local/regional economic and employment;
- development and strengthening of an effective implementation structure.

### Indicators of Achievement

- Intensity of cross-border links, number of cross-border actions;
- increase in regional / local capacities to design and implement development programmes and projects;
- growth of tourism sector in NUTS III regions.

### Sources of Information

- CBC Implementing Agency (Bg) and CBC Implementing Agency (Tr);
- monitoring and assessment reports;
- reports of the PMU (Tr) and PMU (Bg).

### Assumptions and Risks

- Efficient programme management (implementation, monitoring assessment);
- continued commitment of the Government towards the priorities of the programme and regional development;
- continued commitment of regional and local actors;
- availability of qualified staff and institutional support;
- functioning co-operation between all relevant partners;
- functioning co-ordination between CBC-TR and CBC-BG;
- sustained interest of the NUTS III region population in development and co-operation.
<table>
<thead>
<tr>
<th>Results of Project</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establishment of Small Projects Fund;</td>
<td>• JSPF in operation and used;</td>
<td>• PMU (Tr) and PMU (Bg) reports;</td>
<td>• Availability of qualified experts and contractors;</td>
</tr>
<tr>
<td>• People-to-people cross border links increased and intensified;</td>
<td>• Regional (Development) authorities’ personnel trained, regional institutions qualified;</td>
<td>• project completion reports;</td>
<td>• well functioning co-operation and co-ordination between PMU (Tr) or PMU (Bg), JSPF Committee, CBC Regional Office, beneficiaries and other involved parties;</td>
</tr>
<tr>
<td>• enhance the economic base of the NUTS III region.</td>
<td>• number of people-to-people actions carried out;</td>
<td>• monitoring and assessment reports;</td>
<td>• CBC Regional Office well staffed with competent personnel;</td>
</tr>
<tr>
<td>• co-operation between local authorities and NGO in border regions strengthened;</td>
<td>• number of economic actions carried out</td>
<td>• programme evaluation.</td>
<td></td>
</tr>
<tr>
<td>• institution-building in border regions, qualification in regional development</td>
<td>• number of tourists/visitors in border regions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• enhancing cross-border tourism attraction and linkages between the tourism support on either side of the border.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## ANNEX 2 - Implementation Time Chart

*Joint Small Project Fund*

<table>
<thead>
<tr>
<th>Components</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JAN</td>
<td>FMA</td>
<td>JAN</td>
</tr>
<tr>
<td>1. Joint Small Projects Fund</td>
<td>D D D</td>
<td>D D C</td>
<td>C C C</td>
</tr>
<tr>
<td></td>
<td>I I I</td>
<td>I I I</td>
<td>I I I</td>
</tr>
<tr>
<td></td>
<td>I I I</td>
<td>I I I</td>
<td>I I I</td>
</tr>
<tr>
<td>2. TA to JSPF</td>
<td>D D C</td>
<td>I I I</td>
<td>I I I</td>
</tr>
<tr>
<td></td>
<td>I I I</td>
<td>I I I</td>
<td>I I I</td>
</tr>
<tr>
<td></td>
<td>R R</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D = Design/preparation       C = Contracting       I = Implementation/works       R = Review/evaluation
### ANNEX 3 - Cumulative Quarterly Commitment Schedule in EUR

#### Joint Small Projects Fund

#### Cumulative contracting schedule by quarter in EUR (planned)

<table>
<thead>
<tr>
<th>Components</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Total Phare Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>Small Projects Fund (investment/service)</td>
<td>465.000</td>
<td>465.000</td>
<td>465.000</td>
<td>465.000</td>
</tr>
<tr>
<td>Regional Office (service)</td>
<td>35.000</td>
<td>35.000</td>
<td>35.000</td>
<td>35.000</td>
</tr>
<tr>
<td><strong>Total contracting</strong></td>
<td><strong>35.000</strong></td>
<td><strong>500.000</strong></td>
<td><strong>500.000</strong></td>
<td><strong>500.000</strong></td>
</tr>
</tbody>
</table>

#### Cumulative disbursement schedule by quarter in EUR (planned)

<table>
<thead>
<tr>
<th>Components</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Total Phare Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>Small Projects Fund</td>
<td>116.250</td>
<td>174.375</td>
<td>232.500</td>
<td>290.625</td>
</tr>
<tr>
<td>Regional Office (service)</td>
<td>17.500</td>
<td>17.500</td>
<td>20.000</td>
<td>27.500</td>
</tr>
<tr>
<td><strong>Total disbursement</strong></td>
<td><strong>17.500</strong></td>
<td><strong>133.750</strong></td>
<td><strong>194.375</strong></td>
<td><strong>259.500</strong></td>
</tr>
</tbody>
</table>
Annex 4

TEMPLATE FOR THE INSTITUTIONAL FRAMEWORK/IMPLEMENTATION ARRANGEMENTS FOR JOINT SMALL PROJECT FUND BETWEEN TURKEY AND BULGARIA

National Authorities Responsible of the Programme

- As per Turkish Financing Memorandum, the Turkish authorities defined as responsible at different levels with this programme are as follows:
  1. The Implementing Agency will be the Central Financing and Contracting Unit (CFCU).
  2. The Beneficiary of the project will be the Ministry of Foreign Affairs in close coordination with the State Planning Organization and the EU Secretariat General.

- As regards the Bulgarian Financing Memorandum, the overall responsibility for programme co-ordination and financial management will rest with the Ministry of Regional Development and Public Works, which will be the Implementing Agency (IA).

- The Bulgarian and Turkish IAs (Implementing Agency): Retain full responsibility for programme implementation respectively in Bulgaria and in Turkey.

- Two Secretariats shall be identified: On the Turkish side the Secretariat’s responsibilities will be undertaken by the State Planning Organization supported by externally contracted TA. On the Bulgarian side, the secretariat’s responsibilities will be undertaken by the Ministry of Regional Development and Public Works. The two secretariats will undertake in their respective country, the task of day-to-day technical management of implementation of projects and monitoring activities under the authority of the Bulgarian and Turkish IAs.

- Rules, procedures and formats: New Specific Guidelines based on the grant section of the Commission Practical Guide and approved by both EC Delegations will be strictly followed.

1. Preparation of the package of call for proposal, guidelines for applicants and application form according to the practical guide

- The relevant IA’s (CFCU from the Turkish side and MRDPW from the Bulgarian side) supported by TA, will prepare the call for proposals, the guidelines for applicants and the application form and other documents related to the implementation of the JSPF in line with Phare procedures.

- Each IA submits the final version of the documents to the respective EC Delegation for approval

- EC Delegations approve the documents
2. **Publication of the call for proposal**

The IAs with the assistance of their Secretariats take all appropriate measures to ensure that the nationally and regionally publicised call for proposals reaches the target groups in line with the requirements of the Practical Guide.

3. **Project selection process**

- The Secretariats collect and register incoming project proposals.

- The BG and TU IAs select and approve the assessor teams (one for each country) for the assessment of administrative compliance, eligibility and assessment of technical and financial quality of proposals.

- The IAs will nominate the Joint Evaluation Committee (non-voting chairman, secretary, and voting members).

- The BG and TU IAs nominate the members of the assessment team and evaluation committee exclusively on the basis of technical and professional expertise in the relevant area.

- The EC Delegations endorse the teams of assessors and the composition of the Joint Evaluation Committee. The EC Delegations nominate an observer to follow all or part of the proceedings of the Joint Evaluation Committee. Prior approval is needed from the Delegations for the participation of other observers.

- The Joint Evaluation Committee draws up its recommendations and decisions following the assessor team's written assessment of each proposal on the basis of the published evaluation grid.

- The IA of each country approves the evaluation report prepared by the joint evaluation committee and forwards the evaluation report and any award proposals to the EC Delegations.

- The EC Delegations approve (ex-ante) the evaluation report on the selection process and the final list of grants to be awarded.

- The IAs notify each applicant in writing of the result of the selection process.

4. **Contracting (PAO designated in the responsible implementing agency) for each country**:

- The format of the grant contract is drafted by each IA according to the Practical Guide using the standard grant contract format and its annexes.

- The format of the grant contract is to be approved by the EC Delegations (in cases where the call for proposals results in the award of a large number of grants which all have the same grant contract conditions).
• The EC Delegations only approve the evaluation report, the list of proposed projects (budget, duration, beneficiaries etc as per Phare Practical Guide), and the standard contract format, not the contracts themselves irrespective of the budget.

• The IAs sign the grant contracts with the selected beneficiaries based on the final list of grants approved by the EC Delegation. The language of the grant contract is English and an official Bulgarian / Turkish translation of the contract is attached to the signed English language contract.

• Copy of the signed grant contract will be respectively available at the Bulgarian MRDPW and the CFCU in Turkey.

5. IMPLEMENTATION OF THE SELECTED PROJECTS BY THE BENEFICIARIES

• Beneficiaries subcontract suppliers of goods, services or works, in line with Phare procurement regulations annexed to the Grant Contract and under the Practical Guide.

• The projects will be subject to ex-post control by the EC Delegation pursuant to the Practical Guide.

6. FINANCIAL MANAGEMENT OF THE SELECTED PROJECTS

• The BG IA receives and verifies the invoices and requests payment by the National Fund.

• The TU IA receives and verifies the invoices and requests for payments.

7. MONITORING OF THE PROJECTS IMPLEMENTED BY THE BENEFICIARIES

Standard Phare monitoring instruments will be used for monitoring purposes. Attention is drawn to the special duty of the Secretariat with regard to the day-to-day monitoring of the selected projects. The EC Delegations reserve the right to organise field visits and to monitor on a case-by-case basis the projects selected under the JSPF exercise.

<table>
<thead>
<tr>
<th>Contact Person</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimana Sadonkova</td>
<td>9405 262</td>
<td><a href="mailto:dsadonkova@mrrb.government.bg">dsadonkova@mrrb.government.bg</a></td>
</tr>
<tr>
<td>Head of CBC Sector GD “Regional Development Programming” Ministry of Regional Development and Public Works</td>
<td>Fax 9877450</td>
<td></td>
</tr>
</tbody>
</table>

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