STANDARD SUMMARY PROJECT FICHE

1. Basic information

Désirée number: HU0015.03
Title: Small Projects Fund
Sector: Cross-border co-operation
Geographical location: Gyor-Moson-Sopron, Vas and Zala counties (NUTS III regions) on the Hungarian-Austrian border

2. Objectives:

2.1. Wider objective:
Increase the cohesion of the Hungarian-Austrian cross-border region in cultural, spiritual and economic terms

2.2. Immediate objectives
Strengthen existing people-to-people co-operation across the border and new co-operation arrangements initiated in the fields of
• Regional Planning and Development
• Economic Development and Cooperation, including Tourism
• Human Resources Development
• Environment and Nature Protection

2.3. Accession Partnership and NPAA priority
The Small Projects Fund will play a substantial role in Hungary’s preparation for the accession to the EU and the absorption of Structural Funds support primarily by building up capacities at local and regional level. The SPF will also contribute to the cultural, social and economic cohesion of a future border area between two EU member states.

2.4. Contribution to the National Development Plan
• The project proposal is in line with the priorities identified in the National Development Plan.

• This project is not geographically located in the NUTS II regions identified by the Hungarian Government for Economic and Social Cohesion under the Phare National Programme.

2.5. Cross-border impact of the project
The Small Project Fund will facilitate face-to-face contacts amongst the people living in the cross-border region. The character of the individual projects and the general direction of the Fund guarantee a high degree of cross-border relevance. All projects financed by the Small Projects Fund will focus on personal and communal contacts across the Austro-Hungarian border. This will contribute to the alignment of the living conditions in the border area. Good-neighbourly relations will facilitate on both sides of the border the forthcoming accession of Hungary to the Union.
People-to-people co-operation projects will raise the awareness of common concerns and chances across the border region and strengthen the positive attitude towards co-operation in solving common concerns and utilise potentials.

3. Description:

3.1. Background and justification

The Phare 2000 Small Project Fund follows similar operations carried out under the 1995, 1996 and the 1997 Phare CBC programmes. Approximately 50 projects received support in each year. Their success has greatly contributed to the positive image that the Phare Programme enjoys among the population in the target region. The assessment of the CBC Phare Programmes HU9502, HU9610 and HU9701 carried out by the OMAS Consortium (Report No. R/HU/CBC/98033) is stating as an overall conclusion on the financed Small Projects that:

“The Small Projects Fund has a widespread effect by involving large numbers of Austrians and Hungarians together. Given the success in promoting working relations across the border, the sustainability of the objectives is considered to be very high.”

3.2. Results

The results of the individual funding operations will depend on the outcome of the planned Call for Proposals. It can be expected that the overall structure of results will resemble those of the three previous Small Project Funds, namely:

- Regional Planning and Development
- Economic Development and Co-operation, incl. Tourism
- Human Resources Development
- Environment and Nature Protection

The selected projects shall fall within the priority fields set out in the Joint Programming Document for the period 2000-2006. The projects will encourage new forms of cross-border co-operation and strengthen existing ones.

3.3. Activities

The Small Project Fund 2000 will be established as part of the Cross-Border Co-operation Programme. The Fund will provide Phare grants to projects in the amount of up to 300,000 Euro with a co-financing of at least 10% required from the beneficiaries according to the document Programming Phare 2000 (chapter 9.1/b, page 12) issued by the Commission.

Eligible for support from the SPF are all public bodies, non-profit and public interest organisations registered in Hungary, operating locally, regionally or with cross-border impact in counties Vas, Zala or Győr-Moson-Sopron (i.e.: local governments, county authorities and institutions, local government financed institutions, local governmental associations, chambers of trade and commerce, local enterprise development agencies, bodies for professional interest representation and interest mediation, foundations and associations, other non-profit orientated persons and legal entities). Support to projects of profit making organisations operating with a cross-border impact will be regulated according to the new General Guidelines on SPF to be issued by the Commission.
4. Institutional framework

The SPF has been operated within the previous Austria-Hungary Phare CBC Programmes along the General Guidelines for SPF issued by the Commission and the Detailed Guidelines developed for SPF by Hungary, which has been approved by the Commission in 1997. The Joint Programming Document for the period 2000-2006 for the Phare CBC-Interreg III/A Programme as well introduced changes in the decision-making structures and implementation rules of the SPF. The process of decision-making and implementation of the present Small Project Fund will be detailed in the Programming Complement of the Joint Programming Document (JPD) Austria-Hungary 2000-2006 for InterregIIIA-Phare CBC according to the JPD and the new General Guidelines on SPF to be issued by the Commission.

Detailed guidelines on the decision-making and management of the SPF will be elaborated by the IA based on the current Detailed Guidelines for the SPF approved by the Commission in 1997. The new Detailed Guidelines will be approved by the Joint Monitoring Committee of the Phare CBC-Interreg IIIA Programme as well as by the Commission services. The relevant Commission standards for the management of Decentralised Grant Schemes will apply.

Decision on the projects to be supported will be made jointly with the Austrian side in the Steering Committee. The composition of this Committee will be in line with all CBC and INTERREG regulations. On the Hungarian side, all members of the SC will be appointed by the members of the MC. The SC will be chaired on the Hungarian side by the head of the Regional Development Implementing Agency of the Ministry of Agriculture and Regional Development representing the PAO. Voting members of the SC on Hungarian side will be the representatives of the Ministry of Agriculture and Regional Development, Ministry of Finance, Ministry of Transport and Water Management, Ministry of Environment, Regional Development Council of Western Transdanubia region, County Development Council of Győr-Moson-Sopron County, County Development Council of Vas County, County Development Council of Zala County and the representative of the Minister without portfolio responsible for the Phare programme. The Ministry of Foreign Affairs shall have the right to participate on all meetings of the SC with consultative rights. The Steering Committee shall agree on internal rules of procedure taking into account the new General Guidelines on the SPF. The EC Delegation shall have the right to participate on all meetings of the SC.

The Phare Regional Development Implementing Agency of the Ministry of Agriculture and Regional Development will be the organisation in charge of launching and advertising the call for proposals in the participating Hungarian regions. The Sopron Regional Office of the IA will do the registration of project proposals and the checking of formal criteria.

5. Budget (in MEUR):

<table>
<thead>
<tr>
<th></th>
<th>Investment</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Small Fund</td>
<td>Projects</td>
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<td>2.0</td>
<td>0.2</td>
<td>-</td>
<td>2.2</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td>2.0</td>
<td>2.0</td>
<td>0.2</td>
<td>-</td>
<td>2.2</td>
</tr>
</tbody>
</table>
National co-financing includes:
At least 10% contribution from the beneficiaries that can be provided in cash or kind. In case of small investment projects, 25% own resources will be required by the beneficiaries that will have to be provided in cash.

6. Implementation arrangements:

6.1. Implementing Agency
The Ministry of Agriculture and Regional Development has been defined as the Implementing Authority for all measures to be implemented on the Hungarian side of the border in the framework of the JPD. In Phare terms, the Phare Regional Development Implementing Agency of the Ministry of Agriculture and Regional Development with its Sopron Phare Regional Office will be the Implementing Agency of the SPF. It will have the overall responsibility for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

Implementing agency: Phare Regional Development Implementing Agency
of the Ministry of Agriculture and Regional Development
PAO: Péter Szaló, Deputy Secretary of State
Address: 1016 Budapest, Gellérthegy u. 30-32.
Phone: 36-1-488-7171
Fax: 36-1-488-7188

6.2 Twinning
Not applicable.

6.3 Non-standard aspects
The SPF will be operated along the rules set out in the Small Project Guidelines. The relevant Commission standards for the management of Decentralised Grant Schemes will apply during the implementation of the SPF.

7. Implementation schedule:

| Definition of rules of procedure of the Steering Committee concerning the Small Projects Fund | 01/2001 |
| Calls for Proposals: | 03/2001 |
| Signature of Grant Contracts | 09/2001 |
| Completion of projects | 09/2002 |

8. Equal opportunity:
Only such projects will be selected for support by the Small Projects Fund that do not contain discriminatory elements and that are open for women and men on an equal basis.
9. Environment
Only projects without any negative impact on the environment will be selected for funding.

10. Rates of return
Not applicable.

11. Investment criteria:
11.1 Catalytic effect:
The Phare contribution will help meeting the development needs outlined in the Joint Programming Document (JPD) of the Hungarian–Austrian border region. Without Phare support, the steps and objectives included in the programme could be implemented only much later and at a much slower speed.

Support to people-to-people co-operation projects will raise the awareness of common concerns and chances across the border region. It will also strengthen the positive attitude towards co-operation in solving common concerns and utilise potentials and thereby catalyse common development efforts.

11.2 Co-financing:
In line with the requirements of the previous Small Projects Funds project beneficiaries must contribute a minimum of 10 percent of total project costs to each funding operation. This own contribution can also be provided in both cash and kind by the beneficiaries. In case of small investment projects, 25% own resources will be required by the beneficiaries that will have to be provided in cash.

11.3 Additionality:
No other financiers will be displaced by the Phare intervention.

11.4 Project readiness and Size:
All organisational preparations have been completed, and the first funding operations will be carried out in June 2001.

The Fund will provide Phare grants to projects in an amount of 1.000-300.000 Euro according to the document Programming Phare 2000 (chapter9.1/b, page 12) issued by the Commission.

11.5 Sustainability:
All beneficiary institutions will be required to prove that they are able to operate their projects effectively in the long run or over a clearly defined period.
11.6 Compliance with state aids provisions:
Should there be investment components incorporated into an individual funding operation these will respect the state aids provisions of the Europe Agreement should these be applicable to the project.

11.7 Contribution to National Development Plan

- The project proposal is in line with the priorities identified in the National Development Plan.
- This project is not geographically located in the NUTS II regions identified by the Hungarian Government for Economic and Social Cohesion under the Phare National Programme.

12. Conditionality and sequencing

The Sopron Phare Regional Office will ensure the necessary human resources for the technical management of the Small Projects Fund. The Office will ensure that the project staff is fully conversant with the target group requirements and with the operation of the Phare Programme. The Office will make certain that the recipients make their financial contributions as planned.

Guidelines for the SPF taking into consideration the changes introduced by the document Programming Phare 2000 as well as by the JPD have to be in place. General Guidelines will be elaborated by the Commission. Detailed guidelines will be elaborated by the IA and approved by the Joint Monitoring Committee of the Phare CBC-Interreg IIIA Programme as well as by the Commission services.
**ANNEXES TO PROJECT FICHE**

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
<table>
<thead>
<tr>
<th>Programme Number</th>
<th>Project Title</th>
<th>SMALL PROJECTS FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>HU0015.03</td>
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</table>

**Wider Objectives**

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the cohesion of the Hungarian-Austrian cross-border region in cultural and economic terms.</td>
<td>Awareness of common concerns and chances in the target region Positive attitude towards co-operation to solve common concerns and utilise potentials</td>
<td>Regional Development Reports Implementing Agency reports.</td>
</tr>
</tbody>
</table>

**Immediate Objectives**

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen existing <em>people-to-people</em> co-operation across the border and new co-operation arrangements initiated in the fields ofRegional Planning and Development Economic Development and Cooperation, including Tourism Human Resources Development Environment and Nature Protection</td>
<td>Number and types of formally constituted partnerships and other long-term co-operation arrangements across the border increasing</td>
<td>Progress report of Regional Development Agency of Western Transdanubia Progress reports of the Austrian partner agencies Burgenland, Niederösterreich, and Vienna Progress reports of Implementing Agency</td>
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</table>

**Outputs of Project**

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some 40 to 60 individual small cross-border co-operation measures in line with the priorities of the <em>Joint Programming Document</em> for the period 2000-2006 completed</td>
<td>Number and type of projects successfully carried out.</td>
<td>Progress report of Regional Development Agency of Western Transdanubia Progress reports of the Austrian partner agencies Progress reports of Implementing Agency. Sufficient project management skills on the part of the beneficiaries.</td>
</tr>
</tbody>
</table>

**Inputs**

| 2.0 MEUR Phare CBC contribution for Small Projects complemented by 0.2 MEUR from the beneficiaries |
### SMALL PROJECTS FUND
#### DETAILED IMPLEMENTATION CHART

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<th>Year</th>
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<tbody>
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<td>Month</td>
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<td>Small Projects Fund</td>
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- **Design**
- **Call for proposals and signature of Grant Contracts**
- **Contract implementation and payments**
## Small Projects Fund

### Cumulative Contracting and Disbursement Schedule (MEUR)

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Small Projects Fund
Reference to Feasibility Studies

The assessment of the CBC Phare Programmes HU9502, HU9610 and HU9701 carried out by the OMAS Consortium (Report No. R/HU/CBC/98033) is available at the Phare Regional Development Implementing Agency of the Ministry of Agriculture and Regional Development, 1016 Budapest, Gellérthegy u. 30-32.
ANNEX 5

Small Projects Fund
List of Relevant Laws and Regulations

1. Act XXI/1996 on Regional Development and Physical Planning;
ANNEX 6

Small Projects Fund
Reference to relevant Government Strategic plans and studies

Not applicable.