1. Basic information

Desiré number: HU0009.03.01
Title: Joint Small Projects Fund
Sector: Socio-Economic Development
Geographical location: Hungarian Romanian border region

The Joint Small Projects Fund will finance small projects for the following NUTS III regions: Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád counties.

A mirror Joint Small Projects Fund will be financed by the Romanian CBC Programme for the following NUTS III regions: Arad, Bihor, Timis and Satu Mare.

2. Objectives:

The Joint Small Projects Fund (JSPF) supports the key objectives of the Romanian–Hungarian 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:
• 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 Romania and Hungary 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 Romania and Hungary 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 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 Joint Small Projects Fund Committee will be composed of representatives of the Hungarian–Romanian border region.
3. Description:

3.1. Project background

The experience of the implementation of the projects in the Small Project Fund both under the 1996 and the 1997 programmes (respectively 24 projects in each year) were extremely successful. When the call for proposals were advertised in the local papers there were over 150 projects submitted for evaluation. This alone shows, how great the interest and the impact of the availability of such a tool is.

The inclusion of the JSPF into the programme is a logical step forward in the overall context of the future accession of Romania and Hungary 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 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 Romanian and Hungary 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 and maximum level of project support (50 000 to 100 000 euro).

On this basis, the Phare Regional Development Programme Management Unit as the Implementing Authority will develop more detailed operational guidelines in consultation with the appointed Joint Small Projects Fund 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 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. 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 etc. 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 etc; 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, and actions aimed at increasing public environmental awareness etc.

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

4. Institutional framework

The JSPF will operate under the General Guidelines for SPF. Detailed guidelines will be developed for the JSPF in Hungary and Romania, and 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.

The Békéscsaba Phare Regional Office of the Phare Regional Development PMU will be the organisation in charge of launching and advertising the call for proposals in the eligible Hungarian regions. This call for interest will be synchronised with the one that will be launched in Romania. The registration of project proposals and the checking of formal criteria will also be done by the Békéscsaba Phare Regional Office,

The project proposals will be evaluated by an evaluation committee composed of the experts of the counties and the Phare PMU already nominated within the Joint Working Group. The EC Delegation reserves the right to nominate a representative as independent observer to this evaluation.

Decision on the projects to be supported will be made by the Joint Small Projects Fund Committee. The Joint Small Projects Fund Committee will be constituted with representative from
both countries: for instance, county Presidents, Phare CBC Hungarian 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>Investment Institution</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 Projects Fund</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
<td>0.05</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
<td>0.05</td>
<td>-</td>
</tr>
</tbody>
</table>

6. Implementation arrangements:

The Implementing Agency of the JSPF is the Békéscsaba Phare Regional Office of the Phare Regional Development Programme Management Unit within the Ministry of Agriculture and Regional Development. The Implementing Authority is the Ministry of Agriculture and Regional Development.

The Phare Regional Development Programme Management Unit retains overall responsibility for the implementation of the whole programme.

7. Implementation schedule:

<table>
<thead>
<tr>
<th>Establishment of the Joint Small Projects Fund Committee</th>
<th>09/2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>First call for proposals:</td>
<td>12/2000</td>
</tr>
<tr>
<td>Completion of projects</td>
<td>12/2001</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**: Hungary and Romania according to their geographical position share a common infrastructure and economic problems. The implementation of projects within the Joint Small Projects Fund 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 the Hungarian–Romanian border region is part of the Hungarian government’s strategy of maintaining good relations with its neighbours, particularly
Romania. Hungary have signed several bilateral agreements with Romania 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
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
# ANNEX 1 - LOGFRAME PLANNING MATRIX

#### HU0009.03.01 – Joint Small Projects 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>• Strengthening of local co-operation across the border;</td>
<td>• Intensity of cross-border links, number of cross-border actions increased;</td>
<td>• Phare Regional Development PMU (Hungary) and Implementing Authority (Romania);</td>
<td>• Efficient programme management (implementation, monitoring assessment);</td>
</tr>
<tr>
<td>• Stimulation and support to creation of permanent structures among the local and</td>
<td>• increase in regional/local capacities to design and implement development programmes and</td>
<td>• monitoring and assessment reports;</td>
<td>• continued commitment of the Government towards the priorities of the programme and</td>
</tr>
<tr>
<td>regional organizations in the border regions;</td>
<td>projects;</td>
<td>• reports of the PMU (Hungary) and the PCU (Romania).</td>
<td>regional development;</td>
</tr>
<tr>
<td>• building and developing specialist resources of local and regional institutions</td>
<td>• growth of tourism sector in border regions.</td>
<td></td>
<td>• continued commitment of regional and local actors;</td>
</tr>
<tr>
<td>involved in regional development and cross-border cooperation;</td>
<td></td>
<td></td>
<td>• availability of qualified staff and institutional support;</td>
</tr>
<tr>
<td>• contribute to the development of local/regional economic and employment development;</td>
<td></td>
<td></td>
<td>• functioning cooperation between all relevant partners;</td>
</tr>
<tr>
<td>• contribute to the development and strengthening of an effective implementation</td>
<td></td>
<td></td>
<td>• functioning coordination between CBC-HU and CBC-RO;</td>
</tr>
<tr>
<td>structure.</td>
<td></td>
<td></td>
<td>• sustained interest of the border region’s population in development and cooperation.</td>
</tr>
</tbody>
</table>

**Contracting period expires:** 31.12.2002  
**Disbursement period expires:** 31.12.2003  
**Total Budget:** 0.55 MEURO  
**Phare Funds:** 0.50 MEURO
<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>(5) Establishment of Joint Small Projects Fund;</td>
<td>(6) JSPFs in operation and used;</td>
<td>(7) PMU (Hungary) and PCU (Romania) reports;</td>
<td>(8) Availability of qualified experts and contractors;</td>
</tr>
<tr>
<td>• People-to-people cross border links increased and intensified;</td>
<td>• regional authorities’ personnel trained, regional institutions qualified;</td>
<td>• project completion reports;</td>
<td>• well functioning cooperation and coordination between the PMU (Hungary), the PCU</td>
</tr>
<tr>
<td>• the economic base of the border region enhanced.</td>
<td>• number of people-to-people actions carried out;</td>
<td>• monitoring and assessment reports;</td>
<td>(Romania), the Joint Small Projects Fund Committee, the Békéscsaba Phare Regional</td>
</tr>
<tr>
<td>• cooperation between local authorities and NGO in border regions strengthened;</td>
<td>• number of economic actions carried out</td>
<td>• programme evaluation.</td>
<td>Office, beneficiaries and other involved parties.</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>
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<tr>
<td>• cross-border tourism attractions and linkages between the tourism support on</td>
<td></td>
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<td>either side of the border enhanced.</td>
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## ANNEX 2 – DETAILED IMPLEMENTATION CHART

**HU0009.03.01 – Joint Small Projects Fund**

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<tbody>
<tr>
<td>Joint Small Projects Fund</td>
<td>T</td>
<td>C/I/D</td>
<td>I/D</td>
<td>I/D</td>
<td>I/D</td>
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</table>

T: Call for Proposal  
C: Contracting  
I: Implementation  
D: Disbursement
### Cumulative Quarterly Contracting Schedule (EURO)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Small Projects Fund</td>
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<td>0</td>
<td>0</td>
<td>500,000</td>
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<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>
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<td>0</td>
<td>500,000</td>
<td>500,000</td>
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</table>

### Cumulative Quarterly Disbursement Schedule (EURO)

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</thead>
<tbody>
<tr>
<td>Joint Small Projects Fund</td>
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<td>0</td>
<td>0</td>
<td>200,000</td>
<td>400,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
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<tr>
<td>TOTAL</td>
<td>500,000</td>
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<td>0</td>
<td>0</td>
<td>200,000</td>
<td>400,000</td>
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<td>500,000</td>
</tr>
</tbody>
</table>

N.B: 1 All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of FM  
2 All disbursements must be completed within 36 months of signature of the FM