STANDARD SUMMARY PROJECT FICHE

1 Basic Information

1.1 Désirée Number: HU0108-03
1.2 Title of Project: Small Project Fund
1.3 Sector: Integrated Regional Measures
1.4 Location: Gyor-Moson-Sopron, Vas and Zala counties (NUTS III regions) on the Hungarian-Austrian border

The Small Projects Fund will finance small projects for the programme area described in the Joint Programming Document (JPD).

In Hungary the following NUTS III regions are targeted: Gyor-Moson-Sopron, Vas and Zala counties.

2 Objectives

2.1 Overall Objective:
Increase the cohesion of the Hungarian-Austrian cross-border region in cultural and economic terms.

2.2 Project Purpose:
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, primarily by building up capacities at local and regional level. Thus, the SPF supports the social and economic integration between Hungary and the EU border regions. The SPF will also contribute to the cultural, social and economic cohesion of a future border area between two EU member states. The project represents, therefore, an important element in the preparation of Hungary for the adoption of Structural Funds and is fully in compliance with the priorities of the NPPA.
2.4 Contribution to the Preliminary 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:
The Small Project Fund will facilitate people-to-people contacts amongst the inhabitants of 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. Special attention will be given to joint Phare CBC/INTERREG IIIA projects and to projects with a strong cross-border co-operation character which are planned in close co-operation with the regional and local authorities in the border areas and which include the establishment or development of shared management structures intended to widen and deepen cross-border co-operation between public and para-public as well as non-profit organisations. 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 European 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.

All applicants will have to justify their project proposals in terms of relevance to the common development priorities and measures detailed in the Joint Programming Document. The project selection will be carried out in a joint institutional framework and on the basis of a common methodology predefined in the Programming Complement of the JPD. The Evaluation Committee of the SPF will be composed of representatives of the relevant Austrian and Hungarian border regions.

3 Description

3.1 Background and justification
The Phare 2001 Small Project Fund follows similar operations carried out under the 1995, 1996, 1997 and 1999 Phare CBC programmes. Approximately 50 projects received support 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 HU-9610, HU9701, ZZ-9622 and HU-9705.04 carried out by the OMAS Consortium (Report No. R/HU/CBC/0042) is stating as an overall conclusion on the financed Small Projects that:
“The Small Projects Fund has broadened the field of activity of the CBC Programmes by encouraging local involvement and provided a firm basis for developing larger initiatives.”

The inclusion of the SPF into the programme is a logical step forward in the overall context of the Hungary’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 period.

3.2 Linked activities

The SPF forms an integral part of the Phare CBC Programme. It complements other projects of the CBC Programme primarily by creating a flexible mechanism for the support of small-scale activities and in some cases by preparing future large scale CBC projects. The SPF of the 2001 programme will be based on the experience of the Small Project Funds supported by previous programmes in 1995, 1996, 1997 and 1999.

The SPF must keep in harmony with the activity of the relevant INTERREG III/A programme in Austria. Joint projects should be supported with a high priority and funded from the Phare CBC SPF on the Hungarian side and from the INTERREG IIIA programme on the Austrian side.

3.3 Results

The results of the individual funding operations will depend on the outcome of the planned Call for Proposals. It is to be expected that the overall structure of results will resemble those of the 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, since according to the document Programming Phare 2001, the SPF remains the only financing tool to support initiatives with high CBC impact covered under points (j) to (n) of Art 5(1) of Commission Regulation 2760/98.

3.4 Activities

The Small Project Fund 2001 will be established as part of the Cross-Border Co-operation Programme. The Fund will provide Phare grants in accordance with the “Practical Guide to Phare, ISPA & SAPARD contract procedures” to projects in the amount of up to €50,000 with a co-financing of at least 10% required from the beneficiaries. The SPF will not support small scale investments.
Eligible for support from the SPF are all public bodies, non-profit, non-governmental and public interest organisations registered in Hungary, operating locally, regionally and with cross-border impact in counties Vas, Zala or Gyor-Moson-Sopron. New Specific Guidelines on the decision-making and management of the SPF will be elaborated for SPF 2000 by the IA, based on the PRAG manual (section on the management of Grant Schemes) and the Programming Complement of Hungary-Austria CBC-Interreg III/A programme. The New Specific Guidelines will be discussed with the Austrian partners in the Steering Committee of the Hungary-Austria CBC programme, and submitted to the EC Delegation for approval. The implementation of SPF 2001 shall be based also on this document.

4 **Institutional framework**

The SPF will operate according to the New Specific Guidelines developed for the 2000 SPF and approved by the Commission Services (EC Delegations). On this basis, the different steps of the selection process as well as the final selection of the projects will have to be endorsed by the EC Delegation in Hungary. Annex 7 provides detailed guidance on the Institutional framework/Implementation Arrangements.

Decision on the projects to be supported will be made jointly with the Austrian side by the Evaluation Committee, where the committee will have to take its decisions by consensus. The composition and rules of operation of this Committee shall be defined by the Steering Committee\(^1\) of the Hungary-Austria CBC programme in line with the Programming Complement to the JPD, as well as all PRAG, CBC and INTERREG regulations. The Evaluation Committee shall make its decisions based on the proposals of independent Assessors, nominated by the Implementing Agency.

The National Agency for Regional Development of the Ministry of Agriculture and Regional Development (Implementing Agency) 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 as the Hungarian section of the Austrian-Hungarian Joint Technical Secretariat will do the registration of project proposals and the checking of formal criteria. Up to 7% of the total Small Project Fund can be used by IA for technical assistance tasks related to the management of the SPF.

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\(^1\) As described in the JPD, all members of the Steering Committee (SC) are appointed by the members of the Joint Monitoring Committee. The SC is chaired on the Hungarian side by the head of the National Agency for Regional Development as IA of the Ministry of Agriculture and Regional Development representing the PAO. Voting members of the SC on Hungarian side are 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 and the EC Delegation has the right to participate on all meetings of the SC with consultative rights.
5 **Detailed budget (€ Million)**

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Phare Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
</tr>
<tr>
<td>Small Project Fund</td>
<td>-</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td><strong>1.0</strong></td>
<td><strong>1.0</strong></td>
</tr>
</tbody>
</table>

**National co-financing includes:**
At least 10% contribution from the beneficiaries that can be provided in cash or in kind.

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 National Agency for Regional Development 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:** National Agency for Regional Development 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 4887171
Fax: +36 1 4887188

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 Grant Schemes described in the PRAG manual will apply during the implementation of the SPF.

6.4. **Contracts**
The SPF will be implemented through an open call for project proposals according to the stipulations of the PRAG on Grant Schemes. Tendering and contracting of the required services and supplies will follow the PRAG manual.
7 Implementation schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Memorandum approved</td>
<td>11/2001</td>
</tr>
<tr>
<td>Call for Proposals:</td>
<td>03/2002</td>
</tr>
<tr>
<td>Signature of Grant Contracts</td>
<td>09/2002</td>
</tr>
<tr>
<td>Completion of projects</td>
<td>9/2004</td>
</tr>
</tbody>
</table>

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 project 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% of total project costs to each funding operation. This own contribution can also be provided in both cash and kind by the beneficiaries.

_Additionality:_ Financial support to be provided by Phare will not replace any other funding.

11.3 Project readiness and size
All organisational preparations have been completed, and the first funding operations will be carried out in July 2002.

The Fund will provide Phare grants to projects in an amount of € 5 000-50 000. It is expected that approx. 40-60 grants will be made during the life of the programme.
11.4 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.

11.5 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.

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

12 Conditionality and sequencing

- The Sopron Regional Office of the National Agency for Regional Development 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.

- New Specific Guidelines on the implementation of the SPF will be elaborated by the IA for the SPF 2000 and approved by the Steering Committee of the Phare CBC-Interreg IIIA Programme as well as by the Commission services in Hungary. The implementation of the SPF 2001 shall also follow this document.
Annexes to Project Fiche

1. Logical framework matrix in standard format
2. Detailed Implementation Chart
3. Cumulative contracting and disbursement schedule by quarter for full duration of programme
4. Reference to feasibility/pre-feasibility studies.
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
7. Template for the Institutional Framework/Implementation Arrangements in case of Small Project Fund
<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project</th>
<th>Programme name and number: HU0108-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Project Fund</td>
<td>Disbursement Period Expires 11/2004</td>
</tr>
<tr>
<td></td>
<td>Total budget: €1.1 million Phare budget: € 1.0 million</td>
</tr>
<tr>
<td><strong>Overall objective</strong></td>
<td><strong>Objectively Verifiable Indicators</strong></td>
</tr>
<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.</td>
</tr>
<tr>
<td></td>
<td>• Positive attitude towards co-operation to solve common concerns and to utilise potentials.</td>
</tr>
<tr>
<td><strong>Project purpose</strong></td>
<td><strong>Objectively Verifiable Indicators</strong></td>
</tr>
<tr>
<td>Strengthen existing <em>people-to-people</em> co-operation across the border and new co-operation arrangements initiated in the fields of</td>
<td>• Number and types of formally constituted partnerships and other long-term co-operation arrangements across the border increasing.</td>
</tr>
<tr>
<td>• Regional Planning and Development</td>
<td></td>
</tr>
<tr>
<td>• Economic Development and Co-operation, including Tourism</td>
<td></td>
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<tr>
<td>• Human Resources Development</td>
<td></td>
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<tr>
<td>• Environment and Nature Protection</td>
<td></td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td><strong>Objectively Verifiable Indicators</strong></td>
</tr>
<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>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td><strong>Means</strong></td>
</tr>
<tr>
<td>• Completion of call for proposals, project submission, project evaluation and selection, grant schemes according to Phare rules and the schedule.</td>
<td>• 1.0 MEUR Phare CBC contribution for Small Projects complemented by 0.1 MEUR from the beneficiaries</td>
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<td></td>
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<tr>
<td><strong>Preconditions</strong></td>
<td></td>
</tr>
<tr>
<td>• Financing Memorandum approved on time</td>
<td></td>
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</tbody>
</table>
Annex 2

Small Project Fund
Detailed Implementation Chart

<table>
<thead>
<tr>
<th>Component</th>
<th>2001</th>
<th></th>
<th>2002</th>
<th></th>
<th>2003</th>
<th></th>
<th>2004</th>
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<tr>
<td>Small Project Fund</td>
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</tr>
</tbody>
</table>

- Call for Proposals
- Project evaluation and selection
- Contracting
- Implementation and disbursement
Annex 3

Small Project Fund
Cumulative contracting and disbursement schedule (€ Million)

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<thead>
<tr>
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</thead>
<tbody>
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<td>Commitment</td>
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<td>1</td>
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<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Disbursement</td>
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<td>0</td>
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<td>0.15</td>
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<td>0.6</td>
<td>0.8</td>
<td>1</td>
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</tbody>
</table>
Annex 4

Small Project Fund
Reference to feasibility/pre-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), and of the CBC Phare Programmes HU-9610, HU9701, ZZ-9622 and HU-9705.04 (Report No. R/HU/CBC/0042) 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 Project Fund
List of relevant Laws and Regulations

1. Act XXI/1996 on Regional Development and Physical Planning;
Small Project Fund
Reference to relevant Government Strategic plans and studies

Not applicable.
Small Project Fund

TEMPLATE FOR THE INSTITUTIONAL FRAMEWORK/IMPLEMENTATION ARRANGEMENTS IN CASE OF Small Projects Fund

- The Hungarian IA (Implementing Agency): The National Agency for Regional Development retains full responsibility for programme implementation.

- **Two Secretariats** shall be identified: on the Hungarian side, the Sopron Regional Office of the National Agency for Regional Development and on the Austrian side the Österreichische Institut für Raumplanung (ÖIR) acting as the Joint Technical Secretariat of the Hungary-Austria Phare CBC-Interreg III/A programme will prepare the meetings of the Evaluation Committee. The Sopron Regional office of the National Agency for Regional Development shall undertake the task of day-to-day technical management of implementation of projects and monitoring activities under the authority of the IA.

- **Rules, procedures and formats: New Specific Guidelines** based on the grant section of the Commission Practical Guide will be strictly followed. The New Specific Guidelines shall be proposed by the joint Steering Committee of the Hungary-Austria Phare CBC-Interreg III/A programme and approve by the IA and the EC Delegation.

1. **PREPARATION OF THE PACKAGE OF CALL FOR PROPOSAL, GUIDELINES FOR APPLICANTS AND APPLICATION FORM ACCORDING TO THE PRACTICAL GUIDE**

- The IA drafts the call for proposals, the guidelines for applicants and the application form in agreement and on the basis of the recommendations of the Steering Committee.

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

- EC Delegations endorse the documents

2. **PUBLICATION OF THE CALL FOR PROPOSAL**

   The IA takes 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. The Austrian part of the Joint Technical Secretariat is responsible to raise awareness among the institutions managing the Interreg III/A programme as well as potential Austrian cross-border partners in projects.

3. **PROJECT SELECTION PROCESS**

- The Sopron Regional Office of the IA collects and registers incoming project proposals
• The IA selects and approve the assessor team for the assessment of administrative compliance, eligibility and assessment of technical and financial quality of proposals. On the basis of the recommendations of the Steering Committee, The IA (PAO) nominates the Joint evaluation committee (non-voting chairman and secretary, and voting members).

• The IA nominates the members of the assessment team and evaluation committee exclusively on the basis of technical and professional expertise in the relevant area.

• The EC Delegation to Hungary endorses the teams of assessors and the composition of the Joint evaluation committee. The EC Delegations nominates 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 according to the assessor team's written assessment of each proposal on the basis of the published evaluation grid.

• The PAO approves the evaluation report prepared by the joint evaluation committee and forwards the evaluation report and any award proposals to the EC Delegation.

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

• The IA notifies each applicant in writing of the result of the selection process.

4. **CONTRACTING (PAO DESIGNATED IN THE RESPONSIBLE IMPLEMENTING AGENCY):**

• The format of the grant contract is drafted by the 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 Delegation (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 PAO signs the grant contracts with the selected beneficiaries based on the final list of grants approved by the Delegation. The language of the grant contract is English and the official Hungarian translation of the contract is attached to the signed English language contract.

• Copy of the signed grant contract is sent to the Delegation.
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

- Projects under 300,000 Euro (Phare contribution) will be subject to ex-post control by the EC Delegation pursuant to the Practical Guide

6. **FINANCIAL MANAGEMENT OF THE SELECTED PROJECTS**

- The IA receives and verifies the invoices and requests payment by the National Fund

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 Delegations reserve the right to organise field visits and to monitor on a case-by-case basis the projects selected under the JSPF exercise.