STANDARD SUMMARY PROJECT FICHE

1. Basic information

Desiré number: HU01.07.03
Title: Joint Small Projects Fund
Sector: Socio-Economic Development
Geographical location: Hungarian Romanian border region

The Joint Small Projects Fund is made up of two sections: one that will finance small projects for the following NUTS III regions: Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád counties in Hungary and a mirror fund that will be financed by the Romanian CBC Programme for the following NUTS III regions: Satu Mare, Bihor, Arad and Timis in Romania.

2. Objectives:

The Joint Small Projects Fund (JSPF) supports the key objectives of the Hungarian - Romanian CBC Programme, namely to help the border regions to overcome specific development problems resulting from their relative isolation in the framework of national economies. 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 Hungary 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 Hungary and Romania 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. Contribution to the National Development Plan

The objectives of the fund reflect the PNDP priorities drawn up on the basis of the sector strategies and the development strategies for two of the Phare target regions: the South Great Plain Region and the North Great Plain Region. The objectives fit the PNDP priorities of the development of local economy and the exploitation of the already existing resources in tourism.

2.5. 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) on the Hungarian side 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. Based on this experience a Joint Small Project Fund was started in the Phare CBC 2000. Programme, on both sides of the border.

The inclusion of the JSPF into the programme is a logical step forward in the overall context of the future accession of Hungary and Romania 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 process.

3.2. Linked activities

The implementation of a Small Projects Fund started with the 1996. Programme. Small Projects Funds implemented so far are:
   - ZZ9622-04
   - HU9705-04-11.

The Financing Memorandum for the Phare CBC Hungarian - Romanian 2000. Programme has approved the implementation of a Joint Small Projects Fund: HU0009-03-01 and RO0003.03.01.

3.3. Results

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

3.4. Activities

The project will support:

- The financing of the selected small-scale “people-to-people” projects (projects located in the Hungarian Romanian border region)
- Administrative costs 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.

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 should meet the following conditions:
• have a strong and evident cross-border aspect (joint projects, especially where co-financed jointly by Hungarian and Romanian project partners, will be mainly supported)
• 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 (The JSPF will support non-investment projects 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

The general aim of the JSPF 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:

**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 drafting of studies, assessment of problems, environmental training, actions aiming at increasing public environmental awareness.

**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.

**Health**: Measures to promote co-operation in health, particularly the sharing of resources and facilities on a cross-border basis.

**Information flow**: The development or establishment of facilities and resources to improve the flow of information and communications between border regions, including support for cross-border radio, television, newspapers and other media.

**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.

**Education and training**: Local employment, education and training programmes will be supported. 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.

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.

Selection process

The JSPF Committee (joint committee with representatives from both Hungary and Romania) 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 Assessor for each country. On the basis of these recommendations, a joint evaluation will be performed and the final decision will be taken.

4. Institutional framework

The JSPF will operate following the Specific Guidelines developed for the 2000 JSPF and approved by the Commission Services (EC Delegations) and the Practical Guide to Phare ISPA and SAPARD. 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 both EC Delegations in Romania and in Hungary.

The JSPF will be implemented under the overall responsibility of the Implementing Agency.

Operation of the JSPF

1. The JSPF Committee (county Presidents, Phare CBC Hungarian PMU and Romanian PCU Directors, representatives of each border Development region, experts nominated within the Joint Working Group, and the EC Delegation) will approve all the necessary guidelines and documentation to prepare the call for proposal (common documentation for both region), under the full responsibilities of the Implementing Agencies.

2. Call for proposal: on the Hungarian side, the implementing agency with the assistance of its secretariat “Békéscsaba Regional Office of the National Agency for Regional Development” and on the Romanian side the regional office of the Implementing Agency will be in charge of launching and advertising the call for proposals. Synchronised calls for proposals will be launched in the eligible Hungarian and Romanian border region. Where every eligible organisations can be identified (e.g. local authorities only), the call for proposals can be undertaken through an individual written invitation to all eligible organisations. Where all eligible organisations can not be pre-defined (e.g. NGOs) the call for proposals may be done by other means (e.g. newspapers / media / networking newsletter). The call for proposals should allow a reasonable deadline for the submission of proposals (a minimum of 2 months is
recommended) and should indicate where additional information and assistance in preparing a proposal can be found.

3. The submitted project proposals will be registered and their formal criteria will be checked at appropriate level by each country.

4. The submitted project proposals will be assessed by an appropriate Team of Assessors (one for each country). The Teams of Assessors will use clear and pre-defined evaluation grids to assess the administrative compliance, the eligibility and the technical and financial quality of the proposals.

5. After a joint evaluation based on recommendations made by the two Teams of Assessors, the final decisions will be taken. The process must be seen to be competitive, based on the merit of each application and independent of project applicants. All project applicants will be informed of the decision from the Regional Office in writing about the outcome of their application.

**Eligible beneficiaries**

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

- Municipalities and Communities within the defined border region
- County and district level organisations
- Inter-communal co-operation organisations
- Euroregions
- Chamber of Commerce
- Professional associations
- Trade Union Organisations
- NGOs, etc ...

Profit making organisations and national organisations without a distinctive role in the border region will not be eligible.

5. **Detailed budget (in MEURO):**

<table>
<thead>
<tr>
<th></th>
<th>Investment</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>Recipient</th>
<th>IFI</th>
<th>TOTAL</th>
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<td>Small Projects Fund</td>
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<td>0.5</td>
<td>0.05</td>
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<td>0.5</td>
<td>0.05</td>
<td>-</td>
<td>0.55</td>
</tr>
</tbody>
</table>

6. **Implementation arrangements:**

6.1. **Implementing Agency:**

On the Hungarian side the Implementing Agency of the JSPF is the National Agency for Regional Development within the Ministry of Agriculture and Regional Development.
On the Hungarian side the National Agency for Regional Development retains overall responsibility for the implementation of the whole programme.

The scope of deconcentration of the NARD Activities to its Bekescsaba Regional Office will be approved by the EC Delegation through the Specific Guidelines.

6.2. Twinning:

Not applicable.

6.3. Non-standard aspects:

During the implementation of the JSPF the Specific Guidelines will be defined and approved by the EC Delegation. The Practical Guide to Phare, Ispa and Sapard contract procedures will be strictly followed.

6.4. Contracts:

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

7. Implementation schedule:

Co-ordination with the Romanian 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 Joint Small Projects Fund Committee</th>
<th>11/2001 (in relation to the JSPF of the Phare CBC Hu-Ro 2000 Programme)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First call for proposals:</td>
<td>03/2002</td>
</tr>
<tr>
<td>Contracting</td>
<td>09/2002</td>
</tr>
<tr>
<td>Completion of projects</td>
<td>12/2003</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

Not applicable.
11. **Investment criteria:**

11.1. Catalytic effect: Hungary and Romania according to their geographical position share a common infrastructure and economic problems. The implementation of projects within the 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.

11.2. Co-financing: The final beneficiaries will contribute with at least 10% of the total budget of the total cost of the projects.

11.3. Additionality: The Phare support does not replace any other sources of financing.

11.4. Project readiness and size:

The Fund will finance projects that are ready for implementation with a maximum Phare support as set in the Specific Guidelines.

11.5. 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.

11.6. Compliance with state aid provisions: Not applicable.

12. **Conditionality and sequencing:**

No conditionalities apply.

Annexes:

1. Logframe planning matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Template for the institutional framework/implementation arrangements in case of Joint Small Projects Fund (to be defined)
### ANNEX 1 - LOGFRAME PLANNING MATRIX

**HU01.07.03 – Joint Small Projects Fund**

<table>
<thead>
<tr>
<th>Contracting period expires: 30.09.2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement period expires: 30.09.2003</td>
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<tr>
<td>Total Budget: 0.55 MEURO</td>
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<tr>
<td>Phare Funds: 0.50 MEURO</td>
</tr>
</tbody>
</table>

#### Wider Objectives

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve cross-border co-operation at local level between the two countries</td>
<td>• NARD (Hu) and IA (Ro):</td>
</tr>
<tr>
<td>• Support the further development of the economic potential of the border regions</td>
<td></td>
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<tr>
<td>• Number of local projects financed;</td>
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</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>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>• development of cultural co-operation</td>
<td>• Intensity of cross-border links, number of cross-border actions increased;</td>
<td>• National Agency for Regional Development (Hungary) and Implementing Authority (Romania);</td>
</tr>
<tr>
<td>• support and increase in numbers of cross border meetings</td>
<td>• increase in regional/local capacities to design and implement development programmes and projects;</td>
<td>• monitoring and assessment reports;</td>
</tr>
<tr>
<td>• support of educational activities for institutions and individuals involved in local/regional development,</td>
<td>• growth of tourism sector in border regions.</td>
<td>• reports of the NARD (Hungary) and the IA (Romania).</td>
</tr>
<tr>
<td>• raising of the level of public awareness and information on CBC</td>
<td>• increase in the number of cross-border events;</td>
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<tr>
<td>• encourage local involvement in the Phare CBC Programme and to support small-scale actions</td>
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<tr>
<td>• stimulation and support to the creation of permanent structures among the local and regional organisations in the border region;</td>
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<tr>
<td>• develop and enhance co-operation between the communities.</td>
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<tr>
<td>Results of Project</td>
<td>Indicators of Achievement</td>
<td>Sources of Information</td>
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<tr>
<td>----------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Establishment of Joint Small Projects Fund;</td>
<td>• JSPFs in operation and used;</td>
<td>• NARD (Hungary) and IA (Romania) reports;</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>
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<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>
</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>
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<tr>
<td>• institution-building in border regions, qualification in regional development;</td>
<td>• number of tourists/visitors in border regions</td>
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<td>• cross-border tourism attractions and linkages between the tourism support on</td>
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<td>either side of the border enhanced.</td>
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## ANNEX 2 – DETAILED IMPLEMENTATION CHART

*HU01.07.03 – Joint Small Projects Fund*

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<td>C</td>
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T: Call for Proposal  
C: Contracting  
I: Implementation  
D: Disbursement
### ANNEX 3 – CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER

*HU01.07.03 Small Project Fund*

#### Cumulative Quarterly Contracting Schedule (EURO)

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#### Cumulative Quarterly Disbursement Schedule (EURO)

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