STANDARD SUMMARY PROJECT FICHE

1. Basic Information
1.1 CRIS Number: 2003/004-575-03
1.2 Title: Small Project Fund
1.3 Sector: Integrated Regional Measures
1.4 Location: Western Transdanubian Region in Hungary and Burgenland, Vienna, Niederösterreich-Süd, Wien-Umland Süd in Austria

2. Objectives

2.1 Overall Objective(s):
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 Project 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 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 Project 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 pre-defined 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 CBC 2003 Small Project Fund follows similar operations carried out under the 1995, 1996, 1997, 1999, 2000, 2001 and 2002 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 Project 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 2003 programme will be based on the

Since the Phare CBC 2000 the SPF follows the regulations set by the Practical Guide for Phare, Ispa and Sapard procedures, thus it is approaching to the conditions of project selection and monitoring under of the Interreg programmes.

New Specific Guidelines on the decision-making and management of the SPF were 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 Specific Guidelines have been discussed with the Austrian partners in the Steering Committee of the Hungary-Austria CBC programme, and have been approved by the EC Delegation. The implementation of SPF 2003 shall be also based also on this document. The SPF 2003 will incorporate the experiences gathered under the SPF's of 2000, 2001 and 2002 under these rules.

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.

3.4 Activities:

The Small Project Fund 2003 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 (Phare contribution) 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 non-profit and non governmental organisations; municipalities, alliances with a legal entity, organisations owned or managed by municipalities, professional bodies and chambers, educational institutions, foundations, associations, trade unions and public administration registered in Hungary, operating locally, regionally and with cross-border impact in counties Vas, Zala or Gyor-Moson-Sopron.
3.5 Lessons learned

During the preparation of this project proposal, the experiences of previous PHARE CBC projects in this field were duly taken into consideration. The recommendations of the 2001 OMAS Report Final Assessment (e.g. concerning the necessity of verifiable indicators) were also taken into account. The NARD has developed a training module for beneficiaries already for SPF 2000 on this topic and will define a set of relevant objectively verifiable indicators that can be used during project planning in this SPF. These indicators shall be part of the grant contract to be concluded with beneficiaries and carefully monitored in course of programme implementation.

4. Institutional Framework

- **IA (Implementing Agency):** Retains full responsibility for programme implementation
- **PAO (Programme Authorising Officer):** Professional leader of the Implementing Agency, responsible for the programme implementation.
- **Intermediary:** The West Pannon Regional Development Agency (RDA), to be contracted by the IA. Undertakes the task of day-to-day technical management of implementation of projects and monitoring activities under the authority of the IA. The relationship between the IA and the Intermediary shall be defined in a Cooperation Agreement, which will reflect the institutional framework given in this fiche. The EC Delegation should be able to comment on the Co-operation Agreement between the IA and the RDA.
- **Rules, procedures and formats:** As described in the Rules of Procedures of the Monitoring and Steering Committees of the Austria-Hungary Interreg IIIA Phare CBC programme, the selection of projects within Grant Schemes will strictly follow the Grant Section of the Commission Practical Guide and will be approved by the EC Delegation.
- **Monitoring Committee:** The MC is constituted on the Austrian side of the representatives of Federal Chancellery, the relevant federal ministries, chambers and the regional governments, on the Hungarian side of the representatives of relevant line ministries, the county development councils and the Regional Development Council, as well as the EC Delegation. The MC defines a common set of Phare CBC projects (SPF and Grant Schemes) once a year.
- **Joint SPF Steering Committee:** The JSPSC is constituted on the Austrian side of the representatives of the Federal Chancellery and the regional governments, on the Hungarian side of the representative of the PAO, the county development councils and the EC Delegation. In terms of Grant Schemes financed by Phare CBC, the Joint PSF Steering Committee endorses the Guidelines and timetables for implementation, which is subject to approval by the EC Delegation. The JSPF Steering Committee (SC) shall give strategic guidance to the evaluation committee and shall identify projects with high cross-border effect within the Grant Scheme.
5. Detailed Budget

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Phare Support</th>
<th>Other</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Project Fund</td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (I+IB)</td>
</tr>
<tr>
<td>-</td>
<td>1.0</td>
<td>1.0</td>
<td>0.333</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

National co-financing includes:

The SPF will be jointly co-financed between Phare and government resources to be provided by the Prime Minister’s Office. The rate of Phare support within the total support will be 75%, while the Hungarian government will contribute 25%. The rate of the generally available maximum support (Phare and national co-financing) is 90% of the total cost of the projects to be supported, and at least 10% has to be provided as own resources by the beneficiaries in cash or in kind.

The national co-financing included in the above budget table indicates the governmental co-financing amount of the project.

6. Implementation Arrangements

6.1 Implementing Agency:

The Prime Minister’s Office 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 Prime Minister’s Office 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 Prime Minister’s Office
PAO: Tamás Lunk, Government Commissioner
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 Fund 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>Financing Memorandum approved</th>
<th>Call for Proposals</th>
<th>Signature of Grant Contracts</th>
<th>Completion of projects</th>
</tr>
</thead>
</table>

8. Equal Opportunity
Only such projects will be selected for support by the Small Project 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:
The SPF will be jointly co-financed between Phare and government resources to be provided by the Prime Minister’s Office. The rate of Phare support within the total support will be 75%, while the Hungarian government will contribute 25%.

The rate of the generally available maximum support (Phare and national co-financing) is 90% of the total cost of the projects to be supported, and at least 10% has to be provided as own resources by the beneficiaries in cash or in kind.

11.3 Additionality:
Financial support to be provided by Phare will not replace any other funding. In order to avoid overlapping with other grant schemes financed by Phare, environmental development measures will not be supported from the SPF, as the kinds of activities that received funding in this measure under previous SPFs will get sufficient funding from the 2002 Environmental Infrastructure Networks Grant.
Scheme in a project size of € 50,000-200,000 (Window 1 of the Grant Scheme – Studies and Human Resource Development). Similarly, regional planning and development projects related to cross border accessibility (feasibility studies and technical plans for cross-border transport, infrastructure, studies and plans for transport organisation and traffic engineering/logistics) will not be supported under the present SPF, but in the 2003 CBC Transport Infrastructure Networks Grant Scheme in a project size of € 10,000-200,000 (Window 1 of the Grant Scheme – Studies Plans, studies and other services).

11.4 Project readiness and size:
All organisational preparations will have been completed, and the first funding operations will be carried out in June 2004.
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 contracted during the programme.

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:
All actions financed will respect the competition provisions of the European Agreement.

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

12. Conditionality and sequencing
No conditionalities are foreseen, the implementation will follow the implementation schedule.
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 (may include Institution Development Plan, Business plans, Sector studies etc)
7. Template for the institutional framework/implementation arrangements in case of grant schemes.
## LOGFRAME PLANNING MATRIX

<table>
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<tr>
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<tbody>
<tr>
<td>Small Project Fund</td>
<td>Total budget: € 1.333 million</td>
<td>Phare budget: € 1.0 million</td>
</tr>
</tbody>
</table>

### Overall objective
- Increase the cohesion of the Hungarian-Austrian cross-border region in cultural and economic terms.

### Objectively verifiable indicators
- Awareness of common concerns and chances in the target region.
- Positive attitude towards co-operation to solve common concerns and to utilise potentials.

### Sources of Verification
- Regional Development Reports.
- Implementing Agency reports.

### 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 Co-operation, including Tourism
- Human Resources Development
- Environment and Nature Protection

### Objectively verifiable indicators
- Number and types of formally constituted partnerships and other long-term co-operation arrangements across the border increasing.

### Sources of Verification
- Progress report of Regional Development Agency of Western Transdanubia
- Progress reports of the Austrian partner agencies of Burgenland, Lower-Austria, and Vienna
- Progress reports of Implementing Agency

### Assumptions

### Results
Some 40 to 60 individual small cross-border co-operation measures in line with the priorities of the *Joint Programming Document* for the period 2000-2006 completed

### Objectively verifiable indicators
- Number and type of projects successfully carried out.

### Sources of Verification
- Progress report of Regional Development Agency of Western Transdanubia
- Progress reports of the Austrian partner agencies of Burgenland, Lower-Austria, and Vienna
- Progress reports of Implementing Agency

### Assumptions
- Sufficient project management skills on behalf of the beneficiaries.

### Activities
- Completion of call for proposals, project submission, project evaluation and selection, grant schemes according to Phare rules and the schedule.

### Means
- €1 million as Phare contribution for Small Projects supplemented by €0.333 million national co-financing and € 0.15 million as contribution form the beneficiaries.

### Assumptions
- Sufficient number of project proposals
- Sufficient project management skills on behalf of the IA.

### Preconditions
|   | Financing Memorandum approved on time |
### Small Project Fund
#### Detailed Implementation Chart

<table>
<thead>
<tr>
<th>Component</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<tr>
<td>Small Project Fund</td>
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*Call for Proposals*

*Project evaluation and selection*

*Contracting*

*Implementation and disbursement*
### Small Project Fund

**Cumulative contracting and disbursement schedule (€ Million)**

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<tbody>
<tr>
<td>Commitment</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Disbursement</td>
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<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>0.8</td>
<td>1</td>
<td>1</td>
<td>1</td>
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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 Prime Minister’s Office, 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;
Annex 6

Small Project Fund
Reference to relevant Government Strategic plans and studies

Not applicable.
**Template for the institutional framework/ implementation arrangements in case of grant schemes**

1. **Preparation of the package of call for proposal, guidelines for applicants and application form according to the practical guide**
   - IA drafts the call for proposal, the guidelines, the guidelines for applicants and the application form in consultation with the entities concerned in the given field (at national – e.g. Ministries – and regional level).
   - IA submits the final version of the documents to EC for approval.
   - EC Delegation endorses 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 proposal reaches the target groups in line with the requirements of the Practical Guide.

3. **Project selection process**
   - The RDA collects and registers incoming project proposals
   - The IA (PAO) selects (in agreement with the co-financing ministry/ies involved, if relevant) and approves the assessor team for the assessment of administrative compliance, eligibility and assessment of technical and financial quality of proposals.
   - The IA (PAO) nominates the Evaluation Committee (non-voting chairman and secretary, and voting members) with the co-financing ministry/ies involved, if relevant. Austrian experts can also be nominated as voting members in the Evaluation Committee.
   - The IA (PAO) nominates the members of the assessment team and Evaluation Committee exclusively on the basis of technical and professional competence in the relevant area of development. In addition to technical and professional expertise a clear balance between regional-specific, local knowledge and independent non-targeted region expertise shall be ensured in the selection of the assessors and the members of the Evaluation Committee in order to guarantee the objectivity of the process.
   - The EC Delegation endorses the team of assessors and the composition of the Evaluation Committee. The Delegation nominates an observer to follow all or part of the proceedings of the Evaluation Committee. Prior approval is needed from the Delegation for the participation of other observers.
   - The JSPF Steering Committee (SC) shall give strategic guidance to the evaluation committee and shall identify projects with high cross-border effect within the Grant Scheme. The JSPF SC will ensure full transparency and fairness towards all potential applicants. Its conclusions concerning the recommendation of projects for support under Phare CBC grant schemes will remain indicatives and shall not bind the decision of the Evaluation Committee.
   - The 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 and can take into account the recommendation of the JSPF Steering Committee as concerns the CBC impact.
• The PAO approves the evaluation report prepared by the evaluation committee and forwards the evaluation report and any award proposals to the Delegation.

• The 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 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.

6. **Financial Management of the Selected Projects**

The IA with the technical assistance of the RDA 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 RDA with regard to the day-to-day monitoring of the selected projects.

In case the conditions of Article 12 of the Council Regulation (EC) No. 1266/99 of 21 June 1999 on co-ordinating aid to the applicant countries in the framework of the pre-accession strategy concerning the co-ordination of the pre-accession instruments are met, new procedures may be introduced in due time, providing for a delegation of the selection of projects and approval of funding for PHARE-CBC in agreement with the Commission.