1. Basic Information

1.1 Désirée Number: [for Phare country co-ordinator to complete]
1.2 Title: Development of the Human Resources of SMEs
1.3 Sector: Social and Economic Cohesion
1.4 Location: Northern Hungary, Northern Great Plain and Southern Great Plain Regions

2. Objectives

2.1 Wider Objectives:
Competitiveness and overall business performance of SME in the targeted regions strengthened

2.2 Immediate Objectives:
- Owners and managers of SMEs in the targeted regions implement innovative business strategies
- SME owners and managers in the targeted regions succeed in identifying and penetrating new local and export markets
- Tourism managers at regional and local level in the targeted regions able to define, organise and manage complex touristic projects and common marketing activities.

2.3 Accession Partnership and NPAA priority
The objectives of the project are in line with the short- and medium-term objectives of the Accession Partnership, chapter on Internal Market, promotion of enterprise development and the fulfilment of the Copenhagen Criteria, development of a capacity to cope with competitive pressure. The implementation mechanism is indirectly contributing to the preparation of Hungarian central and regional authorities for the implementation of the Structural Funds.

2.4 Contribution to National Development Plan
The objectives of the project reflect priorities of the PNDP, which is based on the development strategies of the target regions. SME and tourism development is a key priority in all of them. Training activities for SMEs and business support service providers were defined based upon the draft versions of these documents.

3. Description

3.1 Background and justification:
Economic indicators of the three target regions under the Phare 2000 Programme, namely North Hungary, Northern Great Plain and Southern Great Plain show rather disadvantaged positions as compared with the Central and Transdanubian regions. These regions rank among the last ones with regard to the gross domestic product and inward investment. Other common features include underdeveloped transport infrastructure, low productivity, unemployment higher than the national average as well as relatively poorly educated labour force.

Having recognised the important role SMEs have played in economic growth and employment creation the development of the entrepreneurial sector has become a key consideration in the planning documents of the regions. Approximately 30% of the total 773,000 micro, small and medium-sized enterprises operate in these regions. These companies are primarily micro enterprises
and are characterised by low levels of investments and, as a consequence, obsolete technology and low productivity. These shortcomings are coupled with gaps in management skill base, lack of quality awareness, poor foreign market competitiveness. Additionally SMEs have to face such external factors as weak business infrastructure, varying quality of SME support services and fragmented SME support.

It is widely recognised that with Hungary's EU Accession, without addressing the above described deficiencies, local businesses will meet major difficulties in the competitive environment. Therefore, it is vital to establish high skill levels in the SME sector on which a substantially more competitive economy can be built. Acquiring these skills are also important for individual entrepreneurs so that they will have the ability to adapt and change, to be aware of technology developments, make effective use of internal resources and combine them with external ones. SMEs have limited experience in exporting, encouraging and assisting small companies in entering cross-border trade are also key factors to the building of competitive potential.

In addition, the achievement of sustainable competitiveness requires the improvement of access to business infrastructure and, in particular, to related services. There are 24 industrial parks and 9 incubators houses in the target regions, established and operated by local governments, small regional associations, Local Enterprise Agencies, etc. Out of the total number of companies now located within the existing industrial parks in the target regions, 80 percent are SMEs. While the occupancy rates of incubator houses amount to and often exceeds 90% the picture is more diverse in case of the industrial parks. The range and quality of business support services for tenant companies show major differences throughout the regions. In order to exploit the potential of incubator houses and industrial parks for the provision of high-quality business space and support services while at the same promoting inter-firm cooperation and sub-supplier relations it is essential to strengthen these organisations and create a unified skills base.

Another sector all three regions consider as a development priority is tourism. Although this part of Hungary is rich in natural and local cultural assets as well as has distinct niche tourism opportunities (e.g. equestrian tourism, water tourism, health and recreation, etc.) still many efforts are needed to fully unlock the potential of the tourism sector. Tourism infrastructure needs to be upgraded to be able to meet international standards rather than continue to serve low value mass tourism. There is a need to develop new products that would address new trends in tourism and attract new and different types of tourists in the region. Growing competitiveness in the tourism sector necessitates substantial investments in good quality marketing materials as well as improved customer care.

Tourism development requires an integrated approach as well close co-ordination and cooperation of all the various authorities involved in the development, financing and implementation of tourism products (Regional Development Councils and Agencies, Regional Tourism Committees and Offices, local governments, associations of small regions, etc.). Over the past few years there has been a growing recognition for joint product developments and the establishment of partnership arrangements for the implementation of tourism related development projects. The tourism sector, apart from a few big hotel chains, is predominated by micro and small businesses. In order that these companies receive efficient and effective support within the frame of these development projects as well as the regional tourism potential is best exploited the above institutions need to be strengthened in terms of product development, programming and project management skills.

As the above listed problems of the SME and tourism sector are not restricted to these three regions in Hungary it is essential that interventions, when possible, are designed and planned with a pilot nature that can rolled-out in other regions or repeated at a later stage if required.

3.2 Linked activities:

Over the past years, the key actor in the area of SME development in Hungary has been the Hungarian Enterprise Foundation (MVA). It has carried out a wide range of management training
and business development activities. With relevance to this project, Phare support has been granted in the following cases:

HU9605 Incubator House Management Training – a comprehensive review of incubator house management highlighting strengths, weaknesses and areas to be developed

In the framework of the HU9303, HU9605, HU9706 SME Phare programmes education, training and counselling has been provided by the Local Enterprise Agencies to the SMEs on local level. Training and counselling activities have focused on two main groups of SMEs. Basic services such as encouragement of use of information technology, enhancement of management capabilities, provision of advisory services in basic business planning and design of services for tenants in incubator units are designed for start-up business. Services designed for SMEs with growth potential contain among others services such as business counselling in areas related to business development and assistance for joint product development.

In the HU9606 regional development Phare programme the two Regional Development Councils of the pilot regions (South Transdanubia and South Great Plain) launched an open call for applications in different development areas.

In the Southern Great Plain region 19 projects received support for the development of the economic infrastructure. Among the supported projects there was a special training programme designed to promote the development of the market economy by elaborating a training programme for small and medium size enterprises in the region who are mainly in the starting phase of their activity (the support was approx. Euro 16,000).

In the Southern Transdanubian region the improvement of the SMEs’ competitiveness raised the highest interest among the applicants. After evaluating the proposals 25% of the Euro 4 million Pilot Fund was given to this priority. Training programmes offered for SMEs were significant elements of this section and covered wide range of activities including knowledge on establishing an enterprise, agricultural reorganisation, quality assurance and development of the training infrastructure.

The projects supported from the HU9606 regional development Phare programme are currently implemented.

3.3 Results:

In order to achieve maximum impact this project will concentrate on investments in human resources on the following measures:

- Establishing a systematic approach to business development training to overcome skills gaps and shortages and help local small business to improve competitiveness and growth
- Investing in business support service providers to make sure that there are sufficient good quality services available for entrepreneurs in the regions.

3.3.1. The first measure will be delivered through two different trainings targeted at

3.3.1.1. Business development training: Providing established businesses with advanced management skills and direction to achieve sustainable business modernisation and growth.

The target group of this training intervention includes owners/managers and entrepreneurs of operational SMEs. (Representatives of firms involved in the measure Strengthening of Co-operation between Enterprises will be encouraged to participate, as well).

Each stage of SME growth, directly contributing to increase of GDP and local employment, has its typical market behaviour, organizational and management patterns, but the stages themselves are qualitatively different. Decisions necessary to proceed from one stage to the next are critical. They essentially concern the entrepreneur’s commitment to growth and imply management of
potential skills and strategies, and transparency of the organisational activity. The overall aim of the training is to help growth-oriented companies upgrade management skills, improve management practices and raise awareness of the need to modernise businesses. By the end of the training programme SME participants will have an understanding of and thorough grounding for improved management practices. A special emphasis will be placed on participants getting a good understanding of quality issues, European standards and norms as these have a growing and direct impact on the competitiveness of Hungarian SMEs. Entrepreneurs will also receive guidance in regard to the use of advance IT technology and they will fully explore the importance and potential of the Internet and E-business.

A standardised, short course will be designed and developed that will be delivered in all the three regions on the basis of a unified training package and a brief Training Manual, however, it will enable slight adjustments to address particular local needs (e.g. local case studies, etc.). Each course will have a maximum of 20 participants and a total of 20 courses will be held resulting in a total trainee pool of 400. The courses will be closed by an evaluation of students and the training. The exam and evaluation grids shall be elaborated by the contractor. The courses will build on the lessons and experiences learned from the evaluation of the previous ones.

Participating companies shall be chosen on a competitive basis through public advertisements in leading local papers. Selection criteria will include the company’s solid financial basis, potential for future growth, ability to create employment, the overall track record, the need for assistance and commitment to co-finance. A questionnaire shall be elaborated by the contractor for the assessment of applicants. Decision shall be taken by the RDAs based on the assessment of the contractor.

3.3.1.2. Export Start training: helping companies to break into and develop export markets as well as direction to maintain good marketing performance

The overall aim of this training programme is to encourage entrepreneurs to look seriously at the opportunities that lie in trading across international borders and increase willingness to exploit possibilities. Additionally, the training will guide trainees through the key issues of setting up export operations. Traditional trade promotion programmes so far have primarily focused on bigger companies. The innovative feature is that the target group of this training comprises micro enterprises and small companies with an interest in cross-border trade or trade in some nearby, traditional export markets (Austria, Germany, Northern Italy).

By the end of this training programme entrepreneurs will have a good awareness of export markets and export practices, will have the knowledge and skills to formulate an export marketing strategy. As part of the training the participating SMEs shall be provided for a limited time (6 months) with access to an export coaching expert or company providing on-spot assistance. Main topics will include strategic marketing, market research, Internet management, international trade conditions and practices, managing across cultures, export sales and introduction to the EU internal market rules.

The training will be a short course, most probably including 4-5 days and a maximum of 20 participants will be accepted for each training programme. A total of 15 courses are envisaged to be run in the three regions resulting in a total trainee number of 300 SMEs. The courses will be closed by an evaluation of students and the training. The exam and evaluation grids shall be elaborated by the contractor. The courses will build on the lessons and experiences learned from the evaluation of the previous ones.

Participating companies shall be chosen on a competitive basis through public advertisements in leading local papers. Selection criteria will include the company’s commitment to seek new markets, availability of a product or service they can sell outside the region, provision of new employment opportunities, the need for assistance and commitment to co-finance. A questionnaire shall be elaborated by the contractor for the evaluation of applicants. Decision shall be taken by the RDAs based on the assessment of the contractor.
3.3.2. The second measure will be met by the following training activities:

3.3.2.1. Business Infrastructure Training Programme: a comprehensive training programme providing business infrastructure and shared facilities providers with the necessary skills to make an effective contribution to local business development.

Unfortunately, even some of the existing business incubators and industrial parks have accumulated limited experience to date in managing high quality services. The capacity of business incubators to promote business start-ups and consolidation, as well as successful markets operations of incubated businesses, is an important asset of each incubator and, as such, should be encouraged by targeted training programme which shall include visits to successful Hungarian or foreign business incubators.

The target group of training will involve managers of industrial parks, incubator houses, logistics, science and innovation centers in the target regions. The training shall focus on the method of specific service provision expected by the tenants of such establishments. Subject to be trained shall cover service needs assessment, improvement of service quality, methods of reinforcing inter-firm co-operation and sub-contracting activities among tenants, legal aspects of tenancy and financial management.

The training will be a short course, most probably including 4-5 days and a maximum of 16 participants will be accepted for each training programme. A total of 6 courses are envisaged to be run in the three regions resulting in a total trainee number of 96 service providers. The courses will be closed by an evaluation of students and the training. The exam and evaluation grids shall be elaborated by the contractor. The courses will build on the lessons and experiences learned from the evaluation of the previous ones.

The selection process of participants will start with public advertisements in leading local papers. The selection will be based on the evaluation of applicants in terms of existing and potential services provided for SMEs, capability and willingness to improve services and commitment to co-finance. A questionnaire shall be elaborated by the contractor for the assessment of applicants. Decision shall be taken by the RDAs based on the assessment of the contractor.

3.3.2.2. Tourism Development Training: Helping authorities and organisations involved in tourism development in improving product development and programming skills.

There is low knowledge and experience on how to organise touristic projects in line with best international practices and with EU policies. Comprehensive information services for tourists are not well organised or are not even in place. Promotional activities of different service providers in the tourism sector are not co-ordinated and mostly of low quality. Organisations providing advisory services for SMEs are working on a low professional level compared to international standards.

The target group will include tourism managers of the RDA, Small Region Associations, Regional Tourism Board, Regional Tourism Marketing Directorate, local authorities, national parks and non-profit organisations operating the tourism sector. Preference will be given to applicants working in organisations giving advisory and information services for SMEs in the tourism sector.

By the end of this training programme participants will have a good awareness of the institutional framework of the regional tourism administration, planning of tourism initiatives and operation, marketing of tourism products, the process and techniques of product development in the tourism sector, financial management and control mechanisms, relevant EU policies, tourism information systems, the importance of environmental, natural, cultural heritage and quality control issues in tourism development and the need for efficient communication and cooperation as well as the sig-

1 The RTMDs are the secretariats of the Regional Tourism Boards provided by Hungarian Tourism Co. (Magyar Turizmus Rt), a wholly owned subsidiary of the Ministry of Economic Affairs responsible for tourism marketing and development.
nificance of customer relations in the tourism sector. Participants will use the knowledge acquired to develop and implement touristic projects, to organise common promotional activities as well as to give advisory and information services to other actors of the tourism sector (i.e. SMEs, local governments, NGOs).

A standardised, short course will be designed and developed that will be delivered in all the three regions on the basis of a unified training package, however, it will enable slight adjustments to address particular local needs. Each course will have a maximum of 20 participants and a total of 10 courses will be held resulting in a total trainee pool of 200. The courses will be closed by an evaluation of students and the training. The exam and evaluation grids shall be elaborated by the contractor. The courses will build on the lessons and experiences learned from the evaluation of the previous ones.

Participants shall be selected on competitive basis through public advertisements in leading local papers. A questionnaire shall be elaborated by the contractor for the assessment of the applicant organisations. The selection of participants shall be based on the evaluation of applicant organisations in terms of existing and potential services provided for SMEs, capability and willingness to improve these services and commitment to co-finance. Decision shall be taken by the RDAs in co-operation with the Regional Tourism Boards based on the assessment of the contractor.

3.4 Activities:

The programme will be implemented through one comprehensive service contract including all sub-components and all three target regions with 2.0 MEUR Phare contribution. Bidding companies when preparing their proposals need to take into consideration the specific conditions and needs of each target region. Only training companies providing SMEs and service providers with recognised qualifications can come into consideration. Partnership with local business training firms will be encouraged. The contractor will have to ensure open access of SMEs to the Business Development and Export Start trainings; the preparation of the selection criteria and the selection process will be the part of the methodology of the proposals.

4. Institutional Framework

At the national level, the institutional framework includes the Ministry of Economic Affairs, the Ministry of Agriculture & Regional Development, the Hungarian Foundation for Enterprise Promotion, the National Tourism Board\(^2\) and the Steering Committee for Phare Assisted Training Programmes chaired by the National Co-ordinator. Key institutions at regional level are the Regional Development Councils (RDCs), Regional Development Agencies (RDAs) and the Regional Tourism Boards (RTBs). Terms of Reference for the service tender will be prepared by the IA in consultation with the RDAs and RTBs in the target regions as well as with training experts as required. The evaluation committee of the service tender shall include among others the representatives of the Ministry of Economic Affairs, the Hungarian Foundation for Enterprise Promotion, the Implementing Agency of the Ministry of Agriculture & Regional Development, the National Tourism Board, the RDAs and the RTBs. Coordination will be ensured by the IA.

The project will be discussed by the Steering Committee for Phare Assisted Training Programmes. The National Monitoring Committee for PNDP being responsible for the monitoring of all measures financed by Phare Economic and Social Cohesion will also discuss the reports on the results of the trainings.

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\(^2\) The National Tourism Board is an advisory board to the Minister of Economic Affairs including representatives of ministries involved in the tourism sector as well as representatives of proposals for the Government on regulation and development of the tourism sector.
4. Detailed Budget (MEUR)

The distribution of funds between trainings and regions has been defined by the institutions involved in this project at national and regional level.

<table>
<thead>
<tr>
<th>Component</th>
<th>Phare Support</th>
<th>Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
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<td>Private</td>
<td></td>
</tr>
<tr>
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<td>0,44</td>
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<tr>
<td>Northern Hungary</td>
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<td>0,037</td>
<td>0,147</td>
<td>0,367</td>
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<tr>
<td>Northern Great Plain</td>
<td>0,183</td>
<td>0,037</td>
<td>0,147</td>
<td>0,368</td>
</tr>
<tr>
<td>Southern Great Plain</td>
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<td>0,036</td>
<td>0,146</td>
<td>0,365</td>
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<td>2. Export Start Training</td>
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<tr>
<td>Northern Great Plain</td>
<td>0,25</td>
<td>0,0625</td>
<td>0,3125</td>
<td>0,625</td>
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<tr>
<td>Southern Great Plain</td>
<td>0,25</td>
<td>0,0625</td>
<td>0,3125</td>
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<td>3. Business Infrastructure Training Programme</td>
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<td>0,0448</td>
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<tr>
<td>Northern Great Plain</td>
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<td>0,0128</td>
<td>0,032</td>
<td>0,0448</td>
</tr>
<tr>
<td>Southern Great Plain</td>
<td>0,083</td>
<td>0,0128</td>
<td>0,032</td>
<td>0,0448</td>
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<tr>
<td>4. Tourism development training</td>
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</tr>
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<td>Northern Great Plain</td>
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<td>0,0575</td>
<td>0,2305</td>
</tr>
<tr>
<td>Southern Great Plain</td>
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<td>0,023</td>
<td>0,0575</td>
<td>0,2305</td>
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<td>Total</td>
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<td>0,404</td>
<td>1,646</td>
<td>4,0509</td>
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</table>

The distribution of funds between trainings and regions has been defined by the institutions involved in this project at national and regional level.

Co-financing will be provided by the beneficiaries and the Ministry of Agriculture and Regional Development:

- Business Development Training: 40% own resources required from the beneficiaries and 10% co-financing provided by the Ministry of Agriculture and Regional Development.
- Export Start Training: 50% own resources required from the beneficiaries and 10% co-financing provided by the Ministry of Agriculture and Regional Development.
- Business Infrastructure Training and Tourism Development Training: 25% own resources required from the beneficiaries and 10% co-financing provided by the Ministry of Agriculture and Regional Development.

6. Implementation Arrangements

6.1 Implementing Agency:

The project will be implemented under the overall co-ordination and supervision of the Ministry of Agriculture and Regional Development, whose representative, Mr. Peter Szaló, deputy secretary of state, will be designated as PAO. The Ministry for Agriculture and Regional Development, through its Phare Regional Development IA (Hungary, 1016 Budapest Gellértthegy u. 30-32.), will be re-
sponsible for administrative and financial matters, while the Regional Development Agencies will be responsible for the technical aspects of the implementation.

6.2 Non-standard aspects
The rules of the DIS Manual will be strictly followed during the implementation.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of tendering</th>
<th>Start of project activity</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of the Human Resources of SMEs - Service Tender</td>
<td>09/2000</td>
<td>02/2001</td>
<td>03/2002</td>
</tr>
</tbody>
</table>

8. Equal Opportunity
No discrimination between sexes or minority groups will be applied during the project selection and implementation.

9. Environment
The project has no effects on the environment

10. Rates of return
Not applicable

11. Investment criteria

11.1 Catalytic effect:
The project will finance training activities that are high priorities in the target regions. Since funds for the development and pilot testing of the foreseen training programme are very limited or not available at all, without Phare support, the training activities could only take place with a very considerable delay.

11.2 Co-financing:
Business Development Training: Phare contribution will be 50% (0.55 MEUR) of the total project costs, completed by 40% (0.44 MEUR) own resources required from the beneficiaries and 10% (0.11 MEUR) co-financing by the Ministry of Agriculture and Regional Development.

Export Start Training: Phare contribution will be 40% (0.75 MEUR) of the total project costs, completed by 50% (0.9375 MEUR) own resources required from the beneficiaries and 10% (0.1875 MEUR) co-financing by the Ministry of Agriculture and Regional Development.

Business Infrastructure Training: Phare contribution will be 65% (0.25 MEUR) of the total project costs, completed by 25% (0.0969 MEUR) own resources required from the beneficiaries and 10% (0.0384 MEUR) co-financing by the Ministry of Agriculture and Regional Development.

Tourism Development Training: Phare contribution will be 65% (0.45 MEUR) of the total project costs, completed by 25% (0.1725 MEUR) own resources required from the beneficiaries and 10% (0.069 MEUR) co-financing by the Ministry of Agriculture and Regional Development.

11.3 Additionality:
The Phare intervention does not displace other financiers.

11.4 Project readiness and size:
Terms of reference and the tender dossier will be ready at the time of the signing of the FM.

11.5 Sustainability:
In order to establish the long-term viability of the above two programmes a pool of local trainers has to be established. Therefore, within the framework of a Training of Trainers module a total of 12-15 future local trainers per regions and per sub-component will be trained to be able to con-
continue the delivery of the training programme after the completion of this project. These local trainers will be selected from candidates from business support organisations (Local Enterprise Agencies, business associations, professional organisations, small business centres of universities/colleges) and they will be gradually involved in the delivery of courses. They will be monitored and appraised and at the end of the programme they will receive a qualification certificate.

11.6 Compliance with state aids provisions
All actions financed by Phare will respect the state aid and competition provisions of the European Agreement.

11.7 Contribution to National Development Plan
The objectives of the project are fully in line with the relevant section of the PNDP. It will reflect the regional strategies of the target regions that are also under formal revision. SME tourism development is a key development priority in all of them. Target groups and training content were defined based upon the draft versions of these documents.

12. Conditionality and sequencing
Phare support will be conditional upon the strict respect of eligibility criteria for the selection of trainees and upon the provision of co-financing from Hungarian sources.

The sequencing will follow the structure defined in the implementation schedule.

The long-term success and sound impact of the training interventions relies upon the fulfilment of the following conditions:

• training interventions are attended by appropriate trainees with clear responsibilities in the development of these sectors, showing strong interest and commitment towards the training programme
• well-operating models are adopted, learning and findings of the training programmes are efficiently incorporated in the trainees every day working practices strengthened by consistent monitoring activities.

The long-term sustainability of these training programmes necessitates that a local training base is created that guarantees

• access to standardised, quality training services all over the target regions
• addressing of emerging training needs in the future through the provision of similar training programmes in the future
• dissemination of best practices in other regions, as well.
<table>
<thead>
<tr>
<th>Wider Objective</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME competitiveness and overall business performance strengthened</td>
<td>• SME income growth equal or higher than national averages</td>
<td>• SME Surveys</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• SME Statistics</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Regional reports</td>
<td></td>
</tr>
</tbody>
</table>

<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>Owners and managers of SMEs in the targeted regions implement innovative business strategies</td>
<td>• Range of SME sectors and product lines grows at rates equal or higher than national rates</td>
<td>• SME Surveys</td>
<td>• Continued positive economic development in SME target markets</td>
</tr>
<tr>
<td>SME owners and managers in the targeted regions identify and penetrate new local and export markets</td>
<td>• SME market share in local and export markets increases at rates equal or higher than national rates</td>
<td>• SME Statistics</td>
<td>• Government policies conducive to SME development</td>
</tr>
<tr>
<td>SME owners and managers of the tourism sector in the targeted regions achieve international standards in the provision of tourism services</td>
<td>• Number of tourism businesses upgrading services under the programme in line with tourism development plans and programmes</td>
<td>• Regional reports</td>
<td>• Regional agencies and other interested parties support the project</td>
</tr>
</tbody>
</table>

<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>2 SME training modules on business growth and export strategy formulation developed for the relevant target groups</td>
<td>• Training programmes developed and carried out at on time and on the professional levels laid down in the contract.</td>
<td>• Participant analysis</td>
<td>• SME owners and managers willing to take part in training activities</td>
</tr>
<tr>
<td>51 training courses provided in the target regions</td>
<td>• Results of the evaluation of courses and participants</td>
<td>• PMU reports</td>
<td>• Complimentary business resources (labour, finance) available for the application of improved business know-how</td>
</tr>
<tr>
<td>enterprises involved in tutorial and coaching activities aiming at developing their innovation and export potential</td>
<td></td>
<td>• Analysis of Phare evaluation reports</td>
<td></td>
</tr>
<tr>
<td>200 managers in the tourism sector involved in training and tutorial activities</td>
<td></td>
<td>• Reports prepared by the Regional Tourism Boards</td>
<td></td>
</tr>
<tr>
<td>96 service providers trained for tenancy and incubation services</td>
<td></td>
<td>• Exam sheets and questionnaires on the courses developed by the contractor and filled in by participants</td>
<td></td>
</tr>
</tbody>
</table>

**Inputs**
2.0 MEUR and completed by 0.4049 MEUR from the Ministry of Agriculture and Regional Development and 1.646 MEUR co-financing from the beneficiaries.
### Development of the Human Resources of SMEs - Service Tender

<table>
<thead>
<tr>
<th>Month</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
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<tr>
<td>S</td>
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</tr>
<tr>
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<td>Design (20% shadowing)</td>
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<tr>
<td>Tendering and contracting (50%)</td>
<td>50%</td>
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<tr>
<td>Contract Implementation and Payments (100%)</td>
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The end of the contracting period is 30/09/2002.
The end of the disbursement period is 30/09/2003.

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</table>

**HU0008-04 - CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (MEUR)**
1. Study on Incubator Houses in Hungary prepared by the IMK consortium in 1998 for the Hungarian Foundation for Enterprise Promotion (MVA). The Study is available at the MVA (Budapest, Bajza u. 31.)
3. „The state of progress and tasks of enterprises towards accession to the EU, prepared by the Economic Research Co., 1996, available at the MVA
4. Human Resources Survey in the tourism sector financed by the HU9508-02-05 Phare project. The study has been prepared in 1998, and is available at the Ministry of Economic Affairs (Budapest, Vigadó u. 6.)
5. Study on the training methodologies and materials used in tourism education, available at the Ministry of Economic Affairs