Standard Summary Project Fiche for the Transition Facility

1 Basic Information
1.1 CRIS Number: 2005/17/520.04.01
1.2 Title: Unallocated IB envelope
1.3 Sector: Other IB actions
1.4 Location: Hungary

2 Objectives

2.1 Overall Objective(s):
Strengthening the institutions and administrative capacity for the full application of the *acquis communautaire*

2.2 Project purpose:
to provide Institution Building through assistance (twinning light, other form of technical assistance) to meet the requirements related to specific urgent and unforeseen needs identified in the Comprehensive Monitoring Report of November 2003 and the *acquis* that is in the process of adoption (pipeline *acquis*). In particular this facility may help to:

- assist to complete the adoption and implementation of acquis in particular areas where assistance is still necessary;
- strengthen the institutional and operational capacity of public administration bodies in view of the role in the implementation of the EU acquis;
- to develop human resources of public administration institutions relevant for the implementation of the EU acquis

3 Description

3.1 Background and justification:

Hungary has been the beneficiary of accession related PHARE institution building projects since 1998. A high number of institution building projects have been or are being completed successfully in the form of full scale twinning with the assistance of Member States experts. However in the stage of gap plugging in Hungary’s accession preparation there is a clear demand to establish a more flexible institution building instrument to address specific well-circumscribed self contained subjects of limited scope. The unallocated institution building envelope will provide the possibility to respond to emerging tasks in a more flexible and immediate way. Within the Transition Facility budget an unspecified envelope will be earmarked from which projects will be financed in the form of twinning light, or commercially contracted technical assistance. In particular, projects will be supported in those areas in which an urgent or unforeseen task would come up and specified in the Comprehensive
Monitoring Report or which have a high priority from the aspect of accession or being Member State or part of the pipeline acquis. The project may also cover the needs such as expertise of economic, social, legal and institutional nature.

3.2 **Linked activities:**

- All institution building projects financed by PHARE since 1998
- The TAIEX Multi-beneficiary Programme, which acts as a complement to the national Phare programmes and is coordinated with them, responding to individual requests not covered in these programmes by tailor-made actions for each country in all fields of the acquis.
- SIGMA Multi-beneficiary Programme, which apart from advising on the modernisation of general management systems of public institutions focuses on horizontal subject areas of pre-accession assistance (e.g. financial control and external audit, financial management and public procurement, civil service and public administration), oriented to accession priorities and complementing National Programmes for Institution Building and twinning.
- HU0102-07 – Twinning light facility
- HU 2002/000-180-06-01 Unallocated IB envelope
- HU 2003-004-347-04-01 Unallocated IB envelope

Overlap should be avoided by all previous Phare funded institution building projects.

3.3 **Results:**

Establishment of a facility providing support for institution building projects on a more flexible way.

3.4 **Activities:**

An envelope for as yet unspecified *institution building* projects will be established.

Funded projects will rest on a number of fundamental principles:
- Projects will be based on priorities identified in the Comprehensive Monitoring Report or are part of the pipeline acquis. There will be cases where the relationship with the acquis will be concretely established, but there might also be cases, where a focused institution building project will be the most suitable method for the achievement of a desired result in a broader sense of the acquis or in fulfillment of the Copenhagen criteria, the project targets a concrete, operational guaranteed result; the beneficiary lays out a clear work programme, how it intends to achieve the result and what means it will deploy. The project should make the commitment of the beneficiary to achieve the guaranteed result explicit.
- Size and budget of projects will be subject of individual assessment;
- All projects should be in full compliance with the Commission’s Transition facility Programming & Implementation Guide;
- Projects can be implemented in the forms of twinning light and technical assistance.
A Steering Committee for Institution Building will be created that will define the detailed criteria for application, the timing of call for proposals, the minimum - maximum size and duration of projects, the practical working method and if necessary the proportion between the different tools of support. The Steering Committee shall have the first meeting at the time of the signature of the Financing Memorandum 2004. It shall decide about the first allocation not later than the following six months. The SC shall also guarantee that a clear timetable is defined in a way to ensure that the IB assistance is in place in due time. The SC shall meet on regular basis in order to make sure that the timetable is implemented or projects are designed in accordance with the defined needs.

3.5 Lessons learned:

The take up of the previous facilities established under the Phare programme – i.e. the 2001 Twinning Light Facility and the 2002-2003 Unallocated IB envelope – has been good and most of the funds have been committed. However experience shows that they were particularly useful to respond quickly to urgent needs emerged during the accession negotiations.

The 2004 transition facility unallocated IB selection is under procedure, there is still significant interest for the Institution Building projects between the Hungarian authorities.

4 Institutional Framework

The beneficiaries of funds of the unspecified envelope will be different public institutions applying for financial support. The procedure is managed according to EDIS. Decision on projects to be submitted for financing within the budget will be taken by a Steering Committee for Institution Building including the representatives of the National Aid Co-ordinator, EC Representation, the Ministry of Foreign Affairs, the Ministry of Finance (NAO) and the CFCU. The Steering Committee will define the detailed criteria for application, the timing of call for proposals, the minimum - maximum size and duration of projects and if necessary the proportion between the different tools of support. From there on the procedures will follow what provided for in the “Twinning Manual”, “Procedures for twinning light”, and the national Public procurement rules.

5 Detailed Budget for 2004

<table>
<thead>
<tr>
<th>Transition Facility</th>
<th>Support</th>
<th>National Cofinancing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Support</td>
<td>Institution Building</td>
<td>TF(=I+IB)</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Unallocated IB envelope.</td>
<td>0</td>
<td>1,5</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>1,5</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

* In cases of co-financing only
6 Implementation Arrangements

6.1 Implementing Agency

PAO: Mr. Gábor Rónaszéki, director
CFCU
1052 Budapest, Deák Ferenc u. 5.
Phone: (36-1) 266 4860 Fax: (36-1) 266 4858
E-mail: ronaszeki.gabor@cfcu.gov.hu

SPO: Since a number of different projects will be implemented, for each, the respective SPO will be nominated

6.3 Non-standards aspects

The National Public Procurement rules contract procedures and the specific twinning and twinning light rules will strictly be followed.

6.4 Contracts

Due to the nature of the envelope for the time being it is not possible to foresee the number and value of contracts.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of tendering</th>
<th>Project activity</th>
<th>Project completion</th>
</tr>
</thead>
</table>

8. Sustainability

When selecting the projects the Steering Committee takes into account the sustainability of each project and will decide on financing it when sustainability of each project is proved by the beneficiary by both staff and administrative resources.

9. Conditionality and sequencing

- The envelope will be actually used only if there are enough concrete applications fulfilling the criteria identified.
- The beneficiary institutions are bound to provide the twinning partner with adequate staff and other resources (including translation and interpretation) to operate effectively. The full commitment and participation of senior management of the beneficiary institution is required for the implementation of the projects.
- The sequencing is subjected to the deliberations of the Steering Committee meetings
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. Indicative allocations table (compulsory)
## ANNEX 1: Transition Facility Logframe

### LOGFRAME PLANNING MATRIX FOR

<table>
<thead>
<tr>
<th>Project</th>
<th>Project number:</th>
<th>Unallocated IB envelope</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 UNALLOCATED INSTITUTION BUILDING ENVELOPE</td>
<td>Contracting period expires: 15 December 2007</td>
<td>Disbursement period expires: 15 December 2008</td>
</tr>
<tr>
<td></td>
<td>Total budget: 1,500,000</td>
<td>Transition Facility budget 1,500,000 Euro</td>
</tr>
</tbody>
</table>

### Overall objective
- Strengthening the institutions and administrative capacity for the full application of the acquis communautaire

### Objectively verifiable indicators
- Increasing number of Hungarian institutions completely ready to apply the acquis communautaire

### Sources of Verification
- EC Commission Reports;

### Project purpose
- Completion of some specific urgent, unforeseen needs identified in the Comprehensive Monitoring Report and pipeline acquis.

### Objectively verifiable indicators
- Acceleration of the progress within ministries/institutions towards meeting the requirements of the acquis
- At least 75% of the project beneficiaries received more positive comments in Commission monitoring reports etc.

### Sources of Verification
- Minutes of the monthly project review meetings
- Monitoring reports from the IA
- Implementation Status Report from the NAC
- Summary monitoring report from the relevant SMSC

### Assumptions
- The identified tasks are completed in time and effectively

### Results
- Establishment of a facility providing support for institution building projects

### Objectively verifiable indicators
- Specific identified tasks have been completed with the help of MS experts or TA provided by experts.

### Sources of Verification
- Twinning experts reports
- Monitoring reports

### Assumptions
- The beneficiaries allocate appropriate human and financial resources to the specific task

### Activities

<table>
<thead>
<tr>
<th>Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twinning light(s)</td>
</tr>
</tbody>
</table>

### Assumptions
- Appropriate twinning
| Institution Building projects in areas directly related to acquis requirement | • Service(s) Due to the nature of the envelope for the time being it is not possible to foresee the number of contracts | partners and TA companies will be found and smooth co-operation will be ensured; |

<table>
<thead>
<tr>
<th>Preconditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Full participation of senior management</td>
</tr>
<tr>
<td>• The Steering Committee guarantees that a clear timetable is defined and IB assistance is in place before the end of 2006</td>
</tr>
</tbody>
</table>
ANNEX 2 - Implementation Time Chart (Transition Facility 2005)*

<table>
<thead>
<tr>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>J</td>
<td>J</td>
<td>J</td>
</tr>
<tr>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
</tr>
<tr>
<td>A</td>
<td>M</td>
<td>J</td>
<td>J</td>
</tr>
<tr>
<td>S</td>
<td>O</td>
<td>N</td>
<td>D</td>
</tr>
<tr>
<td>T</td>
<td>T</td>
<td>T</td>
<td>T</td>
</tr>
</tbody>
</table>

* Note: The chart indicates the implementation timeline for the Transition Facility from 2005 to 2008, with each column representing a year and each row representing a month.
ANNEX 3 Cumulative Quarterly Commitment and Disbursement Schedule in MEURO (Transition Facility 2004-2006)

<table>
<thead>
<tr>
<th>Component</th>
<th>2005</th>
<th></th>
<th></th>
<th></th>
<th>2006</th>
<th></th>
<th></th>
<th></th>
<th>2007</th>
<th></th>
<th></th>
<th></th>
<th>2008</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>Contracting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0,2</td>
<td>0,4</td>
<td>0,8</td>
<td>1,0</td>
<td>1,2</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td>1,5</td>
<td></td>
</tr>
</tbody>
</table>
ANNEX 4 – Indicative allocations (in million euros) (Transition Facility 2004-2006)

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th></th>
<th>2005</th>
<th></th>
<th>2006</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TF National</td>
<td>TF National</td>
<td>TF National</td>
<td>TF National</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unallocated IB envelope</strong></td>
<td>2.0</td>
<td></td>
<td>1.5</td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2.0</td>
<td></td>
<td>1.5</td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>