1. Basic Information

1.1 CRIS Number: 2005/017-536.01.01
1.2 Title: Cross Border Co-operation between Romania and Hungary, Phare CBC / INTERREG IIIA
1.3 Sector: Integrated Regional Measures
1.4 Location: Romanian-Hungarian Border area: Satu Mare; Bihor; Arad, and Timis Counties, Romania
1.5 Duration: This project fiche covers the Phare CBC Romania – Hungary programme for 2005

2. Objectives

2.1 Overall Objective:

The overall aim of the RO-HU (and HU-SCG) CBC programme is:

"to bring the people, communities & economic actors of the border area closer to each other in order to establish a sound basis for balanced economic & social development, assuring optimal development opportunities for the three countries”.

2.2 Project purpose:

The purpose of the project is to promote cross border development between RO & HU through two priorities:

Priority 1: Strengthening the spatial, physical & infrastructure integrity of the HU-RO cross-border area;

Priority 2: Promotion of cooperation initiatives (market integration & societal coherence).

2.3 Accession Partnership (AP) and NPAA priority

Accession Partnership

The project has the potential to contribute to the fulfilment of the priorities identified in the following chapters of the Accession Partnership:

Social Policy and Employment Policy Chapter

• strengthen employment services at local level, notably by improving the cooperation between local services in the field of employment and social assistance.

Regional Policy and Coordination of Structural Instruments Chapter

• Strengthen the institutional and administrative capacity of the bodies in charge of programming and managing funds for cross-border co-operation in line with the Structural Funds approach.

• Develop the capacity to select, discuss and clarify development priorities at regional levels, and to identify, plan and prepare projects.
The multi-annual approach for the CBC programme should be consistent with the following permanent objectives identified in the NPAA (2002) for programming regional development in 2002-5:

- Preparation of the institutional and legal framework for coordination and implementation of the Structural Instruments;
- Implementation of national regional development strategy

**CBC administrative capacity development**

According with the Government Decision no 2005/2004 establishing the institutional framework for co-ordinating, implementing and managing the Interreg Programmes and the Neighbourhood Instrument, CBC Directorate has been appointed to undertake tasks of National Supporting Unit for Interreg Programmes (NSU) and of Managing Authority of the Neighbourhood Instrument. Starting with 2005 the new structures with specific responsibilities will be developed within the CBC Directorate, also ensuring the transfer of expertise from the pre-accession period.

The Managing Authority/National Authority (within CBC Directorate) will delegate a certain part of its responsibilities and attributions related to programming, project implementation, monitoring and evaluation to an Intermediate Body, located in the border area. For undertaking tasks involved with the INTERREG–Phare CBC Programme Romania-Hungary the Regional Development Authorities ('RDA's) which have counties in the border eligible area have associated for establishing a regional CBC Office (with legal status) to be based in Oradea (Bihor county), assisted by a Joint Technical Secretariat.

### 2.4 Contribution to National Development Plan

The overall project purpose and project objectives will, without doubt, help in the implementation of the NDP (2004-6) priorities. Promoting cross-border relations and good co-operation between the Romanian and Hungarian border regions (NUTS III level) is a powerful tool for fostering economic and social development. Competitiveness in the border region will be reinforced by efficient cross-border cooperation in a range of fields including infrastructure, environmental protection and management, business development, tourism promotion and local development. In addition, human resource development in the border area will benefit from the international collaboration in education, training and labour market activities. Efficient management of environment in the border area requires good co-operation in the issues such as environment protection and regional infrastructure. Therefore, a linkage and complementarity between the regional development strategy and the cross-border co-operation strategy will be ensured, since the cross-border co-operation contributes to the integrated development of the border region. This can be described in more detail according to the current project priorities:

**Priority 1:** Strengthening spatial, physical & infrastructure integrity of the HU-RO cross-border area;

The environmental element of this priority will contribute to the achievement of the second NDP priority objective: “Improving and developing transport and energy infrastructure and ensuring environmental protection”.

The infrastructural integrity part of Priority 1 of this project will also contribute to fulfilment of one of the overall NDP objectives: “Improvement and Development of Infrastructure”.
Priority 2: Promotion of cooperation initiatives (market integration & societal coherence).

Priority 2 of this project will contribute to parts of the following NDP priorities:

- First NDP Priority: Improving the competitiveness of the productive sector
- Third NDP Priority: Human resources development, increasing employability and, fighting social exclusion
- Fifth NDP Priority: Promoting a balanced participation of all Romania’s regions to the socio-economic development process

2.5 Cross Border Impact

This project fiche is in line with the priorities defined in the main Romania-Hungary CBC programming and planning documentation:

- a) CBC Hungary-Romania and Hungary-Serbia & Montenegro Cross-Border Cooperation Programme 2004-2006, 15 June 2004, approved by CE – Decision CE C/2004/4155/19 October 2004 (Short Title: Community Initiative Programme - CIP);

The current project, as described in this fiche, aims to contribute to the strengthening of the physical and infrastructural integrity of the cross-border area and increasing the living standard and the attractiveness of areas on both sides of the RO-HU border. This will hopefully occur through concentrating on the two project priorities as follows:

Priority 1: Strengthening the spatial, physical & infrastructure integrity of the HU-RO cross-border area

Priority 2: Promotion of cooperation initiatives (market integration & societal coherence).

3. Description

3.1. Background and justification

The Romanian-Hungarian border region is characterised by differences in the level of infrastructure and economic development in that the Romanian border zone with Hungary is more developed than the average of Romania while the reverse is true in the case of Hungary. At the same time, the region has important resources, both human and natural, that can be tapped to promote growth in the border region.

Since the start of the CBC programme a wide range of activities have been supported in the areas of economic development, education, social and cultural activities. The cooperation envisaged under the programme – both past and present – should establish permanent economic inter-linkages and involve a wide range of organisations and individuals. The level of cross-border cooperation is improving and the building and strengthening of connections affects all sectors – including civil society organisations (such as NGOs – which can significantly to the social and economic cohesion of the population in the border region).

The current CBC project fiche builds on the results of ongoing joint programming efforts of the relevant Hungarian and Romanian authorities and various partners involved. Although the proper representation of local, regional and national levels is
ensured through the composition of the joint programme bodies (Joint Monitoring Committee/Joint Cooperation Committee, Joint Steering Committee, Joint Technical Secretariat) further arrangements have been made in order to consult the wider partnership directly.

3.2 Identification of projects

The proposed programme will support the identification and implementation of cross-border projects. In the meaning of the programme, the following should be considered as cross-border projects:

- **Joint Projects**: projects prepared jointly in anticipation of joint implementation activities by the respective partners. The joint project application is submitted by the Lead Partner on behalf of the project partners;
- **Mirror Projects**: complementary projects where an activity on one side of the border is accompanied by a similar activity on the other side – i.e. activities should take place on both sides of the border and show some kind of coherence. Applications are submitted from partners from both sides of the border;
- **Individual Projects**: projects prepared in cooperation with partner(s) on the other side of the border although only one application is presented. The project is realised on one side of the border with only one applicant organisation.

In order to better manage the project identification process under the current Phare CBC RO-HU 2005 programme a very straightforward breakdown between overall objective, project purpose, results and activities has been utilised – as described in the attached Programme log-frames (one overall log-frame) and Priority log-frames (one each for Priority 1 and Priority 2 of this programme) (Annex 1). A summary is provided below:

The overall objective and project purpose are as described in Section 2.1 and 2.2 above. The results and activities section of the log-frame correspond with the priorities and measures as developed in the two main CBC planning documents (as listed in Section 2.5 above).

The overall scheme, in terms of CBC RO-HU 2004-06 priorities and measures, is shown in the table below:

<table>
<thead>
<tr>
<th>CBC RO-HU 2004-06 Priorities and Measures</th>
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<tbody>
<tr>
<td><strong>GRANT SCHEME</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Priority 1</th>
<th>Strengthening the spatial, physical &amp; infrastructural integrity of the HU-RO cross-border areas</th>
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</thead>
<tbody>
<tr>
<td>Measure 1.1</td>
<td>Improving cross-border infrastructure</td>
</tr>
<tr>
<td>Measure 1.2</td>
<td>Addressing common challenges in the field of environmental protection &amp; flood prevention</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority 2</th>
<th>Promotion of cooperation initiatives in order to facilitate the integration of markets &amp; enhance coherence between local societies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure 2.1</td>
<td>Development of business infrastructure &amp; joint business services</td>
</tr>
<tr>
<td>Measure 2.2</td>
<td>Support co-operation of enterprises</td>
</tr>
<tr>
<td>Measure 2.4</td>
<td>Promotion of co-operation in the field of RESEARCH AND TECHNOLOGY DEVELOPMENT &amp; human resource development</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>SMALL PROJECT FUND</th>
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<tbody>
<tr>
<td>Measure 2.3</td>
</tr>
</tbody>
</table>
The overall aim of the programme is to bring the people, communities & economic actors of the border area closer to each other in order to establish a sound basis for balanced economic & social development, assuring optimal development opportunities for Romania (RO) & Hungary (HU). This overall aim will be achieved through the combined project purpose of:
- strengthening spatial, physical and infrastructural integrity (Priority 1) and
- promotion of cooperative initiatives such as market integration and societal coherence (Priority 2).

The RO-HU CBC programme will be implemented through a series of grant-funded activities under the priorities and measures identified in the table above. However, it is recognised that strengthening of cross-border connections and development of the border regions will not come about through investment in infrastructure and facilities alone. Institutional strengthening is clearly required on both sides of the border. For example, in the case of waste management, investment in sorting stations, collection equipment, and landfill or incineration facilities in the border area diminish the impact that unsustainable waste disposal has on soil and the groundwater table and cross-border rivers. Moreover, the promotion of linkages and combined development and implementation of waste management strategies for border straddling regions - through institutional strengthening – will have a better chance of instigating lasting changes in both Romania and Hungary. This logic – a sensible combination of institutional strengthening and appropriate investment – will result in far higher and longer term dividends than investment alone. As part of this combined institutional strengthening and related investment theme, it is important to note that project preparation studies and activities will also be covered by the RO-HU CBC programme (see the section on Implementation Arrangements below).

The two measures proposed under Priority 1 (Measures 1.1 & 1.2) and the four measures proposed under Priority 2 (Measures 2.1, 2.2, 2.3 & 2.4) are described in some detail below – measure by measure.

The programme will help the national and joint implementing bodies to ensure efficient, effective and transparent management as well as smooth operation of the Phare CBC programme. The support to programme administration and management, publicity, monitoring and evaluation activities will be provided through the Technical Assistance.

### 3.A. PRIORITY 1 & 2 (EXCEPT MEASURE 2.3)

#### 3.2.1 Indicative* allocation between components/Priorities

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Phare support</th>
<th>Phare &amp; national public fund support</th>
<th>Beneficiary contrb’n</th>
<th>Total Cost</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>INV</td>
<td>IB National Public Funds</td>
<td>National</td>
<td></td>
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</tbody>
</table>

Notes:
The priorities and measures are transposed from the jointly developed CBC programming documents (CIP and PC) as listed in Section 2.5 above.
| Priority 1- Strengthening spatial, physical & infra structure integrity | 2,790 | 0,000 | 0,930 | 3,720 | 0,413 | 4,133 |
| Priority 2 – Promotion of cooperation to facilitate the integration of market & enhance social coherence (excluding Joint Small Project Fund) | 1,300 | 0,000 | 0,434 | 1,734 | 0,193 | 1,927 |
| Priority 2, Meas. 2.3 – Encourage cooperation between institutions & communities (People to People/JSPF actions) | 0,000 | 0,660 | 0,220 | 0,880 | 0,098 | 0,978 |
| Priority - Technical Assistance | 0,000 | 0,250 | 0,000 | 0,250 | 0,000 | 0,250 |
| **Total project 2005** | 4,090 | 0,910 | 1,584 | 6,584 | 0,704 | 7,288 |

* ‘Indicative’ means that sectoral allocation as indicated is presently estimated as appropriate for project success, but is modifiable in during project implementation on condition that original objectives are achieved. In any event, Phare funds for Technical Assistance are capped at 250,000 € (5% of total Phare funds).

3.2.2. Measure 1.1: Improving cross-border infrastructure (Priority 1)

**Measure 1.1 - Background and Justification**

Under Measure 1.1 funds will be used to improve the transport related institutional and physical infrastructure of the border area to facilitate accessibility to the border as well as cross-border passenger and freight traffic. The proposed actions under this measure support joint infrastructure development, as the existence of proper cross-border infrastructure is a pre-requisite for any type of cross-border cooperation. In addition, this measure helps to achieve the other objectives of the project by strongly supporting the establishment of the basic pre-conditions of the sustainable development of the area, thus directly contributing to one of the key horizontal objectives of the Phare CBC RO-HU Programme. Given the limited amount of funds available, priority is given to the funding of small-scale projects.

**Measure 1.1 - Results**

The expected result of Measure 1.1 is:

- improved infrastructure in the border area, leading to increased accessibility and mobility of the persons and goods in the border region and reduced travel time.

**Measure 1.1 – Actions and Eligible Activities**

The indicative allocation for this measure will be 5.580 MEuro (Phare contribution: 4.185 MEuro) during the 2004-2006 period.

The 2005 budget will be allocated according to proposals selection outcomes for the measures and the indicative allocation for this measure will be 1.860 MEuro (Phare contribution: 1.395 Meuro).
Under this measure, the Grant Scheme shall provide Phare CBC grants in an amount of Euro 300,000 – 600,000 for the procurement of services, supplies and works, under the component 1. For the cycling-paths (under component 1) and feasibility studies (under the component 2) the Phare CBC grants shall be provided in an amount of Euro 50,000-150,000.

Eligible activities will be the following:

- component 1 - construction, reconstruction, widening and pavement reinforcement of public roads owned by municipalities or counties, and construction of connecting junctions, building bicycle routes
- component 2 – preparation of large scale-investment type described in component 1 (elaboration of feasibility studies, engineering design documents, architectural plans, environmental impact assessments, market research and purchase of IT background)

However are not eligible works on roads of Corridor IV and on the “Bors-Cluj-Brasov” highway.

**Measure 1.1 – Eligible Costs**

- Relevant and linked institutional strengthening activities
- Appropriate project preparation and supervision activities
- Construction
- Construction and development costs of infrastructure (the costs of construction)
- Costs of training related to infrastructural developments or purchase of equipment

* p.m.: land acquisition expenses will not be eligible under this programme.

**Measure 1.1 – Selection Criteria**

When selecting from the initial group of applications, priority will be given to activities:

- linked to other interventions and developments by other programmes (national and community programmes)
- involving infrastructure development on both sides of the border
- contributing to an improved accessibility of the border areas and the reduction of travel time between cross-border destinations or of business infrastructure establishment of cross border interest (50% of “users” should have activities with the other side of the border)
- estimated number of future users of the new or the improved infrastructure

**Measure 1.1 – Eligible beneficiaries**

- Local public authorities
- Local and county public road management companies

**Measure 1.1 - Linked Activities**

Until now, only measures for improving the border crossing process were financed under Phare CBC. National access roads to the border were improved and specific equipment was provided for the National Administration of Roads, Border Police and Custom Administration. Among the main projects supported by Phare CBC in the past are the following:

- PHARE 1993 and 1994 Arad - Nadlac: road rehabilitation, construction of administrative building and weighing station for the National Administration of Roads; Equipment for Border Police and Custom Administration
• PHARE 1994 Oradea – Bors: road rehabilitation, construction of administrative building and weighing station for the National Administration of Roads; Equipment for Border Police and Custom Administration
• PHARE 1995 Chisineu Cris – Varsand: road rehabilitation, construction of administrative building and weighing station for the National Administration of Roads; Equipment for Border Police and Custom Administration
• PHARE CBC 1999 Arad Airport Cargo terminal and rehabilitation of Timisoara – Cenad road
• PHARE CBC 2000 Petea – Kiszombor border crossing point: road rehabilitation, construction of administrative building and weighing station for the National Administration of Roads; Equipment for Border Police and Custom Administration
• PHARE CBC 2002 railway passage on National Road 19 in Satu Mare.
• Satu Mare – Petea: road rehabilitation, construction of administrative building and weighing station for the National Administration of Roads; Equipment for Border Police and Custom Administration

It should be noted however that beside these main routes (above), the rest of the infrastructure network remains under-developed due to a lack of sufficient investment to date.

3.2.2 Measure 1.2: Addressing common challenges in the field of environmental protection & flood prevention (Priority 1)

Measure 1.2 - Background and Justification
Under Measure 1.2 funds will be used to support the joint protection of the environment and the natural values of the cross-border area, with primary focus on the protection of the common water table and surface waters, as well as on joint flood prevention activities.

The degree of harmonisation of Romanian legislation with EU Environment Directives is rather high but the implementation infrastructure in Romania lags behind. However, the border area with Hungary is close to the national average (while the opposite is true on the Hungarian side). Particular issues to be addressed are: the gap between the development of water supply and wastewater networks (as large as 2/3 in rural areas – indicating a need for improved wastewater treatment) and appropriateness of wastewater treatment facilities mainly for small towns and rural areas.

A general upgrading of solid waste collection and disposal facilities is planned at national and regional level to comply with EU Directives and the implementation of regional waste management system and the associated infrastructure is only now starting (14 of 55 planned facilities are in place or under construction). These will obviously decrease the impact of waste on quality of soil, river water and groundwater. In rural areas where no waste management is available, the practice of tipping waste into rivers will be thus discouraged.

A separate issue, that of continuity of flow during flood on major and small rivers (channels) crossing the border, still needs to be addressed (in line with the existing RO-HU Hydro-technical agreement).

Beside the actions supporting joint environment protection, water protection and flood prevention, all interventions within this measure should strongly support the establishment of the basic pre-conditions of sustainable development in the border area, thus directly contributing to one of the key horizontal objectives of the Phare CBC RO-HU Programme.
Flood prevention measures shall also be coherent with the Danube Basin Flood Prevention Strategy of which Romania is a signatory, and also with the forthcoming EU Directive on Flood Prevention.

**Measure 1.2 - Results**
The expected results of Measure 1.2 are as follows:
- Increased portion of population served by environmental infrastructure services
- Larger natural areas, groundwater tables and rivers protected
- Higher level of protection against floods
- Decreased level of polluted areas

The records of the local Environmental Agencies, Regional Agencies of National Water Authority and local/regional authorities will be used as sources of verification.

**Measure 1.2 – Actions and Eligible Activities**
The indicative allocation for this measure will be 5.580 MEuro (Phare contribution: 4.185 MEuro) during the 2004-2006 period.

The 2005 budget will be allocated according to proposals selection outcomes for the measures. For 2005, the indicative allocation for this measure will be 1.860 MEuro (Phare contribution: 1.395 MEuro)

Under this measure, the Grant Scheme shall provide Phare CBC grants in an amount of Euro 300,000 – 600,000 for the procurement of services, supplies and works. For activities under No (5) below, the range of Phare CBC grant size could be reduced (to be specified in the call for proposal/Guidelines for applicants).

**Eligible activities are the following:**
- (1) Collection and treatment systems for solid waste (both industrial and domestic), sewerage networks and wastewater treatment plants. However, in the case of industrial waste state aid issues might arise
- (2) rehabilitation and cleaning up of contaminated sites (if applicable, state aid rules will strictly apply).
- (3) Investments related to the development of joint nature protection areas and nature parks (construction or rehabilitation of buildings and other edifices and infrastructural establishments, Information & Communication Technology development, purchase of specific equipments, monitoring equipment, related training activities)
- (4) Investments related to the development of joint river protection and flood prevention monitoring and information systems (construction or rehabilitation of buildings and other edifices and infrastructural establishments, Information & Communication Technology development, purchase of specific equipments, related training activities)
- (5) elaboration of feasibility studies, engineering design documents and environmental impact assessments facilitating the joint protection of the environment and the natural values of the cross-border area
- (6) Support the use of renewable energy sources with a cross border impact (construction and development of facilities producing energy from renewable resources, related information campaigns)

**Measure 1.2 – Eligible Costs**
- Relevant and linked institutional strengthening activities
- Appropriate project preparation and supervision activities
• Construction
• Construction and development costs of infrastructure (the costs of construction)
• Purchase of specific equipment
• Costs related to Information & Communication Technology development
• Costs of training related to infrastructural developments or purchase of equipment

*p.m.: land acquisition expenses will not be eligible under this programme*

**Measure 1.2 – Selection Criteria**
When selecting from the initial group of applications, priority will be given to activities:

• concentrating on the major rivers of the eligible area: Tur, Somes / Szamos, Barcau, Crisul Repede, Crisul Negru, Crisul Alb / Korös, Mures / Maros, (Actions 1-2 and 4-6) as well as on cross-border small rivers / channels (Action 5)
• Impacting on a large number of population/ land/water base/assets in the border region
• linked to other interventions and developments under other programmes (EC / International, national and community programmes in Romania, mainstream SF programmes in Hungary)
• contributing to projects involving environment infrastructure development on both sides of the border
• linked to Natura 2000 programme
• land function should fit within the spatial plan
• allowing cleaning up activities only if it is part of a larger development project
• investments should be fully compliant with the relevant EU Directives

Applications under Action 3, should be supported by appropriate management plans
Applications under Action 4 should be coherent with the existing RO-HU Hydro-technical agreement

**Measure 1.2 – Eligible beneficiaries**
- local public authorities
- local, county and regional water management, solid waste management, waste water management, river protection and flood protection companies and public bodies
- local, regional environment protection agencies
- environmental NGOs
- non-profit organisations
- public organisations responsible for management of natural parks and protected areas

**Measure 1.2 - Linked Activities**
- ISPA funds are being channelled into water / wastewater systems and treatment improvements in major towns like Satu Mare, Oradea, Arad and Timisoara and a comprehensive waste management system will be funded in Timis county, and two ecological disposals are proposed for funding in Oradea and Satu Mare
- SAPARD (Measure 2.1 “Development and upgrading of rural infrastructure”) is also funding water supply networks and water treatment facilities and sewer networks and wastewater treatment facilities for communes of more than 2000 inhabitants, including the border region
- Economic and Social Cohesion 2003, SAMTID Programme is looking at Arad county as a possible pilot project location, and the small scale waste projects programme is funding such projects all over the country
• Phare CBC Programmes 1999 and 2000 have co-financed investments for flood protection and water quality projects on cross-border river (e.g. like Tisa, Barcau and Tur)  
• LIFE programme 1999 and 2002 funded two subsequent projects for natural habitats of Sat Chinez wetlands (Timis County) and LIFE 2000 has funded Vote for the Bicycle project in Oradea County.  
• a USAID funded project developing integrated meteorological data collection and decision making system (SIMIN) to be integrated with a national wide automatic alert system (DESWAT) for flood modelling (WATMAN).  
• Phare CBC 2003 Romanian Hungarian Corridor for the Biodiversity Conservation

3.2.3 Measure 2.1: Development of business infrastructure & joint business services (Priority 2)

Measure 2.1 - Background and Justification
The border region is mainly characterised by important differences in the level of development. These differences are present mainly in the areas of infrastructure and industrial development. At the same time, the region has important human and physical resources that could be used in order to kick-start economic growth and level the existing differences between the RO and HU border regions.

Measure 2.1 - Results
The expected result of Measure 2.1 is an improved system for business support services in the border area.

Measure 2.1 – Actions and Eligible Activities

The indicative allocation for this measure will be 1.860 M€uro (Phare contribution: 1.395 M€uro) during the 2004-2006 period.

The 2005 budget will be allocated according to proposals selection outcomes for the four measures and the indicative allocation for this measure will be 0.620 M€ (Phare contribution: 0.465 M€uro)

Under this measure, the Grant Scheme shall provide Phare CBC grants in an amount of Euro 50,000 – 300,000 for the procurement of services, supplies and works.

Eligible activities are the following:

- (1) Development and extension of existing business infrastructure facilities, (business incubators, industrial parks and trade centres providing services and office / storing capacity / space for businesses involved in cross-border trade); modernisation, extension and refurbishment of existing buildings,
- (2) Establishment of new business incubators (construction of new buildings, refurbishment of existing buildings currently out of use, or used for other purposes; development of IT infrastructure and provision of necessary equipments)
- (3) elaboration of feasibility studies, engineering design documents for preparing business infrastructure development projects facilitating better cross-border business co-operation

Measure 2.1 – Eligible Costs

• Relevant and linked institutional strengthening activities
• Appropriate project preparation and supervision activities
• Construction and development costs of infrastructure (the costs of construction of new buildings, or renewal / refurbishment of existing buildings, construction of internal roads)
• Purchase of equipment (office infrastructure, IT equipment, laboratory and research equipment)

**Measure 2.1 – Selection Criteria**
When selecting from the initial group of applications, priority will be given to activities:

• linked to other interventions and developments in other programmes (mainstream SF programmes in Hungary, national and community programmes in Romania) (Actions 1-3)
• contributing to projects involving infrastructure development on both sides of the border (Actions 1-3)
• responding to clearly demonstrated needs of SMEs (Actions 1-3)
• establishing facilities supporting or inducing direct cross-border co-operation of businesses (demonstrating that at least 50% of firms that will use the services of the supported facility will be involved in cross-border trade / business) (Actions 1-3)
• applications for actions 1 and 2 should be supported by a business management plan (notably: defining clearly the services to be provided to SMEs and the tariffs for these services). A minimum of 15% of the grant shall be dedicated to a) technical support for the provision of services to SMEs in the launching phase, and b) promotion campaign to ensure awareness of potential “client/users”.

**Measure 2.1 – Eligible beneficiaries**
• Local public authorities and other public bodies
• Local enterprise agencies
• Chambers of commerce, agriculture and industry
• Non-profit organisations
• **Euro-regions**
• SMEs only for not profit making activities

**Measure 2.1 - Linked Activities**
The objective of the Makó Business and Service Centre, Hungary, for strengthening Hungarian-Romanian cross-border relations (HU0107-01) project is creating a business service centre and incubator house for small and medium enterprises in order to support them in Makó-Nagylak area. These establishments, cooperating with the Romanian Regional Business Centre financed by Phare, are promoting the development of Romanian - Hungarian economic co-operation and ensuring beneficial business services and training opportunities for Romanian and Hungarian SMEs.

Within the Phare ESC programmes - small and large scale infrastructure components, a number of projects with a cross-border impact, located in the counties neighbouring Hungary, have been implemented.

One important project was the Industrial Park in Satu Mare, financed within the Phare 2000 programme. The Satu Mare city has a favourable position in the region, close to the border with Hungary. The beneficiary is the Satu Mare Local Council. The industrial Park is connected to the major transport infrastructure, thus facilitating the development of a friendly economic environment that would ensure the drawing of foreign capital, particularly for the benefit of the SME’s.

Financed under the Phare 2000 ESC programmes, the Industrial and Technological Park in Timisoara -in the south part of the border area, will allow the intensification of
cross-border information change, organising scientific meetings, international trade fairs.

Within the Phare 2002 ESC programme, an important project was financed for the benefit of the region, namely The Bors Industrial Park. Located near Oradea, close the Hungarian borders, this project created a business environment taking advantage of the promotion of foreign investments. Due to the business concentration, the project has better control over the polluting elements, a control that would help prevent and reduce the negative impact of industrial activity even in Romanian and Hungarian border.

The project Development of the touristic area Luna Ses – Borsa, financed under Phare ESC 2002, is located in the north-west area in Satu Mare county and Maramures county, at 65 km from Petea custom with Hungary. The objective of the project is the development of the tourism potential of the county as support for the tourism activities.

Rehabilitation of the rural infrastructure and environment preservation in the Lake Surduc area with the end of the including it in the international tourist circuit will be financed under Phare ESC 2003.

3.2.4 Measure 2.2: Support co-operation of enterprises (Priority 2)

Measure 2.2 - Background and Justification
The cooperation of enterprises is only one, although very important, aspect of cooperation; the involvement of various other actors is also necessary to achieve sustainable, mutually advantageous and balanced development of the border area.

Measure 2.2 - Results
The expected result of Measure 2.2 is the establishment of long-term cross-border business cooperation.

Measure 2.2 – Actions and Eligible Activities
The indicative allocation for this measure will be 1.860 MEuro (Phare contribution: 1.395 MEuro) during the 2004-2006 period.

The 2005 budget will be allocated according to proposals selection outcomes for the four measures and the indicative allocation for this measure will be 0.620 MEuro (Phare CBC contribution: 0.465 MEuro)

Under this measure, the Grant Scheme shall provide Phare CBC grants in an amount of Euro 50,000 – 300,000.

Eligible activities are the following:

- Support of cross-border business events facilitating the meeting of small and medium sized businesses (sectoral conferences, trade fairs, study tours)
- Support for enterprise cooperation in regard to cross-border activities (such as: development of common IT tools, the development and introduction of common production and quality standards, common market research and marketing activities, common training projects, organisation of cross-border clusters, development of sectoral cross-border co-operation strategies, product and process innovation; laws, regulations, etc)

Measure 2.2 – Eligible Costs
- Relevant and linked institutional strengthening activities
• Appropriate project preparation and supervision activities
• Appropriate strategies, consultancy and advisory services;
• Organisation and delivery costs of various business events, including communication costs, costs of PR and marketing, costs of speakers and moderators, rental costs of rooms and technical equipment, cost of travel and catering;
• Costs of training courses (room, technical equipment, costs of trainers, catering, preparation of training materials)

Measure 2.2 – Selection Criteria
When selecting from the initial group of applications, priority will be given to activities

• linked to other interventions and developments in other programmes (mainstream SF programmes in Hungary, national and community programmes in Romania)
• directly involving businesses, primarily SMEs in both Romania and Hungary
• responding to clearly demonstrated needs of SMEs
• resulting in long-term co-operations of enterprises from the eligible area

Measure 2.2 – Eligible beneficiaries
• Local public authorities
• Local enterprise agencies
• Chambers of commerce, agriculture and industry
• NGOs with training activities in the field of business promotion and networking
• Universities and colleges
• Non-profit organisations
• SMEs only for not profit making activities

Measure 2.2 - Linked Activities
See Measure 2.1

3.2.5 Measure 2.4: Promotion of co-operation in the field of Research & Technology Development & human resource development (Priority 2)

Measure 2.4 - Background and Justification
Training, conferences, seminars in the field of business activity (business-to-business, e-commerce), and new challenges (more possibility and responsibility) will hopefully create a positive attitude towards cross-border co-operation by filling an existing information gap and enabling cross-border connections leading to improved competitiveness in the border region. The best examples of local initiatives in cross-border co-operation can be found in the field of education and training.

Some cross-border activities have already started and could be further developed. These include a wide range of general education, business seminars, conferences and workshops – all with an interdisciplinary character. Most important of these possible activities are those that involve the establishment of permanent economic connections or involve a wide range of participants.

Measure 2.4 – Results
The expected results of this measure are as follows:
• newly established cross-border networks or partnerships between businesses and/or research institutes
• increased long term Research & Technology Development cooperation
• more harmonised training systems in some specific fields

Measure 2.4 – Actions and Eligible Activities
The indicative allocation for this measure will be 1.470 MEuro (Phare CBC contribution: 1.110 MEuro) during the 2004-2006 period.

The 2005 budget will be allocated according to proposals selection outcomes for the four measures. For 2005, the indicative allocation for this measure will be 0.490 MEuro (Phare CBC contribution: 0.370 MEuro)

Under this measure, the Grant Scheme shall provide Phare CBC grants in an amount of Euro 50,000 – 300,000.

Eligible activities are the following:

- (1) support for the establishment of new partnerships, collaboration between research institutes or universities in the field of research and development activities, as well as social sciences (conferences and other events; development of scholarship programmes to researchers; implementation of joint pilot research projects; related Information & Communication Technology and Research &Technology Development investments)

- (2) co-operation projects in the field of education and vocational training (conferences and other events; development of scholarship programmes to university students; curriculum development and training material development for joint training and educational programmes; introduction of new training courses based on adaptation of existing ones across the border, transfer of knowledge and experience related to education and training methodologies, study tours, elaboration of joint training standards; pilot training projects in thematic fields related to cross-border co-operation; related Information & Communication Technology investments)

**Measure 2.4 – Eligible Costs**

- Relevant and linked institutional strengthening activities
- Appropriate project preparation and supervision activities
- Cost of special Research And Technology Development equipment and Information & Communication Technology development
- Costs of specific consulting and training services
- Costs related to scholarships
- Costs of conferences and other cooperation events
- Only actions strictly linked to joint activities are eligible. Activities without cross border value, which could be eligible under the Phare National programme – e.g. under the TVET project – are not eligible under this programme

A maximum of 75% of the grant can support Information & Communication Technology and Research And Technology Development investments.

**Measure 2.4 – Selection Criteria**

When selecting from the initial group of applications, priority will be given to activities...

- carried out with the participation of the higher education and research centres of the eligible area
- that involve Research & Technology Development and HRD in relevant sectors (e.g. industry, agribusiness and trade) for the economic co-operation in the border regions
- involving businesses in Research & Development cooperation clusters
• with linkage to other interventions and developments be other programmes (mainstream SF programmes in Hungary, national and community programmes in Romania)
• in case of Research &Technology Development component, that contribute to innovation serving the purposes of sustainable development

Measure 2.4 – Eligible beneficiaries
• Research institutes,
• Public or non-profit educational and training organisations
• NGOs active on the education and training field

Measure 2.4 - Linked Activities
See Measure 2.1

3.B. SMALL PROJECT FUND

3.2.6 Measure 2.3: Encourage co-operation between institutions & communities – people to people actions (Priority 2)

Measure 2.3 - Background and Justification
The analysis of the border area has identified the multicultural traditions of the eligible area as a major strength. It has also pointed out, that as a result of previous cross-border co-operation programmes, strong cross-border initiatives in the form of the joint actions of institutions, communities and NGOs.

Measure 2.3 - Results
The expected results of this measure are as follows:
• Cross-border co-operation of communities, NGOs and institutions enhanced
• Direct involvement of people in cross-border co-operation strengthened.

Measure 2.3 – Actions and Eligible Activities
This measure is primarily aimed at encouraging cross-border contacts and co-operation at regional and local level, mainly in the fields of cultural, social and sports co-operation, as well as institution building.

The indicative allocation for this measure will be MEuro 2.640 (Phare CBC contribution: MEuro 1.980) during the 2004-2006 period.

For 2005, the allocation for this measure will be MEuro 0.880 (Phare CBC contribution: MEuro 0.660)

Under this measure, the Grant Scheme shall provide Phare CBC grants in an amount of Euro 10,000 – 50,000.

Eligible activities are the following:

o Support of cross-border events and people-to-people actions (conferences, joint seminars, sports events, joint social activities, study tours, joint cultural events, etc)

o Support for the co-operation of institutions (apart from educational and research institutions) and communities (joint institution building, transfer of knowledge and experience in various areas, with special attention to issues related to the European integration)

Measure 2.3 – Eligible Costs
• Relevant and linked institutional strengthening activities
• Appropriate project preparation and supervision activities
• Cost of organising and delivering joint events
• Cost of various equipment facilitating co-operation
• Travel costs related to joint events
• Accommodation and catering related to joint events
• Costs of conference speakers, trainers

Only soft measures are eligible under this measure.

**Measure 2.3 – Selection Criteria**
When selecting from the initial group of applications, priority will be given to activities that:

- involve direct interactions of people at least from two of the eligible border areas;
- build upon and / or strengthen the multicultural traditions of the eligible border areas;
- involve and mobilise a large number of people
- prepare / lay the foundations of long-term co-operations;
- directly linked to other interventions of the programme.

**Measure 2.3 – Eligible beneficiaries**
- Non-profit-making organisation;
- Local organisations, associations and foundations;
- Municipalities and Communities within the defined border region;
- County and local level organisations;
- Inter-communal co-operation organisations;
- Euro-regions;
- Chambers of Commerce;
- Professional associations;
- Trade Union Organisations;
- NGOs

**Measure 2.3 - Linked Activities**
See Measure 2.1

**3.C. Priority 3 - TECHNICAL ASSISTANCE**

**Priority 3 - Background and justification**

Under this Priority, a Measure focused on the programme support activities will provide an essential resource for effective delivery of the cross-border cooperation programme. The aim of the measure is to ensure efficient, effective and transparent management and smooth operation of the Phare CBC programme.

Successful delivery of the programme through the grant schemes implementation will require a strengthening of the administrative capacity. During the Romanian-Hungary cross-border cooperation starting with 1996 program, any cooperation bodies were set up at the central and local level. In the funding period (2004-06) this structure has to be expanded and strengthened to a higher quality, especially at the local level, in the border area. The administrative capacity fostering will be the goal of this measure. The new established CBC Regional Office in Oradea – ROO will be supported to fulfil the tasks related to the administrative and technical implementation of the measures provided by the Programme.
The CBC Regional Office will seek to ensure equal opportunities for the potential applicants for the granted funds objectives. With this end, Office has to support the target groups of the border region and beneficiaries of projects and all institutions involved in the program management in project development and in the technical documentation preparation. Also, the office will ensure effective and efficient publicity of the programme, and awareness campaign with the view to ensure equal access to the information related to the programme.

Priority 3 - Results

The expected results of the TA will be a strengthened and robust administration systems, even at central and local level. In line with the need of the strengthening administrative capacity in the border area, the Regional CBC Office in Oradea will be fully involved in the technical project management and it will be assured with a satisfactory and trained staff.

During the programme, an efficient, effective and transparent management of the programme and equal opportunities will be ensured for the potential applicants.

Priority 3 - Actions and Eligible Activities

The indicative allocation for this priority will be 0.750 MEuro (Phare contribution: 0.750 MEuro) during the 2004-2006 period.

The 2005 budget for this measure will be 0.250 MEuro (Phare CBC contribution: 0.250 MEuro).

Actions and eligible type of activities will mainly be focus on the CBC Regional Office in Oradea:

1. Program administration and capacity building:
   - Functioning and operations of the ROO for accomplishment of the tasks related to the implementation of the RO–HU CBC programme, including the grant scheme implementation and the Small Projects Fund implementation,
   - Functioning and operations of the unit within the ROO accomplishing tasks of the Romanian Info Point, acting as Romanian part of the programme Joint Technical Secretariat

   Note: Expenditures related to the remuneration (salaries), leave, medical insurance and any related employment costs and benefits are not eligible for funding under this priority.

CBC Regional Office in Oradea shall ensure any additional expenditures/costs under this priority for the implementation of the programme as well as any additional expenditures/costs necessary for the proper implementation of the grant scheme.

2. Administrative and Technical activities and support for grant scheme implementation and project management
   - Preparation and management of launching Call for Proposals for the programme in the forthcoming year: all Measures for infrastructure and environment, and economic development (Priorities 1&2) & Small Project Fund (Measure 2.3)
   - Carrying out activities related to the implementation of the grant scheme in primary contracting process for the ministry and secondary contracting process for the beneficiaries
• Providing an intensive awareness campaign, seminars and provision of information and advice to applicants for project appraisal
• Actions to support beneficiaries in project development and in search of partners (projects pipeline; feasibility studies, Environment Impact Assessment, Cost-Benefit Analysis etc; project design and tender documents),
• Assuring exchange of information on different project proposals,
• Programme evaluation and disclosure activities,
• Audits and on-the-spot checks of the operations.
• Installation of computerised systems for management, monitoring and evaluation
• Use of information technologies (Internet), and operation of the website

3. Support for accomplishing the JTS activities:
• Information and publicity activities of the programme
• Publishing promotional material
• Establishment of a common web-site
• Collection, processing and documentation of data
• Running and management of a monitoring database
• Activities in connection with the preparation, selection, evaluation of the projects
• Realisation of seminars and conferences
• Organisation of the joint programme bodies meetings
• Translation, interpretation,

Priority 3 - Eligible beneficiaries

Regional CBC Office in Oradea, including the Info Point unit, acting as Romanian part of the programme’s Joint Technical Secretariat, set up for supporting Managing Authority/national Authority and joint bodies and managing of the projects implementation.

Priority 3 - Linked activities

Technical Assistance funds from RO-HU Phare CBC 2003/005-702.03 project (aimed at setting up project pipeline and at assisting RO authorities in designing and implementing Grant Schemes), of an amount of EUR 550,000 could be used to strength the above technical assistance for the provision of a range of management and financial control services.

3.3 General Project Selection Criteria (applies to entire project)

Projects already financed by another EU funded programme may not be granted from this programme.
Applications for funding under each measure (projects) will be selected according to a PRAG compliant evaluation grid that takes account of the following indicative selection criteria.\(^1\)

**Relevance**
- Relevance to the particular needs and constraints of the cross-border region (including conformity with the RO-HU 2004-06 Phare CBC/INTERREG IIIA programme and regional development plans and strategies)
- Linked to other interventions and developments by other programmes (national, regional and community programmes)
- Compliance with the objectives of this grant scheme. The applicants must justify that the proposed projects are adapted to the specific needs of the cross-border region
- Linked to interventions under other measures of the programme, especially to business infrastructure development under Measure 2.1
- Coherent, appropriate and practical activities
- Linked to a transport /environment infrastructure development project
- Added value, new, innovative approaches
- Clearly defined, strategically chosen target groups
- Relevance of the project to the needs of the target group

**Methodology**
- The preparedness and elaboration of the project proposal
- Inclusion of relevant support documents (if requested) for example:
  - pre-feasibility study
  - feasibility study
  - cost-benefit analyses
  - environmental impact study
  - permits and construction plans.
  - tender documentation
  - training programme (curriculum)
  - research plan
- Involvement of the partners in the elaboration and implementation of the project proposal.
- Realistic time-schedule for implementing the project proposal.
- Logical objectively verifiable indicators and sources of verification for the project outcomes
- Methodology for follow-up of the project results

**Sustainability**
- Tangible impact on target group(s)
- Further utilisation and long-term sustainability of the project results.
- Beneficial social, economic impacts of the project results.
- Possible multiplier effects of the project results.

**Budget and cost effectiveness**
- To what extent is the budget clear and detailed?
- To what extent are the proposed expenditures necessary for the implementation of the project?

**Management Capacity and Expertise**
- Availability of the necessary personal, organisational and institutional capacity for the implementation of the project proposal.
- Previous experience in similar projects

**Evidence of Cross-Border Impact**

\(^1\) The selection criteria will be further developed in the guidelines and calls for proposals.
• To be eligible for Phare CBC financing, projects will have to be joint/having cross-border impact in the meaning of this programme (cf. 3.1.2. identification of projects)
• Applicants must have at least one project partner from the Hungarian border region and provide a written statement from this partner outlining their support for the application and describing the relevance of the application to the partner
• Application contributes to cross border development in terms of a particular measure defined in this fiche (Measure 1.1, 1.2, 2.1, 2.2, 2.3, 2.4)

3.4 Beneficiaries / Organisations Eligible for Support (applies to entire project)

Projects for support will be selected according to transparent criteria\(^2\) (indicative selection criteria, in accordance with the evaluation grid of the PRAG). Profit making enterprises, apart from eligible activities founded for SMEs, and national organisations without a distinctive role in the border region will not be eligible for grant funding, as well as political parties. In any case, state aid rules apply.

All applicant organisations must be registered in Romanian eligible border area and the partners, in Hungary if the case may be.

3.5 Lessons Learned (applies to entire programme)

During the preparation of this project fiche, the experiences of previous Phare CBC programmes were considered. More specifically, the 2000 Joint Small Projects Fund management has reoriented the joint and transparent character of the tool and this was applied to the 2001, 2002 and 2003 Funds (RO 0102-03, RO 2002/000-628-03, and RO 2003/005.702.02) and will be applied to implementation of Measure 2.3 of the current project (through a Small Projects Fund).

Previous Phare and Phare ESC are seen as relevant implementation models for the current project in terms of type (infrastructure mainly, including environment), size and implementation arrangements (local implementing authorities). The conclusions of the ex-post monitoring report and evaluation report for this and similar projects and programmes have been considered in the preparation of this project fiche.

The lessons learned can be summarised as follows:

- Assistance should be provided to the Implementing Agency, and ultimately to the beneficiary, for successful management to Phare requirements (documentary evidence, transparency, accountability etc.);
- Need for a tight match between the final product (completed project) and the original needs assessment and project preparation studies;
- Full consideration of all stakeholders;
- Project selection and implementation should take full account of value for money;
- Adequate “Indicators of Achievement” needed at project planning state as a benchmark for late evaluation;
- Acknowledgement of Phare contribution at project site;
- Attention to Environmental Impact Assessment requirements;
- Adequate timing of project design to allow comprehensive initial surveys, outside of Winter season (November-March)
- Adequate timing of project construction of the selected size to allow a minimum of one and a half construction seasons (March - October)

\(^2\) The selection criteria will be further developed with the preparation of the call for proposals.
In addition, the “Interim Evaluation No. R/RO/CBC/03037- Interim Evaluation of the European Union Pre-Accession Instrument Phare Cross-Border Cooperation report” outlines the issue of delay in programme implementation and lessons learned can be summarised as follows:

- Increased Institutional capacity at central level
- Extended technical assistance for entire project control and management at local and central level
- As revealed during the implementation phase, international technical assistance needs to be provided to increase the design skills and the quality of the tender documents produced by local designers and to ensure that the preparation of design and tender documents meets international practice to eliminate poor programme preparation with design
- Feasibility studies to EU standards to be included in the project proposals and assistance provided
- Clear adoption statements to be part of project proposals, together with operation funding identification and commitment. Affordability analysis and CBA including IRR will be part of the feasibility studies to eliminate concerns regarding sustainability.

4 Institutional Framework

Bearing in mind that this programme will be jointly implemented with an INTERREG funded Programme, the overall responsibility for the Hungary-Romania INTERREG IIIA - Phare CBC Programme 2004-2006 shall lie with the Managing Authority (within the meaning of Article 9 lit. n and Article 34 Council Regulation 1260/99), in Hungary, in accordance with point 38 subsection 2 of the INTERREG guidelines (Communication from the European Commission to the Member States, 28 April 2001 C(2000)1101).

The Managing Authority will work in close co-operation with the Romanian National Authority which will be responsible for Phare CBC programme, on the basis of their agreements with the relevant Commission Services. The Romanian National Authority (in this case the Ministry of European Integration) will act as Implementing Agency (IA) through the Directorate for Cross Border Cooperation and Payment Directorate in the MoEI and will have full responsibility for Romanian programme implementation.

The Programme Authorising Officer (PAO) in the MoEI, acting as Contracting Authority, is responsible for programme implementation through the grant scheme.

The Joint Cooperation Committee (JCC - provided for under the Phare CBC Regulation 2760/98) and the Joint Monitoring Committee (provided for under the Structural Funds Regulation 1260/99) shall form a single committee, the “INTERREG-Phare CBC Monitoring Committee” (according to the INTERREG Guidelines forwarded in a Communication from the European Commission) that shall perform the common tasks as described in the above mentioned EC Regulations.

The Joint Steering Committee (JSC) in force under the INTERREG programme is responsible for the joint selection and approval of projects and the coordination of the monitoring of their implementation as foreseen in point 29 of the INTERREG guidelines. Projects proposed for Phare CBC financing shall be selected in compliance with the selection criteria set out in the CIP and Programme Complement and in Section 3.2 above. The selection and approval of the projects to be financed by Phare CBC will follow the procedure laid down by Article 7(3) and Article 8 of the Phare CBC Regulation and Phare Practical Guide.

The Joint Technical Secretariat (JTS), in force under the INTERREG programme, directly provides services to the Hungarian Managing Authority and Paying Authority with the operational management of their respective responsibilities. To ensure
efficient project development covering the whole programme, a Romanian Sub-
Programme Secretariat (SPS), serving as technical co-ordination body at national
level, will be established by the Ministry of European Integration. The above SPS will
include the MoEI representative, responsible with the programme, and at least two
representatives from the border area level. Those border area representatives will be
appointed as well as member in the programme’s Joint Technical Secretariat, and
they will act as Info Point on Romanian border in strongly connexion with the core
members in Hungary. Thus, the Joint Technical Secretariat will keep in relation
Phare CBC funded projects and Interreg funded projects, reporting to the
Programme Monitoring Information System.

As the grant scheme implementation will require extensive strengthening of local
administrative capacity, the Romanian institutions related to the preparation for future
INTERREG management, described in the Complementary Position Paper on Chapter
21 "Regional Policy and Coordination of the Structural Instruments", is involved in the
CBC RO-HU 2004-06 implementation process. In this respect, the association
between two key Regional Development Agencies, RDA West and RDA North-West,
and establishment of the CBC Regional Office in Oradea (Bihor County) for grant
scheme implementation was achieved. The CBC Regional Office in Oradea (with legal
status) is responsible with the implementation of the measures supported by the
programme, namely technical management of the projects.
### 5. Budget 2005 (€Mio)

<table>
<thead>
<tr>
<th></th>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year 2005</strong> - Investment support jointly co-funded</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic &amp; Social Development Priority 1 &amp; 2</td>
<td>4.090</td>
<td>1.364</td>
<td>0.606</td>
</tr>
<tr>
<td><strong>Investment support – sub-total</strong></td>
<td>4.090</td>
<td>1.364</td>
<td>0.606</td>
</tr>
<tr>
<td><strong>% of total public funds</strong></td>
<td>max 75 %</td>
<td>min 25 %</td>
<td></td>
</tr>
<tr>
<td><strong>Year 2005 Institution Building support</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>People-to-people JSPF Priority 3</td>
<td>JSPF 0.660</td>
<td>0.220</td>
<td>0.098</td>
</tr>
<tr>
<td>Programme Support TA Priority 4</td>
<td>TA 0.250</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>IB support sub-total</strong></td>
<td>0.910</td>
<td>0.20</td>
<td>0.098</td>
</tr>
<tr>
<td><strong>Total project 2005</strong></td>
<td>5.000</td>
<td>1.59</td>
<td>0.704</td>
</tr>
</tbody>
</table>

### 5.1 Co-financing

In accordance with the Phare Guidelines, all investment projects supported by Phare must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing.

Co-financing for Institution Building projects is provided by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance. The projects selected through the grant schemes (investments and institution building) will be jointly co-financed between Phare, the beneficiary and government resources. The beneficiary has to provide at least 10% of the total costs. The Beneficiary Contribution minimum shall be calculated as total of Phare and national co-finance, divided by 9.

The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs.

National co-financing may be made by contributions from National, Regional, Local, Municipal authorities, IFIs loans to public entities or funds from public enterprises NB only in those cases where the public organisation providing funds is not also the beneficiary of the specific project concerned. This is to say that the beneficiary contribution shall be a separate – and in any case additional - amount.

### 6. Implementation Arrangements
The Ministry of European Integration will be the Contracting Authority for the primary procurement process of the grant scheme. The ministry will act also as Implementing Agency for the implementation of the grant contracts.

The PAO will be the Minister of European Integration.
Address: Apolodor 17, Sector 5, Bucuresti, tel. (40 21) 301 15 02, fax (40 21) 336 85 09

The Ministry of European Integration will delegate through an agreement - a service contract in line with PRAG rules - part of its responsibilities to and will closely work with the CBC Regional Office established in Oradea, which will be responsible for the technical implementation at measures level and for the sound financial implementation of the grant contracts.

CBC Regional Office in Oradea
Str. I.C. Bratianu 8
Oradea, Bihor County, Romania
Tel/Fax: 0259 473 174
e-mail: cbc.oradea@rdsor.ro

For the secondary procurement process, the Lead Partner (beneficiary of the grant contract) will became and will act as Contracting Authority and will be responsible for a sound implementation of the grant contract vis a vis of the CBC Regional Office in Oradea and Ministry of European Integration.

6.2 Twinning
Not applicable

6.3 Non-standard aspects
No non-standard aspects

6.4 Contracts
The grants described below cover a joint Phare CBC and Romanian funding effort (in the proportions laid out in Section 5 – Detailed Budget).

The programme will be implemented via a single Grant Scheme and through a single Call for project proposals.

The Grant Scheme for Spatial Integrity (Priority 1: Measures 1.1 & 1.2) shall support implementation of approved projects with Phare CBC grants of between EUR 300-600,000 for project implementation. Preparation of the large-scale investment project that would be submitted to the next Phare CBC programmes will be supported with Phare CBC grants of between EUR 50-150,000. It is estimated that between 5 and 10 Priority 1 projects per year will be supported from this grant scheme.

The Grant Scheme for Economic Development (Priority 2: Measures 2.1, 2.2 & 2.4) shall support implementation of approved projects with Phare CBC grants of between EUR 50-300,000 for project implementation. It is estimated that between 5 and 20 Priority 2 projects (apart from Measure 2.3 projects) per year will be supported from this grant scheme.

The Small Projects Fund (Priority 2: Measure 2.3) shall support implementation of approved projects with Phare CBC grants of between Euro 10-50,000 for project implementation. It is
estimated that between 10 and 40 Priority 2 projects (Measure 2.3) per year will be supported from this grant scheme.

The Technical Assistance (Priority 3:) shall support implementation of an indicative number of one service contract with the CBC Regional Office in Oradea for:

- implementation of the Grant Scheme (including Small Projects Fund) and
- functioning and operations of the unit accomplishing tasks of the Romanian Info Point, acting as part of the programme Joint Technical Secretariat.

The service contract will comply with the Statute and Act of Incorporation of the CBC Regional Office in Oradea, CIP and PC provisions as well as national legislation. The eligible activities and expenditures under this contract will follow the PRAG rules, with the exception of expenditures related to the remuneration (salaries), leave, medical insurance and any related employment costs and benefits are not eligible for funding under this priority.

CBC Regional Office in Oradea shall ensure any additional expenditures/costs under this priority for the implementation of the programme as well as any additional expenditures/costs necessary for the proper implementation of the grant scheme.

7. Tentative Implementation Schedule

The activities and indicative timetable scheduled for Year 2 in the CBC Programme 2004-2006 (using Phare CBC 2005 funds) are presented below.

<table>
<thead>
<tr>
<th>Financing Agreement</th>
<th>Publication of Call for proposals</th>
<th>Start of project activity</th>
<th>Project completion</th>
</tr>
</thead>
</table>

8. Equal Opportunity

The implementation of this project does not support discrimination based on gender or any other kind. Equal opportunity principal and practices in ensuring equitable gender participation in the projects supported by the programme will be ensured. At the same time the project implementation procedures will ensure that the project brings benefits to both men and women, and other categories as well to ethnic groups, involving them to the same extend in the project activities.

9. Environment

The environment protection is one of the top priorities and adequate support will be required under all EC support. The measures implemented under the project will therefore be complementary to the measures implemented with EC pre and actual structural instruments. Phare will only co-finance works when responding to EU environment standards.

Projects with potential negative environmental impacts will be subject to an environmental impact process that meets the requirements of the EIA Directive (85/337/EEC). This will ensure that any negative impact is avoided or mitigated at project preparation stage.
Moreover, the projects to be developed under the environmental co-operation measure (Measure 1.2) will be designed to alleviate environmental impact and selection criteria will be specific in this respect.

Economic development projects supporting activities in the fields of environment protection, using or developing environmentally friendly technologies or products will be preferred during the whole selection process.

On the institutional side, particular attention will be given to participation of local representatives of Ministry of Environment and Water Management in the Joint Committees, as observers.

Only projects complying with the environmental regulations of the EU will be eligible.

10. Rates of return

A Cost Benefit Analysis will be part of each feasibility study forwarded together with the grant application. This will follow Commission’s guide to Cost-Benefit Analysis and will calculate financial rate of return (FIRR) as well as economic rate of return (EIRR), including creditworthiness analysis. Increasing of tariffs, if the case (public works) will be justified and the affordability of these tariffs will be demonstrated at feasibility study stage and their implementation supported and monitored through the financial and operational improvement program and the interface with the country’s new regulatory regime.

The financial rate of return of projects proposed to be co-financed by Phare cannot exceed 10%. The calculation of the economic rate of return will be realistic and estimated benefits should be achievable as an effect of the project alone/not depending on other action with resources and means not yet identified.

11 Investment Criteria

11.1 Catalytic effect

The project will finance the infrastructure improvement projects, protection environment projects and economic development, as well as economic, innovation and training activities that are high priorities in the target regions. Support to innovative and pilot 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, establishing common structures in economic development, and thereby increasing competitiveness of the whole cross-border region. The Phare CBC contribution will act as a catalyst both for priority Accession-driven actions in the field of cohesion promotion and in the improving of the life standards for population.

11.2 Co-financing

Co-financing will take place as follows:

<table>
<thead>
<tr>
<th>Measure</th>
<th>Phare CBC %</th>
<th>Romanian public fund %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 to 2.4</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>3.1 to 3.2</td>
<td>100%</td>
<td>-</td>
</tr>
</tbody>
</table>

The corresponding figures are clearly laid out in the budget table above (Section 5).
Clear evidence of national co-financing will be made available to the Joint Cooperation Committee/Joint Monitoring Committee. Co-financing will be implemented following the same procedure as for Phare funds, for the entire cycle of the project. The PAO will be responsible for reporting to the Commission (EC Delegation) about the implementation and the results achieved.

The grant support (Phare CBC plus Romanian public fund) will not be more than 90% of the public eligible cost of the project. The beneficiaries will assure minim 10% of the public eligible cost of the project.

11.3 Additionality

The project will not generate competition with any private service providers, and no other financiers will be displaced by the Phare CBC intervention, in particular as the project target mainly beneficiaries whose demand for financing and training measures, are still unmet by the private sector.

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Also, the Managing Authority and subordinate agencies shall take particular care to ensure that all actions under this programme shall be recorded, for example in PERSEUS, in such away as to make readily identifiable the specific sub-measure and budget year under which they are contracted.

Moreover, that specific registration shall be organised in such a way as to facilitate a readily traceable connection with the results of each contract, including notably the demonstration in terms of results of the abovementioned additionality.

11.4 Project readiness and size

Project proposals for grant support under all measures (apart from Measure 2.3) will be evaluated using a detailed scoring matrix. Project readiness will be one factor in the evaluation and scoring of proposals. At the same time, however, it is recognised that many applicants will not have the capacity to carry out complete project preparation studies (e.g. pre and full feasibility studies, etc). For this reason, a CBC GSM (Grant Scheme Management) technical assistance contract team will, after evaluating and performing an initial ranking of project proposals, assist in the completion of the project preparation studies for the chosen proposals. Obviously, infrastructure / environment / business infrastructure projects cannot be fully assessed / ranked without a proper feasibility study that might result in changes to the initial technical solution, cost and expected impact. Once all project preparation work has been carried out a final project ranking exercise can be carried out.

11.5 Sustainability

The beneficiaries will be responsible for the sustainability of the project and will provide the administrative staff and the necessary funds for the operational costs or present firm operation agreements with third parties. The ability of the applicant to finance the long-term operation and
maintenance of the establishments or programmes shall be proved in the application and checked at the project selection phase.

The selected projects will be independent projects, however co-ordinated with one another, if the case, and with projects approved under other funding. By all means, they will not be dependent of other projects where funding is not secured at date. Splitting projects is not envisaged. Moreover, the projects are expected to give a sustainable solution to the identified problem.

All proposed projects will be compliant with the Aquis Communautaire and EU norms and Standards as well as with Romanian regulation.

Where operation of implemented projects will imply tariffs to be paid by the population an affordability analysis and tariff evaluation will be part of the feasibility study on which selection is based.

A binding commitment for project adoption by the final operator, coherent with feasibility study, and specifying source and amount of financial resources that will be made available in this respect should be submitted together with the proposal. This will include the provisions for covering the maintenance and any other involved expenses related to the projects life costs.

Where procurement is required under secondary contracting the relevant procurement rules will be observed and project implementation / construction will be under Romanian rules of contracting conditions.

11.6 Compliance with state aids provisions

All actions financed by Phare CBC will respect the state aid conditions and rules referred to in the European Agreement.

12. Conditionality and Sequencing

The Ministry of European Integration and CBC Regional Office in Oradea will ensure the necessary human and physical (office space and equipment) resources for the management of the Grant Scheme and coordination of the Romanian part of the programme.

ANNEXES TO PROJECT FICHE

1. Logical framework (One Programme Logframe and Two Priority Logframes)
2. Detailed implementation schedule
3. Contracting and disbursement schedules, by quarter, for Phare CBC 2005 programme
4. Reference list of relevant laws and regulations
5. Reference list of relevant strategic plans and studies
6. Template for the Institutional Framework / Implementation Arrangements for Grant Schemes and Small Project Fund
### Programme Logframe - Drafted for Year 2 (2005) and replicable for Year 3 (after possible revision)

<table>
<thead>
<tr>
<th>Annex 1a - LOGFRAME MATRIX</th>
<th>Programme Logframe - Drafted for Year 2 (2005) and replicable for Year 3 (after possible revision)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Programme name and number</strong></td>
<td>PHARE CBC 2005</td>
</tr>
<tr>
<td><strong>Contracting period expires:</strong></td>
<td>Disbursement period expires: 30 NOV 07</td>
</tr>
<tr>
<td><strong>Total Budget:</strong></td>
<td>Phare CBC Budget : 5.000 MEURO</td>
</tr>
<tr>
<td><strong>Indicators of achievement</strong></td>
<td><strong>Sources of Information</strong></td>
</tr>
</tbody>
</table>
| Improved level of development in the CB regions of HU & RO as indicated by economic & quality of life indicators. | • National & regional statistics  
• International statistics (e.g. OECD) |
| **Indicators of achievement** | **Sources of Information**                                                                     |
| Improved border area infrastructure  
• Increased level of economic development in CB region  
• Improved environmental quality & protection | • National & regional statistics  
• International statistics (e.g. OECD) |
| **Indicators of achievement** | **Sources of Information** | **Assumption** |
| Improved spatial, physical & infrastructure conditions in the RO CB region  
2. Improved cross-border social & economic cooperation | • Monitoring & evaluation reports  
• Ministerial statistics & reports  
• Chambers of Commerce statistics & reports | RO fulfills conditions for receipt of EU CBC funds  
Continued cooperation between relevant CB authorities / organisations at national, regional & local level in RO & HU |
| **Indicators of achievement** | **Sources of Information** | **Assumptions** |
| 1. Detailed & effective cooperation between the planning / development / operator organisations & CBC applicants  
2. Detailed & effective cooperation between the social & economic related organisations & CBC applicants | | |
| **Assumptions** | **Preconditions** | |
| Submission of sufficient quality of eligible applications  
Establishment & operation of transparent & straightforward project selection methodology  
Timely provision of co-funding  
Provision of adequate TA for overall programme management | FM signed <30 NOV 05 (to allow for two construction seasons)  
Timely development of appropriate CBC project management system |
<table>
<thead>
<tr>
<th>Indicators of achievement</th>
<th>Sources of Information</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved border area infrastructure</td>
<td>National &amp; regional statistics</td>
<td>Detailed &amp; effective cooperation between the planning &amp; development organisations &amp; CBC applicants</td>
</tr>
<tr>
<td>Improved environmental quality &amp; protection</td>
<td>International statistics (e.g. OECD)</td>
<td></td>
</tr>
<tr>
<td>Indicators of achievement</td>
<td>Sources of Information</td>
<td>Assumption</td>
</tr>
<tr>
<td>Improved spatial, physical &amp; infrastructure conditions in the RO CB region</td>
<td>Monitoring &amp; evaluation reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ministerial statistics &amp; reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chambers of Commerce reports</td>
<td></td>
</tr>
<tr>
<td>Indicators of Achievement</td>
<td>Sources of Information</td>
<td>Assumptions</td>
</tr>
<tr>
<td>5% growth in CB flow of passengers &amp; goods (number of persons / value of goods) by 2008</td>
<td>Border Guard &amp; Customs statistics</td>
<td>Submission of sufficient quality of eligible applications</td>
</tr>
<tr>
<td>1.5% growth in share of RO in annual foreign trade turnover of HU CB area by 2008</td>
<td>HU statistical office</td>
<td>Establishment &amp; operation of transparent &amp; straightforward project selection methodology</td>
</tr>
<tr>
<td>50 implemented joint cross-border development projects by 2008</td>
<td>CBC monitoring &amp; evaluation reports</td>
<td>Timely provision of co-funding</td>
</tr>
<tr>
<td>5% increase in CBC 2004 co-operation agreements in the eligible area (compared with CBC 2003)</td>
<td>RO MoE reports</td>
<td>Provision of adequate TA for overall programme management</td>
</tr>
<tr>
<td>Environmental / flood security improved for 10,000 people by 2008</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Assumptions

- Timely development & agreement of overall management system (including documentation e.g. grant applications)
- Sufficient level of applicant interest
### Management Infrastructure

- Rehabilitation or establishment of 2 business infrastructure or RTDI facilities
- Support for at least 2 CB business events involving at least 200 people
- Establishment of 2 major business develop projects
- Development of 4 new business tools (IT etc.)
- Support for at least 2 CB P2P actions
- Develop 3 new training courses

**Assumptions**

- Submission of sufficient quality of eligible applications
- Establishment & operation of transparent & straightforward project selection methodology
- Timely provision of co-funding
- Provision of adequate TA for overall programme management

### Preconditions

- Effective CBC management in place

---

**Annex 1c - LOGFRAME MATRIX (Priority 2)**

**Project Logframe - Drafted for Year 1 and replicable for Year 2 and 3 (after possible revision)**

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>PHARE CBC 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting period expires: 30 NOV 07</td>
<td>Disbursement period expires: 30 NOV 08</td>
</tr>
<tr>
<td>Total Budget: <strong>2.610 MEURO</strong></td>
<td>Phare CBC Budget: <strong>1.960 MEURO</strong></td>
</tr>
</tbody>
</table>

**Indicators of achievement**

- **Objectives**
  - Improved border area business infrastructure
  - Improved environmental quality & protection
  - Creation of xx new jobs by 2008

- **Sources of Information**
  - National & regional statistics
  - International statistics (e.g. OECD)

**Indicators of achievement**

- **Objectives**
  - Improved market integration & CB social coherence

- **Sources of Information**
  - Monitoring & evaluation reports
  - Ministerial statistics & reports
  - Chambers of Commerce reports

**Indicators of Achievement**

- **Objectives**
  - Development of business infrastructure & joint business services of enterprises
  - Support cooperation of enterprises
  - Encourage cooperation between institutions & communities in the field of RTD & human resource
  - Existing business infrastructure facilities

- **Assumptions**
  - Submission of sufficient quality of eligible applications
  - Establishment & operation of transparent & straightforward project selection methodology
  - Timely provision of co-funding
  - Provision of adequate TA for overall programme management

---

**Logframe Matrix (Priority 2)**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Indicator</th>
<th>Source of Information</th>
<th>Assumption</th>
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</thead>
<tbody>
<tr>
<td>Improved border area business infrastructure</td>
<td></td>
<td>National &amp; regional statistics</td>
<td>Detailed &amp; effective cooperation between the marketing / business development / socio-economic organisations &amp; CBC applicants</td>
</tr>
<tr>
<td>Improved environmental quality &amp; protection</td>
<td></td>
<td>International statistics (e.g. OECD)</td>
<td></td>
</tr>
<tr>
<td>Creation of xx new jobs by 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved market integration &amp; CB social coherence</td>
<td></td>
<td>Monitoring &amp; evaluation reports, Ministerial statistics &amp; reports, Chambers of Commerce reports</td>
<td></td>
</tr>
<tr>
<td>Development of business infrastructure &amp; joint business services of enterprises</td>
<td></td>
<td></td>
<td>Submission of sufficient quality of eligible applications</td>
</tr>
<tr>
<td>Support cooperation of enterprises</td>
<td></td>
<td></td>
<td>Establishment &amp; operation of transparent &amp; straightforward project selection methodology</td>
</tr>
<tr>
<td>Encourage cooperation between institutions &amp; communities in the field of RTD &amp; human resource</td>
<td></td>
<td></td>
<td>Timely provision of co-funding</td>
</tr>
<tr>
<td>Existing business infrastructure facilities</td>
<td></td>
<td></td>
<td>Provision of adequate TA for overall programme management</td>
</tr>
</tbody>
</table>

---

**Preconditions**

- Effective CBC management in place
Establishment of new business infrastructure facilities

Preparation of major business infrastructure development projects facilitating better cross-border business co-operation

der business events facilitating the meeting of small & medium sized businesses

d events & people-to-people actions of institutions

partnerships, collaboration between research
ties in the field of education & vocational training

numbering system for “Actions” in the Community

Measure 2.1, 2.2 & 2.4

- Development of approved CBC Grant Scheme Guidelines for applicants
- Training in the use of the guidelines
- Development of project selection criteria
- Launch of CBC Grant Scheme Call for Proposals
- Evaluation of proposals
- Contracting
- Implementation
- Monitoring & evaluation
- Absorbing lessons learned into RO-HU CBC 2005-6 programming process

Measure 2.3

Similar to above but with smaller grant amounts

Preconditions

- Timely development & agreement of overall management system (including documentation e.g. grant applications)
- Sufficient level of applicant interest
- Effective project evaluation & selection
- Timely receipt of appropriate co-funding
- Effective project management (including engineering design & construction supervision)
- Sufficient contract duration to allow for seasonal nature of construction projects
- Agreement of appropriate construction contract conditions

- Effective CBC management in place
ANNEX 5

List of relevant laws and Regulations

1.1.1. Measure 1.1

1.2. Infrastructure related regulations and directives

1.2.1. EU DIRECTIVES AND ROMANIAN LEGISLATION

<table>
<thead>
<tr>
<th>No</th>
<th>EU Directives</th>
<th>Respective Romanian Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EC Directive 96/53/EC on Weights and Dimensions</td>
<td>Law no. 203/16.05.2003 (MO no. 361/27.05.2003) on establishing, developing and modernising the transport network of national and European interest</td>
</tr>
</tbody>
</table>

1.3. Measure 1.2

1.4. Environment related regulations and directives

1.4.1. EU DIRECTIVES AND ROMANIAN LEGISLATION

<table>
<thead>
<tr>
<th>No</th>
<th>EU Directives</th>
<th>Respective Romanian Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>---</td>
<td>-------------------</td>
<td>--------</td>
</tr>
<tr>
<td>2</td>
<td>Council Directive 91/676</td>
<td>on the protection of waters against pollution caused by nitrates from agricultural sources</td>
</tr>
<tr>
<td>6</td>
<td>Council Directive 80/86</td>
<td>on the protection of groundwater against pollution caused by certain dangerous substances</td>
</tr>
<tr>
<td>12</td>
<td>Council Directive 96/62</td>
<td>on municipal waste incineration</td>
</tr>
</tbody>
</table>

1.5. **Measure 2.1, 2.2, 2.3, 2.4**

1.5.1. **Economic Development**

1.5.1.1.

1.5.1.2. **ROMANIAN LEGISLATION**

---

1.5.1.2. **ROMANIAN LEGISLATION**
1. Law 31/1990 regarding commercial companies;
2. Commercial Code;
3. Law 571/2003 regarding the Fiscal Code;
5. Law 509/2002 regarding commercial agents;
6. Governmental Ordinance 51/1997 regarding leasing operations;
7. Governmental Ordinance 130/2000 regarding the legal status of long – distance contracts;
8. Law 193/2000 regarding abusive provisions concluded between traders and consumers;
9. Governmental Ordinance 21/1992 regarding consumer protection;
10. Law 84/1992 regarding free zones;
11. Governmental Decision 449/1999 regarding the setting – up of Free Zone Curtici-Arad and RA „Administration of Free Zone Curtici-Arad”;
12. Governmental Decision 682/1994 regarding the approval of the Methodology for land and building concessions in the free zone;
13. Order 1431/2002 for the approval of the Instructions regarding the granting of work licences and access permits in the Free Zone;
14. Governmental Ordinance 24/1998 regarding the disadvantaged areas;
15. Governmental Ordinance 65/2001 regarding the setting up and functioning of the industrial parks;
16. Law 21/1996 regarding competition;
17. Law 11/1991 regarding the unfair competition;
18. Law 141/1997 regarding Customs Code;
19. Governmental Decision 1114/2001 regarding the approval of the Rules regarding the implementation of the Customs Code;
21. Decision 471/2002 regarding the implementation of the common transit on the Romanian territory;
22. Methodological Norm regarding the implementation of the suspension of the VAT duty in customs for equipment, installations, industrial and agricultural machines, that are imported for the purpose of carrying out investments (M.O. 327/1997);
23. Law 64/1995 regarding judicial reorganisation and bankruptcy;
25. Law 32/1994 regarding sponsorship;
26. Governmental Ordinance 80/1999 regarding the amendment of Law 56/1990 regarding the border of Romania;
27. Government Emergency Ordinance No 111/16.11.2004 (published in Official Monitor no 1115/27.11.2004), amending the Law no 315/28.06.2004 on the regional development in Romania. This GEO constitutes the legal basis for the setting up of CBC regional offices with the view of ensuring the administrative, financial and technical management of the cross border cooperation programmes.
1.6. Reference List of Relevant Strategic Plans and Studies


3. Regional Development Plan of Region West and Regional Development Plan of Region Nord-West


5. Accession Partnership, 2003 version

6. National Programme for Adoption of the Acquis, 2002 version


9. Agreements of Joint Hydro-technical Romanian – Hungarian Committee (1986- to date)

10. Danube Basin Flood Prevention Strategy 2004

ANNEX 7

TEMPLATE FOR THE INSTITUTIONAL FRAMEWORK / IMPLEMENTATION ARRANGEMENTS FOR GRANT SCHEMES AND SMALL PROJECT FUND

(A) INSTITUTIONAL FRAMEWORK

- The joint RO-HU Phare CBC–INTERREG programme (2004-6) utilises a joint implementation and monitoring system

- Overall responsibility for the RO-HU Phare CBC–INTERREG programme (2004-6) rests with the Managing Authority located in Hungary (the Hungarian Office for Territorial and Regional Development – also responsible for the Hungarian programme)

- The Romanian National Authority (CBC Directorate, Ministry of European Integration) acts as Implementing Agency (IA) and Contracting Authority (CA) and has full responsibility for Phare CBC programme implementation in Romania

- The Secretary of State for Regional Development in the Romanian MoEI is the Programme Authorising Officer (PAO)

- In Romania, the IA / CA issues Calls for Proposals (with Guidelines, Application Forms etc.) after approval by the EC Delegation, and signs contracts (both primary and secondary) with project implementers

- The Joint Cooperation Committee (JCC) and the Monitoring Committee (MC) meets as a single committee, the “INTERREG-Phare CBC Monitoring Committee” and performs a set of common tasks as described in the relevant EC Regulations (Phare CBC Regulation 2760/98, Structural Funds Regulation 1260/99, INTERREG Guidelines)

- The Joint Steering Committee (JSC), under INTERREG (to ensure equilibrium the JSC and JMC reports to the Managing Authority), is responsible for the joint selection and approval of projects and the coordination of the monitoring of their implementation through the Joint Monitoring Committee (JMC).
• Projects proposed for Phare CBC funding in Romania are chosen in compliance with the selection criteria set out in the Community Implementation Programme (CIP) and Programme Complement (PC) and the RO-HU CBC project fiche (2004-6). The selection and approval of the projects to be financed by Phare CBC follows the procedures laid down in the Phare CBC Regulation and PRAG.

• The Joint Technical Secretariat (JTS), in force under the INTERREG programme, serves the Managing Authority and Paying Authority (both located in Hungary). To ensure efficient project development covering the whole programme, Sub-Programme Secretariats serving as technical co-ordination bodies at national level are established by the National Authorities in Romania. Thus, the JTS will play a role in relation to the Phare CBC funded projects, reporting to the Programme Monitoring Information System.

• The National Fund (NF) in the Romanian Ministry of Public Finance, headed by the NAO, supervises the financial management of the Programme in Romania.

• The NF transfers funds to the IA to allow for payments

(B) IMPLEMENTATION ARRANGEMENTS

1. PREPARATION OF THE PACKAGE OF CALL FOR PROPOSAL, GUIDELINES FOR APPLICANTS AND APPLICATION FORM AND NOMINATION OF THE EVALUATION TEAM

• The Romanian Implementing Agency (IA), acting as Contracting Authority (CA) drafts Calls for Proposals and the Application pack on the basis of the selection and evaluating criteria in the Programme Complement (PC) and standard project fiche for RO-HU CBC (2004-6).

• CA appoints the Romanian representatives in Evaluation Committee (with a non-voting Chair and Secretary, and voting Members.

• CA selects and approves the assessors for the Evaluation Committee. The assessors will include staff from relevant Ministries that will benefit from these projects (e.g. Ministry of Transports, Constructions and Tourism, Ministry of Environment and Water Management and Ministry of Economy and Trade)

• In order to guarantee the objective nature of the process, the Evaluation Team is selected on the basis of technical and professional competence in the areas of expertise necessary to evaluate the proposals keeping the mind the need to avoid any conflicts of interest.

• The Evaluation Team includes Hungarian observers (non-voting) to strengthen the joint nature of the project selection exercise. A similar number of Romanian observers are included in evaluation teams on the Hungarian side. The joint Evaluation Committee will act as a Joint Steering Committee (JSC)

• The EC Delegation in Bucharest approves the composition of the Evaluation Committee and nominates an independent observer. Prior approval is required from the Delegation for the participation of other observers.

• IA submits the final version of the call for proposals back to JSC and EC Delegation in Bucharest for approval

2. PUBLICATION OF THE CALL FOR PROPOSALS

• The IA, with the assistance of the Joint Technical Secretariat (JTS), takes all appropriate measures to ensure that each Call for Proposals is advertised both regionally and nationally and that information reaches the target groups in line with the requirements of the Practical Guide.

• Simultaneous launch of call for proposals in Romanian and Hungarian border areas (and also in Serbia-Montenegro and Hungary) (For consistency, the Hungary – Serbia and Montenegro INTERREG-CARDS call for proposal should be launched at the same time).

3. PROJECT SELECTION PROCESS

• The IA/CA supported by the JTS, collects incoming project applications. Information, as appropriate, on the “harvest” of applications.
• The Evaluation Committee/JSC draws up recommendations and decisions according to the Evaluation Report produced on the basis of the published evaluation grid and Application Pack.

• The PAO approves the Evaluation Report prepared by the Evaluation Committee and forwards the Evaluation Report and any proposals for award of contracts to applicants to the EC Delegation.

• The Delegation approves the evaluation report 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)

• Once work on all project preparation activities (i.e. feasibility studies, EIA, CBA etc.) and tender documentation (e.g. technical specifications) has been completed the grant contract with the applicant (primary contract) / contractor (secondary contract) is drafted by the CA according to the Practical Guide using the standard grant contract format and its annexes (Practical Guide).

• The list of grants to be awarded is approved by the EC Delegation

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

• A copy of the signed grant contract is sent to the EC Delegation.

5. IMPLEMENTATION OF SELECTED PROJECTS

• Projects are implemented through primary contracts with the original applicants and secondary contracts with contracting companies (works, supplies, technical assistance)

• Project preparation for secondary contracts is carried out by the beneficiary and, if required, by the Phare CBC Grant Scheme Management Technical Assistance (GSM TA)\(^3\).

• Secondary contracts are signed with contractors in order to fully implement the project (e.g. Supply, Works or Technical Assistance).

• Secondary contracts are agreed and implemented in line with the Practical Guide or national rules. It may be helpful to define on what basis PRAG or National Rules are chosen.

• A CBC Regional Office (which will have legal status) will be set up in Oradea (Bihor County). This Office will be responsible for overall management of implementation of the projects.

6. FINANCIAL MANAGEMENT OF THE SELECTED PROJECTS

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

• The National Fund (NF) transfers funds to the IA to allow necessary payments

7. MONITORING OF THE PROJECTS IMPLEMENTED BY THE BENEFICIARIES

Standard Phare monitoring instruments will be used for monitoring

\(^3\) As described in the fiche, Phare CBC project management will be supported with reserve funds from each measure (7%) and EUR 550,000 from Phare CBC 2003.
**CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (M €)**

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<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
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<td>Q4</td>
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<tr>
<td>ESD Grants</td>
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<td>People to people’</td>
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</tbody>
</table>

NB: all contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of FM