1. Basic Information
   
   1.1 Désirée Nr.: SR0107.01
   1.2 Title: Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds
   1.3 Sector: Regional policy and co-ordination of structural instruments
   1.4 Location: Slovak Republic

2. Objectives

   2.1 Overall Objective(s):

   Institutional framework for economic and social cohesion effective established and operating efficiently
   National Development Plan duly and timely implemented.

   2.2 Project Purpose:

   Institutions involved in Structural Funds type measures established and operational, in line with Council Regulation (EC) No. 1260/1999 of 21 June 1999 on Structural Funds and the other relevant EC regulations and communications (“acquis communautaire”).

   2.3 Accession Partnership and NPAA priority

   The project meets the following Accession Partnership and NPAA priorities:

   **2.3.1 Accession Partnership – Medium-term priority - Economic and social cohesion**
   “Develop a national policy for economic and social cohesion; prepare the implementation of regional development programmes and community initiatives; improve administrative structures and clarify responsibilities for regional policy issues; organise the budgetary system and procedures according to structural funds standards, including appraisal and evaluation.”

   **2.3.2 NPAA**
   **Regional policy and cohesion (§ 3.5.2)**

   - Development of a legal framework and completion of institutional administrative structures and creation of a system for their efficient operation
   - Development of methodology, rules and procedures for the preparation, implementation and assessment of the programme of Structural Funds and the Cohesion Fund
2.4 Contribution to National Development Plan

The project will enhance the capacity to further develop and manage the National Development Plan (Community Support Framework), including the Sector and Regional Operational Programmes, on both national and regional level through the managing and paying authorities to be strengthened as a result of the project.

2.5 Cross Border Impact

Not applicable

3. Description

3.1 Background and justification:

The Slovak Republic, as one of the candidate countries, has been continuously preparing for the future management of structural funds through a number of PHARE funded institution building projects that have been implemented during the past years, and especially since the pre-accession assistance, including refocused PHARE, SAPARD and ISPA, has been made available to the pre-accession countries. A major project designed to assist the Slovak Government in establishing the institutional framework and the administrative capacity for programming and successful implementation of regional and structural policies - SPP (Special Preparatory Programme for Structural Funds in the Slovak Republic) is currently under implementation and will continue until the end of 2001.

The outputs of the SPP project shall be the following:
National Development Plan elaborated in a wide partnership of relevant social partners and approved by the SR Government.

- A system for management of regional policy at the national and regional levels and for capacity building at the ministries in the future responsible for management of structural funds outlined.
- Approximately 400 professionals trained within the SPP diploma course in the basic tools required for management of the pre-accession assistance (representatives of relevant state institutions, regional bodies, social partners, etc. - i.e. people in the future responsible for management of structural funds at various levels)

Due to a delayed start of the project (September 2000 instead of 1st quarter of 1999), some of the activities had to be shortened considerably and in some instances, i.e. elaboration of the NDP, the assistance was not available when it was needed the most. However, the above mentioned key outputs of the project should serve as a ground for the institution building project presented here which is intended to reinforce and actualise the outcomes of the SPP, mainly to prepare the relevant partners for the implementation of the NDP. It will provide a comprehensive package of activities for support of the ministries involved in ERDF and ESF type measures as well as the necessary inputs for the regional (NUTS II) level and regional statistics.
Current state of Administrative Capacity in the field of economic and social cohesion

*The Draft National Development Plan* (NDP) for the period 2002 - 2006, including 7 Sector Operational Programmes (Human Resources, Multifunctional Agriculture and Rural Development, Industry, Environment, Transport and Telecommunications, Tourism, Housing) and 4 Regional Operational Programmes, was approved by the Slovak Government on 15th March 2001, by Decree of the SR Government No. 240/2001. The NDP replaces the preliminary Integrated Plan of Regional and Social Development that was approved by the SR Government in December 1999 and used for programming of Phare economic and social cohesion 2000 – 2002. The NDP serves as a basis for future programming of the pre-accession assistance which from 2001 onwards is converging towards the approaches of the Structural Funds. In Phare economic and social cohesion the programming approaches will simulate those used for Objective 1 regions under SF.

The setting-up of **Regional Monitoring Committees** (RMC) on NUTS II. level (for every ROP) were approved by the Governmental Council of Regional Policy on the 25 September 2000 and were established soon afterwards. RMCs are responsible for the following:
- a) approving ROP before its submission to the SR Government,
- b) monitoring of the implementation of the ROP,
- c) approving annual and final reports on ROP implementation that are prepared for the National Monitoring Committee,
- d) determining criteria for project selection financed within ROP.

The composition of the RMC respects the principle of partnership and the members are representatives of the state administration, representatives of local self-governments and representatives of socio-economic partners.

The **National Monitoring Committee** (NMC) for the NDP will be created in 2001. The NMC is a body which, respecting the principle of partnership, represents economic and social cohesion actors within SR. The NMC is created for the duration of the relevant NDP / CSF and will fulfil the following tasks (based on the proposed Statute of NMC):
- a) reviews and approves the NDP, including SOPs and ROPs, before its submission to the SR Government (during the period of implementation of the NDP, the NDP for the new programming period is being drafted and has to be approved by the relevant committees prior to its submission to the SR Government)
- b) monitors the implementation of the NDP and if necessary makes suggestions for its effective implementation,
- c) discusses and approves annual and final reports on the NDP implementation,
- d) takes into consideration annual and final reports on ROP and SOP implementation,
- e) discusses and proposes changes of the content of the NDP to the SR Government.

The NMC will have maximum of 50 members and its structure reflects the principle of partnership with a balanced membership of men and women. It is composed by the representatives of the state administration (central state administration organs responsible for SF and Cohesion Fund), self-governments (NUTS III, Association of towns and villages of SR, Union of towns of SR), enterprise and production sector and non-profit sector.
The Act on Support of Regional Development is drafted and should be adopted by the SR Government by July 2001. The Act sets the basis for a systematic functioning of regional policy and management of structural funds within the country. It has been prepared in view of fulfilling the provisions of EC regulations on SF, mainly Council Regulation (EC) No. 1260/1999.

The Implementing Agency for Regional Development (IARD) within the Ministry of Construction and Regional Development (MCRD) will be established during the first half of 2001. First it will fulfill the tasks of an implementing agency for Phare Economic and Social Cohesion and Phare CBC. After accession it will take on the responsibility of the paying authority for ERDF (Phare Programming Guide 2001, EC Regulation 1260/1999 on SF).

European Social Fund Unit (ESF Unit) within the Ministry of Labour, Social Affairs and Family (MoLSAF). The MoLSAF has decided to establish the ESF Unit / future paying authority for ESF during the first half of 2001. The main tasks for which the ESF Unit will be responsible are - paying authority for ESF type interventions across all programmes with an ESF component (SOP + ROP) and overall co-ordination of ESF type of interventions across all programmes with an ESF component (SOP + ROP). This function will be particularly important to ensure a full consistency between the ESF type of activities co-financed under the horizontal Human Resources Programme and those financed under the ROP, with a view to avoiding double funding and potential overlapping. This co-ordination should embrace not only the programming exercise, but also the implementation, monitoring, evaluation and control stages. The following issues will be addressed within the proposed ESF structure: transparency of management, administrative and implementation structures on a national level and definition of the regional structures, intersectoral co-ordination with other SF structures (such as those for ERDF or EAGGF), efficient financial flow including the legal status of the unemployment fund resources and flows of state resources for co-financing of the ESF activities. ESF Unit will be also the contact point for the implementation of the European social cohesion policy in Slovakia. Following the approval of a general employment policy orientation until 2002, a National Employment Plan was prepared and adopted by the SR Government. A Managing Authority for the SOP Human Resources Development will be formed within MoLSAF because this function will not be performed by the ESF Unit.

The National Training Institute (NTI) for the ESF was established in January 2000 within the NLO structure as a result of SPP horizontal activities on the basis of the NLO decree nr. 101/12/99 of 13 December 1999. In line with the goals of the projects mentioned under linked activities a series of training activities aimed at disseminating the information on the ESF, on the European Employment Strategy and links with the funds of EU and on utilisation of pre-accession instruments were realised on national, regional and local levels. It is anticipated that in the near future the NTI will broaden the scope of its activities, so as to provide training not only on ESF but on SF in general.

Public Administration Reform - the anticipated change of general government and territorial division of SR will require a large scope of changes in the current legislation and will have a significant impact on all activities linked to the policy of economic and social cohesion and management of SF. Competencies will be widely decentralised to the self-government level. The project is designed in a way to guarantee flexibility of
approach, allowing for taking into account the gradual implementation of a decentralised administration.

3.2 Linked activities:

Special Preparatory Programme for the Structural Funds for the Slovak Republic – Priority A and B (SR980804)
SPP Slovakia provides assistance for programming and institution building for SF, as well as for a limited series of pilot projects designed to complement and test the existing and newly established administrative structures.
SPP – ESF Establishment of the National Training Institutions for the ESF in the Slovak Republic (CON/99/PHA/0046)
SPP – ESF Logistical support to the ETF for organisation of SPP-ESF seminars in Slovakia (CON/99/PHA/0045)
Human Resources Development Programme in the priority region Slovakia - east (SK0009.03)
Human Resources Development Programme under preparation for the FM Phare 2001
Internal Financial Control and Audit – IB project under preparation for the FM Phare 2001
The paying authority responsible for EAGGF – guidance lays within the responsibility of the SAPARD agency.

3.3 Results:

1. National institutions able to fulfil the Managing Authority tasks

Managing Authority (MA) functions are required for the implementation of the NDP which serves as a basis for the Community Support Framework (CSF). To ensure successful implementation of the NDP and to meet the requirements of the Council Regulation (EC) No. 1260/1999 on SF: a) a MA with an overall responsibility over the NDP / CSF and Regional Operational Programme(s) (ROP) will be operational and effective within MCRD; b) MAs for Sector Operational Programmes (SOP) will be operational and effective at relevant line ministries; c) Monitoring system will be put in place to enable all of the managing authorities to access up-to-date information on the running programmes and measures.

2. Efficient financial flow system / relevant national institutions able to fulfil Paying Authority tasks

The implementing Agency for Phare economic and social cohesion programmes named "Implementing Agency for Regional Development" (IARR) established within the MCRD will be prepared to assume the role of Paying Authority for the ERDF. The ESF unit within the MoLSAF will be prepared to take on the responsibility of the Paying Authority for the ESF.

3. Functioning implementing bodies, monitoring committees and relevant partners capable to implement structural funds interventions on a national and regional level.
Partnership is an essential element of programming and implementation of SF. Relevant partners at central / NUTS I level and regional / NUTS III level (NUTS I and NUTS III levels form the capacity for future functioning of NUTS II levels) will be prepared for programming, monitoring and technical implementation of projects. The same level of competency will be reached at all levels and at the same time each level will be equipped with the specific tools necessary for their particular responsibility.

Programming does not function effectively if an insufficient number of projects is available or their quality does not meet the appropriate standards. Assistance will be provided for project preparation and to secure an efficient project pipeline.

3.4 Activities:

Activities to achieve Results 1 and 2:

1. Preparation of an operational framework for SF assistance

Managing Authorities – Assistance for MCRD, MoLSAF and line ministries responsible for SOPs to prepare the base for future Managing Authority responsibilities

On the basis of the outputs of the SPP programme, the procedures laying down the duties and rights of all relevant partners according to the Council Regulation (EC) No. 1260/1999 on SF will be completed. The assistance will focus mainly on the strengthening of the MCRD core staff to develop, co-ordinate and evaluate the NDP as a basis for CSF and to assume the management responsibility for the ERDF and on strengthening the MoLSAF staff to assume the responsibility for managing the ESF, in line with the provisions of the EC Regulation 1784/1999. Due to the fact that the NUTS II. level eligible for support under Objective 1 of SF interventions in Slovakia is at the time an artificially created level and the proposed further administrative reform in the country concentrates on NUTS III level, MCRD will also be supported to perform the managing authority functions for Regional Operational Programme(s). In close co-operation with the MCRD staff the legal compatibility of the system of regional policy will be examined in line with the provisions of Art. 12 of the Council Regulation (EC) No. 1260/1999 on SF and recommendations on further legal alignment will be provided.

Assistance will be provided to relevant line ministries to develop skills to assume the role of future managing authorities for SOPs. The following tasks will be performed to ensure satisfactory results:
• identifying the vertical and horizontal relations with other concerned partners at national, regional and local level;
• building of the partnership network;
• preparing for the transition from pre-accession funds type projects to SF interventions.

A clear definition of the mission, functions, responsibilities and structures of relevant managing authorities will be elaborated prior to the project execution within the framework of the SPP Technical Assistance project. A manual of procedures for managing SF in the Slovak Republic will also be delivered by the SPP T.A.

Assistance should be provided so as to allow the relevant managing authorities to adequately fulfil the tasks described under Art. 34 of the Council Regulation (EC) No.
1260/1999 on SF, notably: the setting up of a data collection system, the preparation of an annual implementation report, the organisation of a mid-term evaluation, the verification of the regularity of the operations co-financed by the SF, the compatibility with other community policies and the respect of the information and publicity obligations.

Monitoring Systems – Development and setting-up of monitoring systems for ERDF and ESF

Monitoring systems enabling co-ordinated and effective monitoring, verification and evaluation of programmes, their results and the use of financial resources, including computerised data exchange between SR and the European Commission is an essential tool of management of SF (Art. 18 of the Council Regulation (EC) No. 1260/1999 on SF). The system to which all managing authorities, paying authorities and implementing bodies need to be connected includes the relevant technical and financial information on the programmes, measures and projects financed by the SF. It is necessary to design software modules adequate for the SR administration that are in line with all relevant EC regulations, including the newly adopted Council Regulation No. 438/2001 laying down the rules on the management and control systems for assistance granted under SF as well as to train the future users of the monitoring system. It is anticipated that both ERDF and ESF will have customised monitoring systems specifically tailored to the needs of each of the funds.

Paying Authorities - Preparation of the nucleus for future ERDF and ESF paying authorities within MCRD and MoLSAF

In addition to the CFCU (responsible for tendering and contracting all IB and investment to strengthen the regulatory infrastructure needed to ensure compliance with the acquis and direct, acquis-related investments) there should only be one or at most two implementing agencies (IA) for investment in economic and social cohesion in each country, which should be the agency(ies) intended to be responsible for managing Structural Funds after accession. A greater number of regional level agencies can undertake the technical management of projects but should not manage funds and payments. The national level implementing agency will remain responsible for all financial aspects. (Phare Programming Guide 2001). In the SR this role will be fulfilled by the Implementing Agency for Regional Development established within the MCRD that will function as the IA for economic and social cohesion during the pre-accession period and after accession become the paying authority for ERDF. The paying authority for the ESF will be placed within the MoLSAF. Recommendations are to be provided as to the strengthening of the existing ESF Unit to build the capacity for the future paying authority or for the placement of the paying authority in a different department of the MoLSAF. Preparation of rules and procedures for future paying authorities according to the Council Regulation (EC) No. 1260/1999 on SF and other relevant EC Regulations is requested within this activity as well as training of the staff and proposals concerning the IT based monitoring system.

Means

Twinning - Twinning will be split between PAAs and Short Term expertise
Technical Assistance - development and set-up of monitoring systems for ERDF and ESF
Twinning

Twinning is required for the activities where special attention has to be paid to adherence of relevant EC Regulations and where assistance is needed in designing structures and procedures and in strategic planning. This type of assistance demands hands-on experience with SF that can only be provided by people with working experience in particular public institutions within EU Member States.

Guaranteed results:

Managing and paying authorities will develop the procedures needed to fulfil all the relevant provisions laid down in Council Regulation (EC) No. 1260/1999 on SF and other relevant EC Regulations. Monitoring systems for ERDF and ESF compatible with all relevant EC Regulations, while being functional according to the specific needs of the SR administration of SF.

The PAAs are expected to have good general knowledge of SF implementation based on practical working experience on the below listed more specific assignments.

Short-term expertise within twinning is expected to provide assistance for tasks requiring specific expertise, i.e. payment procedures within paying authorities.

The twinning project will include internships organised by the PAAs for some 20 Slovak civil servants from the future managing and paying authorities.

PAA 1 – NDP / ROP / SOP implementation – 24 M/M (2 years)
He/she will have 10/12 years experience in the field of implementation of regional policy with a specific background of implementing SF at the regional level. Good practical knowledge of EC Regulations on SF and general overview of SF functioning based on related working experience. Experience with partnership principle, with the elaboration of NDP/ROP/SOP, with negotiation and monitoring processes, having experience within a ministry or institution responsible for elaboration and implementation of the NDP (on a position with direct involvement in mentioned tasks – such as “Managing Authority”). Practical experience with drafting CSF elaboration and preferably with its negotiation.

PAA 2 – ERDF – 18 M/M (1,5 years)
He/she will have 10 years experience in the field of implementation of Structural Funds, specifically on ERDF management. Good knowledge of the budgetary rules and financial reporting system. A specific experience within a Paying authority for ERDF in a Member State will be necessary. The PAA will take attention to develop links between ERDF and the Cohesion Fund in order to develop synergies between the different funds available.

Specific tasks: Design of an operational framework and drafting of handbooks detailing the operations within paying authority and training of staff.

PAA 3 – ESF – 18 M/M (1,5 years)
He/she will have 10 years experience in the field of labour market, employment and social policies with a specific experience in the programming and management of ESF type operations. The PAA will be mainly responsible for advising the ESF Unit inside the MoLSAF and the relationship between this Unit, with the different sections and the
natural partners (National Labour Office, Ministry of Education, etc.) and also trade Unions, NGOs working on issues of social exclusion, etc. The PAA will also advise the MoLSAF on transforming the ESF unit into a paying authority for ESF. A specific experience in a Paying authority for ESF in a Member State is required.

Specific tasks: Design of an operational framework and drafting of handbooks detailing the operations within paying authority and training of staff.

Linked short-term expertise

- Legal compatibility analysis
- Monitoring systems ERDF and ESF (development of a process of reporting from bottom up)
- Specific financial issues, paying authority ERDF and ESF
- Regional implementation of operational programmes
- Implementation of sector operational programmes (assistance to relevant line ministries – Managing Authorities for SOPs)
- Monitoring committees for NDP/CSF

Budget foreseen: 1.5 MEUR

Service

Development of a tailored software by adjusting similar monitoring systems used in a Member State for ERDF and ESF - based on the recommendations of PAAs and Short Term twinning expertise on monitoring systems. Feeding of the information into the system. Preparation of manuals for future operators of the monitoring systems.

Development and set up of monitoring systems (ERDF and ESF) – 0.3 MEUR
Supply of equipment – national co-financing (approx. 0.4 MEUR)

Budget foreseen: 0.7 MEUR (including co-financing)

Activities to achieve Result 3:

2. Capacity building for relevant partners involved in SF programming and implementation

The institutions involved in programming and implementing SF will be mainly concentrated at central / NUTS I level and after the public administration reform also at NUTS III levels (NUTS I and NUTS III levels form the capacity for future functioning of NUTS II levels). Training is required for programming, monitoring and technical implementation of projects. At the technical level the training of staff will cover operations such as managing authorities, implementing bodies and monitoring committees to transmit the knowledge on the functioning of the funds and effective management of the projects. Specific training directed on project preparation will be delivered to ensure a functional project pipeline on the regional level. It is essential that the same level of competency is maintained at all concerned levels. However, the responsibilities vary considerably and therefore separate programmes of training will have to be developed to match the required level of responsibility and authority.
Training will also cover the ability to identify priorities in social and economic aspects and the integration of these with other initiatives, such as human resources development, housing requirements and health. This is specifically directed at the institutions at NUTS III level (currently “krajs”, planned “higher territorial units”) that are at present responsible for drafting the Regional Operational Programmes. Only on the basis of a kraj strategy a constructive input can be provided in the context of partnership for higher level planning (NDP). Partnership elements will be stressed throughout the whole training programme and specific modules will be delivered directed to the institutions involved in the negotiation process of preparing the ROPs as part of the development of the CSF.

The NDP monitoring committees (National Monitoring Committee to NDP/CSF, Regional Monitoring Committees for ROPs and Sector Monitoring Committees for SOPs) play an important role in the management of SF i.e. identifying priorities and reviewing the NDP before its submission to the SR Government and determining criteria for project selection financed within the ROP. Thus the members of the committees need to be equipped with skills enabling them to execute qualified decisions. Extensive training will be delivered to these committees, guidelines for effective functioning of the committees will be developed and the members trained to utilise them in practice.

Partnership is strengthened by effective dissemination of information. Aside from the means of training by which know-how is being transferred, an up-to-date information on SF and all the related issues should be made available to the largest possible number of stakeholders. This will be achieved by involving media on central and regional levels, provision of seminars, brochures, etc. as well as by an information web-site for regional development and SF that will be administered by the MCRD and created on the Ministry’s server. The content of it will include in the first place technical information on the operation of SF such as rules and regulations and access information. The web site will also give up-to-date information on regional development issues in the country and provide the necessary links to the regional statistics data provided by the Slovak Statistical Office. It requires the development of a software package with different access rights and training of operators.

Means

Technical Assistance

Twinning will provide “thematic inputs” for the technical assistance, mainly concerning the content of the training programmes and information tools. The set up of the training process (including conferences) demands very good administrative and organisational skills and encompasses a large number of executive tasks. Technical assistance is required for the organisation and execution of the training programmes, elaboration of the training materials (content to be consulted with twinning), etc. that need to be performed by professional trainers.

TA training group
EU trainers - total 40 m/m – 0.61 MEUR
Slovak trainers - total 55 m/m - 0.17 MEUR
Conferences, seminars, internships – 0.07 MEUR
Budget foreseen: 0.85 MEUR

N.B - the budget for TA covers all costs related to the TA (fees, per diems/housing, travel, translation etc). This note is relevant to all TA in the project.

3. Preparation of programmes and projects

Programming means the organising, decision-making and financing process carried out in a number of stages to implement on a multi-annual basis the joint action of the Community and the Member State (Art. 9 of the Council Regulation (EC) No. 1260/1999 on SF). MCRD and MoLSAF are preparing for the multi-annual approach of the SF through Phare economic and social cohesion. From 2001 and onwards the approaches will converge on those of the SF, in particular those used for Objective 1 regions under SF (Phare Programming Guide 2001 and Phare 2000 review). Programming does not function effectively if an insufficient number of projects is available or their quality is sub-standard. Assistance is required for preparing multi-annual programmes and measures by which relevant priorities within the NDP are implemented, such as aid schemes or groups of aid schemes as well as support for finalisation of individual projects to be financed within the determined measures. The following tasks are required: the development of rules for providing assistance in conformity with all relevant EC regulations on pre-accession funds in line with SF practice; means for management of developed measures; financial design of the grant schemes, project revision and finalisation and other relevant tasks to be finalised.

Means

Technical Assistance

Technical assistance is required as this activity is directed towards practical preparation / finalisation of projects to achieve an efficient project pipeline. Professional expertise on preparation of various project components (financial analysis, technical design, EIA assessment, etc.) is needed.

1 EU long-term expert - 21 m/m – 0.32 MEUR
1 Slovak long-term expert - 21 m/m - 0.08 MEUR
Pool of short-term experts (EU 270m/d, Local 900 m/d) – 0.45 MEUR.

Budget foreseen: 0.85 MEUR

4. Institutional Framework

The Ministry of Construction and Regional Development is the central state administration body responsible for the elaboration of the NDP and will in the future fulfil the tasks of the Managing Authority having overall responsibility for the management of the NDP / CSF. At present it programmes and in the near future it will also implement projects financed by Phare economic and social cohesion through the Implementing Agency for Regional Development. Once the ERDF is available to the SR after the accession to the EU, the Implementing Agency for Regional Development will become its Paying Authority.
The Ministry of Labour, Social Affairs and Family is responsible for the elaboration of the National Employment Plan as well as for the Sector Operational Programme for Human Resources Development. The ESF Unit to be established within the ministry being responsible for the management of the ESF will also be the contact point for the implementation of the European social cohesion policy in Slovakia.

The Ministry of Transport, Posts and Telecommunications (MTPT) and the Ministry of Environment (ME) are managing the Cohesion type funds, at present the pre-accession instrument ISPA – transport and environment, respectively. Each of the two ministries also prepares a Sector Operational Programme, MTPT/SOP – Transport and Telecommunications and ME/SOP – Environment.

The Ministry of Agriculture elaborates the Rural Development Plan and the Sector Operational Programme – Multifunctional Agriculture and Rural Development. During the pre-accession period it is responsible for the SAPARD fund and after accession to the EU it will manage the EAGGF. The paying authority for SAPARD, the SAPARD agency been established since January 2001 and is currently in the process of accreditation.

The Preparatory Committee for EU Structural Funds (PCSF) ensures co-ordination of all EU pre-accession assistance instruments for the preparation of the Slovak Republic for participating in EU Structural Funds. It is responsible for the co-ordination of particular sectors as well as all other involved bodies, organisations and institutions in preparation of the Slovak Republic for EU structural policy. The PCSF manages the presently running Special Preparatory Programme for Structural Funds.

5. Detailed Budget

<table>
<thead>
<tr>
<th>Activity No.</th>
<th>Investment</th>
<th>IB</th>
<th>Total Phare (=I+IB)</th>
<th>National Co-financing*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1 – Twinning</td>
<td>-</td>
<td>1.5</td>
<td>1.5</td>
<td>-</td>
<td>1.5</td>
</tr>
<tr>
<td>Activity 1. – T.A.</td>
<td>-</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Activity 2.</td>
<td>-</td>
<td>0.85</td>
<td>0.85</td>
<td>-</td>
<td>0.85</td>
</tr>
<tr>
<td>Activity 3.</td>
<td>-</td>
<td>0.85</td>
<td>0.85</td>
<td>-</td>
<td>0.85</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3.5</td>
<td>3.5</td>
<td>0.4</td>
<td>3.9</td>
</tr>
</tbody>
</table>

* Additional national co-financing will be formed by staffing and operational costs, to be covered from the state budget in line with Governmental Decree No. 135/2001.

6. Implementation Arrangements

6.1 Implementing Agency

CFCU - Central Finance and Contracting Unit:
PAO: Milan Michalička, Director
Mlynské Nivy 61
SK-821 09 Bratislava
Tel.: 00421-7-53 41 82 93
Fax: 00421-7-53 41 80 95
Implementing Authority

Ministry of Construction and Regional Development of the SR
Špitálska 8
SK-816 44 Bratislava, Slovak Republic
Tel: 00 421 - 7 – 5975 3915 (3916)
Contact person: Ms. Lenka Čečetková, Director
Unit of Regional Development Programmes and Co-ordination of Structural Instruments

Particular responsibilities for Activity 2

Secretariat of the Preparatory Committee for Structural Funds
Ministry of Construction and Regional Development of the SR
Špitálska 8
Tel: 00 421 – 7 – 5975 3812
SK-816 44 Bratislava, Slovak Republic
Contact Person: Mr. Peter Ťapák, Head of the Secretariat

6.2 Twinning: Amount foreseen: 1.5 MEUR

Beneficiary institutions:

Ministry of Construction and Regional Development of the SR
Špitálska 8
SK-816 44 Bratislava, Slovak Republic
Tel: 00 421 - 7 – 5975 3815 (3816)
Contact person: Mr. Zsolt Lukáč, General Director
Department of Regional Policy

Ministry of Labour, Social Affairs and Family of the SR
Špitálska 6
SK-816 44 Bratislava, Slovak Republic
Tel.: 00421-7-59 75 16 15
Contact person: Ms. Mária Janušová
Section of Employment

6.3 Non-standard aspects

Practical Guide to Phare, ISPA and Sapard Contract Procedures will be followed.

6.4 Contracts

Twinning Covenant (1.5 MEUR)
Service Contract for the development of monitoring systems (0.3 MEUR)
TA Contract for preparation of programmes and projects/project pipeline (0.85 MEUR)
Contract for TA for training delivery (0.85 MEUR)
7. Implementation Schedule

7.1 Call for proposals 4<sup>th</sup> quarter 2001
7.2 Start of project activity 2<sup>nd</sup> quarter 2002
7.3 Project Completion 2<sup>nd</sup> quarter 2004

8. Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed.

9. Environment: n/a

10. Rates of return – n/a

11. Investment criteria – n/a

12. Conditionality and sequencing

- Implementing Agency for Regional Development within MCRD operational and adequately staffed by the end of 2001
- ESF Unit within MoLSAF established and adequately staffed by the end of 2001

Annexes:
1. Logframe Planning Matrix
2. Time Implementation Chart
3. Cumulative Contracting and Disbursement schedule
## LOGICAL FRAMEWORK PLANNING MATRIX FOR:

**Programme number**: SR0107.01  
**Sheet no.**: 1

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total budget (MEUR): 3.9</td>
<td>PHARE budget (MEUR): 3.5</td>
<td></td>
</tr>
</tbody>
</table>

### Overall objective:
- Institutional framework for economic and social cohesion established and operating efficiently.
- National Development Plan duly and timely implemented

### Objectively verifiable indicators
- NDP including programme annexes prepared in time
- NDP including programme annexes implemented without irregularities

### Sources of Verification
- Regular Report of the EC
- Reports of the Supreme Audit Office an the Ministry of Finance
- MCRD Annual Report on regional development

### Project purpose:
- Institutions involved in Structural Funds type measures established and operational, in line with Council Regulation (EC) No. 1260/1999 of 21 June 1999 on Structural Funds and the other relevant EC regulations and communications (“acquis”).

### Objectively verifiable indicators
- More than 95% of funds allocated committed
- Decentralised system fully applied

### Sources of Verification
- JMC report
- Annual Reports of the MCRD on structural funds

### Assumptions
- Creation of legislative, organisational and financial preconditions in the field of regional policy at national and regional level

### Results:

#### 1. National institutions / ministries able to fulfil the Managing Authority tasks
- NDP prepared in line with the requirements of the EC regulation 126/1999, ready as a basis for CSF
- ROPs and SOPs successfully drafted and approved by EC services

#### Objectively verifiable indicators
- Annual Reports of the MA for CSF
- Annual Reports of the Implementing Agencies

#### Sources of Verification
- Annual statistical reports
- Project final Report

#### Assumptions
- System of internal financial control and audit functioning according to relevant EU regulations
- Regional statistics harmonised with the Eurostat methodology

#### 2. Efficient financial flow system / relevant national institutions able to fulfil the Paying Authority tasks
- Over 95% of committed funds disbursed

#### 3. Functioning implementing bodies, monitoring committees and relevant partners capable to implement structural funds interventions on a national and regional level
- Number of implemented ERDF /ESF type projects
- 100% allocated funds successfully programmed (project pipeline)
- Monitoring committees in the frame of NDP according to EC regulation 1260/1999 operational

#### Objectively verifiable indicators
- Annual statistical reports
- Project final Report

#### Assumptions
- Functioning self-government of higher territorial units
### LOGICAL FRAMEWORK PLANNING MATRIX FOR:

**Programme number:** SR0107.01  
**Sheet no.2**

| Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds | Contracting period expires:  
30.11.2003 | Disbursement period expires:  
30.11.2004 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total budget (MEUR):</strong> 3.9</td>
<td><strong>PHARE budget (MEUR):</strong> 3.5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
<th>Means</th>
<th>Specification of Cost</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activities to achieve Results 1 and 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Preparation of an operational framework for SF assistance  
   - Twinning – 3 PAA + ST expertise  
   - Service - Development of a monitoring system  
   - Supply of equipment – Monitoring system | 1.5 MEUR  
0.3 MEUR  
0.400 MEUR (co-financing) |  
• Stabilisation of the public administration staff |
| **Activities to achieve Result 3** |  
2. Capacity building for relevant partners involved in SF programming and implementation  
   - TA training group  
   - EU trainers total 40 M/M  
   - SR trainers total 55 M/M  
   - Conferences, seminars | 0.85 MEUR |  |
| 3. Preparation of programmes and projects |  
   - Development of measures, finalisation of projects, project pipeline  
   - 1 EU LT expert 21 M/M  
   - 1 SR LT expert 21 M/M  
   - Pool of ST experts (EU 270 M/D, Local 900 M/D) | 0.85 MEUR |  |

| Preconditions |  
• Implementing Agency for regional development operational and adequately staffed  
• ESF Unit within MoLSAF established and operational |  |
## TIME IMPLEMENTATION CHART

Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of</td>
<td>X X X X X X X X X X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X X X X X X</td>
<td></td>
</tr>
<tr>
<td>operational framework</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>for SF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity building</td>
<td>X X X X X X X X X X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X X X X X X</td>
<td></td>
</tr>
<tr>
<td>of relevant partners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project pipeline</td>
<td>X X X X X X X X X X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X X X X X X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursed</td>
<td>0.2</td>
<td>0.5</td>
<td>1.0</td>
</tr>
</tbody>
</table>