1. Basic Information

1.1 CRIS Number: 2003-004-995-03-12
1.2 Title: Phare External Border Initiative
1.3 Sector: Economic and Social Cohesion
1.4 Location: Slovak/Ukrainian border region (HTU Prešov, HTU Košice)

2. Objectives

2.1 Overall Objective(s):

- To develop good neighbourhood relations
- To support social and economic actions of a cross-border nature thus alleviating the risk of a new dividing line at the future EU external border (Slovak/Ukrainian border)
- To contribute to the social and economic development of the eligible border areas, thus reducing the peripheral character of these regions.

2.2 Project purpose:

- To support investment and non-investment actions of a genuine cross-border nature at the future EU external border region (Slovak/Ukrainian border)

2.3 Accession Partnership and NPAA priority

The JSPF plays an important role in Slovakia's preparation process for accession, in particular through the capacity building dimension of local/regional actors. These funds are part of a process of creating "integration-minded" border regions. The project represents thus an important element in the preparation of Slovakia for the adoption of Structural Funds, in particular INTERREG III A Programme. In addition, the project supports the social and economic integration of Member States and border regions of candidate countries.

2.4 Contribution to National Development Plan

The JSPF represents the preparation for the future participation in the Partnership Initiative INTERREG. It deals with the implementation of an important EU regional policy principle with the objective to harmonise economic standards of cross-border areas with the neighbouring countries.

2.5 Cross Border Impact

The Programme will contribute to the removal of existing disparities between the border regions and thus to the gradual alignment of economic and social development.

The JSPF supports projects with a cross-border impact and encourages the development of linkages between the communities’ (organisations) institutions on either side of the border.
In general, the "people-to-people" character of the individual projects and the overall scope of the fund guarantee a high degree of cross-border relevance of the scheme.

3. **Description**

3.1 **Background and justification:**

The Slovak government policy towards border regions is part of the national government’s regional policy. In addition, the promotion of friendly relations with neighbouring countries is an important tenet of Slovak foreign policy. The development of closer cross border co-operation is regarded as an important mechanism in the creation of favourable conditions for European integration.

The priorities and evaluation process of this project are similar to the INTERREG III A Programme established to support border regions in the EU Member States. As the INTERREG Programmes are financed from the EU Structural Funds, the Slovak Republic relevant administration will become acquainted with EU procedures and regional development practices. The programme is therefore a very important instrument in preparation for European integration and it is an essential part of the pre-accession strategy.

The status of technical infrastructure in the Slovak/Ukraine border regions is generally very poor, requiring substantial rehabilitation, improvement, and re/construction. The drinking water systems, sewerage systems, community heating systems, energy supply systems, and telecommunications infrastructure have all fallen into bad condition and require investment.

The specific objective of this project is to support actions of a genuine cross-border nature, notably "people-to-people" and small scale infrastructure actions. It shall serve as a basic for the future co-operation after Slovakia's accession within the INTERREG III A program.

3.2 **Linked activities:**

Since 1996, all Joint Small Projects Funds at the Slovak/Hungarian Border and since 2000, all Joint Small Projects Funds at the Slovak/Polish Border.

3.3 **Results:**

1. Several projects fulfilling objectives of this JSPF and regional development in relevant border region supported.
2. Regional Authorities acquainted with future INTERREG III A projects preparation

3.4 **Activities**

a) **Joint Small Projects Fund - Window "People-to-people actions"**

The JSPF will provide financial support to small-scale actions in various fields of activities. The general aim of the sub-programme is to support “people-to-people” projects and non-investment projects, encouraging local involvement and facilitating the
implementation of small-scale actions that constitute the basis for future larger cross-border co-operation projects in the framework of the INTERREG IIIA/TACIS programme.

The Fund will support small-scale people-to-people actions across the following priority areas:

**Local Democracy:**

Schemes will be supported that help create and intensify the skills of organisational structures in local and regional public administration and other elements of a democratic society (chambers of commerce, trade associations, trade unions, NGOs). Relevant training courses and information will be provided supporting exchange visits, project preparation and procedural matters. Joint projects may also involve the elaboration of materials for distance learning and so forth. Exchange of know-how and experience in education at various levels will also be supported.

**Economic Development:**

Support for small projects focusing on economies, which enhance the economic base of the border region. For example proposals for the development of a small-scale enterprise, marketing initiatives, exhibitions, advertising events, etc.

**Environment**

Projects focusing on regional environmental issues with genuine cross-border impact, also including studies, environmental assessments, training, actions aimed at increasing public environmental awareness, etc.

**Tourism:**

The JSPF will provide funding for a range of “soft” actions for tourism development - studies, planning, institutional strengthening measures, specific SME training and related HRD programmes with genuine cross-border impact.

**Cultural Exchanges:**

Cultural exchanges between local communities, youth; artistic activities; folk events and similar actions with the emphasis on the establishment of traditions and long-term co-operation.

**Health**

JSPF will provide funding for measures to promote co-operation in health, particularly the sharing of resources and facilities on a cross-border basis.

**Information flow**

Projects dealing with the development or establishment of facilities and resources to improve the information and communications flow between Slovak/Ukrainian border regions, including support for cross-border radio, television, newspapers and other media.
In addition, the JSPF can support projects for joint planning in the eligible border region, for framing joint research programmes, drawing-up joint strategies for regional development with the aim to jointly define the development priorities.

The total budget allocated for this window is 0.5 MEUR. The grant size may vary from 1,000 to 50,000 EUR. The beneficiary will have to provide a minimum co-financing contribution of 10% of the budgeted project cost.

b) Joint Small Projects Fund - Window "Small scale technical and other infrastructure projects"

The eligible actions (with a genuine cross-border nature), under this window of the JSPF, include inter alia small-scale infrastructure projects in the following areas:

- Transport infrastructure;
- Drinking water systems;
- Sewerage and waste water treatment systems;
- Energy systems.
- Rehabilitation of Tourism Attractions: this action relates to the provision of support for restoration work on architectural heritage, monuments, cultural/community buildings which form part of the overall tourism infrastructure. Projects involving buildings registered in the list of National Heritage will be prioritised.

The total budget allocated to this window is 0.9 MEUR. This window shall provide grants in the range of 100,000 – 300,000 EUR for the procurement of works, services and supply. The minimum co-financing contribution of the project beneficiary is 25% of the total project cost.

Organisations eligible for support will be non-profit or non-governmental organisations as follows:

- Non-profit organisations, tourism associations
- Municipal, educational institutions
- HTU - Higher Territorial Units, municipalities
- Bodies of the public administration
- Co-operation, association of the above organisations.

Profit oriented organisations are not eligible.

The projects to be eligible must comply with the following criteria:

CBC criteria:
- Co-operation between Ukrainian and Slovak partners - common project preparation

Formal selection criteria (in accordance with the evaluation grid of PRAG):

Relevance:
- Conformity with relevant regional development plans Relevance of the project to the needs of the target group.
Methodology:
• The preparedness and elaboration of the project proposal.
• Involvement of the partners in the elaboration of the project proposal.
• Realistic time-schedule for implementing of the project proposal.
• Well-defined target group.

Sustainability:
• Further utilisation and long term sustainability of the project results.
• Beneficial social, economic and environmental impacts of the project results.
• Possible multiplier effects of the project results.

Budget and cost effectiveness:
• Transparency of the financial plan of the project proposal.
• Justification of the planned budget.
• Cost effectiveness of the development.

Management capacity and expertise:
• Availability of the necessary personal, organisational and institutional capacity for the implementation of the project proposal.
• Developments implemented with the collaboration of various municipalities or organisations (consortia).

3.5. Lessons learned

The recommendations of interim evaluation, monitoring and assessment reports of the past Phare CBC Slovakia-Poland and Slovakia-Hungary programmes (relevant for this border region) notably for the JSPF have been taken into duly consideration at the designing stage of this design.

4 Institutional Framework

The JSPF will be managed in accordance with the “Practical Guide to Phare, ISPA and SAPARD Contract Procedures”. The Call for Proposals is to be prepared by the Contracting Authority and is to be approved/endorsed by the EC Delegations.

The recipient institution is the Ministry of Construction and Regional Development, the Regional Development Support Agency of the Ministry of Construction and Regional Development of the SR, which will be responsible for the technical and financial management of the JSPF.
5 Detailed Budget (in MEUR)

<table>
<thead>
<tr>
<th>Joint Small Projects fund</th>
<th>Phare Support</th>
<th>Total Phare (I+IB)</th>
<th>National Co-financing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Institution Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Window 1 - &quot;People-to-people&quot; actions</td>
<td>0.5</td>
<td>-</td>
<td>0.5</td>
<td>*</td>
</tr>
<tr>
<td>Window 2 - &quot;Small scale infrastructure projects&quot;</td>
<td>0.9</td>
<td>-</td>
<td>0.9</td>
<td>0.3**</td>
</tr>
<tr>
<td>Total</td>
<td>1.4</td>
<td>-</td>
<td>1.4</td>
<td>0.3</td>
</tr>
</tbody>
</table>

* All actions financed under this window will require a minimum financial contribution from the beneficiary of 10% of the eligible project costs.

** The national co-financing for a minimum contribution of 0.3 MEUR (25% of total project costs) will be ensured through the 2004 State Budget.

6 Implementation Arrangements

6.2 Implementing Agency:

Ministry of Construction and Regional Development of SR  
Regional Development Support Agency  
Špitálska 8  
816 44 Bratislava  
PAO: Mr. Július Slovák  
Tel: +421 2 5975 3414  
Fax: +421 2 5975 3438

6.3 Twinning: N/A

6.4 Non-standard aspects

The Practical guide to Phare, ISPA and SAPARD contract procedures will be strictly followed for contracts co-financed by Phare.

6.5 Contracts

The JSPF with two windows will be implemented through a call for proposals according to the PRAG rules on JSPF. Beneficiaries will sign Grant Contracts with the PAO laying down the rules of the project implementation based on the list of supported projects approved by the IA and endorsed by the EC Delegation in case of the Phare co-financed projects. Tendering and contracting of the required services and supplies will follow the PRAG manual.

7 Implementation Schedule

7.1 Start of tendering/call for proposals: 1st Q 2004  
7.2 Start of project activity: 2nd Q 2004  
7.3 Project Completion: 4th Q 2005
8 Equal Opportunity

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

9 Environment

Project proposals having potentially negative environmental impact will not be eligible for funding.

10 Rates of return

The individual project applications submitted to the IA for grants shall determine the rate of return of individual investments in the form of indicators.

Each study will contain the calculation of the economic and financial internal rate of return. The period covered by the analysis will be based on the works life and will include its construction and operation periods.

11 Investment criteria

11.1 Catalytic effect:

Most of the projects eligible for funding could not be implemented without the Phare financial assistance.

11.2 Co-financing:

The national co-financing for a total value of 0.3 MEUR is 25% of the project costs. The national co-financing will be financed from the state budget.

11.3 Additionality:

Financial support to be provided by Phare will not replace any other funding. The projects implemented in the Joint small projects fund are of a public nature and are not suitable for funding from private funds due to the low financial rate of return on the investment.

11.4 Project readiness and Size:

A draft of the Co-operation Agreement, Call for Proposal, Application form, Guidelines for applicants and Grant Contracts will be elaborated by all concerned organisations (Ministry of Construction and Regional Development). All documents shall be prepared according to the PRAG template and submitted to the Delegation for endorsement prior to the launch of the Call for proposals.

11.5 Sustainability:

Projects implemented under the JSPF must be sustainable and comply with European norms and standards and must be in compliance with applicable EU laws.

11.6 Compliance with state aids provisions
The investment respects the state aid provisions of Slovak Law 231/99 on State Aid and to the Europe Agreement.

11.7 Contribution to National Development Plan

The project contributes to the achievement of the objectives of the Sector Operational Programme Economic Development of the NDP approved by the Government Decree 240/2001.

12 Conditionality and sequencing

Implementation of the JSPF is conditioned by the successful completion of the following steps:

<table>
<thead>
<tr>
<th>Step</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitting for approval of the JSPF Operational Guidelines and the Call for Proposals documentation to the DEC</td>
<td>In 3 months after the signature of the Financial Memorandum</td>
</tr>
<tr>
<td>First Call for Proposal</td>
<td>In 2 months after submitting for approval of the JSPF documentation to the DEC</td>
</tr>
<tr>
<td>Signature of grant contracts</td>
<td>In 3 months after the first invitation is published and in one year after the Financial Memorandum signature</td>
</tr>
<tr>
<td>Completion of projects</td>
<td>3 months prior to the grant disbursement period ends</td>
</tr>
<tr>
<td>Last date of grants disbursement</td>
<td>In 3 years after the FM signature</td>
</tr>
</tbody>
</table>

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule
<table>
<thead>
<tr>
<th>Overall Objectives</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- To develop good neighbourhood relations</td>
<td>Number of joint projects of cross-border nature increased; Sustained social and economic development in the eligible border regions</td>
<td>Local governments data</td>
<td>Favorable political climate, successful integration process into the EU</td>
</tr>
<tr>
<td>- To support social and economic actions of a cross-border nature thus alleviating the risk of a new dividing line at the future EU external border (Slovak/Ukrainian border)</td>
<td></td>
<td>Reports of the Central Statistics Office</td>
<td>Continued economic positive trend</td>
</tr>
<tr>
<td>- Contribute to the social and economic development of the eligible border regions, thus reducing the peripheral character of these regions;</td>
<td></td>
<td>Municipal statistics</td>
<td>More efficient support of business through tourism on national and regional levels</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- To support investment and non-investment actions of a genuine cross-border nature at the future EU external border region (Slovak/Ukrainian border)</td>
<td>Development of cross-border partnerships increased; Number of eligible projects implemented</td>
<td>JCC Reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Monitoring and assessment reports</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Municipal statistics</td>
<td></td>
</tr>
</tbody>
</table>

**Programme name and number:** 2003-004-995-03-12  
**Date of drafting:** February 2003  
**Contracting period expires:** 30.11.2005  
**Disbursement period expires:** 30.11.2006  
**Total Budget:** 1.7 MEUR  
**PHARE contribution:** 1.4 MEUR
## Results

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Several sub – projects fulfilling the objective of this Project Fiche and Regional Development in relevant border region supported.</td>
<td>Reports from beneficiaries</td>
<td>Close and co-ordinated co-operation and support of national authorities and regional level</td>
</tr>
<tr>
<td>Regional Authorities acquainted with INTERREG III A projects preparation</td>
<td>Monitoring reports</td>
<td>Interest in an active co-operation with counterpart participants</td>
</tr>
<tr>
<td>Number of joint projects supported</td>
<td>Project dossiers</td>
<td>Better information exchange</td>
</tr>
<tr>
<td>Number of “people to people” actions carried out, meeting of socio-economic and cultural organisation, published documentation on cross border activities, on tourism institution in the cross-borer area</td>
<td>Questionnaires</td>
<td></td>
</tr>
<tr>
<td>• Reports from beneficiaries</td>
<td>• Final report of the project</td>
<td>• IA CBC reports</td>
</tr>
<tr>
<td>• Monitoring reports</td>
<td>• Minutes of Evaluation Committee</td>
<td>• Regional media</td>
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</table>

### Activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost</th>
<th>Assumptions</th>
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</thead>
<tbody>
<tr>
<td>1. JSPF-people-to people projects</td>
<td>Grant</td>
<td>0.5 MEUR</td>
<td>Active Co-operation of the Slovak and Ukrainian partners</td>
</tr>
<tr>
<td>2. JSPF -small infrastructure projects</td>
<td>Grant/Works</td>
<td>0.9 MEUR</td>
<td>Sufficient number of suitable projects and efficient co-operation between IA’s and beneficiaries</td>
</tr>
</tbody>
</table>

### Preconditions

Trained and sufficiently staffed structures for the programme implementation
## TIME IMPLEMENTATION CHART

### Project component 2004 2005 2006

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>JSPF</td>
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</tr>
<tr>
<td>Window 1 -“People to people” actions</td>
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<td>√</td>
</tr>
<tr>
<td>Window 2 - &quot;Small scale infrastructure projects&quot;</td>
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## CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (MEUR)

Phare External Border Initiative

<table>
<thead>
<tr>
<th></th>
<th>1.Q.04</th>
<th>2.Q.04</th>
<th>3.Q.04</th>
<th>4.Q.04</th>
<th>1.Q.05</th>
<th>2.Q.05</th>
<th>3.Q.05</th>
<th>4.Q.05</th>
<th>1.Q.06</th>
<th>2.Q.06</th>
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<td>0.9</td>
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