PHARE CBC Programme 1998 Slovenia - Austria

Project: SL 9807.01

Title: REGIONAL AND SPATIAL DEVELOPMENT

LOCATION: Border Area Slovenia/Austria

FIELDS OF CBC COOPERATION: Tourism Development, Border transport, Human Resources Development, SME Development, Small Projects Fund

OBJECTIVES

The aim of this project is in compliance with the measures as identified in the Multi-annual Indicative Programme (MIP) for the priorities of Economic Development, Infrastructure and Transport, Human Resources and Technical Assistance:

- creation of better support facilities and structures for businesses in the border region
- strengthen information linkages to overcome lack of communication and exchange of expertise and know-how
- regeneration of formerly heavily industrialised areas (Jesenice, Maribor)
- improving existing and development of new tourist offer in integrated tourism zones
- modernising and/or building new tourism and transport infrastructure network
- improvement of institutional links for joint marketing and promotion of border tourism
- closer co-operation of the local, regional and national authorities on both sides of the border through joint SLO/development
- enhancing the skill level of human resources and broaden the concept of regional/local labour market

The PHARE CBC SLO/A 1998 Spatial and Regional Development project will provide support that will have the following cross border impact:

- development of a compatible information systems (computer, printed, media)
- harmonisation of transportation networks (railway, cycling)
- transfer of know-how and direct exchange of expertise and human resources
- stipulation of joint development initiatives
- easier access to and from the local tourist and regional centres and developing joint tourist products/services
- complementarity with the Interreg II regional development projects such as European Without Frontiers, Adventures without frontiers, Trilateral Business Park and Business Incubator, etc.

The objectives of this Regional Development project comply with the Slovenia: Accession Partnership (AP) as of March 1998 in the fields of Regional Development, Enterprise Sector Reforms, Transport, Human Factor and Labour Market and with then objectives of the National Plan for the Adoption of the Acquis (NPAA) in the following ways:-

- facilitate and stimulate growth of fast growing, innovative and export oriented SME
- improvement of technology transfer and R&D results, dissemination of knowledge to the enterprise sector through institutional reform and the creation of technological centres/parks, R & D Units and consultancy.
- improvement of regional transport networks as a part of the drive for further regional development initiatives
- slow down the depopulation of rural areas, increase the role and attraction of regional development centres
- improve the quality of human resources by improving quality of education, strengthen the link between the demands of the labour market and education and training institutions and having special programmes for depressed areas.
- joint studies and assessment reports.
PROJECT DESCRIPTION
The project will have 4 distinct components:

I) Spatial and Regional Development project consists of four subprojects: Border Tourism and Infrastructure Development  
II) Human Resources Development  
III) Small and Medium Size Enterprises Development  
IV) Small Projects Fund

BRIEF SUMMARY OF SUBPROJECTS AND INSTITUTIONAL FRAMEWORK

I.a.) Border Tourism and Infrastructure Development
The subproject aims to increase number of visitors and also the length of stay in the area and to improve the variety and quality of joint SLO/A tourism services/products. It also aims to better promote and jointly market the tourist offer by setting up compatible information system and by investments in border tourism infrastructure. The following are the specified activities in this subproject:

- **Cycling track Drava-Mura:** Connecting European and Austrian cycling networks to Slovenian ones. Construction of cca 28 /km cycling track from the international border crossing Vič-Dravograd to the border crossing Radelj thus linking the tourist centres in Koroška/KŠrnten regions.
- **Cycling tracks of three countries:** This involves the use of the former railway track for the purpose of building a cycling and recreational trail cca 28 km long thus connecting the three bordering countries Slovenia/Austria/Italy.
- **Tourism Development between Pohorje and Mura:** An on-going Phare CBC project for setting up thematic trails such as Hiking and teaching Routes, Cycling Routes and provision of tourist information facilities in Styria.
- **Computer Supported Tourist Information System:** Research and analyses of the joint SLO/A tourist offer will be used as a base to develop a compatible computer information system that could connect all the existing tourist information offices in the SLO/A border regions. Also some modern information systems such as information towers and electronic displays are to be made available for use of visitors in the appointed tourist resorts.
- **Logistic Centre Maribor:** This sub-project is related to Module B of the Interreg II C project SPIL (Slovenian Transportation, Information and Logistic Infrastructure). The project involves the undertaking of a pre-feasibility study and preparation of spatial documentation with a view to the expansion and modernisation of the railway terminal at Maribor. The study will look at the technical and institutional infrastructure and the communications networks with the other transport partners within Slovenia and in neighbouring countries i.e ports, airports, railway and road carriers with a view to achieving a greater level of cooperation and co-ordination between the various sectors and assessing the critical role of Maribor in this network and the real need or otherwise for the development of the Maribor facility.

I.b.) Institutional Framework
This project will be supervised and co-ordinated by border development institutions such as Tourist Information Centres, Regional Development Agencies and selected agencies in municipalities in cooperation with cross-border counterpart institutions such as the Austrian Institute of East and Southeast European Studies and …KO Plan-Graz. Both of these institutions have sufficient expertise and knowledge also gained by managing projects in previous Phare CBC programmes, however additional expertise might be requested to review and assess Technical Documents and Terms of References. The Beneficiaries are municipalities and tourist associations in the Alpine area of Gorenjska (north-west of Slovenia). Contractors will be selected following standard Phare DIS tendering procedures for works, supply and services.
II.a.) Human Resources Development

The immediate objective of this subproject is to enable the development of compatible vocational education and training courses and the identification and documentation of a border area labour pool to meet specific requirements of the border area SME’s and Industries for the skilled labour. For achievement of this goals the subproject activities will be dealt with in three sub-projects as follows:

- **Co-operation Among Vocational Schools:** five Vocational Schools from the Koroška area will exchange and pool information with their counterpart Vocational Schools in KŠrnten/A using improved computer information system and modernisation of equipment in classrooms, workshops and laboratories. Joint seminars dealing with the Slovene and Austrian methods of teaching for teachers, exchanges of SLO/A students, meetings of school directors and employers and a conference to present the results of both Slovene and Austrian vocational education systems are foreseen as well.

- **Regional Human Resource Development Centre, Maribor:** Restoring cca 360 m² of building in Maribor for the use by a new Human Resources Development Foundation as a training centre including incubator units, managed workspace, training facilities and consultancy offices.

- **Short-Term Technical Assistance:** Short-Term Technical assistance specific to the programme implementation will be provided

II.b.) Institutional Framework

The institutions involved in supervising the Co-operation Among Vocational Schools are Municipalities from Koroška, Regional Chambers of Commerce, the Slovene Economic Association from Klagenfurt/A and Maribor Regional Development Agency. The first phase of the activity e.i. joint feasibility study financed through the Small Projects Fund CBC 1995, has been completed. The co-ordinator of the HRD training centre sub-project is Maribor Regional Development Agency, which has had previous experience of implementing projects under Phare CBC Programmes. Additional assistance might be needed to prepare Terms of Reference and to revise Technical Specifications/Documents.

III.a.) Small and Medium Sizes Enterprises Development

The overall aim of this subproject is to foster economic growth in areas hit by the decline of heavy industry which has given rise to high levels of unemployment and created social difficulties. With the help of the CBC 1998 programme, ongoing support is given to remedial activities started in CBC 1995 and 1996 programmes:

- **Economic and Spatial Regeneration of Jesenice:** This activity is based on the outcome of a feasibility study prepared using funds from the 1995 CBC Programme. The study looked at way of regenerating the town and region of Jesenice and it’s main recommendation was to set up a Regional Development Agency. The goals of this activity are to attract employment creating businesses to the area by the modification of redundant industrial buildings on the location of the former Steel Industry for use as industrial premises, by promotional activities, by a well prepared strategy of SME development, by the undertaking of a SWOT analysis of business potential in the area and by putting in place the communal infrastructure needed for further development of a business/ small industry zone.

- **Innovation Promotion and Transfer of SME Technology:** Various developments at the Styrian Technology Park near Maribor were funded under CBC Slo/A 1995 and 1996 Programmes. It is now proposed to establish a State Innovation Agency which will have responsibility on a national scale for Technology and Innovation promotion. It is proposed that the existing Styrian Technology Park, which currently performs similar tasks but on a local / regional level and which has special relationship with counterpart centres in southern Austria, should become a regional facility for the State Innovation Agency.

- This activity aims to enable the Styrian Technology Park to continue to develop in-house and to transfer in technological innovations / new production processes with direct application to the existing projects in the Park. This will enable the Styrian Technology Park to continue to create a network of local and
foreign innovators and to continue to expand it’s sphere of influence outside the confines of the Park. This will complement the work of the National Agency whenever it becomes operative.

III.b. Institutional framework

The institutions supervising the subproject activities are: the Municipality of Jesenice, acting as representative for the bordering municipalities in Gorenjska area and their partner institutions from Austria, Kärntner Wirtschaftsförderungs Fond, Carnica-Region Rosental.. The Styrian Technology Park is the institution supervising the Innovation Promotion and Transfer of SME Technology project. The management of the Technology Park have notably proven themselves in the implementation of development projects in previous CBC programmes, however assistance might be needed to review and assess Terms of References and Technical documentation. The Beneficiaries of this projects are Municipalities and border institutions for development of SME sector. Contractors are to be selected through the Phare DIS standard tendering procedures.

IV.a.) Small Projects Fund

This project involves People-to-people exchanges in the fields of economic, cultural and social life of the border area. Non-profit organisations such as professional and special-interest associations are shown to have a positive impact on creating a number of long-term direct links and quality joint activities amongst the border organisations. For this reason a Small Projects Fund has been created as a flexible funding instrument, managed at the local level to ensure maximum subsidiary.

IV.b.) Implementation arrangement

A Steering Committee consisting of representatives of regional and local authorities, border institutions and NGOs. will be appointed who will approve the guidelines for the Fund and selects the projects. A Secretariat will be contracted to provide technical and professional support and operate as the supervising agency. Direct beneficiaries are local non-profit organisations, municipalities.

BUDGET

<table>
<thead>
<tr>
<th>Subprojects</th>
<th>Investment</th>
<th>Institution Building</th>
<th>Total Phare (=1+1B)</th>
<th>Recipient</th>
<th>IFI</th>
<th>Total Phare+Sl (Mecu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIS</td>
<td>HQ</td>
<td>DIS</td>
<td>HQ</td>
<td>DIS</td>
<td>HQ</td>
<td>DIS</td>
</tr>
<tr>
<td>I) Border Tourism and Infrastructure Development</td>
<td>760.000</td>
<td>235.000</td>
<td>995.000</td>
<td>400.000</td>
<td>1,395</td>
<td>1,395</td>
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<tr>
<td>II) Human Resources Development</td>
<td>280.000</td>
<td>60.000</td>
<td>340.000</td>
<td>650.000</td>
<td>0,990</td>
<td>0,990</td>
</tr>
<tr>
<td>III) SME Development</td>
<td>200.000</td>
<td>240.000</td>
<td>440.000</td>
<td>250.000</td>
<td>0,690</td>
<td>0,690</td>
</tr>
<tr>
<td>IV) Small Projects Fund</td>
<td>400.000</td>
<td>100.000</td>
<td>500.000</td>
<td>125.000</td>
<td>0,65</td>
<td>0,65</td>
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<tr>
<td>TOTAL</td>
<td>1,640,000</td>
<td>635,000</td>
<td>2,275,000</td>
<td>1,425,000</td>
<td>3,700</td>
<td>3,700</td>
</tr>
</tbody>
</table>
IMPLEMENTATION ARRANGEMENTS:

The Project will be managed with the support of the Programme Implementation Unit (PIU) within the Ministry of Economic Relations and Development. As far as the Implementing Authorities are concerned the split will be as follows:

<table>
<thead>
<tr>
<th>Components</th>
<th>Implementing Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regional and spatial development</td>
<td></td>
</tr>
</tbody>
</table>
| 1.1. Border Tourism and Infrastructure Development | - Cycling track Drava Mura: Ministry of Transport  
- Cycling tracks of 3 countries: Ministry of Transport  
- Tourism development: Ministry for SME and Tourism  
- Computer Supported Tourist Info System: Ministry for SME and Tourism  
- Logistic Center Maribor: Ministry of Transport |
| 1.2. Human Resources Development | - Cooperation among VET schools: Ministry of Education  
- Regional HRD Center Maribor: Ministry of Labour Family and Social Affairs  
- TA: Ministry of Economic Relations and Development |
| 1.3. SME Development | - Economic and Spatial Regeneration: Ministry of Labour Family and Social Affairs  
- Innovation, Promotion and transfer of SME technology: Ministry for SME and Tourism |
| 1.4. Small Projects Fund | Ministry of Economic Relations and Development |

The CFCU will have the responsibility for the tendering, contracting, payments and financial reporting for the procurement of services, supplies and works.

IMPLEMENTATION SCHEDULE:

<table>
<thead>
<tr>
<th>Preparation of Terms of Reference</th>
<th>Tendering</th>
<th>Start of project activities</th>
<th>Completion</th>
</tr>
</thead>
</table>

ENVIRONMENT

I. Border Tourism and Infrastructure Development: Environmental assessment reports for transportation network (for Cycling Tracks of three Countries) have been prepared and are available at the Urban Planning Institute of Slovenia and at the Styrian Interreg II project, Lander Radregion Drau-Mur-Radwegand. An Environmental Impact Assessment was prepared for Tourism Development, Pohorje-Mura, as a part of the CBC 1995 programme. Spatial planning documents have also been prepared for border municipalities and can be obtained from the Municipalities. No negative environmental impacts are foreseen. On the contrary, projects should contribute to the improvement of border environment.

II. Subproject Human Resources Development: Environmental impact report is available at Maribor Development Agency and does not foresee negative impacts.

III. SME Development: Environmental impact report has not been produced for Economic and Spatial regeneration of Jesenice, however the feasibility study financed from Phare CBC 1995 shows that this subproject activity will have the following positive environmental impacts: regeneration of local economy into low polluting activities, clean-up of contaminated sites, improvement of health, improvement of quality of Sava river, improvement of appearance of the town. Spatial planning documents, defining infrastructure corridors, land use, etc. are currently being approved at the Municipal level and will be available.
IV. Small Projects Fund: activities under this subproject do not foresee infrastructure investments but rather focus on “soft” local development activities. Environmental Impact Assessment is therefore not applicable.

Environmental Impact Assessment is also not applicable for activities not specially mentioned here that are specified above within the four subprojects.

RATES OF RETURN
Not applicable

INVESTMENT CRITERIA
Not applicable

CONDITIONALITY AND SEQUENCING

Sectoral Framework Contract system in place, timely and adequate preparation of Terms of Reference and Technical Documents / Tender Dossiers, Land and building title documents transferred in time and a capable Secretariat selected for Small Projects Fund management.

ANNEX:

- Log-frame matrix
**Programme name:** Phare CBC SLOVENIA / AUSTRIA 1998  
**Programme No.:**  
**Date of drafting:** Aug.1998  
**Contracting period expires:** 31/12/2000  
**Disbursement period expires:** 31/12/2001  
**Total budget:** 3,700,000 ECU  
**Phare Contribution:** 2,275,000 ECU

### LOGFRAME MATRIX FOR PROJECT: Regional and Spatial Development

#### Project number SL9807.01

<table>
<thead>
<tr>
<th><strong>Wider Objective</strong></th>
<th><strong>Indicators of Achievement</strong></th>
<th><strong>How, When and by Whom Indicators Will be Measured</strong></th>
<th><strong>Assumptions and Risks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>strengthen economic growth</td>
<td>reduced number of unemployed people</td>
<td>Programme Assessment Reports</td>
<td>Governmental Commitment to accession measures</td>
</tr>
<tr>
<td>increase competitiveness in tourism</td>
<td>diversified economic activities</td>
<td>Regional, State and CEC/EU Statistical and Analytical Researches</td>
<td>Continued co-operation between Slovenia and the EU partner institutions</td>
</tr>
<tr>
<td>regeneration of depopulated and depressed areas due to decline in heavy industry</td>
<td>attracting more visitors and residents</td>
<td>Sectoral Feasibility Studies</td>
<td>Timely approval of the national budget and availability of all funds for the project</td>
</tr>
<tr>
<td>joint use of human resources</td>
<td>increased number of joint economic activities and investment opportunities</td>
<td>Employment statistics</td>
<td>Co-operation of identified partner institutions</td>
</tr>
<tr>
<td>building technical and institutional environment for better promotion and facilitation of CBC contacts</td>
<td>competitive institutional and organisational framework</td>
<td>National/Regional Development Strategies</td>
<td>Sustainability of the project after its completion</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Stability of Phare CBC implementation procedures &amp; framework institutions</td>
</tr>
</tbody>
</table>

#### Immediate Objective

<table>
<thead>
<tr>
<th><strong>Indicators of Achievement</strong></th>
<th><strong>How, When and by Whom Indicators Will be Measured</strong></th>
<th><strong>Assumptions and Risks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>compatibility of labour</td>
<td>Employment statistics</td>
<td>Commitment of local partner institutions</td>
</tr>
<tr>
<td>increased number of joint co-operations and initiatives</td>
<td>Number of joint CBC SLO/A projects</td>
<td>Timely preparation of the project documents and commitment to the contracting conditions</td>
</tr>
<tr>
<td>increased number of visitors and days they spend in the area</td>
<td>Regional, State and CEC/EU Statistical and Analytical Researches and Feasibility Studies</td>
<td>Provision of land and building documents</td>
</tr>
<tr>
<td>increased direct investments in the area</td>
<td>Investments forecasts/reports of State, EC/CEC</td>
<td>Commitment to the institutional framework structures involved in implementation</td>
</tr>
<tr>
<td>network of organisations and managers</td>
<td></td>
<td>Lack of qualified and well capable human resources</td>
</tr>
</tbody>
</table>

#### Outputs

<table>
<thead>
<tr>
<th><strong>Indicators of Achievement</strong></th>
<th><strong>How, When and by Whom Indicators Will be Measured</strong></th>
<th><strong>Assumptions and Risks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>feasibility studies used as a guideline for regional and spatial development</td>
<td>Monitoring and Assessment Reports of Contracting and Implementing Agencies</td>
<td>Commitment of the implementation framework and border partner institutions to the projects objectives</td>
</tr>
<tr>
<td>better recognition of development potentials of the area</td>
<td>Records of border partner institutions</td>
<td>Financing and human resources available on time</td>
</tr>
<tr>
<td>increased number of visitors and investors</td>
<td>Regional, State and CEC/EU Statistical and Analytical Researches and Feasibility Studies</td>
<td>DIS procedures remain stable thus insuring that no major delays happen with award of contracts</td>
</tr>
<tr>
<td>training facilities serving its purposes</td>
<td>Site visits</td>
<td>Efficiency of project managers and timely submission of project’s documents such as building and land permits, technical specif., ToR</td>
</tr>
<tr>
<td>fluent programme implementation</td>
<td></td>
<td>Acquaintance of contractors with Phare procedures</td>
</tr>
<tr>
<td>increased number of joint CBC projects</td>
<td></td>
<td></td>
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</tbody>
</table>

#### Inputs

<table>
<thead>
<tr>
<th><strong>Indicators of Achievement</strong></th>
<th><strong>How, When and by Whom Indicators Will be Measured</strong></th>
<th><strong>Assumptions and Risks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>specification of equipment needed</td>
<td>feasibility studies</td>
<td>commitment to contractual obligations</td>
</tr>
<tr>
<td>quality of Terms of Reference &amp; Technical Documents</td>
<td>status reports prepared by PIU</td>
<td>availability of the adequate equipment</td>
</tr>
<tr>
<td></td>
<td>site visits</td>
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</tbody>
</table>