Title: PHARE CROSS-BORDER CO-OPERATION SLOVENIA/ AUSTRIA 1999

Sub-programmes: 1) SMALL PROJECTS FUND
Geographical Location: Border Areas Slovenia/Austria

Objectives:

The aim of the project is in compliance with the measures as identified for the Phare CBC in the Commission Regulation of December 1998, especially with articles 5 j to n.

In reference to the Accession Partnership, this project aims to support the integrated approach with addressing regional disparities in order to participate in the EU pre-structural programmes. By strengthening and development of people-to-people border initiatives, this project reinforces the implementation of the newly approved Law on Balanced Regional Development and helps with restructuring of the border services (e.i. Duty Free Shops, border control services).

In relation to the National Programme for the Adoption of the Acquis, the project meets the following objectives and targets that are in reference to the fields 1.2.9.3 (Human Factor and Labour Market), 1.2.12.1, 1.2.12.3, (Regional Development):

- reorientation towards active measures
- elimination of the measures creating market distortions and violating the EU regulations on state aid
- encourage job creation
- reduce skill mismatch
- slow down the depopulation of rural/peripheral areas
- strengthen the institutions within the specific programme for the adjustment in the field of structural policy, based on consultancy, education and exchange of experts
- ensure conditions for monitoring the effectiveness of regional policy measures

The Phare CBC SLO/A 1999 sub-programme, i.e. the Small Projects Fund will have the following CBC impacts:

- inclusion of the new joint CBC 2000-2004/INTERREG III programmes/priorities into the Slovene and Austrian National Development Plans and regional strategies
- joint identification of means and measures for restructuring border services (minimising and preventing socio-economic disparities due to changes introduced with restructuring)
- sustaining the existing CBC/Interreg small and medium size “people-to-people” initiatives and development of joint new initiatives
- exchange of experts and know-how, maintaining links with the neighbouring institutions.

Description:

Measure 1: Small Projects Fund

This project involves people-to-people exchanges in the field of economic, cultural and social life of the border area. Non-profit, decentralised organisations such as professional and special interest associations in the regions are shown to have a positive impact on creating a number of long-term direct links. The SPF proves to remain a flexible instrument, managed at local level to ensure maximum level of subsidiary.

Within activities we foresee also elaboration of the future CBC/Interreg III programmes; inclusion of the results to the National and Regional Development Plans including preparation of an action plan to indicate instruments (such as financing and organisational instruments) for restructuring of the present border services.
Among the eligible “soft” actions for the local level are: cultural exchanges, local democracy, human resources, spatial planning and development studies, economic and tourism, management and technical assistance.

Institutional framework:

Ad1.
The project will be supervised and co-ordinated through the Ministry of Economic Relations and Development (MoERD) which is currently in charge of the Phare CBC Programme. Additional Technical Assistance might be needed with specific project activities and should be provided upon request by the contractor selected on the basis of the DIS system. The Implementing Authority has a widespread network of partners in the regions and sufficient staff skilled in Phare procedures within the central office in Ljubljana as well as in the regional offices in the border regions.

The beneficiaries are border municipalities and other new and existing regional institutions (e.i. Chambers of Commerce, Agricultural Institutes, Business and Technology Parks, NGOs and NPOs). With the exception of the new institutions which might be established during the course of the implementation of the new CBC programme, all institutions are mostly very well acquainted with the Phare and other EU procedures since majority of them was actively involved in the previous CBC programmes.

The Small Projects Fund will be managed locally via the secretariat which will be hosted by a local development agency. Technical support, if needed, will be provided following the DIS rules and procedures.

Projects are selected and monitored by a local steering committee, which comprises the representatives from the border regions. The steering committee is nominated by the Implementing Authority of the CBC Programme (MoERD). The role of the secretariat is also to define the eligible criteria, areas of the SPF co-operation and the minimum and/or maximum amount of funds to be allocated to the projects within the specific Small Projects Fund. The system is well in place.

Budget

<table>
<thead>
<tr>
<th>TITLE OF THE SUB-PROGRAMMES</th>
<th>Investment</th>
<th>Institution Building*</th>
<th>Total Phare ($I+I_B$)</th>
<th>Recipient*</th>
<th>IFI**</th>
<th>- TOTAL Phare + SL (MEUR)</th>
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<tbody>
<tr>
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<td>0,5</td>
<td>0,13</td>
<td></td>
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<td>0,630</td>
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<td>0,5</td>
<td>0,13</td>
<td></td>
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<td>0,630</td>
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</table>

** MoERD is contributing EUR 30,000, financing is also provided by beneficiaries in the minimum amount of 25% of the total project value for the Small projects fund.

Implementation arrangements

Ad1. Small Projects Fund

Project is implemented following the approval of specific guidelines for SPF by the Delegation. Guidelines are submitted by the appointed steering committee involving representatives from the border regions as active members as well as observers consisting of the representatives from the bordering country, PIU and EC Delegation. The Steering Committee also appoints an expert panel to assess project proposals, agrees on priority measures, structures and procedures. Other institutions involved in SPF are:
- secretariat, which provides technical and professional support as specified in the SPF guidelines (such as issues call for proposals, assist in project preparation, process the projects received, contracting, monitoring, reporting etc.),
- PIU which has overall responsibility to the Commission for the expenditure of funds
- the project proposers or beneficiaries are the eligible organisations such as municipalities, county or district level organisations, inter communal co-operation organisations, Chambers of Trade and Commerce, local enterprise development agencies, foundations, associations and other NGOs and NPO’s from the eligible region.

The project applicant also provides the necessary co-financing of the projects.

**Implementation schedule**

| Completion and approval of tendering documents: | October 1999 - December 1999 |
| Start of tendering | January/February 2000 |
| Start of project activity | April 2000 |
| Completion | December 2001 |

**Equal opportunity**

Majority of the project activities are service oriented. Pending on the expertise required it is upon the contractors to provide a qualified expertise requested to implement the services. The gender breakdown of trainees and consultants employed can be taken into account by the Implementing Authority which will request the services, if the EC Commission especially requests such a breakdown. Management of the project from the Implementing Authority and other state and regional partner institutions is equally represented by both genders.

**Environment** *(Investment projects only)*: NOT APPLICABLE

**Rates of return** NOT APPLICABLE

**Investment criteria** NOT APPLICABLE

**Conditionality and sequencing:**

Timely and correct provision of Terms of references and tendering documents following the DIS system are preconditions for the successful completion of the tendering process prior to commencement of the activities envisaged in the measures 1 and 2 of this document. Upon the approval of the state budget in autumn 1999 the necessary co-financing for Technical Assistance has been ascertained and activities with preparing the necessary tendering documents could start immediately with the approval of this programme, providing the procedures remain stable and taking into account assumptions and risks as described in the logical framework of this document. Phare funds for the small projects funds are only granted if the project applicant ensures the co-financing for the specified activities. After steering committee is appointed by the PIU (within 14 days to 3 weeks) and after the SPF guidelines are approved by the steering committee and endorsed by the EC Delegation (14 days), tendering for selecting of the secretariat can begin (3 months including contracting). With the selecting of the secretariat also projects identification and selection can begin (1-2 months including time for contracting) before the project activities can start. All the activities must be completed at the latest one year after the expiry date of the programme.
Annexes to Project Fiche

1. Log-frame matrix

2. a) Cumulative contracting and disbursement schedule

   b) The time implementation chart

3. Budget

Budget (in million EUR):

<table>
<thead>
<tr>
<th></th>
<th>Investment</th>
<th>Institution</th>
<th>Total Phare</th>
<th>Recipient</th>
<th>IFI</th>
<th>TOTAL MEUR</th>
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<tr>
<td></td>
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<td>DIS HQ</td>
<td>(=I+IB)</td>
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<td>1,130</td>
<td></td>
<td>0,630</td>
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4. Relation of project with previous Phare activities and with on-going projects financed from other sources, including govt. budget

The Technical Assistance project is related to the activities from the Technical Assistance measures from the CBC 1995, 1996, 1997 and 1998 programmes. The 1999 project activities will be built upon the results from the Cross Border Inventory project (SL-9505, 40,000 EUR) and Short Term Technical Assistance (SL -9702, 30,000 EUR and SL-9807, 50,000 EUR for the preparation of the Multi-annual Indicative Programmes for the CBC 2000-2004/Interreg III programmes).

- A study Economic Assessment of Closing Down the Duty Free Shops is available at the Government Office of EU Affairs

The Small Projects Fund will be built upon the existing funding instrument, that is SPF Guidelines (can be obtained at the EC Delegation and/or PIU). Similar type of actions will be supported within this programme as in the CBC 1995 (66,000 EUR), 1996 (60,000 EUR), 1997 (150,000 EUR) and 1998 (500,000 EUR) for the “people-to-people” exchanges in the fields of economic, social and cultural cooperation.

5. Reference to relevant Government Strategic plans and studies:

- Strategy of the cross-border development Slovenia/Austria (available at the Phare CBC PIU)
- White Paper on Regional Development in Slovenia (available at the Ministry of Economic Relations and Development)
- Cross-border Inventory Slovenia/Austria (CBC 1995 project, available at the Phare CBC PIU)
- Regional Development Strategy for Styria (available at the Maribor Development Agency)
- Economic Assessment of Closing Down the Duty Free Shops (available at the Government Office of the European Affairs)
- Regional strategies and action plans (currently existing only for the region of Styria and can be obtained at RDA in Maribor)
- Law on Balanced Regional Development (Official Journal of the Republic of Slovenia, 29.7.1999, English version also available at the PIU)
- Customs Law (Official Journal of the Republic of Slovenia, 4.5.1999)
Joint Declaration to article 94 of the Europe Agreement (as indicated in the Government Standpoint of the Slovene Delegation about the issues of the Duty Free Shops at the Accession Conference on the 22nd of June 1999 in Luxembourg to close all the existing land-border Duty Free Shops along the EU customs territory)
### Wider Objective
- meeting the requirements of the Acquis and new Phare CBC objectives for RD and cohesion
- building technical and institutional environment to support RD and CBC
- support implementation of some measures from the new Law on Balanced Regional Development
- restructuring border services
- sustaining SPF as a means of joint CBC/Interreg RD

#### Indicators of Achievement
- level of applying the acquis from the RD area to the standards of EU
- quality and number of joint CBC/Interreg III initiatives and structures
- number of fulfilled accession requirements
- number and type of job opportunities provided
- number and scope of direct and direct CBC impacts in the short and long period

#### How, When and by Whom Indicators Will be Measured
- Number of regional institutions operating
- Programme Assessment Reports
- Regional, state and CEC/EU Statistical and Analytical Researches
- Employment statistics
- National/Regional Development Strategies, Action Programmes
- Number and quality of approved projects

#### Assumptions and Risks
- commitment to accession measures
- Continued co-operation between Slovenia and the EU partner institutions
- Timely approval of the national budget and availability of all funds for the project
- Co-operation of identified partner institutions
- Sustainability of the project after its completion
- Stability of Phare CBC implementation procedures & framework institutions

### Immediate Objective
- select various small and medium size projects
- timely & efficient implement. of projects
- inclusion of the CBC/Interreg III measures to the National and Regional Develop. Plans

#### Indicators of Achievement
- level of acceptability of the proposed processes amongst various partners
- number and quality of the projects selected and implemented
- minimised or removed obstacles before, during and after restructuring process begins
- level of acceptability of the CBC/Interreg measures in the develop. plans

#### How, When and by Whom Indicators Will be Measured
- number of joint CBC SLO/A projects
- Regional, State and CEC/EU Statistical and Analytical Researches and Feasibility Studies
- Forecasts/reports of State, EC/CEC

#### Assumptions and Risks
- commitment of the implement. framework and border partner institutions to the project objectives
- timely preparation of the project documents and commitment to the contracting conditions
- proper presentation of the restructuring issues
- provision of appropriate infrastructure & HR
- political commitment to joint CBC structures and to restructuring border service
- sustainability of DIS procedures & structures

### Outputs
- priorities from the MIP’s of the joint CBC/Interreg III included in the national and RD plans/programmes
- strategy and action plan for restructuring border services (e. i. customs, duty free shops) included in the national RD plans
- Identification, implement. of small and medium RD projects

#### Indicators of Achievement
- documents being enforced and number and type of actions taken for their implement.
- number and type of new jobs identified
- number and quality of projects implemented
- number of new employment opportunities identified
- approval of National and RD plans that took into account priorities from the new MIP and action plan for restructuring border services

#### How, When and by Whom Indicators Will be Measured
- Government approval of the produced documents
- Records of border partner institutions
- Regional, State and CEC/EU Statistical and Analytical Researches Feasibility Studies and reports
- National and RD plans
- Reports of the contracted companies

#### Assumptions and Risks
- financing and adequate HR available on time
- DIS procedures remain stable thus insuring that no major delays happen with award of contracts
- efficiency of CBC partners and timely provision of project’s documents and delivery of outputs
- acquaintance of contractors with Phare procedures
- approval of proposed actions by local authorities

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**LOGFRAME MATRIX FOR PROJECT**  
Small Projects Fund SLO/AUS

**Project number SL-9912.02**

<table>
<thead>
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<th>Programme No.</th>
<th>Date of drafting:</th>
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<td>SL-9912.02</td>
<td>August 1999</td>
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**Contracting period expires:** 2001  
**Disbursement period expires:** 2002

**Total budget:** 0,630 MEUR  
**Phare Contribution:** 0,5 MEUR
<table>
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<tr>
<th>Inputs</th>
<th>Indicators of Achievement</th>
<th>How, When and Whom Indicators Will be Measured</th>
<th>Assumptions and Risks</th>
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<tbody>
<tr>
<td>• sufficient number of trained and skilful labour force, well acquainted with restructuring and RD issues, with the CBC procedures and acquis)</td>
<td>• number of staff in relation to quantity of their tasks and their performance</td>
<td>• Terms of references</td>
<td>• timely allocation of required personnel</td>
</tr>
<tr>
<td>• equipped work facilities</td>
<td>• adequate work facilities</td>
<td>• organisational structure (Organigram)</td>
<td>• all funds available on time</td>
</tr>
<tr>
<td>• partners from the regions and state</td>
<td>• capacities of the bidders</td>
<td>• reports of the contractors</td>
<td>• commitment of the staff recruited to the contractual obligations</td>
</tr>
<tr>
<td>• proper equipment serving its purposes</td>
<td>• proper equipment serving its purposes</td>
<td>• status/monitoring reports prepared by various actors involved with CBC site visits</td>
<td>• adequate equipment and office facilities available and sustained</td>
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<tr>
<td>Date</td>
<td>Small Projects Fund</td>
<td>Total = 600 EUR</td>
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<td>Mar'00</td>
<td>Sep'02</td>
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</table>

**Cumulative Disbursement Schedule (thousand EUR)**

1. All contracts should normally be completed within 6-12 months and must be completed within 24 months of signature of the FM.
2. All disbursements must be completed within the 36 months of signature of the FM.

**Small Projects Fund**

Cumulative Contracting and Disbursement Schedule for the Project

SL 9912.02