SUMMARY PROJECT FICHE

1. Basic Information

1.1 CRIS Number: 2003/004-381-01 and 2003/004-561-01
1.2 Title: Maximisation of human resources potentials in the border region
1.3 Sector: Social and Economic Cohesion – Cross-border Co-operation
1.4 Location: Slovenia: Pomurje; Hungary: Vas and Zala County

2. Objectives

2.1 Overall Objective:
- Fighting unemployment and promoting employment through developing the skills of the human resources in the cross border region

2.2 Project purpose
- Employability of the unemployed people increased
- Sustainable partnerships in the labour market on both sides of the border developed

2.3 Accession Partnership and NPAA priority

Slovenia
The project proposal is in line with the AP (2001) priorities on Social Policy and Employment, especially its objectives:
- Continued support to social partners’ capacity building efforts with a view to their future role in the elaboration and implementation of EU employment and social policy, including the European Social Fund, notably through autonomous bipartite social dialogue.
- Developed a national strategy, including data collection, with a view to later participation in the European strategy on social inclusion.

The project proposal is in line with the following government priority (NPAA, 2001): 4.1.13 Social Policy and Employment, especially 2.4 Foreign assistance funds with the following objectives “to transpose the acquis in the field of public aid with particular respect to employment and to increase private sector investments in respect of labour markets measures and to prepare for the co-operation in the European Social Fund (…), the last being of utmost importance in implementing the national employment strategy.

The project is also in accordance with the strategic objectives set in the National Programme of Labour Market Development and Employment up to 2006:
- Raising the level of education and vocational qualifications of active population, integration of all young unemployed into active employment programmes, reduction of structural discrepancies and reduction of regional discrepancies in the labour market; and in accordance with Action Plan, Chapter 21: Regional Policy.

Hungary
The objectives of this grant scheme are in line with the short- and medium-term objectives of the Accession Partnership, chapter 3.2 on “Employment and social affairs”. The same applies to the relation of the grant scheme to the NPAA, which covers the following objectives: “implementation of training activities, development of necessary human resources.” in its chapter 2.1 (Education and Training).
The guidelines of the European common employment policy are also taken into account:
- Improving the population’s employability, promotion of entrepreneurship, encouraging adaptability of business and their employees, ensuring equal opportunities

2.4 Contribution to the National Development Plans of Slovenia and Hungary

**NDP Slovenia**

The implementation of the project will contribute to the achievement of the two main objectives set in the NDP:
- Reducing the lag of Slovenia behind the average level of economic development in the EU;
- Stop the increase of development disparities between the Slovene regions at the SCTU-2 level

The fulfilment of these two objectives is the condition for the achievement of the development vision: “Society based on knowledge with internationally competitive economy and sustainable, regionally balanced development.”

The present project is in accordance with development priorities of the NDP and will especially contribute to **Priority 2: Knowledge, human resources development and employment.**

**NDP Hungary**

The present grant scheme is in line with the strategic objective “Development of Employability and the human resources” defined in the NDP accepted by the Hungarian Government. The grant scheme is consistent with the measures of the Human Operational Programme and the Regional Operational Programme of the NDP:

2.5 Cross-border impact

The project is in line with the **Joint Programming Document Slovenia-Hungary 2003-2006**, and will contribute to the achievement of Priority 2: Human Resources Development. Within this priority, the Measure 1: Improvement of employability within the cross-border region as described hereunder will be tackled:

The objective of the Measure 1 is to increase human resources potentials of the cross-border area, and thus to support achieving the goals of economic and social cohesion as well as of increasing the competitiveness of the border area between Hungary and Slovenia.

Under the Measure 1, the following specific objectives will be pursued:
- To increase employment in the border region;
- To facilitate sustainable partnerships in the labour market on both sides of the border.

The listed objectives will be achieved through the following basic types of activities:
1. Training and employment programmes for improvement of the employability of unemployed people; and developing skills of the human resources in the border region
2. Establishment of the co-operation networks between labour market actors.

The cross-border effects of the present project will be:
- Decreased level of unemployment on both sides of the border, through the creation of new jobs and retraining activities;
- Improved skills and knowledge of the work force;
- More efficient and co-ordinated functioning of training institutions, offering appropriate programmes for inhabitants from both sides of the border;
- Efficient cross-border structures set up in all fields related to human resources
development, enabling fast and efficient flow of information, co-ordination of activities,
development and implementation of joint projects.

3. Description

3.1. Background and justification

The Slovene – Hungarian cross-border area is considered as one single territorial unit due to
its common history and the state of affairs in the regional economy.

In the fields of demographics and human resources development especially smaller
settlements along the border are facing the same problems of ageing population, depopulation
and lack of workplaces, which creates structural unemployment and high unemployment rate.
The common problems of the border area are the social exclusion of long-term unemployed,
lack of motivation to participate in the vocational training and other educational programmes.
Noticeable is also a mismatch between the offered training and educational programmes with
the needs of the labour market.

Less homogenous is the cross-border region in the field of the educational system: on the
Slovene side there are far more limited opportunities for higher education within the region,
quite contrary is the situation on the Hungarian side with the diverse educational institutions.
Thus the present situation offers opportunity to transfer experiences and know-how and also
to exchange training programmes or to prepare joint curriculum and its implementation.

In order to solve the common problems of the area, joint actions as the promotion of the re-
integration of long-term unemployed, women and young people into the labour market through
the implementation of training and education programmes aiming to improve their
employability, the improvement of co-operation and co-ordination between labour market
organisations as well as the development and implementation of training programmes adapted
to the needs of the regional economy should be implemented.

In order to prevent more serious damages (social problems caused by structural
unemployment and further depopulation), the proposed joint actions represent a key
opportunity both to strengthen the co-operation of the Slovene and Hungarian side of the
border and to improve the human resources potentials in the area, representing the pre-
condition for economic and overall development. More, it is expected that jointly planned and
implemented activities will positively affect the quality of life in the border region.

In order to fulfil the Copenhagen Criteria (capacity to cope with the competitive pressure and
market forces within the Union), both Slovenia and Hungary have to implement measures
aiming to improve the quality of human resources, which is the basic condition for the
sustainable competitiveness of their economy.

A more detailed analysis of the border area (separately for the Hungarian and the Slovene
sides), justifying the above-presented aspects, is given in annex 5.

3.2. Linked activities

Slovenia
- Strategy for the development of the Tri-D region (ZZ9524) – In the framework of the project
  a trilateral development strategy together with an action plan has been elaborated, for
  possible trilateral co-operation between Austria, Hungary and Slovenia.
- Micro credit scheme operated by RDA Mura, providing financial support for the creation of new job (in co-operation with the National Employment Office)

- Training Centre Rakican (ZZ9621) – The training centre started with its activities in March 2001 and is organising trainings, workshops and conferences in the fields of agriculture, rural and regional development and entrepreneurship. The centre may be the focal point of co-operation activities between Pomurje and Vas and Zala Counties.

- Phare SI0004.01 and SI2000/IB/SPP-01: Business Incubators Network in Pomurje – In the framework of the project, a network of business incubators will be established in the region. Activities will be implemented in 2002 and 2003. The present proposal will provide possibilities to upgrade the activities started in the framework of the incubators project.

- Phare SL-9804.01.02: Greenhouse Moravske Toplice – The project represents a possible way of diversification of the region’s agriculture, its results may be upgraded and further developed in the framework of other projects.

- Phare SI0004.02 ESC: Activating Employment Potentials at the Local Level (Savinjska Region) - The project is aimed at increasing efficiency of job creation for specific target groups, promoting effective facilitation of identified “bottom up” employment projects using a regional financial instrument implemented through a grant scheme. Experience obtained from the regional financial instrument in Savinjska Region will be used in implementing the Phare grant scheme instrument within the proposed Phare CBC project. As the two grant schemes apply to different regions, there will be no overlapping of projects, activities, or target groups.

- Phare SI0106.01 ESC: Strengthening Slovenia at the Local Level, Lot A – Social Inclusion The purpose of the project is to stimulate human resource development at the local level with the aim of increasing employment among the unemployed and those employed persons facing unemployment due to the restructuring of key sectors. Using the grant scheme instrument, the project is to provide a foundation of experience for operating an integrated scheme of interventions in conformity with Structural Funds regulations and practice. The project is focused on target groups from areas with special development problems in Slovenia, which have been identified according to the “Decree on Values of Criteria for Determining Areas with Special Development Problems and Determining Municipalities Fulfilling These Criteria” (OG RS 59/00). As the proposed Phare CBC grant scheme is applicable for Pomurje Region which is also eligible for the Phare SI0106.01 ESC support, the Contracting Authority of both grant schemes will ensure that overlapping of projects or activities, as well as double funding are avoided. Both grant schemes shall support human resource development in the concerned region complementarily.

- Phare SI0109.01: Joint Economic Space – The grant scheme will provide support for activities aiming to stimulate cross-border co-operation of enterprises in the border region as well as joint efforts to improve human capacities and skills. The present proposal represents an upgrade of the previous grant scheme, with a stress on further development of human resources. There will be no overlapping of activities supported by the two grant schemes.

**Hungary**

- Under the Hungary-Slovenia Phare CBC programme no human resource or labour market related projects were financed, only small projects were carried out in the annual Small Project Funds.

- In the Western-Transdanubian region two pilot projects were implemented in the fields of training: Hungary-Austria 95 “Joint training of Socio-economic Project managers” (HU-9502-04-02) and Hungary-Austria 96 “Joint training of Career Orientation Advisors”(HU-
Both projects supported better chances of the disadvantaged groups to access to the labour market through establishment of special training programmes for labour market experts, in a strong co-operation with Austrian partner organisations.

- Contributing to the improvement of the quality of regional education system was the subject of Hungary-Austria project entitled “European Studies and Documentation Centre”. (HU-9701-04-01) Within the framework of this project a new education programme was started in the Berzsenyi Dániel College (Szombathely) and the modern infrastructural background have been ensured.

- Under the Phare CBC Hungary-Austria 2002 programme a human resources development grant scheme will be published titled “Development of co-operation in the area of vocational education, qualification and science” (2002/000-317-02). To prepare the Hungarian-Austrian cross-border region for the challenges of the knowledge-based society, this grant scheme focus development actions to two relevant fields: increasing the general qualification level of the labour force by modernising the regional training system and improving research and development capacity.

- In the framework of the Hungarian Phare National Programme employability of various target groups will be also developed via grant schemes in the three target regions such as Northern Hungary, North Great Plain, South Great Plain Regions.
  - HU0008-02 PNPD- Vocational Education programme concentrates on promoting vocational trainings, lifelong learning and adult training by developing training policies and methods and institutional structures in line with the EU standards, improving the chances of disadvantaged and lower-achieving students in training and on the labour market, and strengthen the partnerships between labour market actors.
  - HU0008-03 Employability and long-term employment of multiply disadvantaged groups titled programme focuses the development actions to reintegration of the priority target groups, the disadvantaged youth (HU0008-03-01) the Roma minority (HU0008-03-02), the people living with disabilities (HU0008-03-01).
  - HU0105-02 Promoting access of people with disabilities to the labour market. The purpose of this grant scheme is: promotion of equal opportunities of the disabled and the people with decreased working abilities in terms of the access to the open labour market through the systematic improvement of the repertoire of interconnected instruments of vocational rehabilitation.
  - HU0105-03 Developing entrepreneurial skills in secondary schools and higher education. For enhancing the entrepreneurial spirit and shaping the entrepreneurial attitude of secondary school students and creating a young entrepreneurial stratum with reliable knowledge of entrepreneurial management skills projects which strengthen the competitiveness of the SME’s and extend new methods in the vocational education system as well as implement adult training programmes will be supported.

3.3 Results

**Overall result of the project** will be fully operational grant scheme to support the implementation of a measure identified in the Joint Programming Document Hungary-Slovenia 2003-2006. The grant scheme will support co-operation projects in order to reach synergies in the development of human resources in the border region.

The following quantifiable results will be achieved:

- Reintegration of the unemployed to the labour market supported;
- Employment of the unemployed supported;
- Partnership-building programmes to support local employment initiatives (Territorial Employment Pacts) elaborated;
- Joint systems for anticipating changes developed;
- Extension of use of ITC for improving co-operation between organisations providing labour market services on both sides of the border.

The results will support the achievement of the project purpose and will thus contribute to the overall objective of the project through two Windows as described below.

3.4 Activities

The foreseen results will be achieved through the establishment of a grant scheme supported by Phare and national public funds, and co-financed by beneficiaries’ own contribution (see also point 11.2 on co-financing).

The Phare CBC “Grant Scheme” forms part of Phare and is governed by the general Phare regulations.

All procedures relating to the implementation of the grant scheme will be implemented according to the provisions of the Practical Guide and the Vademecum on Grant Management.

3.4.1 Eligible activities corresponding to the foreseen results will be:

3.4.1.1. Window 1: Increase employability of the unemployed people

<table>
<thead>
<tr>
<th>Results</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reintegration of the unemployed to the labour market supported</td>
<td>- Development and implementation of special training and employment programmes tailored to the needs of the unemployed, with an emphasis on priority target groups such as long term unemployed, women, young people</td>
</tr>
<tr>
<td>2. Employment of the unemployed supported</td>
<td>- Development and implementation of practice-oriented training programmes for the unemployed (e.g. in-company training etc.)</td>
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<td></td>
<td>- Development of innovative joint employment programmes, including those supporting new forms of work organisation (e.g. cooperatives, telework etc.) and new patterns of work</td>
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</tbody>
</table>

Training and employment programmes for improvement of the employability of unemployed must include human service-elements such as follows: career-orientation advising, communication, work-social reintegration trainings, job seeking, self-knowledge and motivation trainings etc.

Priority will be given to training and employment projects providing work experience in co-operation with local employers of the cross-border region.

- **Applicants:** Non-profit making organisations, non-governmental organisations, chambers, local and regional level organisations, local and regional development
agencies, labour agencies and labour centres, vocational educational and training institutions (including schools), foundations and associations. Applicants should be based or have a branch office in Pomurje region, Vas or Zala County. They will have to demonstrate experience in and capacity to develop and implement training and employment programmes for the unemployed.

- **Co-operation partners:** Same as applicants. In addition, SMEs can act as project partners in case a training or employment programme is implemented with an active involvement of SMEs, for example providing in-company training or ensuring practice place in case of vocational training and training programmes for the unemployed. At least one partner should be located either in County Zala or in County Vas in case of an applicant from Pomurje, or in Pomurje in case the applicant is based in Vas or Zala County.

- **Target groups:** Unemployed; among them, priority will be given to long-term unemployed, women and young people.

- **Joint indicators of achievement:**
  - At least 10 joint employment and/or training programmes for improvement of the employability of the unemployed will be elaborated and implemented
  - At least 500 unemployed trained and their employability improved

- **Expected number of projects:** at least 10 joint projects

- **Project size:**
  - Minimum grant awarded will be: 50,000 € of Phare funds + 25% from National public funds; maximum grant awarded will be: 300,000 € of Phare funds + 25% from National public funds
  - Projects shall involve at least 500 unemployed (at least 50% women; at least 50% long-term unemployed; at least 30% young people)
  - The maximum duration of projects will be 18 months.

3.4.1.2. Window 2: Development of sustainable partnerships in the labour market on both sides of the border

<table>
<thead>
<tr>
<th>Results</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Partnership building programmes to support local employment initiatives – Territorial Employment Pacts (TEP) – elaborated</td>
<td>- Partnership building programmes aimed at elaborating and implementing local employment initiatives. Development and implementation of job creation and job retention initiatives in the CBC region following the TEP approach</td>
</tr>
<tr>
<td>2. Joint systems for anticipating changes developed</td>
<td>- Analysis of skill needs for the labour market</td>
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<td>- Early identification of people at risk to move to LTU or inactivity</td>
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<tr>
<td>3. Extension of use of ITC for improving cooperation between organisations providing labour market services</td>
<td>- Development of common databases</td>
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<td></td>
<td>- Development of common web-sites</td>
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<td></td>
<td>- Joint establishment of internet-based labour market services and support to spread them</td>
</tr>
</tbody>
</table>

- **Applicants:** Non profit organisations; labour agencies and labour centres, local governments or associations of local governments, chambers, local and regional level
organisations, local and regional development agencies, vocational educational and training institutions (including schools), foundations and associations. Applicants should be based or have a branch office in Pomurje region, Vas or Zala County.

- **Co-operation partners:** Same as applicants. In addition, SMEs can act as project partners in case of a project under 1 (partnership building programmes to support local employment initiatives following the TEP approach). At least one partner should be located either in County Zala or in County Vas in case of an applicant from Pomurje, or in Pomurje in case the applicant is based in Vas or Zala County.

- **Target groups:**
  - The final target group (indirect beneficiaries) are unemployed; among them, priority will be given to long-term unemployed, women and young people.
  - Direct beneficiaries: labour market institutions, local communities, local and regional level organisations, vocational education and training institutions.

- **Joint indicators of achievement:**
  - At least 4 joint projects establishing and/or strengthening cooperation between labour market actors will be implemented

- **Expected number of projects:** at least 4 joint projects

- **Project size:**
  - Minimum grant awarded will be: 50,000 € of Phare funds + 25% from National public funds; maximum grant awarded will be: 300,000 € of Phare funds + 25% from National public funds
  - Projects shall involve at least 70 people (at least 50% women; at least 50% long-term unemployed; at least 30% young people), and at least 12 institutions
  - The maximum duration of projects will be 18 months.

### 3.4.2. Eligibility and selection criteria

The eligibility and selection criteria will be in detail specified in the Guidelines for Applicants to Call for Proposals according to the standard templates given in the Practical Guide to Phare, Ispa and Sapard contract procedures. The specific criteria for this grant scheme are incorporated in the standard template in order to have a more comprehensive picture and enhance the understanding.

#### ELIGIBILITY CRITERIA:

<table>
<thead>
<tr>
<th>ELIGIBILITY OF AREA, APPLICANTS AND PARTNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The grant scheme is applicable for Pomurje Region and the counties of Zala and Vas.</td>
</tr>
<tr>
<td>2. Who can apply:</td>
</tr>
<tr>
<td>- Non-profit making organisations, non-governmental organisations, local governments within the defined border region, chambers, local and regional level organisations, labour centres and labour centres, local and regional development agencies, vocational educational and training institutions (including schools), foundations and associations based in Pomurje region, Vas or Zala County</td>
</tr>
<tr>
<td>3. The project partners can be non profit-making governmental or non-governmental institutions eligible for Phare support and SME’s in case of projects Window 1 and</td>
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</tbody>
</table>
Window 2, Result 1. At least one partner should be based either in County Zala or in County Vas in case of an applicant from Pomurje, or in Pomurje in case the applicant is based in Vas or Zala County.

<table>
<thead>
<tr>
<th>ELIGIBILITY OF PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Size of the project: co-financing from the grant scheme in the amount of EUR 50,000 to EUR 300,000 Phare funds (25% will be contributed from National public funds.)</td>
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<tr>
<td>2. Duration of the project: The expiry date of the project should be at least three months before the expiry date of the programme as indicated in the Financing Memorandum.</td>
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<td>3. The maximum duration of the project will be 18 months.</td>
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<tr>
<td>4. The same project proposal must not receive more than one EC-funded grant.</td>
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<tr>
<td>5. Eligible activities: The projects must relate to the following themes:</td>
</tr>
<tr>
<td>• Window 1: Increase employability of the unemployed people</td>
</tr>
<tr>
<td>• Window 2: Development of sustainable partnerships in the labour market on both sides of the border</td>
</tr>
<tr>
<td>6. Eligible costs: Costs of supplies and works activities</td>
</tr>
<tr>
<td>The total cost of the works and the equipment purchase necessary for the successful implementation of the projects cannot exceed 25% of the total project costs.</td>
</tr>
<tr>
<td>7. Equal Opportunities: The projects selected for support shall individually contribute to ensuing equal opportunities among the genders.</td>
</tr>
</tbody>
</table>

SELECTION CRITERIA:

The overall selection criteria will be a clear cross-border impact. The joint/mirror projects will be prioritised.

Projects for support will be selected according to the following indicative criteria:

The basis for the evaluation criteria is the Practical Guide.

Relevance

- Compliance with the objectives of this grant scheme.
- Relevance of the proposal to the CBC objectives of the programme

The quality of CBC will be assessed according to the aggregated quality indicators stated in JPD (2003-2006), yet in accordance with the modified evaluation grid from PRAG, introduced in the 2000 HU-SI Phare CBC Programme (Joint Small Project Fund), which assigns 10 points to the expected CBC impacts and 10 points to the quality of co-operation. As to the criteria for the quality and impact of the CBC, a project will get a B if it meets 1-3 of the following criteria and an A if it meets 4-6 criteria. Note: AA = 16 or 20 points, BB = 2 point, AB and BA = 12 or 16 points.
• Clearly defined, strategically chosen target groups
• Relevance of the project to the needs of the target group. Priority will be given to projects providing training and employment programmes for the long-term unemployed, women and young people.
• Coherent, appropriate and practical activities
• Added value, new, innovative approaches

**Methodology**
• The preparedness of the proposal and readiness for implementation
• Involvement and activity of the CBC and other partners in the elaboration and implementation of the project proposal
• Clear and feasible action plan and training plan in case of projects containing training element
• Objectively verifiable indicators for the project outcomes, methodology for follow up of the project results

**Sustainability**
• Long-term sustainability of the project results
• Possible multiplier effects of the project results

**Budget and cost-effectiveness**
• Clear and detailed budget
• Justification of the budget planned

**Management capacity and expertise**
• Availability of personal and organisational capacity requirements for implementing the project
• Previous experience in similar projects

Project, without clear CBC impact (1-4 points) will not be evaluated further.
Projects, without clear and cost-effective budget will not be evaluated further (point 1-5 out of 10).

### 3.5 Lessons Learned:

The first step for joint preparation and implementation of projects on the cross-border basis has been made with the Joint Small Projects Fund. In addition, several other Phare and national projects, either directly or indirectly related to the proposed project have been implemented. The relevant projects are listed in Chapter 3.2 Linked activities. They represent one of the basic elements for preparation of this project proposal.

Experience obtained from past and ongoing projects, especially experience from implementation of cross-border actions, of activities in the field of labour market and employment, as well as experience with grant schemes implementation, will be applied as much as possible.

### 4. Institutional Framework

**Slovenia:**

**Implementing Authority** with the overall responsibility for the program implementation will be the National Agency for Regional Development. NARD as a co-ordinator for CBC program is obliged to monitor physical and financial implementation of this project including Phare and co-financing payments and report to the EC in regularly reports.

**Implementing Agency** will be MF, Central Finance and Contract Unit (CFCU)
**Contracting Authority** will be Ministry of Labour, Family and Social Affairs (MoLFSA). MoLFSA will be responsible for the appropriate administrative, technical and financial implementation of the grant scheme. MoLFSA is obliged to report to the Implementing Authority on the project physical and financial implementation (Phare, private and public co-financing) on the monthly basis for the whole project duration.

MoLFSA will ensure the necessary human resources for the technical management of the Grant Scheme. MoLFSA may delegate particular tasks of administrating the grant scheme to a secretariat. The secretariat would be selected through a tendering procedure in accordance with the national public procurements rules for services. The secretariat will have to prove the capacity to manage the implementation of grants.

**Hungary:**

- **IA (Implementing Agency):** The Implementing Agency retaining full responsibility for programme implementation will be the National Agency for Regional Development.
- **PAO (Programme Authorising Officer):** Professional leader of the Implementing Agency, responsible for the programme implementation.
- **Intermediary:** The West Pannon Regional Development Agency (RDA), to be contracted by the IA. Undertakes the task of day-to-day technical management of implementation of projects and monitoring activities under the authority of the IA. The relationship between the IA and the Intermediary shall be defined in a Cooperation Agreement, which will reflect the institutional framework given in this fiche. The EC Delegation should be able to comment on the Co-operation Agreement between the IA and the RDA.

**Joint Structures**

**Joint Steering Committee (JSC) of the Grant Scheme (GS)**

NARD Slovenia and NARD Hungary will nominate Joint SC in order to monitor and evaluate the progress of the proposed projects. JSC will approve the Grants TD and will after the selection process will be concluded (grants signed) monitor and evaluate the progress of the projects implementation. It will meet quarterly.

JSC will be composed of:

- Slovenian representatives: voting: NARD, MoLFSA, Ministry of Education, Science and Sport, observers: GOEA, ECD Slovenia and MF, CFCU.

JSC will be co-chaired by the CA-s.

**Joint Evaluation Committee** will be nominated by the CA-s.

**Assessors in Slovenia and assessors in Hungary:**

Both CA-s may nominate the assessors in order to assure the independent appraisal of the project proposals. The assessment will be done in parallel in Slovenia and in Hungary.

The GS will be implemented on joint basis: approval of the TD by both ECDs, timely coordinated publication of call for proposal and application deadline, contract signature.
5. Detailed Budget (in € million)

<table>
<thead>
<tr>
<th>Component</th>
<th>Phare support</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Support</td>
<td>IB</td>
<td>Total</td>
<td>National Co-</td>
</tr>
<tr>
<td></td>
<td>Slovenia</td>
<td>Hungary</td>
<td></td>
<td>Phare (=I+IB)</td>
<td>financing</td>
</tr>
<tr>
<td>Grant Scheme</td>
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<td>1.6</td>
<td>-</td>
<td>3.2</td>
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<tr>
<td>Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>(Slovenia)</td>
<td>Total</td>
<td></td>
<td>-</td>
<td>3.2</td>
<td>0.634</td>
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</table>

The allocation between windows (see 3.4.1) is indicative and can be revised during the project selection according to the quality of projects submitted in terms of preparedness, CBC impact etc.

In all projects, the beneficiaries must participate with a 10% minimum own-financing. The public grant, which accordingly may not exceed 90% of the project costs, shall be financed by Phare and Slovene public authorities, and by Phare and Hungarian public authorities in such a way that the Phare contribution will not exceed 75% of the eligible public grant. No part of the eligible public grant, be it financed by Phare or by the Slovene or Hungarian public authorities, may cover payments towards or be offset against customs duties, import duties, taxes or fiscal charges having equivalent effect.

The project will be jointly co-financed between Phare and government resources. The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and the national amount is also binding and has to be applied to the final contract price. The National Contribution has already been earmarked in national budget.

6. Implementation Arrangements

6.1 Implementing Agency

**Slovenia**

**Implementing Agency**
Ministry of Finance - CFCU
Mr. Peter Škofic, PAO
Address: Beethovenova 11, 1502 Ljubljana, Slovenia
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Hungary:

Implementing Agency
The Prime Minister’s Office has been defined as the Implementing Authority for all measures to be implemented on the Hungarian side of the border in the framework of the JPD. In Phare terms, the National Agency for Regional Development of the Prime Minister’s Office with its Sopron regional office will be the Implementing Agency of the Grant Scheme. It will have the overall responsibility for all aspects of tendering and contracting as well as administrative and financial matters of the implementation. The PAO will be Mr. Tamás Lunk.

Address:
National Agency for Regional Development of the Prime Minister’s Office
H-1016 Budapest, Gellérthegy u. 30-32.
Phone:+36-1-488-7171
Fax: +36-1-488-7188

6.2 Twinning
Not applicable.

6.3 Non-standard aspect
Not applicable.

6.4 Contracts
1. Grant Scheme:
The number of contracts foreseen is 8-15. The minimum Phare contribution is 50,000 € plus national contribution and the maximum Phare contribution is 300,000 € plus national contribution.
1 Service Contract (100,000 €), simplified procedure under the Slovene national procurement rules for services. The service contract will be financed from national public funds.

7. Implementation Schedule

7.1 Start of tendering
The Call for Proposals will be published 6 months after the signature of the FM.

7.2 Start of Project Activity
After the approval of the list of selected projects (12 months after the signing the FM).

7.3 Project Completion
Last payment: not later than 30 November 2006.
8. Equal Opportunity

The projects selected for support within the Grant Scheme will individually contribute to Equal Opportunities. Records of participants in training and other project activities shall reflect this statement. In addition, the proposed project will stimulate and support the initiatives that will promote the equality in terms of promoting and assuring equal opportunities in entering the labour market among the genders, co-ordinating the family and professional life - re-entering the labour market and promoting the integration of disabled to work by providing equal standards and physical infrastructure for business activities.

9. Environment

Only projects without negative environmental impacts will be supported.

10. Rates of return

Not applicable.

11. Investment criteria

11.1 Catalytic effect

The implementation of the project will strengthen the partnership process between the regional and local partners in terms of responsibilities taken, decision making, priorities set and between the government and the region in promoting sustainable development and co-operation.

11.2 Co-financing

The following national co-financing will be provided:

The grant scheme will be jointly co-financed between Phare and government resources to be provided by the Prime Minister’s Office in the Hungary and the Ministry of Labour, Family and Social Affairs in Slovenia. The rate of Phare support within the total support will be 75%, while the national co-financing will contribute 25%. The ratio between the Phare and the national amount is binding and has to be applied to the “final contract price”.

The national co-financing included in the above budget table (see point 5) indicated the governmental co-financing amount of the project.

The operational costs (i.e. the secretariat) for the implementation of the GS in Slovenia will be covered by MoLFSA.

11.3 Additionality:

The Phare funds will contribute and stimulate joint actions in the cross-border region and will provide additional funds to the existing national instruments in order to achieve greater and sustainable improvements in the border region.

11.4 Project Readiness and Size:

The TDs will be prepared 2 months after the signature of the FM.

11.5 Sustainability:
Long-term sustainability will be one of the selection criteria for projects. Only organisations being able to provide the sustainability of projects proposed will be supported.

11.6 Compliance with the state aids provisions

Slovenia:
Each state grant allocated by Slovenia, as stipulated in Article 65(4) of the Europe Agreement, shall be assessed taking into account the fact that Slovenia is to be considered as an area equal to Community areas described in Article 87(3)a of the Treaty Establishing the European Community. All actions financed by Phare will be carried out in line with the Practical Guide for Ispa, Sapard and Phare contract procedures and will respect the state aid and competition provisions of the Europe Agreement.

Hungary:
All components financed by Phare will be carried out in line with the PRAG and will respect the state aid and competition provisions of the Europe Agreement.

11.7 Contribution to National Development Plan 2001 - 2006
The proposed project, its objectives and activities foreseen will contribute to the fulfilment of the aims set in the National Development Plans of Slovenia and Hungary. See also 2.4.

12. Conditionality and Sequencing
The pre-condition for the project’s start is that necessary documentation (Guidelines, Application Forms, Contract Forms, etc.) be available 2 months after the signature of the FM.

Main milestones in the implementation of the project:
- Nomination and approval of the Evaluation Committee
- Preparation and approval of the tender documents for Grant Scheme
- Call for Proposals
- Selection of projects
- Contracting
- Implementation of projects by beneficiaries
- Subcontracting according to PRAG if foreseen in the contracts
- Monitoring of implementation
- Reporting to the Phare review meetings
- Reporting to the SMSC for economic and social cohesion
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format.
2. Detailed implementation chart.
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
5. Statistical data of the CB region (JPD SLO/HU 2003-2006)
**Phare log frame**

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Programme name and number:</th>
<th>2003/004-381-01 and 2003/004-561-01</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maximisation of human resources potentials in the border region</strong></td>
<td>Contracting period expires: 30.11.2005</td>
<td>Disbursement period expires: 30.11.2006</td>
</tr>
<tr>
<td><strong>Overall objective</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fighting unemployment and promoting employment through developing the skills of the human resources in the cross border region</td>
<td>Social and unemployment problems decreased</td>
<td>Trade statistics</td>
</tr>
<tr>
<td></td>
<td>Decreased level of out migration</td>
<td>Official Journal</td>
</tr>
<tr>
<td><strong>Project purpose</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Employability of the unemployed people increased</td>
<td>Number of people benefiting directly (Targets: at least 500 people; Frequency: monthly)</td>
<td>Statistics of the National Employment Office</td>
</tr>
<tr>
<td>- Sustainable partnerships in the labour market on both sides of the border developed</td>
<td>Number of sustainable labour-market partnerships established (Target: at least 4; Frequency: monthly)</td>
<td>Statistic of the Labour Centres</td>
</tr>
<tr>
<td></td>
<td>- Number of employed assisted, by gender, age and prior unemployment status (Targets: at least 500 unemployed assisted, 50% women, 30% young people, 50% LTU)</td>
<td>Central Statistics</td>
</tr>
<tr>
<td></td>
<td>- Number of institutions supported (Target: at least 12; Frequency: monthly)</td>
<td>Project beneficiaries</td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reintegration of the unemployed to the labour market supported;</td>
<td>Resource: Funding (Frequency: monthly)</td>
<td>Monitoring by Delegation</td>
</tr>
<tr>
<td>- Employment of the unemployed supported;</td>
<td>Output: Number of unemployed assisted, by gender, age and prior unemployment status</td>
<td>Reports on project implementation provided by the beneficiaries</td>
</tr>
<tr>
<td>- Partnership-building programmes to support local employment initiatives (Territorial Employment Pacts) elaborated;</td>
<td>Number of sustainable labour-market partnerships established (Target: at least 4; Frequency: quarterly)</td>
<td>Monthly submission of the financial and physical indicators by MoLFSA to NARD (SLO)</td>
</tr>
<tr>
<td>- Joint systems for anticipating changes developed;</td>
<td>Number of new jobs created (Target: at least 50) and number of jobs preserved (Target: at least 20) by the end of project (Frequency: quarterly)</td>
<td>Statistics of the Labour Centres</td>
</tr>
<tr>
<td>- Extension of use of ITC for improving co-operation between organisations providing labour market services on both sides of the border.</td>
<td>Impact: Follow-up status (Targets: 50% of assisted people employed within 12 months)</td>
<td>Financing from national sources provided in time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The beneficiaries complete their training, employment and partnership-building programmes successfully</td>
</tr>
</tbody>
</table>

**Total budget:** €4.368 million  
**Phare budget:** €3.2 million
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Development and implementation of special training and employment programmes tailored to the needs of the unemployed, with an emphasis on priority target groups such as long-term unemployed, women, young people</td>
<td>- Grant Scheme: 4.268 million €</td>
<td>- The documentation, necessary for the implementation of the grant scheme prepared by the signing of the FM</td>
</tr>
<tr>
<td>- Development and implementation of practice-oriented training programmes for the unemployed (e.g. in-company training etc.)</td>
<td></td>
<td>- Sufficient number of project proposals</td>
</tr>
<tr>
<td>- Development of innovative joint employment programmes, including those supporting new forms of work organisation (e.g. cooperatives, telework etc.) and new patterns of work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development and implementation of job creation and job retention initiatives in the CBC region following the TEP approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Analysis of skill needs for the labour market</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Early identification of people at risk to move to LTU or inactivity</td>
<td></td>
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<tr>
<td>- Development of common databases</td>
<td></td>
<td></td>
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<tr>
<td>- Development of common web-sites</td>
<td></td>
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<tr>
<td>- Joint establishment of internet-based labour market services and support to spread them</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ANNEX 2

Detailed implementation chart

Project title: Maximisation of human resources potentials in the border region

<table>
<thead>
<tr>
<th>Activities</th>
<th>Project period in quarters of the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Approval by the EC</td>
<td></td>
</tr>
<tr>
<td><strong>a. Preparation of Financing Scheme</strong></td>
<td></td>
</tr>
<tr>
<td>2. Completion of tendering documentation,</td>
<td></td>
</tr>
<tr>
<td>Issue of the call for proposals</td>
<td></td>
</tr>
<tr>
<td>3. Assistance to project applicants</td>
<td></td>
</tr>
<tr>
<td>4. Assessment and selection of projects and contracting</td>
<td></td>
</tr>
<tr>
<td><strong>b. Implementation of Financing Scheme</strong></td>
<td></td>
</tr>
<tr>
<td>4. Issue of the call for contractors by selected applicants</td>
<td></td>
</tr>
<tr>
<td>5. Evaluation and selection of tenders</td>
<td></td>
</tr>
<tr>
<td>6. Contracting – start of project activities</td>
<td></td>
</tr>
<tr>
<td>7. Monitoring and implementation</td>
<td></td>
</tr>
<tr>
<td>8. Project review and evaluation</td>
<td></td>
</tr>
</tbody>
</table>
ANNEX 3

Contracting and disbursement schedule
Project title: *Maximisation of human resources potentials in the border region*

**CUMULATIVE CONTRACTING SCHEDULE** (in million €)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Contracting</td>
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<td>3.2</td>
<td>3.2</td>
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<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
</tr>
</tbody>
</table>

**CUMULATIVE DISBURSEMENT SCHEDULE** (in million €)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Disbursement</td>
<td>0.96</td>
<td>0.96</td>
<td>0.96</td>
<td>1.92</td>
<td>1.92</td>
<td>1.92</td>
<td>3.2</td>
<td></td>
</tr>
</tbody>
</table>

**CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE** (in million €)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.96</td>
<td>0.96</td>
<td>0.96</td>
<td>1.92</td>
<td>1.92</td>
<td>1.92</td>
<td>3.2</td>
<td></td>
</tr>
</tbody>
</table>
ANNEX 4

LIST OF RELEVANT LAWS AND REGULATIONS

Slovenia

1. The Employment and Unemployment Insurance Act (Official Gazette of the Republic of Slovenia, 5/91 with changes)
2. National Programme of Development of the Labour Market and Employment to the Year 2006 (Official Gazette of the Republic of Slovenia, No. 92/01)
3. Regulation on the Implementation of Measures of the Active Employment Policy (Official Gazette of the Republic of Slovenia, 64/01)
4. Balanced Regional Development Act (Official Gazette of the Republic of Slovenia, 60/99)

Hungary

1. Hungarian Law No 101 of 2001 on Adult Education
5. Act 1991/4 on the facilitation of employment and the assistance to the unemployed.

LIST OF RELEVANT GOVERNMENT STRATEGIC PLANS AND STUDIES (MAY INCLUDE INSTITUTION DEVELOPMENT PLAN, BUSINESS PLANS, SECTOR STUDIES ETC)


Slovenia

1. Joint Assessment of the Employment Policy Priorities of Slovenia (JAP)
2. Guidelines of the Active Employment Policy for the years 2002 and 2003
3. Active Employment Policy Programmes for the year 2002
5. Regional Development Strategy for Pomurje (Prekmurje and Prlekija), Ljubljana, 1998
12. Guidelines for the preparation on vocational education and training programmes
13. Phare SL-9706 MOCCA Project Reports, in particular the Pre-accession strategy in the field of Human Resources Development in Slovenia, 2000, and Memorandum on Vocational Education and Training, 2000

**Hungary**

3. General Development Plan
5. Joint Assessment of the Employment Policy Priorities of Hungary (16 November 2001)
ANNEX 5

STATISTICAL DATA OF THE CB REGION AND REGIONAL STRATEGIES (JPD SLO/HU 2003-2006)

Situation of human resources in the border region

Economic situation in Pomurje
According to most of the economic indicators, Pomurje is one of the least prosperous regions in Slovenia: the performance of companies is much worse than in other Slovene regions, productivity as well as value added remain far below the Slovene average, companies based in the region showed the greatest net loss of all regions in Slovenia in 2000, being at the same time the greatest loss in the region to date (-5,401 million SIT).

The unfavourable economic situation arises from the economic structure dominated still by large, not fully restructured companies and a large number of uncompetitive small and micro enterprises. A crucial factor contributing to the weak performance is the quality of human resources in the region, the intensive development of which is a must for the region to improve its economic situation and competitiveness.

Demographic trends
The number of inhabitants in the region is steadily decreasing – due to factors as low birth-rate, high mortality, outmigration from the region. This trend represents a serious weakness from the point of view of the further development of the region and needs to be changed as soon as possible, through intensive measures in the field of human resources and health.

Educational level, educational system
The educational level of the population is below average, 60% has only primary education (Slovenia: 47%). The region has a number of secondary schools, and one higher non-university programme (business technician). Some programmes of the University of Maribor are available in the region as well. Most of the students from the region study in Maribor and Ljubljana, stay in large cities and do not return to Pomurje. Secondary schools reflect the economic structure of the past and are not adapted to the needs of the economy. Moreover, there is a lack of appropriate adult education programmes and the inhabitants are not motivated to participate in training and educational programmes. Activities aiming to increase the motivation of the inhabitants, to promote the development of innovative training and education programmes, to promote the development of skills and knowledge in companies (both for employees and managers), to encourage transfer and exchange of knowledge and experiences and to attract young experts to the region should be supported.

Employment
The high unemployment rate (17.2% in 2000) in the region is in connection with the above-described poor educational background – almost 60% of unemployed has no vocational education. That is a reason for the presence and increase of trends as long-term unemployment, high rate of young unemployed, growth of the number of unemployed women, worsening of the situation (re-integration to the labour market) of disadvantaged groups.
Another characteristic of the labour market is that the employers’ demands are not met, especially in case of highly educated human resources – that reflects the structural imbalance between employment opportunities and the level of education of job seekers. In order to improve the situation in the field of employment, projects aiming to create new jobs, to introduce innovative approaches, to involve disadvantaged groups, to offer working possibilities for young and women should be supported.

Situation on the Hungarian side of the border
The economic situation on the Hungarian side of the border is somewhat better: economic indicators improved during the last years, the area attracted a significant amount of foreign investments and the unemployment rate is decreasing (for Zala County it was 6.7%, for Vas 4.8% in 2000). However, the positive impacts of economic development are present mainly in bigger towns, while small settlements and their inhabitant still have similar problems than the Slovene side of the border: lack of working places, ageing population, outmigration. The regional distribution of unemployment is uneven, with the highest unemployment rates in the peripheral small towns and regions near the border.

The Hungarian part of the programming area has several higher education institutions as well, which might be the bases for knowledge and technology transfer programmes, for joint research and development activities.

The economic structure of the border area is dominated by SMEs (90% of the companies employ less than 10 employees, 40% of individual entrepreneurs are craftsmen, 35% are tradesmen and approximately 15% are intellectual entrepreneurs). The effectiveness/competitiveness of these enterprises are very much dependant of the abilities and knowledge of the individual persons either as employees or managers.

It is characteristic for both counties, that the available workforce does not meet the job demand. The lack of jobs, the general economic situation and the low educational level deeply influence the average income of both, enterprises and their employees in the region. The existing training and education system is not attuned to the needs of the labour market. Though the level of the training and education system in the region is definitely high, but unfortunately it does not meet the EU requirements yet.

The knowledge of foreign languages is low. Only 4.5% of the population in the region speak at least one foreign language. This communication barrier is present in all aspects of the economic and cultural life of the bilateral region.

Regional development strategies

Pomurje

The regional development strategy for Pomurje proposes a number of programmes aiming to improve the situation in the field of human resources in the region. Some programmes are tightly linked to the economic development programmes:
- sub-programme 1.2 : Improving the flexibility of companies
- sub-programme 1.3 : Access to knowledge and skills
- main programme 2 : Restructuring of labour intensive industry (textile industry)
- sub-programme 5.2 : Promotion of entrepreneurship through the establishment of a business incubator
- sub-programme 5.4 : Promotion of entrepreneurship and creativity as a way of life in the Pomurje region
- sub-programme 5.5 : Youth for progress in Pomurje

Among the programmes, directly related to the development of human resources, the strategy proposes possible solutions for the problems of the fields of pre-school education, primary education, the orientation of students towards applicable knowledge, the increase of the number of highly educated people in the region, the improvement of vocational education, the promotion of life-long learning, the improvement of health conditions, making better use of present knowledge, the improvement of the educational structure, the improvement of qualifications, the creation of balance on the labour market.

Western Transdanubia

The Regional Development Programme of the Western Transdanubian Region, approved in 2001 identifies among its priorities also the development of human resources. The priority is divided into 3 measures, which cover the innovative community incentives (introduction of innovative educational and training programmes, entrepreneurship oriented programmes, etc.), the development of the labour market (improvement of the employability of disadvantaged
groups, promotion of part-time and distance work possibilities, job creation and preservation),
increase of research and development capacities.

Possible synergies
As the two sides of the border (Prekmurje, Zala and Vas Counties) represented one single
organic unit before the I. world war (until 1918), the development of co-operation still hides
significant synergic effects. Unfortunately, the level of co-operation at present remains very low,
though the linking together of potentials of the two sides may lead to the increase of value
added for both Pomurje Region and Vas and Zala Counties.

The economic conditions and available human resources on both sides anticipate a successful
cooperation arising from a reasonable combination of resources and potentials, exchange of
knowledge and experiences, co-ordination of activities. Possible fields of co-operation are:
chemical industry, petroleum industry, food-processing, marketing of agricultural produce, wood
processing, pharmaceuticals, machinery and components production, tourism, diversification of
economic (first of all agricultural) activities, development of services on the basis of the
comparative and competitive advantages of the area (for example transport and logistics
related services, connected to the favourable geographical position of the area: the motorway
being built as part of the 5th European Corridor, the railway line (Zalalővo – Hodos – Murska
Sobota) opened in 2000).

Jointly developed and implemented projects will contribute to the decrease of regional
imbalance and to the improvement of social and economic cohesion in both countries.