1. Basic Information

1.1. Désirée Number: SI.0102.02
   Twinning Number: SI2001/IB/EC/01/TL
1.2. Title: Establishing of the National Regulatory Authority for postal activities
1.3. Sector: Telecommunications
1.4. Location: Slovenia

2. Objectives

2.1. Overall Objective(s): Increased competitiveness and liberalisation of postal sector; Acquis Communautaire applied in the area of internal market
2.2. Project purpose: Establishing of the Independent National Regulatory Authority in the field of postal services as required by Directive 97/67/EEC.
2.3. Accession Partnership and NPAA priority:
   AP - Reference to the economic criteria – medium term priorities – which aims at completing restructuring, commercialisation and liberalisation of the State-owned utilities, while ensuring competition and price liberalisation.
   NPAA – Under the point 3.2.4.Telecommunications (a,b)
2.4. Contribution to National Development Plan: Not Relevant
2.5. Cross Border Impact: Not Relevant

3. Description
3.1. Background and justification:

The article 84 on Post and Telecommunications of the Europe Agreement describes activities which shall focus among the priorities areas on the modernisation of Slovenia’s telecom network and postal services and their integration into the European and world networks.

The Chapter 19: Telecommunications and Information Technologies in the Regular Report 2000 presents the specific remarks concerning the need for establishment an independent regulatory authority for postal services. An independent regulatory authority has to be established before liberalisation to ensure smooth implementation and effective enforcement of the acquis.

The Post of Slovenia is a public company which, by law, has to carry out the service of compulsory public utility, and is at the same time an exclusive provider of these services. In accordance with the new postal services act, the Post of Slovenia, as a provider with significant market power, will be performing universal services on the basis of an appropriate authorisation.

According to the new postal services act which will come into force on 1 January 2002 at the latest, exclusive rights will be restricted, the scope of providing universal services increased and the mechanism for financing them determined; procedures and conditions for granting licences will be determined, as will be the lowest quality level for the performance of universal services.
At the Ministry of Information Society, a draft proposal of the new postal services act is under preparation. Its provisions will be fully harmonised with the contents of the European Directive 97/67. This act will be submitted for the adoption to the national Assembly in the 2001 by the Government of the Republic of Slovenia.

### 3.2. Linked activities:

The similar telecommunication project was adopted in the framework of Financing Memorandum – FM 1999: Further Integration in the Internal Market - Free Movement of Goods: Sector specific legislation – Telecommunications Regulatory Authority No. SL99/IB/EC/03.

The competence of an NRA for the postal activity will be entrusted to the Telecommunications Agency which will be established in accordance with the Telecommunications Act. By adopting the new postal services act, this Agency will be renamed Telecommunications and Post Agency and its scope of operation will be extended to cover the post. Financially, professionally and organisationally, the Agency will be an independent body.

The overall objective of both, telecommunications and post twinning lights projects is to support Slovenia in setting up and functioning an independent regulatory authority on one site for telecommunications, and another for post in line with *acquis*.

### 3.3. Results:

- Established NRA
- Self financing NRA and corresponding business plan
- Staff trained to meet requirements of directive 97/67/EEC

### 3.4. Activities:

- Consultation and Training of the staff of Agency including seminars and daily consultations on the Agency’s premises regarding the licensing of postal services, establishing the universal service obligation (USO), regulative and monitoring of postal market as required by Directive 97/67/EEC.
- Study visits in EU country(-es) for the staff of Agency in a similar regulatory authority in order to strengthen the assistance provided by the experts. The experts should be lawyer, economist or other and have to be familiar with the postal affairs.

### 4. Institutional Framework

The Ministry of Economy (MoE) has the overall responsibility for Internal Market and Free Movement of Goods and will take the overall co-ordination of the project. The State Secretary for Internal Market (Mr. Edo Pirkmajer) is the Head of the Working Group for Free Movement of Goods (phone: +386 1 478 3600, fax: +386 1 478 3588).

Postal activities as such are under the responsibility of the Ministry of Information Society (MoIS), Office for Information Infrastructure and are included also in the Working Group for Telecommunications and Information Technologies leading by the State Secretary Mr. Tomaž Kalin (phone: +386 1 478 8223, fax: +386 1 478 8142).

The Telecommunications Administration will be the final beneficiary, since the Telecommunications and Post Agency is not in place. The Adviser to the Government Ms. Majda Trtnik Markočič from the Telecommunications Administration (Kotnikova 19a, SI-
1000 Ljubljana) will be in charge of this project (phone: +386 61 173 49 01, fax: +386 61 132 80 36).

The competence of an NRA for the postal activity will be entrusted to the Telecommunications Agency which will be established in accordance with the Telecommunications Act. By adopting the new postal services act, this Agency will be renamed Telecommunications and Post Agency and its scope of operation will be extended to cover the post.

Transfer of human resources from the Telecommunications Administration to the Agency will not be enough. Additional staff is needed – seven (7) new staffing is planned. The total of the personnel needed for the project is eight (8).

5. Detailed Budget

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Institution Building</th>
<th>National Cofinancing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRA for post</td>
<td>- 0.15 MEUR</td>
<td>0.15 MEUR</td>
<td>0</td>
<td>0.15 MEUR</td>
</tr>
<tr>
<td>Total</td>
<td>- 0.15 MEUR</td>
<td>0.15 MEUR</td>
<td>0</td>
<td>0.15 MEUR</td>
</tr>
</tbody>
</table>

*In cases of co-financing only

The Slovenian Government will provide office space, office support, salaries for the counterpart staff, travel tickets for the counterpart staff in the framework of the study visits in EU countries - into the amount which will reflect the conditions under the twinning light rules. The estimated cost will be approximately 50 % of the total amount.

6. Implementation Arrangements

6.1 Implementing Agency: **CFCU**, Ministry of Finance
Beethovenova 11
1000 Ljubljana.
Responsible person: Mr. Peter Škofič, PAO.
Tel.: +386 1 478 6203, fax.: +386 1 478 6204
E-mail: peter.skofic@mf-rs.si

Implementing Authority: Ministry of Economy
Kotnikova 5
1000 Ljubljana
Mr. Edo Pirkmajer
Tel: +386 1 478 3600, fax: + 386 1 478 3588.

Contracting Authority: Ministry of Economy since the Agency is not in place
Final Beneficiary: Telecommunications Administration since the Agency is not in place
6.2. **Twinning Light**: There will be one (1) Twinning light contract in the total amount 0.15 MEUR. The Slovenian Government will provide office space, office support, salaries for the counterpart staff, travel tickets for the counterpart staff in the framework of the study visits in EU countries in the amount which will reflect the conditions under the twinning light rules. The estimated cost will be approximately 50% of the total amount.

6.3. **Non-standard aspects**: Provisions as regards Twinning Light will strictly be followed.

6.4. **Contracts**: There will be one contract in total amount of 0.15 MEUR. The contract will be done under CFCU.

7. **Implementation Schedule**

7.1. **Start of tendering/call for proposals**: January 2002, ToRs and specifications will be ready by the end of 2001.

7.2. **Start of project activity**: maximum 2 months after the signature of the contract

7.3. **Project Completion**: the duration of the project will be 6 months and the project is expected to be completed within maximum 8 months after the signature of the contract.

8. **Equal Opportunity**
   Equal participation in the project by men and women will be assured.

9. **Environment**
   Not Relevant

10. **Rates of return**
    Not Relevant

11. **Investment criteria**
    Not Relevant

12. **Conditionality and sequencing**
    The principles and requirements laid down in EU’s initiatives in the regulatory field shall be followed and the actual legislation harmonised with the EU legislation. Legislative system changes will be required, like changes in the public administration act. Good knowledge of the background in relation to Accession Partnership, NPAA, the Slovenian pre-accession strategy is needed.
    The adoption of the new Act on Postal Services is required for the start of this project as well as the establishment of a fully operational Telecommunications Agency. The successful implementation of the project SL99/IB/EC/03 on Telecommunications Regulatory Authority is a pre-condition.
Annexes to project Fiche

1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. ToR (Draft) Twinning Light
### Logframe Planning Matrix for Project

**ESTABLISHING OF THE NATIONAL REGULATORY AUTHORITY FOR POSTAL ACTIVITIES**

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>SI.0102.02</th>
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</thead>
<tbody>
<tr>
<td>Contracting period expires</td>
<td>15.09.2003</td>
</tr>
<tr>
<td>Disbursement period expires</td>
<td>15.09.2004</td>
</tr>
<tr>
<td>Total budget</td>
<td>0.15 MEUR</td>
</tr>
<tr>
<td>Phare budget</td>
<td>0.15 MEUR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased competitiveness of postal sector</td>
<td>Number of postal service providers increased from one monopoly operator to several operators within 2 or 3 years (from the start of the project)</td>
<td>Trade statistics, EU Progress Report on Accession process</td>
<td>Adoption of the relevant legislation, Adoption of the new Act on Postal Services</td>
</tr>
<tr>
<td>Acquis applied in the area of internal market</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established NRA</td>
<td>Approved business plan after 8.5 months after the signature of the contract</td>
<td>Published accounts (published according to the new postal act, prepared by the Agency)</td>
<td>Parliament will accept changes in proposed law, Functioning and operability of the Telecommunications and Post Agency, Successful implementation of the project SL99/IB/EC/03</td>
</tr>
<tr>
<td>Self financing NRA and corresponding business plan</td>
<td>Qualified staff trained within 8 months after the signature of the contract</td>
<td>Monitoring by body according to the new law on postal services (it’s not defined yet)</td>
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<tr>
<td>Staff trained to meet requirements of directive 97/67/EEC</td>
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<tr>
<td>Activities</td>
<td>Means</td>
<td>Assumptions</td>
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</tbody>
</table>
| • Consultation and Training of the staff of Agency including seminars and daily consultations on the Agency’s premises regarding the licensing of postal services, establishing the universal service obligation (USO), regulative and monitoring of postal market as required by Directive 97/67/EEC.  
• Study visits in EU country(-es) for the staff of Agency in a similar regulatory authority in order to strengthen the assistance provided by the experts. The experts should be lawyer, economist or other and have to be familiar with the postal affaires. | • Twinning light arrangements | |

<table>
<thead>
<tr>
<th>Preconditions</th>
<th>Preconditions</th>
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</thead>
<tbody>
<tr>
<td>• Adoption of law providing for alignment with EU postal directive by the end of 2001</td>
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ANNEX 2

IMPLEMENTATION TIME CHART

<table>
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<th>2002</th>
<th></th>
<th>2003</th>
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<tbody>
<tr>
<td>1. Twinning light</td>
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</tbody>
</table>
## ANNEX 3

### CONTRACTING AND DISBURSEMENT SCHEDULE

#### CUMULATIVE CONTRACTING SCHEDULE (MEUR)

<table>
<thead>
<tr>
<th>Date</th>
<th>3/31/01</th>
<th>6/30/01</th>
<th>9/30/01</th>
<th>12/31/01</th>
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#### CUMULATIVE DISBURSEMENT SCHEDULE (MEUR)

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<th>6/30/01</th>
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<th>6/30/03</th>
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<tbody>
<tr>
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<td>0.12</td>
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#### CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (MEUR)

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<td>Disbursed</td>
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</tbody>
</table>
1. BACKGROUND INFORMATION

By signing the Association Agreement and applying for full membership on June 10, 1996 and, subsequently, ratification of the Association Agreement on June 15, 1997, the Republic of Slovenia joined the group of Associated Countries, which are candidates for EU membership. The Agreement entered into force on 1 February 1999.

In the Opinion of the European Commission of July 16, 1997 a positive assessment of Slovenia’s application was made; Slovenia has been included in the group of candidate States that have entered into membership negotiations.

Upon entry into force of the Europe Agreement Slovenia’s trade relations with the EU and trade-related issues are governed by the provisions of the Interim Agreement that entered into force on January 1, 1997; in the context of the Slovenian pre-accession strategy, the legal approximation and transposition process is one of the key priorities. In the Accession Partnership (December 1997) the priority areas and intermediate objectives to be addressed by the Slovenian Government for further work have been identified, as well as a number of policy measures to assist Slovenia in its preparations for membership. In this context the Slovenian Government prepared the National Programme for the Adoption of the Acquis (NPAA; March 1998); the Slovenian Government adopted in March 1999 a revised version of the NPAA.
The article 84 on Post and Telecommunications of the Europe Agreement describes activities which shall focus among the priorities areas on the modernisation of Slovenia’s telecom network and postal services and their integration into the European and world networks.

The Chapter 19: *Telecommunications and Information Technologies* in the Regular Report 2000 presents the specific remarks concerning the need for establishment an independent regulatory authority for postal services. An independent regulatory authority has to be established before liberalisation to ensure smooth implementation and effective enforcement of the acquis.

The Post of Slovenia is a public company which, by law, has to carry out the service of compulsory public utility, and is at the same time an exclusive provider of these services. In accordance with the new postal services act, the Post of Slovenia, as a provider with significant market power, will be performing universal services on the basis of an appropriate authorisation.

According to the new postal services act which will come into force on 1 January 2002 at the latest, exclusive rights will be restricted, the scope of providing universal services increased and the mechanism for financing them determined; procedures and conditions for granting licences will be determined, as will be the lowest quality level for the performance of universal services.

At the Ministry of Transport and Communications, a draft proposal of the new postal services act is under preparation. Its provisions will be fully harmonised with the contents of the European Directive 97/67. This act will be submitted for the adoption to the national Assembly in the 2001 by the Government of the Republic of Slovenia.

2. RESULT TARGETED

The overall objective of this twinning light project is to support Slovenia in setting and functioning an independent regulatory authority for post in line with acquis.

The results:
- Established NRA
- Self financing NRA and corresponding business plan
- NRA equipped and staff trained to meet requirements of directive 97/67/EEC
In the past some tasks that are supposed to be carried out by the NRA have been divided among different institutions, i.e. the Ministry of Transport and Communications, the Ministry of Economic Relations and Development, Transport Inspectorate and others. After transition NRA will be independent, funded by revenues from fees for licences, registrations and responsible for licensing, universal service obligation, tariffs.

To prepare and adopt the organisation chart for NRA, to draft and adopt Statute and NRA’s general acts to prepare Business plan and to educate the staff in the way as require the directive.

3. COMMITMENT OF THE BENEFICIARY

Postal activities as such are under the responsibility of the Ministry of Transport and Communications (MoTC), Office for Posts and Telecommunications and are included also in the Working Group for Telecommunications and Information Technologies leading by the State Secretary Dr. Miro Rozman (phone: +386 1 478 8223, fax: +386 1 478 8142).

The Telecommunications Administration will be final beneficiary, since the Telecommunications and Post Agency is not in place. The Adviser to the Government Ms. Majda Trtnik Markočič from the Telecommunications Administration (Kotnikova 19a, SI-1000 Ljubljana) will be in charge of this project (phone: +386 61 173 49 01, fax: +386 61 132 80 36).

The competence of an NRA for the postal activity will be entrusted to the Telecommunications Agency which will be established in accordance with the Telecommunications Act. By adopting the new postal services act, this Agency will be renamed Telecommunications and Post Agency and its scope of operation will be extended to cover the post.

4. ASSISTANCE REQUIRED FROM A MEMBER STATE

Under the project the following activities will have to be undertaken in order to reach the above-referred results targeted:

- Consultation and training regarding the licensing, USO, regulative and monitoring
  Technical activities (TA) by expert(s) coming from an NRA and having the relevant experiences with the transition from the postal having experiences with the transition from the postal administration to an NRA.
**Licensing** – the aim is to introduce Slovene experts with the legislation on licensing in EU country(-es), including the procedures for giving licences. It is important to know how to prepare the main conditions for licences.

**Universal Service Obligation (USO)** –
the aim is to introduce Slovene experts with legislation on USO in EU country(-es). It will explain Slovene experts the following questions: how to decide who has to provide USO, how to determinate the significant market power, what are the main topics on determining the main demand for USO, what is the price for USO, how to control USO providers, is there an USO fund and how do the operators participate in this found.

**Regulative** – the aim is to introduce Slovene experts with the regulative in EU country(-es). It is important to know how to prepare the conditions implementation the regulative.

**Monitoring** - the aim is to introduce Slovene experts with implementation of control and monitoring

- Study visits in EU country(-es) for the staff of Agency in a similar regulatory authority in order to strengthen the assistance provided by the experts

The aim of organisation management is to see how similar bodies in EU country(-es) are organised, how they are managed, how they finance themselves.

**Profile of experts:**

- University degree
- Good communication skills
- Excellent knowledge of English language
- Computer literacy

**Expert(s):**

- Lawyer – approximately 10 up to 20 years experience;
- General knowledge on licensing, USO, regulative, monitoring

**ST experts:**

- Expert on licensing
Expert on USO
Expert on regulative
Expert on monitoring

Number of units (man-days):
- Expert(s): $90 \text{ MD} \times 200 \text{ EUR} = 18,000 \text{ EUR}$
- ST experts: $80 \text{ MD} \times 1000 \text{ EUR} = 80,000 \text{ EUR}$
- Study visits: $130 \text{ MD} \times 150 \text{ EUR} = 19,500 \text{ EUR}$
- Translations: $6,000 \text{ EUR}$
- Training: $26,500 \text{ EUR}$
- TOTAL $150,000 \text{ EUR}$

Proposed time schedule: The twinning light project will start on September 2002 and will be finished in 6 months.

Total budget available: $150,000 \text{ EUR}$

Working language: Experts who speak English for licensing, USO, regulative, monitoring training and study visits are needed.

5. REPORTS

Every 3 months the contractor shall produce a report (in English; 3 copies)