STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1. Project number: SI0202.04
1.2. Twinning Number: SI02/IB/EC/02
1.3. Title: Reinforcement of the National Regulatory Authority
1.4. Sector: Internal Market
1.5. Location: Slovenia

2. Objectives

2.1. Overall Objective(s):

The overall objective of this project is to promote and sustain competitive market for telecommunications services in Slovenia.

2.2. Project purpose:

Purpose of this project is to reinforce the Independent National Regulatory Authority in the field of telecommunications focusing on cost accounting approaches and balancing of the tariffs as will be required by the proposal of the new regulatory framework for electronic communications networks and services, Directive on a common regulatory framework, Com (2000)393, dated 12 July 2000, and in adapted directive, guidelines and recommendations:

- Directive 96/19/EC (OJ 74/13) regarding the implementation of full competition in Telecommunications markets;
- Guidelines of the applications of the EEC competition rules in the Telecommunications sector 92/C233/02 (OJ C233/2);

2.3. Accession Partnership and NPAA priority:

The priorities, relevant to this project are identified in the Slovenian Accession Partnership for the year 2001: Priorities and intermediate objectives, under Telecommunications and information technologies / Culture and audio-visual policy - urgent action is needed in terms of consolidation of the recently established Telecommunications and Broadcasting Agency.

The priorities, relevant to this project are identified in the NPAA:
Point 4.1.1. Free Movement of Goods
Point 4.1.19. Telecommunications and information technologies, under 2.2 Action programme by the end of 2002, Institutions, the basic task of the Agency to ensure clear and unbiased operation of the telecommunications market, is mentioned.

2.4. Contribution to National Development Plan:
Not relevant

2.5. Cross Border Impact:
Not relevant
3. **Description**

3.1. Background and justification:

On 11 May 2001, the adopted Telecommunications Act entered into force which defined regulatory authority as independent, self financed body in Slovenia, with responsibilities for management of frequencies and numbers, as well as supervision of interconnection procedures, tariffs and cost accounting systems of significant market power operators. NRA is also responsible for dispute resolutions, issuing the licenses and provision of the universal services. Issues on tariff rebalancing are for telecommunications market development of crucial importance, therefore the assistance through twinning project is sought.

3.2. Linked activities:

The proposed twinning is a follow-up of the Telecommunication project under the number SL99/IB/EC-03–TL, Telecommunications Regulatory Authority which started on 29 September 2001 and will expire on 30 April 2002. The project SL99/IB/EC-03-TL covers all issues of a modern NRA, specially those encountered by our Agency for the first time, for instance interconnection, licensing, tariffs and cost accounting systems.

3.3. Results:

- Reinforcing the NRA in the field of cost accounting and tariff rebalancing. The most appropriate cost approach should be proposed for analysing the operator tariffs in Slovenia. The Agency is aware that there are many cost accounting approaches from benchmarking, historic cost accounting fully allocated costs, current cost accounting (bottom up and top down models), and the long run incremental costs models. The proposed twinning project should determine the most suitable model for our telecommunications market and define the most appropriate parameters for the selected model.

3.4. Activities:

- Review of the cost accounting models
- Describe advantages and disadvantages of each cost model
- Find the most suitable cost model
- Define the most appropriate parameters for the selected model
- Advise and assist in the implementation of the most suitable cost model
- Staff training
- Organise study visits for the staff of the Agency in the similar regulatory authority in order to strengthen the assistance provided by the short term experts

3.5. Lessons learned:

Not applicable.
4. Institutional Framework

The Ministry of the Economy has the overall responsibility for the Internal Market and will take the overall co-ordination of the project.

The Telecommunications Regulatory Authority, namely The Telecommunications and Broadcasting Agency, directed by Mr. Nikolaj Simic (phone: +386 1 4734901, fax: + 386 1 432 80 36) is responsible for the regulation of telecommunications market of the Republic of Slovenia. In the Telecommunications Regulatory Authority there are 45 people employed, 5-7 experts will be trained. The Telecommunications and Broadcasting Agency was separated from Ministry of Information Society in May 2001 and is now independent and financed through frequency, number, licence and notification fees.

5. Detailed Budget

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The Slovenian Government will provide office space, office support, salaries and travel tickets for the counterpart staff in the framework of the study visits in the EU countries, in the amount which will reflect the conditions under the twinning project rules. The estimated cost will be approximately 12% of the total amount.

6. Implementation Arrangements

6.1. Implementing Agency:

CFCU, Ministry of Finance
Beethovenova 11
1502 Ljubljana, Slovenia

Responsible person:
Mr. Peter Škofic, PAO
Tel: +386 1 478 6203
Fax: +386 1 478 6304
e-mail: peter.skofic@mf-rs.si

6.2. Implementing Authority:

Ministry of the Economy
Kotnikova 5
1000 Ljubljana, Slovenia
Responsible person:
Dr. Boštjan Antoncic, State Secretary
Tel: +386 1 478 3564
Fax: +386 1 478 3622
e-mail: bostjan.antoncic@gov.si

Contact person:
Mrs. Tanja Kurnik, State Undersecretary
Tel: +386 1 478 3524
Fax: +386 1 478 3588
e-mail: tanja.kurnik@gov.si

6.3. Contracting Authority:

Telecommunications and Broadcasting Agency of the Republic of Slovenia
Kotnikova 19A
1000 Ljubljana, Slovenia

Responsible person:
Mr. Nikolaj Simic, Director
Tel. +386 1 473 4901
Fax +386 1 432 8036
nikolaj.simic@gov.si

Contact person:
Mr. Tomislav Žbontar, Project Leader
Tel. +386 1 473 4901
Fax +386 1 432 8036
tomo.zbontar@gov.si

6.4. Final Beneficiary:

Telecommunications and Broadcasting Agency of the Republic of Slovenia
Kotnikova 19A
1000 Ljubljana, Slovenia

Responsible person:
Mr. Nikolaj Simic, Director
Tel. +386 1 473 4901
Fax +386 1 432 8036
nikolaj.simic@gov.si

Contact person:
Mr. Tomislav Žbontar, Project Leader
Tel. +386 1 473 4901
Fax +386 1 432 8036
tomo.zbontar@gov.si

6.5. Non-standard aspects:
Provisions as regards Twinning project will strictly be followed.

6.6. **Contracts:**

There will be one Twinning contract in total amount of 0.35 MEUR.

7. **Implementation Schedule**

7.1. Start of tendering/call for proposals: May 2002

7.2. Start of project activity: September 2002

7.3. Project Completion: September 2003

8. **Equal Opportunity**

Participation in this programme is open to members of either sex or any ethnic origin. Records of staff participating in training and other project activities will reflect this statement.

9. **Environment**

   Not relevant

10. **Rates of return**

    Not relevant.

11. **Investment criteria**

    Not relevant

12. **Conditionality and sequencing**

    The harmonised Slovene legislation with the EU acquis and the principles and requirements laid down in the EU initiatives in the regulatory field shall be followed. Legislative system changes will be required, such as changes in the Public Administration Act. Good background knowledge of the Accession Partnership, the NPA and the Slovenian pre-accession strategy is needed.

    The successful implementation of the project SL99/IB/EC-03-TL 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)
### LOGFRAME PLANNING MATRIX FOR PROJECT: Reinforcement Of The National Regulatory Authority

**Programme name and number**

SI0202.04

**Contracting period expires:**

30 June 2004

**Disbursement period expires:**

30 June 2005

**Total budget:** €0.40 MEUR

**Phare budget:** €0.35 EUR

### Overall objective

- **Objective:** To promote and sustain competitive market for telecommunications services in Slovenia

- **Objectively verifiable indicators:** Cost oriented interconnection tariffs, 12 months after start of the project.

- **Assumptions and Risks:** Trained staff could leave the NRA

### Project purpose

- **Objective:** Reinforcing the Independent National Regulatory Authority, in accordance with Com(2000)393

- **Objectively verifiable indicators:** Assessment by the twinning partner of the NRA staff responsible for tariffs, 9 months after start of the project

- **Sources of Verification:** Report from twinning leader 9 months after start of the project

- **Assumptions and Risks:** the trained staff could leave the NRA
### Results

- Staff trained to meet requirements of Com(2000)393

### Objectively verifiable indicators

- Qualified staff trained within 14 months after start of the project

### Sources of Verification

- Final report from twinning leader 14 months after start of the project.

### Precondition

- Telecommunications Agency in operation
- Successful implementation of the project SL99/IB/EC-03-TL.

### Activities

- Consultation and Training of the Agency staff, including seminars and daily consultations on the Agency’s premises with regard to the cost accounting approach.
- Study visits in the EU country(-ies) for the staff of Agency in a similar regulatory authority in order to strengthen the assistance provided by the experts. The experts should be accountants, economists, lawyers, engineers or generalists and have to be familiar with cost accounting.

### Means

- Twinning project arrangements
### ANNEX 2

**IMPLEMENTATION TIME CHART**

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ANNEX 3
CONTRACTING AND DISBURSEMENT SCHEDULE

CUMULATIVE CONTRACTING SCHEDULE   (MEUR)

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