STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1. Desiree Number: SI0205.02
    Twinning Number: SI 02/IB/OT/02

1.2. Title: Development of programming and management capacities for European Social Fund (ESF) implementation

1.3. Sector: Economic and Social Cohesion

1.4. Location: Slovenia

A package for institutional building for the future implementation of the EU Structural Funds (SF) and the Cohesion Fund (CF) in Slovenia consists of three project fiches:

a) Setting up a coherent system for the Structural and Cohesion Funds in Slovenia for the Managing Authority (MA) and the ERDF measures implementation,
b) Development of programming and management capacities for the ESF implementation
c) Establishment of the Management and Control System designed for the effective and sound Implementation of EU Structural and Cohesion Funds within the future Paying Authority at the Ministry of Finance of the Republic of Slovenia.

All fiches have to be thus considered in conjunction with each other. The candidates may apply for one, two or all of referred projects.

2. Objectives:

2.1. Overall objective:

To establish an institutional framework with necessary administrative capacity to be able to effectively co-ordinate and implement the Structural Funds in Slovenia: To set up a coherent system for ESF measures implementation.

2.2. Project Purpose:

1. Further development of the ESF Unit in the Ministry of Labour, Family and Social Affairs (MoLFSA).
2. Identification and training of final beneficiaries
3. To prepare a coherent part of the Single Programming Document and Programme complement relevant to measures supported by ESF.

2.3. Accession partnership and NPAA priority:

The project is in line with the AP and the NPAA.

The priorities and intermediate objectives for Regional policy and co-ordination of structural instruments as defined in the AP are:
(1) Establish a territorial organisation in line with and allowing for effective implementation of the Structural Funds Regulations;
(2) Establish a clear division of responsibilities for the management of the Structural Funds and the Cohesion Fund, improve the administrative capacity of the institutions involved and the implementation of the funds in particular the Managing and Paying Authorities, especially in terms of recruitment and training;
(3) Prepare a coherent development plan as required by the Structural Funds Regulations and define the implementation structures of the final plan;
(4) Set up the coherent monitoring and evaluation system for Structural Funds, in particular for ex-ante evaluation and for the collection and processing of the relevant statistical information and indicators;
(5) Align with the specific financial management and control provisions for future Structural and Cohesion Fund(s) under the relevant EC regulations;
(6) Develop the technical preparation of projects eligible to the Structural and Cohesion Funds assistance (project pipeline).
Within the NPAA the following relevant priority action is formulated: “formation and successful implementation of regional structural policy in compliance with EU legislative and institutional changes in numerous fields.”

2.4 Contribution to National Development Plan 2001-2006:

The project will contribute to implementation of the National Development Plan for 2001-2006. The project will support the priorities and intermediate objectives:
- for improving capacities of public administration to implement HRD programmes;
- of systems for implementation, monitoring and evaluation ESF programmes;
- for identification of financial flows and co-financing procedures;
- putting down audit trails and
- identification and training of final beneficiaries.

2.5 Cross Border Impact:

Not applicable.

3. Description

3.1. Background and justification

The overall objective of the project is to set up a fully operational ESF Unit. The ESF sector unit was set up in October 2001. MoLFSA is responsible for administrating the system and procedures for ESF, for the coordination among the different players (Ministry for Education, Science and Sport (MoESS), Ministry of Finance (MF), Ministry of Economy (ME), ESF groups on the regional level also the beneficiaries).

The NDP has defined in Chapter 5 the key institutions for managing, implementation, monitoring, evaluation and control of the implementation of the EU SF and CF. The legal basis for the administration structure is the Council Regulation No 1260/1999 laying down general provisions on the Structural Funds. Slovenia intends to negotiate with the European Commission the Single Programming Document (SPD) which will derive from the NDP. Consequently Slovenia will have one Managing Authority within the Ministry of Economy and one Paying Authority within the Ministry of Finance for implementation of the Structural Funds.
The Management structure for the SF consists of:
- Managing Authority;
- Monitoring Committee;
- Intermediate bodies;
- Paying Authority.

The Ministry of the Economy (MoE) as it is today, was established in the year 2001 to join all economic policies in Slovenia. The Ministry in accordance with the NDP will become the future Managing Authority. It will be responsible for efficiency and correctness of the management and the implementation of the SPD and for the coordination, the monitoring and reporting on the activities of the Cohesion Fund.

Different lead ministries and their departments as Intermediate bodies are responsible for the preparation and the implementation of individual development priorities of the NDP. Duties and responsibilities are delegated in accordance with the law defining the mandate of these ministries and the Public Finance Act.

For the individual Structural Funds following ministries will be responsible:
- for the European Social Fund the Ministry of Labour, Family and Social Affairs;
- for the European Agriculture Guarantee and Guidance Fund the Ministry of Agriculture, Forestry and Food;
- for the Financial Instrument for Fisheries Guidance the Ministry of Agriculture, Forestry and Food;
- for the European Regional Development Fund the Ministry of the Economy;

Preparation of the strategic basis for ESF programming:
In July 2001 the European Commission agreed the Joint Assessment of the Employment Policy priorities of Slovenia. This document sets out the short and medium term employment and labour market policy priorities. These policy objectives are necessary to advance the countries labour market transformation, enabling Slovenia ready to implement the 4 pillars of the European Employment Strategy (EES). The Ministry produced the National Employment Action Plan for 2000/2001 and National programme of Labour Market Development and Employment to 2006. The Ministry of Education, Science and Sport have also agreed a new document on Curricula Development for Vocational Education and Training (VET).

3.2. Linked activities:
- Phare 98 SPP – ESF (managed by European Training Foundation, Torino) Project provided initial training on European Structural Funds and on European Social Fund for 3 staff representatives of MoLFSA, MoESS and Employment Service of Slovenia).
EU Programmes Agency within The Centre of the Republic of Slovenia for Vocational Education and Training (CVET) was contracted by The European Training Foundation to assist to the ETF in the logistic organisation of supplementary, national and local seminars in Slovenia. Supplementary Seminar and National Conference were organised in Ljubljana in 1999. National Conference was one-day awareness raising for central, regional and local government officials, together with the social partners. Local events were organised in 2000 in three local cities in pilot regions: Savinjska, Zasavje and Pomurje. The National Training Institute for ESF has been set up within CVET.
Project also provided two Study visits to Italy (participation in CSF Monitoring Committee for Objective 3 and at Technical Evaluation group meeting) and Study visit to Ireland on ESF implementation, (including also staff from Centre for vocational education and training and from Agency for EU programmes), both in 2000.

- Phare 98 SPP- Pilot action in Savinjska region (SL 9804.02.01)
  The pilot project: Developing regional employment financial instrument seeks to promote pilot approach in developing the effective regional financial instrument which would support creation of new jobs and contribute to employability of hard to place unemployed, disabled and first job seekers through project based training and to increase knowledge and skills of people threatened to become unemployed (2000, 2001). This pilot action is the basis for implementing Phare 2000 Activating employment potential at local level.

- SL98/1B/SPP-01; Twinning between Ireland and Slovenia in co-operation with Germany and the U.K..
  ESF component of the twinning is implemented by UK and comprised of 41 weeks short-term assistance. Preliminary work on establishing management, implementation, programming, monitoring and evaluation has been and is still being undertaken. A study visit to the UK was undertaken for 5 staff from MoLFS, MoESS and CVET.

- Phare 2001 Economic and Social Cohesion
  Project is to support strengthening Slovenia on the local level; project is to assist to support human resource development and local infrastructure to increase absorption capacity.

- Phare SI2001/IB/01-TL Public Finance Internal Control Methods and Techniques - designed for the reinforcement of the public internal financial control function. It aims for elaboration of manuals on internal financial control and training of staff from the Budgetary for Supervisory Service within the Ministry of Finance in its role of a central internal audit co-ordinating body and a certifying body.

Under Phare 2002 three Institutional Building projects are foreseen to provide assistance in building the administrative capacity for the implementation of structural funds. Close links have to be established between all three projects. The activities of twinning teams will be co-ordinated by the PAA for the Managing Authority. He will be placed within the Ministry of the Economy, Department for the Regional Development and will report to the Minister and the State Secretary for the Regional Development. The Ministry of the Economy will chair co-ordination of all referred twinning projects for Institutional Building in Economic and Social Cohesion for 2002.

Single Steering Committee will be organised to co-ordinate all projects and will consist of representatives of the Ministry of the Economy, the Ministry of Finance, the Ministry of Labour, Family and Social Affairs, the Ministry of Transport, the Ministry of Environment and Spatial Planning, and the Governmental Office for European Affairs. The representatives of other relevant ministries and stakeholders might be invited to the meetings of the SC. The co-ordination will ensure consistency with regards to the respective contributions to the Structural Funds programming documents.

Draft rules and procedures for the SC are presented in the annex VI.
3.3. Results:

It is expected that at the end of the project there will be trained staff in the Ministry of the Labour and Social Affairs as well as future Final Beneficiaries of the ESF, including in particular the Ministry of Education, able to meet the required level of knowledge for management and implementation of the European Social Fund as regard the following:

**Programming:**

- Contribution to the preparation of the Single Programming Document and Programme Complement
  - Prepared Policy Frame of Reference for Human Resources Development
  - Definition of ESF Priorities and measures and agreement with the relevant Ministries and Final Beneficiaries on operational arrangements to be included in the SPD and the Programme Complement
  - Identification of Final Beneficiaries for each of the five ESF Policy Fields to be identified for each ESF measure's description in the Programme Complement
  - Identification of ESF-related indicators to be included in the SPD and Programme Complement

- Prepared guidelines to ensure the compliance of the Programme Complement with the relevant Community Policies: European Employment Strategy, the Social Inclusion Process and mainstreaming of Equal Opportunities.

- Prepared guidelines on project selection criteria for ESF measures within the programme complement;

**Implementation:**

*As regard the role of intermediate body*

- Defined arrangements for administrating the ESF measures on behalf of the Managing Authority
  - Defined share of responsibilities and reporting arrangements with the Managing Authority
  - Defined arrangements for the delegation of tasks to Final Beneficiaries
  - Defined arrangement related to the financial flows between the Ministry of Labour as Intermediate Body for ESF interventions, ESF Final Beneficiaries, the Managing Authority and the Paying Authority.

- Compliance assessment of setting up the proposed implementation structure with Slovene legal and financial system and proposals prepared for amending the legal basis to meet requirements of regulations 1260/99, 1784/99 and 438/2001.

- Defined tasks and responsibilities for Economic Social Fund management structures presented as a manual. This manual is intended to provide guidance to Final Beneficiaries especially on the ESF working procedures for tendering, contract awarding, reporting on progress implementation, payments and acceptance of works.
• Developed measures in compliance with the Programme Complement for Information and Publicity requirements to be carried out concerning assistance from ESF;
• ESF project pipeline developed

Evaluation:

• The ESF Intermediate body contributing to activities of the ex-ante evaluation in accordance with article 41 of the regulation 1260/99, especially in relation with paragraph 2 point a and c, and prepared ex-ante evaluation for the SPD.
• Evaluation work programme for the measures supported by the ESF prepared;
• Prepared activities for the Technical assistance for the implementation of the ESF measures.

Monitoring:

• Monitoring strategy and guidelines prepared for measures supported by ESF
  - Identified ESF Indicators
  - Identified source of data necessary for elaboration of the Indicators
  - Guidelines for data collection prepared;
• System for collecting necessary data designed and in place
• Prepared documents for the Monitoring Committee

Financial Management and Control:

As regard the role of the intermediate body

• Established system for gathering reliable financial and statistical information on implementation of the Programme Complement additional to National plan of employment;
  - Contribution for ESF supported measures with a special attention to the constraints stemming from the numerous project promoters involved
• Prepared guidelines for ensuring respect of the Community Rules and Policies in the implementation of the ESF (especially regarding the eligibility expenditure, public procurement, state aid, and equal of opportunity);
• Supporting the preparation of separate systems for accounting and transaction in for the ESF close co-operation with twinning project for the Paying Authority within the Ministry of Finance and project for Public Finance Internal Control Methods and Techniques;
• Described system for confirming justification and accuracy of claims for payment especially regarding the tendering procedures, contract award, reports on progress implementation, payments and acceptance of works
• Described system of financial management that will differentiate process of authorisation, execution and accounting in programmes implementation structures;
• Management and control systems developed that meet the needs of the EC and Slovenia requirements for financial control of measures supported by the ESF
• Developed system for examination and certification of expenditure reports on all levels
3.4. Activities

Programming:

As regard the role of the intermediate body

- Support for drafting and finalising the SPD and Programme Complement preparation, including elements such as the Policy Frame of Reference, ESF priorities and measures, financial tables, relevant indicators.
- Consultation with Ministry of Finance regarding the co-financing structure for ESF programmes.
- Support for identifying potential Final Beneficiaries for each of the 5 ESF Policy Fields
- Counselling in preparation of guidelines according to the Community rules and policies for management ESF;
- Counselling in preparation of guidelines on project selection criteria for ESF measure within the programme complement;
- Advice and support for issues related to Global Grants, Multi-beneficiaries programmes, and similar subjects.

Implementation:

- Review of existing material and preparation of initial papers for ESF implementation in Slovenia;
- Elaboration of organisational chart(s) for ESF as clarifying the links with the Managing Authority, Paying Authority and Final beneficiaries in accordance with the Regulation 1260/1999 1784/1999 and 438/2001;
- Contribute for preparation of guidelines and procedures manuals by the Managing Authority for the Intermediate bodies and Final Beneficiaries for managing the SPD (for financial management and control relating to the implementation of measures financed from the Structural Funds) in close co-operation with the future Paying Authority;
- Analysis of existing legal, institutional and financial basis for the development of administrative structures and elaboration of present system to be in compliance with the requirement of regulations and national legislation;
- Development of a manual for ESF working procedures for tendering, contract awarding, reporting on progress implementation, payments and acceptance of works and co-operation with the project for the Paying Authority; Advice and support for issues related to information and publicity requirements in implementation in accordance with the EU Regulation.
- Developing a project pipeline
  - Identification of actors to be involved in the project appraisal and selection.
  - Elaboration of standard application form for ESF along with the appropriate guidance;
  - Elaboration of standard grant document for financial contribution to municipalities, non-profit entities and enterprises.
- Preparation of the programme for Technical assistance for the implementation of the ERDF measures;
- Training of Final Beneficiaries, including the Ministry of Education.
Evaluation:

- Advising and supporting activities for ex-ante evaluation ESF aspects:
- Preparing the work programme for the evaluation of measures supported by the ESF

Monitoring:

- Setting up monitoring framework and set of indicators for the measures financed through the ESF
- Contributing to Elaboration of core indicators for NDP/SPD; designing information flow system based on standard interim and final monitoring; For this task the close link will have to be established with IB projects for the Managing Authority and the Paying Authority;
- designing system for information flow based on standard interim and final monitoring reports taking into consideration existing monitoring systems for EU funded and national programmes;
- Support in preparing procedures for verification of the project proposal
- Contributing in preparation of guidelines on formats for Annual Implementation reports;

Financial Management and Control:

- Elaboration of ESF system for transactions of financial, accountancy and statistical data
- Support to establish system that gathers reliable financial, and statistical information on implementation of the Programme Complement;
- Advice on systems for accounting and transactions in co-operation with the project for the Paying Authority;
- Support for the development of financial management system to assure the Audit trail; (Described system for confirming justification and accuracy of claims for payment especially regarding the tendering procedures, contract award, reports on progress implementation, payments and acceptance of works; and described system of financial management that will differentiate process of authorisation, execution and accounting in programmes implementation structures).

- Integration of databases for ESF to assure co-ordination; For this task the close link will have to be established with IB projects for the Managing Authority and the Paying Authority;
- Expertise on setting up internal control unit within ESF sector. For this task the close link will have to be established with IB projects for the Managing Authority and the Paying Authority.
- Preparing ESF unit to be able to provide ‘on the spot visits’. ESF will draw up a criteria for selection of organisations to be visited (5%) and prepare an annual audit programme of visits to final beneficiaries. ESF will develop system based approach through use of internal control questionnaires, performance measurements, etc.

Overall co-ordinated activities to assure transfer of knowledge and trained staff in the Ministry of Labour and Social Affairs as well as Final Beneficiaries, including the
Ministry of Education able to meet the required level of knowledge for management and implementation of ESF:

- Advice and support given to identified personnel to gain the required level of knowledge for management and administration of ESF.
- Seminars and training for the ESF staff;

**Long-term PAA** (12 man/months EU expert) will assist the Ministry of Labour, Family and Social Affairs (ESF Unit) in developing its management and programming capacities. The PAA will assist in reviewing the existing ESF implementation models and helping to modify them, designing organisational (management and legal) framework for ESF operations and will co-ordinate all actions (inputs of other experts) in the project. The PAA will also be responsible for drafting procedures, forms and guidance documents to be used for ESF implementation. The PAA will take the lead in co-ordination of all actions with other Ministries and agencies, in particular; NARD; MoESS, CVET.

Pre-accession Advisers (PAA), with operational experience regarding managing the Structural Funds, shall support activities undertaken under the project. She/he shall be supported by a number of medium and short-term experts specialising in the areas depicted above. It is required that they have sufficient knowledge regarding latest EU regulations related to Structural Funds Implementation.

Profile of the PAAs: experience with EU Structural Funds, fluent in English. She/he will assist the MoLFSA in developing its management and programming capacities. The PAAs will be responsible for designing the organisational framework for management, administration and co-ordination operations. The PAA will be responsible for drafting or contribution to MA manual(s), for ESF procedures, forms and guidance documents expected as results. She/he will serve as daily adviser to the ESF sector unit at MoLFSA.

The PAA will be a member of the Monitoring Committee of the Structural Funds IB Phare 2002 projects.

**Medium term EU expert**: (6 man/months) placed in the ESF Unit to help the MoLFSA to identify final beneficiaries and project providers, as well as develop a project pipeline, including co-financing systems and financial flow of funds to final beneficiaries. He/she will work with the final beneficiaries, especially the Ministry of Education to ensure appropriate systems are in place to manage ESF procedures. For this purpose, he/she could to be relocated for two or three weeks with the main Final Beneficiaries. To deliver training courses to final beneficiaries on administrative aspects of ESF projects execution. Training will be focused on administrative aspects of ESF projects execution (how to fill in an application form, financial management, records management, data collection, reporting) in relation to all five policy fields.

A National Training Plan for ESF is to be drawn up and delivered, final Beneficiaries equipped with in-depth knowledge on ESF programmes and projects implementation. Potential final beneficiaries and a Network of Regional HRD Project Providers (Partnership Network) identified by the MoLFSA, MoESS and ME.

**For implementation: Short – term EU expert** (3 man/month) to assist the Ministry design implementation methodology ESF.
The procedures (operational rules, eligibility, co-financing, use of technical assistance, project development, application process with partnership done and to consult, selection criteria, approval process, notification to applicants, appeals process, applicants completing claim form, applicants profiling of projects, handling of payment claim forms, final claims, significant changes to projects, project monitoring, payments and refunds) will be defined for each level.

**For evaluation and monitoring: Short – term EU expert** (3 man/month) to assist the Ministry design its evaluation and monitoring procedures.

It is particularly important that we can produce ESF evaluation data at the national level so that can provide information on ESF to feed into the Slovenian National Action Plan (NAPs). Development of a monitoring and evaluation strategy (physical and financial) and systems, taking into account the links to ME, MoESS, final beneficiaries; identification of functions and tasks at each level within the administration.

It is proposed that evaluation strategy should incorporate the core elements of the national framework for evaluating ESF. These core indicators will incorporate into both the SPD and the draft Programme Complement.

**For financial control: Short term EU expert** (2 man/months) will assist the Ministry of finance and MoLFSA finance Department in establishing financial management unit at the MoLFSA that will co-operate with the ESF Department. 1 week training course for 5 persons from Ministry of Finance/MoLFSA on financial and claims management, financial control and audit procedures.

In the area of financial control and audit the MoLFSA is to be prepared for co-operation with Paying authority (Ministry of Finance), Budget supervisory service within Ministry of Finance and Managing Authority.

**For IT: Short-term EU expert** (6 man/months) to design and develop IT systems for management and data collection that fit with the ESF measures, link with ME and other ministries and final beneficiaries: assessment of current systems in MoLFSA, design and development of IT (software and hardware) requirements to meet State requirements and EC Regulations and coordinate the system with ME (NARD).

**Study visit:** 2 visits to Member States for 5 people.

**Equipment:** As the proficient ESF management is impossible without efficient and transparent computer system and appropriate software for controlling, monitoring and evaluation implementation of this objective requires provision of MoLFSA ESF Unit within the MoLFSA with the relevant computer systems and programmes. The provision of relevant knowledge and skills concerns the IT system is absolutely essential for obtaining the goals of these activities.

3.5 Lessons learned

The Ministry of Labour, Family and Social Affairs, together with all other institutions that participated in the implementation of activities, gained knowledge in how the European Social Fund operates and what is needed for successful implementation of the ESF.
The crucial issues include establishing a partnership approach, consideration of the regional dimension of sectoral policies, a clear division of roles and responsibilities, an effective monitoring and evaluation system, timely and reliable data with a supporting IT system and programming.

Lessons learned from previous experiences have been used as a basis for future actions.

4. Institutional Framework

The main beneficiary of this project will be the ESF Unit of the Ministry of Labour, Family and Social Affairs (MoLFSA), as the institution responsible for the setting up of ESF programming, delivery and implementation. This department will work in close cooperation with various sectors within MoLFSA i.e. employment and restructuring and integration of labour market and education. These sectors are responsible for active employment policies, programming strategic documents such as Strategy for Labour Market Development and Employment to 2006, Joint Assessment Paper (JAP) and the National Employment Action Plans.

Single Steering Committee will be organised to co-ordinate all projects and will consist of representatives of the Ministry of the Economy, the Ministry of Finance, the Ministry of Labour, Family and Social Affairs, the Ministry of Transport, the Ministry of Environment and Spatial Planning, EC Delegation and the Governmental Office for European Affairs. The representatives of other relevant ministries and stakeholders might be invited to the meetings of the SC. The co-ordination will ensure consistency with regards to the respective contributions to the Structural Funds programming documents.

The ESF Unit will also work in close cooperation and co-ordination with other institutions and Ministries involved in the programming and co-financing of ESF i.e. Ministry of Education, Science and Sport (MoESS) Centre for Vocational Education and Training (CVET), National Agency for Regional Development (NARD), National Training Institute (NTI), Employment Service of Slovenia (ESS), Government of for European Affairs, the Agency for EU Programmes, the Ministry of Finance and the Government Centre for Informatics (CVI).

To assure that all aspects of human resources are covered there will be produced additional national tables to SPD.

5. Detailed budget (in €)

<table>
<thead>
<tr>
<th>Contract</th>
<th>Investment</th>
<th>IB</th>
<th>Total Phare (I+IB)</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>1 (twinning)</td>
<td>750,000</td>
<td>750,000</td>
<td>20,000</td>
<td>770,000</td>
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<td></td>
</tr>
<tr>
<td>2 (Equipment)</td>
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<td>110,000</td>
<td>25,000</td>
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<tr>
<td>Total:</td>
<td>110,000</td>
<td>750,000</td>
<td>860,000</td>
<td>45,000</td>
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</table>
The Slovenian co-financing in the amount of 5% of the overall budget will cover costs of plane tickets, office provisions for PAA and short-term experts, and equipment costs for IT.

6. Implementation Arrangement

6.1. Implementing Agency:

Ministry of Finance  CFCU,
Mr Peter Škofic, PAO
Beethovenova 11, 1000 Ljubljana
Tel: +386 1 478 69 94, Fax: +386 1 478 62 04

6.1.1. Implementing Authority:

Ministry of Labour, Family and Social Affairs (MoLFSA),
Mrs Stasa Baloh Plahutnik
Kotnikova 5, 1000 Ljubljana
Tel: +386 1 478 3357,Fax: +386 1 478 3350

6.2. Twinning:

Activities will be implemented in the framework of twinning. Twinning package will consist of a long term PAA, medium term expert, short-term EU experts, training and study visits.

Beneficiary institution:
Ministry of Labour, Family and Social Affairs, Kotnikova 5, Ljubljana
Contact person: Mrs. Staša Baloh – Plahutnik, State Secretary for MoLFSA

6.3. Non-standard aspects: N. A.

6.4. Contracts:

Expected number of contracts: 2
Estimated value (Phare component only)

<table>
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<tr>
<th>Activity</th>
<th>Value (EUR)</th>
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<tr>
<td>Twinning</td>
<td>750,000</td>
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<tr>
<td>Supply</td>
<td>110,000</td>
</tr>
</tbody>
</table>

Activities will be implemented in the framework of Twinning. The Twinning package will consist of a PAA, medium-term expert, short-term EU experts, training and study visits. One twinning covenant and one standard contract for supply.

7. Implementation Schedule

7.1 Start of tendering/call for proposals: July 2002
7.2 Start of project activity: March 2003
7.3 Project Completion: August 2004
8. Equal Opportunity

The project will promote equality between genders since it will contribute to the design of measures under all ESF policy fields including Horizontal issues that promote mainstreaming of equal opportunities. The project provides equal benefits to both men and women.


11. Investment criteria: n.a.

12. Conditionality and sequencing:

The most important condition and milestone for the project implementation is the finalisation of the National Development Plan. The fifth chapter of the NDP: Institutional arrangements will evolve along with the development of the implementation of this project and in connection with other IB projects.
LIST OF ANNEXES

Annex I: Log-frame planning Matrix
Annex II: Detailed Implementation Chart
Annex III: Contracting and Disbursement schedule
Annex IV: List of relevant laws and regulations
Annex V: Reference to relevant government strategic plans and studies
Annex Vt: Draft Rules and Procedures for the Steering Committee
### Programme No.
SI0205.02

### Programme title
Development of programming and management capacities for ESF implementation

### Total budget:

<table>
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<tr>
<th>Programme</th>
<th>Phare</th>
<th>Other Funds</th>
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<tbody>
<tr>
<td>SI0205.02</td>
<td>€905,000</td>
<td>€860,000</td>
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</table>

### Planning period:
Dec2002-May 2005

### Date of drafting:
December 2001

### Overall Objective

**Setting up a coherent system for ESF implementation**

- ESF administrative structures and project delivery system fully developed.
- Slovenia prepared to effectively use ESF support.
- Quality of the absorption of pre-accession funds and ESF.

### Project purpose

**1. Further development of the ESF Unit in the Ministry of Labour, Family and Social Affairs**

- ESF Unit structure agreed and each section fully prepared for their respective roles and business processes for each section developed.
- Final beneficiaries and project providers able to participate in ESF programmes and to prepare good quality ESF projects

**2. Identification and training of final beneficiaries**

- Reports on project’s implementation
- New structure of the Unit

### Results of project

- Trained staff at the MoLFS, future final beneficiaries of the ESF, including the MESS, and able to meet the required level of knowledge for management and implementation of ESF as regard the programming, implementation, evaluation, monitoring, financial management and control.

#### Programming:

- Contribution to the preparation of the SPD and PC
- Prepared guidelines to ensure the compliance of the Programme Complement with the relevant Community Policies
- Prepared guidelines on project selection criteria for ESF measures within the Programme Complement

#### Implementation:

- Arrangements for administrating the ESF measures on behalf of MA defined
- Compliance assessment of setting up the proposed implementation structure with Slovene legal and financial system and proposals prepared for amending the legal basis to meet requirements of regulations 1260/99, 1784/99, 438/2001
- Tasks and responsibilities for ESF management structures in the manual as a guidance for final beneficiaries defined
- Measures in compliance with the Programming complement for Information and Publicity requirements developed
- ESF project pipeline developed

#### Evaluation:

- Contribution to activities of the ex-ante evaluation and prepared ex-ante evaluation for SPD by ESF intermediate body
- Evaluation work programme for the measures supported by ESF prepared
- Activities for TA for the implementation of the ESF measures prepared

#### Monitoring:

- Monitoring strategy and guidelines for measures supported by ESF prepared

### Assumptions and Risks

1. Quality and a number of staff working in the ESF Unit.
2. Commitment of authorities to implement programmes on HRD
Financial Management and Control:
- System for gathering reliable financial and statistical information on implementation of the Programme Complement additional to National Plan of employment prepared
- Guidelines for ensuring respect of the Community Rules and Policies in the implementation of the ESF prepared
- Supporting the preparation of separate system for accounting and transaction for ESF in close co-operation with twinning project for PA within MF and the project Public Finance Internal Control Methods and Techniques
- Described system for confirming justification and accuracy of claims for payment especially regarding the tendering procedures, contract award, etc.
- Described system of financial management
- Management and control system developed
- System for examination and certification of expenditure reports on all levels developed

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Programming:</strong></td>
<td>1. Twinning Covenant (Long-term PAA, 4 Short-term EU experts, medium-term EU expert)</td>
<td>1. Regular reports of the experts</td>
<td>Commitment and co-ordination of all stakeholders involved</td>
</tr>
<tr>
<td></td>
<td>2. Study visits</td>
<td>2. Evaluation of training activities</td>
<td>Adequate and core staff working in the ESF Department</td>
</tr>
<tr>
<td></td>
<td>3. Trainings</td>
<td>3. Regular Phare implementation meetings</td>
<td>IT hardware and software purchased and installed</td>
</tr>
<tr>
<td><strong>Implementation:</strong></td>
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<tr>
<td></td>
<td>1. Reviewing the existing materials and preparing the initials papers for ESF implementation</td>
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<tr>
<td></td>
<td>2. Elaborating the organizational chart for ESF</td>
<td></td>
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<tr>
<td></td>
<td>3. Contributing to MA preparation of the guidelines and procedures manuals for intermediate bodies and final beneficiaries</td>
<td></td>
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<tr>
<td></td>
<td>4. Analysing the existing legal, institutional and financial basis for the development of administrative structure and elaborating the present system</td>
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<td></td>
<td>5. Developing the ESF manual on (tender procedures, contract awarding, etc.)</td>
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<td></td>
<td>6. Advising and supporting in issues related to information and publicity requirements</td>
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<td></td>
<td>7. Developing the project pipeline</td>
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<td></td>
<td>8. Preparing the programme for TA</td>
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<td></td>
<td>9. Training of final beneficiaries and MESS</td>
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<tr>
<td><strong>Evaluation:</strong></td>
<td></td>
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<tr>
<td></td>
<td>1. Preparing the work programme for the evaluation of measures supported by ESF</td>
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<tr>
<td><strong>Monitoring:</strong></td>
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<tr>
<td></td>
<td>1. Setting up monitoring framework and set up indicators for the measures</td>
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<tr>
<td></td>
<td>2. Contributing to elaboration of core indicators for NDP/SPD, designing info flow, establishing the close link with the projects for MA and PA</td>
<td></td>
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<tr>
<td></td>
<td>3. Designing the system for information flow</td>
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<td></td>
<td>4. Supporting in procedures for verification of the project proposals preparation</td>
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<tr>
<td></td>
<td>5. Contributing in preparation of guidelines based on annual implementation reports formats</td>
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<tr>
<td><strong>Financial Management and Control:</strong></td>
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<td>--------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>1. Elaboration of ESF system for financial, accountancy and statistical data transaction</td>
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<tr>
<td>2. Supporting the establishment of the system for gathering financial, statistical information on PC implementation</td>
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<tr>
<td>3. Advising on accounting and transaction system in co-operation with the project for PA</td>
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<tr>
<td>4. Supporting the development of financial management system to assure audit trail</td>
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<td>5. Integrating the database for ESF to assure co-ordination</td>
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<tr>
<td>6. Gaining the expertise on setting up internal control unit</td>
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<tr>
<td>7. Preparing the ESF unit in providing on the spot visits (drawing up the selection criteria, preparing annual audit programme of visits, developing of system based approach)</td>
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</tbody>
</table>

Advice and support given to identified personnel
Seminars and trainings

<table>
<thead>
<tr>
<th><strong>Preconditions:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalised National Development Plan</td>
</tr>
<tr>
<td>Nominated staff in designated bodies</td>
</tr>
</tbody>
</table>
Annex II: DETAILED IMPLEMENTATION CHART

Programme nr: SI0205.02
Phare funds: 860,000 EUR
National co financing: 45,000 EUR
TOTAL: 905,000 EUR

<table>
<thead>
<tr>
<th>Activity</th>
<th>Month/Year</th>
<th>2003-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAA</td>
<td></td>
<td>03 04 05 06 07 08 09 10 11 12 01 02 03 04 05 06 07 08</td>
</tr>
<tr>
<td>Medium term ex.</td>
<td></td>
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<tr>
<td>Short term ex. 1</td>
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<tr>
<td>Short term ex. 2</td>
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<tr>
<td>Short term ex. 3</td>
<td></td>
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<tr>
<td>Short term ex.</td>
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<tr>
<td>Study visits</td>
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</tbody>
</table>
Annex III: CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (for full duration of the programme)

Programme nr: SI0205.02
Phare funds: 860,000 EUR
National co financing: 45,000 EUR
TOTAL: 905,000 EUR

<table>
<thead>
<tr>
<th>Cumulative Contracting schedule</th>
<th>03/31/03</th>
<th>06/30/03</th>
<th>09/30/03</th>
<th>12/31/03</th>
<th>03/31/04</th>
<th>06/30/04</th>
<th>09/30/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1 (twinning)</td>
<td>750,000</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Contract 2 (equipment)</td>
<td></td>
<td>110,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Cumulative Disbursement schedule</th>
<th>03/31/03</th>
<th>06/30/03</th>
<th>09/30/03</th>
<th>12/31/03</th>
<th>03/31/04</th>
<th>06/30/04</th>
<th>09/30/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1 (twinning)</td>
<td>256,666</td>
<td>359,333</td>
<td>461,999</td>
<td>564,664</td>
<td>667,333</td>
<td>750,000</td>
<td></td>
</tr>
<tr>
<td>Contract 2 (equipment)</td>
<td>110,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Cumulative Contracting and Disbursement Schedule</th>
<th>03/31/03</th>
<th>06/30/03</th>
<th>09/30/03</th>
<th>12/31/03</th>
<th>03/31/04</th>
<th>06/30/04</th>
<th>09/30/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted (total)</td>
<td>750,000</td>
<td>860,000</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>disbursed (total)</td>
<td>366,666</td>
<td>469,333</td>
<td>571,999</td>
<td>674,664</td>
<td>777,333</td>
<td>860,000</td>
<td></td>
</tr>
</tbody>
</table>
Annex IV: List of relevant Laws and Regulations:

1. Balanced Regional Development Act (Official Journal of the Republic of Slovenia, 60/99)
2. Law on research activities (Official Journal of the Republic of Slovenia, 8/91)
3. Law on small business development (Official Journal of the Republic of Slovenia, 18/91)
4. Law on the protection of the competition (Official Journal of the Republic of Slovenia, 18/93)
5. Law on foreign trade procedures (Official Journal of the Republic of Slovenia, 13/93)
6. The Employment and Unemployment Act (Official Journal of the Republic of Slovenia, 5/91 with changes)
7. Employment and Work of Aliens Act (ZZDT) (Official Journal of the Republic of Slovenia, 66/00)
8. Regulation for the Implementation of Measures of the Active Employment Policy (Official Journal of the Republic of Slovenia, 64/01)
9. The Act on Regulating the Procedures for Recognition of Qualifications of Citizens of EU Member States and concerning access to Regulated Professions in the Republic of Slovenia
10. Regulation about the procedures and proofs for decisions about issuing work permits, form and content particular sort of work permit (Official Journal of the Republic of Slovenia, 2/01)
11. Regulation on the procedures about registration of the commencement and termination of work performed by Aliens (Official Journal of the Republic of Slovenia, 7/01)
12. Minister of Labour Family and social affairs decree on Rules on determination cases when employment of Aliens is not based on Labour Market because of the nature of work (Official Journal of the Republic of Slovenia, 07/01)
15. COUNCIL REGULATION (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations


19. COMMISSION REGULATION (EC) No 1159/2000 of 30 May 2000 on information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds

20. COUNCIL REGULATION (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds

Annex V: Reference to relevant Government Strategic plans and studies:

7. The Strategy for the Economic Development of Slovenia was the largest project carried out by IMAD in 1994/1996.
Annex VI: Draft Rules and Procedures for the Steering Committee

A Single Steering Committee is to be established to co-ordinate activities of the three projects:

a) Setting up a coherent system for the Structural and Cohesion Funds in Slovenia for the Managing Authority and the ERDF measures implementation, and for the Managing Authority functions in relation to the Cohesion Fund implementation
b) Development of programming and management capacities for European Social Fund (ESF) implementation
c) Establishment of the Management and Control System designed for the effective and sound implementation of EU Structural and Cohesion Funds within the future Paying Authority at the Ministry of Finance of the Republic of Slovenia.

The Steering Committee will discuss and approve the official terms of references and operational procedures as part of its first meeting.

The Single Steering Committee will perform all the tasks and functions as bellow:

- Co-ordinate actions of the Pre-Accession Advisors and twinning teams towards common objectives, ensuring complementarities and adding value through offering advice and guidance
- Ensure that relevant ministries act on the accepted recommendations of the projects
- Report on outputs to other relevant bodies, particularly the Council for Structural policy and to the Monitoring Committee responsible for the finalisation of the NDP and SPD by Managing Authority
- Monitor progress of the projects towards their targets and objectives
- Approve any requested amendments to the approved project fiches prior to final agreement by all parties
- Receive reports by the Pre-Accession Advisors for each project, and the nominated Pre-Accession Advisor responsible for the co-ordination of project activities
- Receive reports by Slovenian team leaders for each project
- Request remedial action where projects are found to be failing to meet their targets
- Approve action plans prepared by PAA for the following quarter
- Approve the final outputs of the three projects
- Approve a final reports

Membership of the Steering Committee will consist of:

- Ministry of the Economy (Chair)
- Ministry of the Economy, Department of Regional Policy
- Ministry of Finance
- Ministry of Finance, CFCU
- Ministry of Labour, Family and Social Affairs
- Ministry of Transport
- Ministry of Environment and Spatial Planning
- Government Office for European Affairs
- EC Delegation
Representatives of other Ministries and other stakeholders may be invited to attend meetings of the Steering Committee as agreed by the Steering Committee.

The Steering Committee will consist of up to two representatives of each organisation represented (voting member and suppliant). Government Ministries will normally be represented by the State Under Secretary, or a nominee.

The Steering Committee will meet once every three months. The meeting cycle will be established from the date of the first meeting. All papers will be prepared and circulated 10 days in advance. For the Steering Committee to be considered quorate at least one representative of each organisation identified above must be in attendance.

Meetings of the Steering Committee will be undertaken in English. All reports will be submitted in English.

The National Agency for Regional Development will act as a Secretariat for the Steering Committee. A member of NARD will attend each meeting of the Steering Committee to take minutes of the meeting, noting any decisions and action points.

The Steering Committee will identify any other bodies that should be officially informed about the decisions taken by the Steering Committee.