

Interim Evaluation No. R/SR/ESC/0404



**Interim Evaluation of the  
European Union  
Pre-Accession Instrument  
PHARE**

**The Slovak Republic**

**Sector: Economic and  
Social Cohesion/ Regional  
Development and Cross  
Border Co-operation**

**Author:**



**Interim Evaluation Report  
Date: 14 April 2005**

Controlled copy.....of.....

Signed:.....



This report has been prepared as a result of an independent evaluation by MWH being contracted under the PHARE programme.

**The views expressed are those of MWH and do not necessarily reflect those of the Government Office of the Slovak Republic.**

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## EXECUTIVE SUMMARY

### **The Slovak Republic – Economic and Social Cohesion/ Regional Development and Cross Border Co-operation**

**Monitoring Reports:** M/SR/ESC/04008/REG issued on 15 October 2004 and M/SR/ESC/04008/CBC issued on 7 October 2004.

**Interim Evaluation Report:** R/SR/ESC/0404

#### **A) Background and scope of the evaluation**

The purpose of this Interim Evaluation is to assess the performance of on-going PHARE support under the Economic and Social Cohesion Monitoring Sector/ Regional Development and Cross Border Co-operation part, assisting Slovakia in the area of Structural Funds preparation, regional development, small and medium enterprises development and cross border co-operation. This Evaluation covers Phare support allocated for the years 2001, 2002 and 2003, approximately totalling an allocation of 81.7 M€ from Phare and 31.5 M€ from national sources. The applied interim evaluation methodology is based on the following four main interim evaluation criteria: *relevance*, *efficiency*, *effectiveness*, *sustainability*, and on *impact*<sup>1</sup>.

#### **B) Main evaluation findings and conclusions**

##### Component 1 – Structural Funds Institution Building

The majority of the 2001 and 2002 activities within this Component are fully *relevant* and many projects have adequately dealt with the establishment of structures, preparation of staff, elaboration of basic programming materials and procedural guidelines, establishment of information system and supporting promotion activities for the Structural Funds. However, based on the programming documents for the 2003 Strengthening of Capacities programme, relevance of further training, justified by the lack of sustainability (staff turnover), is doubtful and is not considered likely to deliver effective and sustainable outcomes. In addition, a proposal to develop a Structural Funds monitoring information system - as requested by the 2002 Support to Intermediary Bodies project - at the time when an overall monitoring system in that area is operational and should serve all identified functions, is redundant.

The *efficiency* of the Component has often been adversely affected by the late start of projects, staffing problems and lacked overall co-ordination between the PHARE and Structural Funds structures. Overall, twinning has been more efficient than technical assistance. Training in a way as it has been delivered so far, has not been the most appropriate instrument in most cases. Targeted training, preferably done on-the-job or

<sup>1</sup> *Relevance*, whether the design of the project targets the needs of beneficiaries; *Efficiency*, whether the same results could have been achieved at lower costs; *Effectiveness*, whether the project purpose has been achieved; *Sustainability*, whether project benefits are likely to continue after external funding ends; *Impact*, the extent to which the benefits received by the beneficiaries had a wider overall effect.

through in-house coaching, would have responded better to current needs. The Structural Funds structures and staffing are extremely large in comparison with EU-15 Member States. Most efforts undertaken to introduce and to develop new structures for Structural Funds implementation via the PHARE grant schemes have led to the creation of isolated structures, which are unlikely to be used for Structural Funds. In the meantime, Structural Funds projects have been launched and are centrally managed, and, potentially competing with on-going PHARE grant schemes. Co-ordination links between these two structures, although co-existing within the same institution, are usually limited to formal information exchanges.

Effectiveness of the Component also varied. The 2001 and 2002 Capacity Building programmes have achieved their objectives, though there is no indication to say that the system is stable. A good indicator is the general performance of Structural Funds interventions: apart from agriculture and transport, funding approvals and disbursements are still marginally low. Structural Funds' organisations have been formally established, however, the division of tasks, transparency of inter-institutional co-ordination and communication flows still need to be improved. From the viewpoint of the Ministry of Construction and Regional Development, the training efforts have strongly enhanced the qualification of their staff, although high staff turnover has reduced the effective absorption of training. Evaluation capacity is still underdeveloped in Slovakia and the Structural Funds Managing Authorities will the need to take positive action to ensure evaluation obligations can be carried out.

The majority of individual projects results are likely to be *sustainable*, provided the main risk to sustainability - staff turnover - is tackled. The overall *impact* is difficult to estimate at this stage but some impact of this sizeable assistance will undoubtedly materialise. The conditions for managing and using Structural Funds are in place and the final impact/use here will also reflect the effectiveness of the PHARE assistance provided.

### Component 2 –Small and Medium Enterprises Support

The needs justifying the 2002 grant schemes for tourism and industrial development were twofold. Firstly, addressing economic development issues, which were and remain *relevant*; secondly, strengthening of administrative capacities for Structural Funds, which were not fully justified at the time of evaluation. This was mostly due to the new Structural Funds structures, already established at the central level for tourism, and the rather limited involvement of regional structures. The necessity for providing financial resources for innovation, addressed by the 2003 SISME grant scheme, could be justified, but it is not explicitly determined under the respective Sector Operational Programme. Support for innovation and technology transfer, via establishment of technology incubators, supported through the 2002 INTEG grant scheme, is identified as one of the measures, and will receive subsequent support from Structural Funds.

Project implementation should have been more *efficient*. Contracting two separate technical assistance teams with nearly identical tasks for the 2002 grant schemes,

simultaneously implemented by NADSME, was a poor solution, in particular, once a number of PHARE grant schemes were running in parallel, and part of the documentation was standard. However, a positive approach has been successfully applied for the respective management information system, which was adapted to be used for both grant schemes. The role of regional bodies, potentially assisting the implementation of grant schemes under the Component, has not been clarified yet. Efficiency is also questioned in relation to the 2003 SISME grant scheme where some basic tasks are planned to assist a fully operational institution (Seed Capital Company). Similar activities were focused on the creation of two venture capital windows, although not supporting identical target groups (INTEG, SISME). Moreover, cost-efficiency of the projects within the INTEG grant schemes remains questionable.

Judging the potential *effects* of the numerous grant projects is rather complicated since the projects are at different stages of implementation. The overall performance cannot be followed via the indicators set up in the programming documents. In principle, the expected Structural Funds capacity building is unlikely to materialise from the Tourism Development Grant Schemes since the new Structural Funds structures for tourism are not involved. The management capacities for the Industrial Development Grant Scheme might potentially be utilised within NADSME. The establishment of technology incubators and the provision of venture capital investment should deliver the expected benefits, such as supporting innovation and technology transfer.

In general, the positive outcomes of the grant schemes are likely to be *sustainable*. The Structural Funds capacity building efforts will mostly not serve the originally expected purpose and in this sense will not be sustainable. Overall, some long-term *impact* will arise, but it is not possible to estimate the extent to which this impact could be directly attributable to the grant scheme interventions under evaluation.

### Component 3 – Regional Development and Cross Border Co-operation Investment

Overall, the *relevance* of individual projects varied. The tourism projects addressed mainly environmental infrastructure needs. The transport infrastructure projects are fully justified with potential cross-border effects. The assistance addressing economic development was fully justified although cross-border effects are hardly observed. The construction of environmental infrastructure in the bordering regions has become, in the last years, a popular form of investment project; however, cross-border effects are not usually obvious. All 2003 grant schemes for investment are delayed and will run in parallel with Structural Funds operations, which makes them irrelevant for the intention of helping to prepare for Structural Funds.

The *efficiency* of projects within the Component is too often hampered by last-minute contracting. Most investment projects have managed to overcome earlier delays caused by inadequate or missing technical documentation and problems with tendering procedures. It remains to be seen however, whether the late contracting and hasty implementation will not adversely affect effectiveness, once the facilities built are put to

use. Moreover, there is a need to follow the projects once they are completed and funds are disbursed, as there are examples that are not put into operation.

The *effectiveness* of transport infrastructure projects seems to be reasonable with the exception of repeated mistakes where cross border effects cannot materialise because the other side of border remains uninvolved. The assistance addressing economic development mostly achieved its purpose by the time of the projects' completion. For the majority of environmental investment projects, although completed, it is too early to assess their effectiveness. This is partly because the actual results will materialise only later, however, this is likely to happen, and the environmental benefits should be apparent. The potential tourism, cross border or socio-economic benefits, which were in many cases set out as priority aims, are expected to be less significant.

The probability of *sustainable* results of the Component's investment projects is high. Legal obligation related to environmental infrastructure will be enforced soon which makes these investments not only needed and also ensures their sustainability. Moreover, the ownership of new constructions is clear and the owners are committed to managing them. In terms of *impact*, the majority of the projects will contribute to the achievement of their overall objectives.

#### Component 4 – Joint Small Project Funds

The JSPF projects under evaluation show a high *relevance* to particular local/regional needs. Despite their limited size, JSPFs have a high didactic potential, in that they generate a learning environment along the borders.

*Efficiency* of the on-going 2002 joint small project funds seems to be higher the 2001 performance. However, despite quality improvements, many grant project budgets were found financially overestimated to a substantial degree, which may lead to subsequent delays/deficits in implementation. The decentralisation of small project funds monitoring functions to technical secretariats, located at selected Regional Development Agencies is helpful. It remains to be seen whether this approach will be sustained from 2005 onwards, because the institutional capacity of the Regional Development Agencies is being challenged by potentially conflicting developments. In particular, the Self-Government Counties are most likely to assume the key responsibility for administering the joint small project funds under INTERREG, and there are no clear rules for mutual co-operation between them and Regional Development Agencies.

All joint small project funds under evaluation are expected to produce some positive *effects*, although some immediate objectives of 2002 projects may be at risk, due to the administrative overload to be faced by the implementing Regional Development Support Agency. It is premature at this stage to determine the *sustainability* and *impact* of the individual small projects. Some Joint Committees have managed to build partnerships, promoting further co-operation.

## C) Main Recommendations

### Addressed to the Ministry of Construction and Regional Development

- In the event of further needs for Structural Funds capacity building, only tailor-made coaching in specific areas and for individual staff should be considered. A certain proportion of the 2003 PHARE Strengthening Regional and Local Capacities funds should be earmarked for such direct measures.
- In order to strengthen local evaluation capacities, the Ministry should initiate a dialogue with potential Slovak research bodies and/or qualified consultants, for instance, with an open call for registration, where companies, individuals and think tanks can submit structured qualification profiles, references and statements on their financial performance.

### Addressed to the National Agency for Development of Small and Medium Enterprises and the Ministry of Construction and Regional Development

- The Agency should initiate negotiations with the Ministry's Community Framework Support Department on the Structural Funds management information system to be developed at the Agency, despite having an overall Structural Funds monitoring system in place.
- The institutions running both PHARE grant schemes and Structural Funds measures should find ways to ensure that the same people are managing both instruments. In case where different institutions are involved, very tight, informal and daily communication should be established.

### Addressed to the National Agency for Development of Small and Medium Enterprises

- To review the projects under the 2002 INTEG and SISME grant schemes in the light of value-for-money aspects.

### Addressed to the Ministry of Construction/ Regional Development Support Agency

- To ensure an adequate follow-up at for completed investments projects and to ensure the continuation of monitoring after the end of disbursement periods.
- To consider for all upcoming grant schemes whether there is still a necessity to use technical assistance for the preparation of standard guidelines and manuals.
- Slovak joint small projects fund managers should be required to seek operational synergies with INTERREG IIIA activities from 2005 onwards. The contractual arrangements regarding joint small project funds should be adapted to increase regional ownership, notably by involving Self-Government Counties/ regional institutions.
- To promote effective cross-border partnerships under the initiatives starting at the Ukrainian border, project proposals providing clear evidence of real partnership, e.g. via joint applications, should receive a better rating in the project selection process.
- A shortened Slovak version of the Project Cycle Management Manual, in particular its logical framework part, should be made available for any future grant scheme applicants; all grant scheme reporting forms should contain more detailed explanations of what is intended.

## D) Performance Rating

Please note: The performance rating is given only for those interventions under evaluation, which have been already contracted.

Component/ Project	Relevance	Efficiency	Effectiveness	Sustainability	Impact	Verbal overall rating
<b>Component 1 – Structural Funds Institution Building</b>						
SR-0107.01	1	0	1	0	0	S
2002/000-610.11	1	1	1	0	0	S
2002/000-610.13	0	0	0	0	0	S
2002/000-610. UIBF	1	1	0	0	0	S
<b>Component 2 – Small and Medium Enterprises Support</b>						
2002/000-610.14	1	0	0	0	0	S
2003-004-995-03-10	1	1	1	1	0	S
2002/000-610.12	1	0	1	1	1	S
2003-004-995-03-09	0	-1	1	1	1	S
2002/000-642.01	1	-1	1	1	1	S
<b>Component 3 – Regional Development and Cross Border Co-operation Investment</b>						
SR-0107.03	0	1	0	1	0	S
SR-0107.04	1	1	1	1	1	S
SR0107.06	1	1	1	1	1	S
SR-0107.07	0	1	0	1	0	S
SK-0101.02	0	0	0	1	1	S
SR0102.01	1	0	0	1	-1	S
SR-0113.01	1	-1	0	1	0	S
SR-0113.02	1	0	0	1	1	S
SR-0113.03	1	-1	1	1	1	S
2002/000-642.02	1	0	0	1	0	S
2002/000-635.01	1	0	1	1	1	S
2002/000-635.02	1	0	0	1	1	S
2002/000-603.01	0	1	0	0	0	S
<b>Component 4 – Joint Small Project Funds</b>						
SR-0101.03 (SK/A)	0	0	0	0	0	S
2002/000-642.03 (SK/A)	1	0	0	0	0	S
SR-0102.02 (SK/HU)	0	0	0	0	0	S
2002/000-603.02 (SK/HU)	1	0	0	0	0	S
SR-0101.03 (SK/PL)	0	0	0	0	0	S
2002/000-635.03 (SK/PL)	1	0	0	0	0	S
2003/005-665.02 (SK/PL)	1	0	0	0	0	S
<b>Taking into account the contextual constraints on the evaluation, the sector overall is rated to be ‘SATISFACTORY’</b>						
<i>ESC Monitoring Sector/Regional Development and CBC</i>	<b>1</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>S</b>

Ratings guide: -2 unacceptable; -1 poor; 0 sufficient/adequate; +1 good; +2 excellent.  
HS-Highly Satisfactory, S- Satisfactory, U-Unsatisfactory, HU-Highly Unsatisfactory.

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## PREFACE

This Interim Evaluation Report covers PHARE assistance to the Economic and Social Cohesion sector/ Regional Development and Cross Border Co-operation in the Slovak Republic under the following programmes:

- SR-0107.01 Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds,
- 2002/000-610.11 Consolidating the Institutional Framework and Enhancing Administrative Capacity for Programming, Implementation and Monitoring of Structural Funds,
- 2002/000-610.13 Local & Regional Development Grant Scheme,
- 2003-004-995-03-08 Support to Local and Regional Project Development Grant Scheme,
- 2003-004-995-03-15 Strengthening Regional and Local Capacities for Managing and Implementing Structural Funds,
- 2002/000-610.02 UIBF Support of Future Intermediary Bodies under the Responsibility of Managing Authority for SOP Industry and Services,
- SR-0107.03 Zemplinska Sirava - Tourism Development,
- SR-0107.04 Industrial Park Humenne - Guttmanovo,
- SR-0107.06 Industrial Park at Spisska Nova Ves,
- SR-0107.07 Tourism Development Velka Domasa,
- 2002/000-610.14 Tourism Development Grant Scheme,
- 2002/000-610.12 Industry Development Grant Scheme,
- 2003-004-995-03-09 Support to Innovative SMEs,
- 2003-004-995-03-10 Tourism Development Grant Scheme,
- SR-0101.01 Relocation of Road I/59 – Podbiel Bypass
- SR-0101.02 Clean Water - Riverbed Poprad and Dunajec
- SR-0102.01 Reconstruction of Road II/587 Plesivec at the State Border between Hungary and the Slovak Republic,
- SR-0113.01 Re-engineering of the Water Channel Chorvatske Rameno,
- SR-0113.02 Wastewater Disposal System of the Villages in the Basin of the River Morava,
- SR-0113.03 Business Incubator in the City of Malacky,
- 2002/000-642.01 Innovation and Technology Development Grant Scheme,
- 2002/000-642.02 III/0238 Moravsky Svaty Jan Bridge over the River Morava,
- 2002/000-603.01 Environmental Protection and Nature Conservation in the Hungarian-Slovak Border Region through Local Initiatives,
- 2002/000-635.01 Reconstruction of Road III/520 19 Oravice – Zuberec,
- 2002/000-635.02 Development of Environmental Infrastructure - Districts of Kezmarok, Poprad, Stara Lubovna,
- 2003/004-616.01 Development and Support of Business Sites and Infrastructure, Innovation Activities and Human Resources in Border Areas,
- 2003/005-704.01 Environmental Protection and Nature Conservation in the Slovak-Austrian Border Region,
- 2003/005-704.02 Economic Development focusing on Support of Tourism,

- 2003/005-665.01 Business related Infrastructure Grant Scheme,
- SR-0101.03 Joint Small Projects Fund – SR/ Austria,
- SR-0102.02 Joint Small Projects Fund – SR/ Hungary,
- SR-0113.04 Joint Small Projects Fund – SR/ Austria,
- 2002/000-642.03 Joint Small Projects Fund,
- 2002/000-603.02 Joint Small Projects Fund,
- 2002/000-635.03 Joint Small Projects Fund,
- 2003/004-665.02 Joint Small Projects Fund,
- 2003/004-616.02 Joint Small Projects Fund,
- 2003/004-704.03 Joint Small Projects Fund, and
- 2003-004-995-03-12 External Border Initiative.

This Interim Evaluation Report has been prepared by MWH<sup>2</sup> during the period from December 2004 to February 2005 and reflects the situation at 02 February 2005, the cut-off date for the Report. The factual basis is provided by the following Monitoring Reports, covering the period from 1 May to 31 August 2004 and 1 September to 31 December 2004:

- M/SR/ESC/04008/REG, prepared by the Office of Government and issued on 15 October 2004,
- M/SR/ESC/04003/CBC prepared by the Office of Government and issued on 7 October 2004.
- M/SR/ESC/04009/REG&CBC prepared by the Ministry of Construction and Regional Development and issued on 10 and 19 January 2005.

Other findings are based on analysis of the Financing Memoranda, formal programme documentation, in person, telephone interviews with the main parties and published material. In order to manage the voluminous number of grant projects within individual schemes, questionnaires were prepared and distributed to the final recipients.

As a major proportion of the 2003 PHARE Programmes have not been launched yet it is difficult to provide an objective assessment for these Programmes. Therefore, the performance rating (chapter 3.2) has been given only for those interventions under the evaluation, which have been already contracted. Nevertheless, for these non-contracted activities at least a judgement of their relevance, based on the basic programming documents, is provided in the textual part of this Interim Evaluation Report.

The Interim Evaluation Report examines the progress of the programmes towards the objectives stated in the formal programming documents, i.e. Financing Memoranda, Project Fiches, etc. The report is intended to provide management information for the benefit of the Joint Monitoring Committee (JMC) and other involved parties. It draws conclusions and puts forward recommendations. It provides a general assessment of programmes or components under consideration and included in the corresponding Sectoral Monitoring Report.

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<sup>2</sup> Authors: Dagmar Gombitova, Dietmar Aigner and Short Term Technical Experts Rolf Bergs, Andrej Salner and Martin Sirak. This Report has been reviewed by Dietmar Aigner (MWH Interim Evaluation Cell) and by Peter Hall (MWH Headquarters).

Comments requested on the draft version of this Report were received from the following parties:

<b>Parties invited</b>	<b>Comments received</b>
Ministry of Construction and Regional Development	Yes
Regional Development Support Agency	No
Ministry of Economy	No
National Agency for the Development of Small and Medium Enterprises	Yes
Ministry of Finance/ Central Finance and Contracting Unit	No
Ministry of Finance/ National Fund	Yes
European Commission Representation	No
Office of the Government/ Aid Co-ordination Unit	Yes

Where possible, the Evaluators have integrated the comments received into the Report. Comments which could not be incorporated are in Annex 5.

The findings and recommendations of this Interim Evaluation Report have been formally debriefed in Bratislava on 12 April 2005, following an invitation of the Office of the Government of the Slovak Republic/ Aid Co-ordination Unit.

## GLOSSARY OF ACRONYMS

A	Austria
ACU	Aid Co-ordination Unit
BIC	Business Innovation Centre
CBC	Cross Border Co-operation
CF	Cohesion Fund
CSF	Community Support Framework
EC	European Commission
ESC	Economic and Social Cohesion
EDIS	Extended Decentralised Implementation System
FCP	First Contact Point
FM	Financing Memorandum
GS	Grant Scheme
HU	Hungary
IB	Intermediary Body
IDGS	Industry Development Grant Scheme
INTEG	Innovation and Technology Development Grant Scheme
IT	Information Technology
ITMS	Information Technology Monitoring System
IE	Interim Evaluation
JSPF	Joint Small Project Fund
LRD	Local and Regional Development
MA	Managing Authority
MC	Monitoring Committee
M€	Million(s) of Euro
MIS	Management Information System
MoCRD	Ministry of Construction and Regional Development
MoE	Ministry of Economy
N/A	Not available, not applicable
NADSME	National Agency for Development of Small and Medium Enterprises
PA	Paying Agency
PAA	Pre Accession Adviser
PF	Project Fiche
PL	Poland
RAIC	Regional Advisory and Information Centre
RDA	Regional Development Agency
RDSA	Regional Development Support Agency
RIC	Regional Information Centre
ROP	Regional Operational Programme
SF	Structural Funds
SGC	Self-Government Counties
SISME	Support to Innovative SMEs
SME	Small and Medium-Size Enterprises
SOP	Sector Operational Programme
SK/SR	Slovak Republic
TA	Technical Assistance
TDGS	Tourism Development Grant Scheme
ToR	Terms of Reference
UIBF	Unallocated Institution Building Facility
WWTP	Wastewater Treatment Plant

## FINANCIAL AND CONTRACTUAL DATA OF THE SECTOR ECONOMIC AND SOCIAL COHESION/ REGIONAL DEVELOPMENT AND CROSS BORDER CO-OPERATION

Number	Title	Beneficiary	Contract		PHARE			Co-financing		
			start	expiry	allocated M€	com %	dis %	allocated M€	com %	dis %
<b>COMPONENT 1 – STRUCTURAL FUNDS CAPACITY BUILDING</b>										
<b>SR-0107.01</b>	<b>Development of the Institutional Framework and Administrative Capacity for programming and Implementation of Structural Funds</b>	<b>MoCRD</b>			<b>4.700<sup>3</sup></b>	<b>99</b>	<b>89</b>	<b>1.100</b>	<b>91</b>	<b>90</b>
	TA to the Ex-Ante Evaluation ROP		n.a.	n.a.	0.165	100	100	0	0	0
	TA to SOP Transport		n.a.	n.a.	0.090	99	99	0	0	0
	TA for Preparation of SOP Industry and Services		01.06.03	01.10.03	0.100	96	96	0	0	0
	TA for Preparation of Ex-Ante Evaluation – Environment		04.12.02	04.09.03	0.100	99	99	0	0	0
	TA for Preparation of Ex-Ante Evaluation – Agriculture		12.01.03	31.06.03	0.100	100	100	0	0	0
	Management of SF TW		05.02.03	05.11.04	1.500	100	61	0	0	0
	TA to SOP Human Resources		n.a.	n.a.	0.125	100	100	0	0	0
	Project Pipeline Environment Infrastructure		n.a.	n.a.	0.200	95	93	0	0	0
	Project Pipeline Local Infrastructure		n.a.	n.a.	0.200	100	97	0	0	0
	Public Info on SF – Training		07.12.03	30.07.04	0.200	100	98	0	0	0
	Publicity on SF		28.11.03	31.09.04	0.200	100	93	0	0	0
	Printing of Brochures & Manuals		n.a.	n.a.	0.100	100	18	0	0	0

<sup>3</sup> including 1.200 M€ reallocated from the cancelled project SR-0107.05 Industrial Park Roznava

	TA Capacity Building - SF Programming and Implementation		01.12.03	01.10.04	1.000	85	37	0	0	0
	ITMS for SF & CF		01.12.03	01.07.04	0.300	100	100	0.563	100	100
	Information Portal and web site		01.12.03	10.12.03	0.200	95	95	0	0	0
	IT Equipment for Integrated IS				0.100	100	90	0.035	100	91
	TA Managing Authority for CSF		01.12.03	28.05.04	0.150	100	60	0	0	0
	MoCRD Parallel co-financing		-	-	0	0	0	0.400	100	100
<b>2002/000-610.11</b>	<b>Consolidating the Institutional Framework and Enhancing Administrative Capacity for Programming, Implementation and Monitoring of Structural Funds</b>	<b>MoCRD</b>			<b>2.500</b>	<b>100</b>	<b>69</b>	<b>0.250</b>	<b>95</b>	<b>75</b>
	PIM of SF TW		24.09.03	24.03.05	1.800	99	69	0	0	0
	ITMS for SF		n.a.	n.a.	0.500	100	100	0.250	95	75
	ITMS for SF & CF		22.07.04	21.09.04	0.200	99		0	0	0
<b>2002/000-610.13</b>	<b>Local and Regional Development Grant Scheme</b>	<b>MoCRD</b>			<b>3.500</b>	<b>100</b>	<b>41</b>	<b>1.278</b>	<b>93</b>	<b>78</b>
	TA 2 Start up assistance and Training for Technical Secretariats and MoCRD		06.08.03	06.01.04	0.200	99	99	0	0	0
	Local and Regional Development GS – Strand A		13.07.04	13.03.05	1.000	99	29	1.278	93	78
	Strand B		08/09.04	06/07.05	0.800	99	46			
	Strand C				1.500	99	37			
<b>2002/000-610. UIBF</b>	<b>Support to Future Intermediary Bodies under the Responsibility of Managing Authority for SOP Industry and Services</b>	<b>MoE</b>	30.11.04	31.07.05	<b>0.250</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2003-004-995-03-08</b>	<b>Support to Local and Regional Development Grant Scheme</b>	<b>MoCRD</b>	-	-	<b>6.000</b>	<b>0</b>	<b>0</b>	<b>1.700</b>	<b>0</b>	<b>0</b>
<b>2003-004-995-03-15</b>	<b>Strengthening Regional and Local Capacities for Managing and Implementing Structural Funds</b>		-	-	<b>2.400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>COMPONENT 2 – SMALL AND MEDIUM ENTERPRISES SUPPORT</b>										
<b>2002/000-610.14</b>	Tourism Development Grant Scheme	<b>NADSME</b>			<b>3.500</b>	<b>100</b>	<b>10</b>	<b>2.200</b>	<b>100</b>	<b>46</b>
	<b>TA for TDGS</b>		03.06.03	30.06.04	0.200	100	97	0	0	0
	<b>GS – SME Direct Support com 1</b>		23.07.04	30.09.05	3.300	99	4	0	0	0
	<b>GS – Component 2</b>		10./11.04	30.09.05	0	0	0	2.200	100	46
<b>2002/000-610.12</b>	<b>Industry Development Grant Scheme</b>		-	-	<b>3.500</b>	<b>96</b>	<b>10</b>	<b>1.100</b>	<b>100</b>	<b>3</b>
	TA for IDGS		22.04.03	25.08.04	0.200	98	50	0	0	0
	GS – component 1		23.07.04	30.09.05	3.000	100	8	1.100	100	3
	GS – component 2		10/11.04	30.09.05	0.300	64	50	0	0	0
<b>2003-004-995-03-09</b>	<b>Support to Innovative SMEs (SISME)</b>				<b>3.100</b>	<b>1</b>	<b>0</b>	<b>2.030</b>	<b>0</b>	<b>0</b>
	Grant Scheme		-	-	2.700	0	0	0.900	0	0
	Monitoring of the GS		-	-	0.050	0	0	0.030	0	0
	Assessment of Proposals		-	-	0.050	0	0	0	0	0
	Marketing of the GS		16.11.04	16.02.05	0.030	92	0	0	0	0
	Support to SCC		15.01.05	15.01.06	0.220	94	0	1.100	0	0
	BAN Database		-	-	0.050	0	0	0	0	0
<b>2003-004-995-03-10</b>	<b>Tourism Development Grant Scheme</b>				<b>3.500</b>	<b>4</b>	<b>0</b>	<b>1.200</b>	<b>0</b>	<b>0</b>
	Grant Scheme		-	-	3.300	0	0	1.200	0	0
	TA for TDGS (Benchmarking and Market Research)		23.12.04	23.12.05	0.150	100	0	0	0	0
<b>2002/000-642.01</b>	<b>Innovation and Technology Development GS – INTEG</b>				<b>3.500</b>	<b>100</b>	<b>9</b>	<b>0.400</b>	<b>100</b>	<b>0</b>
	TA for Training of Incubator's Staff		15.11.04	31.07.05	0.400	100	0	0	0	0
	Grant Scheme		04./06.04	30.09.05	2.700	100	11	0.900	0	0
	Venture Capital Fund for Incubators		15.11.04	n.a.	0.400	100	0	0.400	100	0
<b>COMPONENT 3 – REGIONAL DEVELOPMENT AND CROSS BORDER CO-OPERATION INVESTMENT</b>										
<b>SR-0107.03</b>	<b>Zemplinska Sirava – Tourism Development</b>	<b>MoCRD</b>	28.11.03	30.11.04	<b>2.800</b>	<b>86</b>	<b>82</b>	<b>1.800</b>	<b>94</b>	<b>94</b>
<b>SR-0107.04</b>	<b>Industrial Park Humenne – Guttmanovo</b>		29.11.03	30.11.04	<b>2.000</b>	<b>63</b>	<b>63</b>	<b>0.720</b>	<b>63</b>	<b>73</b>

SR-0107.06	Industrial Park at Spisska Nova Ves		30.11.03	30.11.04	2.000	97	96	0.800	100	100
SR-0107.07	Tourism Development Velka Domasa		30.11.03	30.11.04	2.700	100	99	1.968	100	100
SR-0101.01	Relocation of Road I/59 – Podbiel Bypass		cancelled							
SR-0101.02	Clean Water – Riverbed Poprad and Dunajec		n.a.	30.11.04	1.800	81	81	0.670	81	78
SR-0113.01	Re-engineering of the Water Channel Chorvatske rameno		n.a.	30.11.04	1.600	46	46	0.560	46	46
SR-0113.02	Wastewater Disposal System of the Villages in the Basin of the Morava River		n.a.	30.11.04	2.000	100	100	1.254	100	100
SR-0113.03	Business Incubator in the City of Malacky		n.a.	n.a.	1.800	100	99	0.605	99	80
	Incubator		11.03	10.04	1.600	100	100	0.211	100	74
	TA for training the staff of incubator		02.03	09.04	0.200	100	92	0	0	0
SR-0102.01	Reconstruction of Road II/587 Plesivec at the State Border between Hungary and SR	MoCRD			1.800	50	50	2.380	56	56
2002/000-642.02	III/0238 Moravsky Svaty Jan Bridge over the River Morava		29.11.04	30.11.05	1.900	90	0	0.640	90	0
2002/000-635.01	Reconstruction of Road III/520 19 Oravice – Zuberec		29.11.04	30.11.05	1.800	72	0	2.827	72	0
2002/000-635.02	Development of Environmental Infrastructure – District of Kezmarok, Poprad, Stara Lubovna		30.11.04	30.11.05	1.800	94	0	0.600	94	0
2002/000-603.01	Environmental Protection and Nature Conservation in the HU – SK Border Region through Local Initiatives		12.11.04	30.11.05	1.800	98	0	0.600	99	0



2003-004-616.01	Development and Support of Business Sites and Infrastructure, Innovation Activities and HR in Border Areas	MoCRD	-	-	1.800	0	0	0.600	0	0
2003-004-704.01	Environmental Protection and Nature Conservation in the SK-A Border Region		-	-	3.400	0	0	1.070	0	0
2003-004-704.02	Economic Development Focusing on Support of Tourism		-	-	2.000	0	0	0.570	0	0
2003-004-665.01	Business Related Infrastructure		-	-	3.600	0	0	1.200	0	0
<b>COMPONENT 4 – JOINT SMALL PROJECT FUNDS</b>										
SR-0101.03	Joint Small Project Fund	MoCRD	10.11.03	10.11.04	0.400	97	88	0.048	100	96
SR-0102.02	Joint Small Project Fund		30.11.03	30.11.04	0.200	99	98	0.021	100	100
SR-0113.04	Joint Small Project Fund		10.11.03	10.11.04	0.600	100	91	0.067	100	98
2002/000-642.03	Joint Small Project Fund		31.07.04	30.07.05	0.600	100	80	0.067	100	0
2002/000-603.02	Joint Small Project Fund		30.11.03	30.11.04	0.200	95	76	0.021	100	0
2002/000-635.03	Joint Small Project Fund		30.07.04	30.07.05	0.400	100	80	0.048	12	0
2003/004-616.02	Joint Small Project Fund		-	-	0.200	0	0	0.020	0	0
2003/005-704.03	Joint Small Project Fund		-	-	0.600	0	0	0.067	0	0
2003/005-665.02	Joint Small Project Fund		30.07.04	30.07.05	0.400	93	0	0.045	0	0
2003-004-995-03-12	External Border Initiative		-	-	1.400	0	0	0.300	0	0

PHARE 2001: commitment deadline 31/12/03; disbursement deadline 31/12/04

PHARE 2002: commitment deadline 30/11/04; disbursement deadline 30/11/05

PHARE 2003: commitment deadline 30/11/05; disbursement deadline 30/11/06

Source: Perseus by cut-off date 31 January 2005

# 1. SECTORAL BACKGROUND AND SCOPE OF EVALUATION

## 1.1 Sectoral Background

1. This Interim Evaluation (IE) report covers the Regional Development (REG) and Cross Border Co-operation (CBC) part of the PHARE support under the Economic and Social Cohesion (ESC) Sector, one of the three monitoring sectors for PHARE assistance in Slovakia. The individual programmes/ components under the Sector relate to the adoption and application of the *acquis communautaire* by focusing on the establishment of the institutional framework and the administrative capacity for programming and successful implementation of regional and structural policies. Overall, the individual parts of the assistance are in line with the Slovak governmental strategies and comply with priorities set out in the National Development Plan (NDP).

## 1.2 Scope of Evaluation

2. The evaluated assistance cover support financed from the Financing Memoranda (FM) 2001, 2002 and 2003. For the purpose of the IE, the individual activities under the Sector were grouped into the following Components:

- Structural Funds (SF) Institution Building
- Small and Medium Enterprises (SME) Support
- Regional Development (REG) and Cross Border Co-operation (CBC) Investment, and
- Joint Small Project Funds (JSPF).

### 1.2.1 Performance of Activities

This section provides a basic overview of activities, outputs and effects. For more detailed information on the individual Components, please see Annex 6 of the Report.

### **Component 1 – Structural Funds Institution Building**

*SR-0107.01 Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds, 2002/000-610.11 Consolidating the Institutional Framework and Enhancing Administrative Capacity for Programming, Implementation and Monitoring of Structural Funds, 2002/000-610.13 Local and Regional Development Grant Scheme, 2003-004-995-03-08 Support to Local and Regional Project Development Grant Scheme, 2003-004-995-03-15 Strengthening regional and local capacities for managing and implementing Structural Funds, and 2002/000-610.02 UIBF Support of future intermediary bodies under the responsibility of Managing Authority for SOP Industry and Services*

#### Activities and Outputs

3. The aim of the 2001 Administrative Capacity initiative was to establish and to make operational the local institutions involved in SF type measures. The follow-up programme - 2002 Administrative Capacity - focused on setting-up relevant Managing

Authorities (MA) and on developing central-level professional skills, needed to manage the programmes in the area of EU structural policies. The objective of the 2002 Local and Regional Development Grant Scheme (LRD GS) was to establish and to test the administrative structures and procedures needed for the implementation of the Regional Operational Programme (ROP), by supporting regional and local initiatives. The 2003 LRD GS follow up is directed towards increasing the capacity of local and regional actors to prepare and implement EU programmes. The 2003 Strengthening of Capacities programme has an identical aim in order to ensure the effective management and capacity to absorb EU funds in area of ESC. The 2002 UIBF Support for Intermediary Bodies (IB) project is to prepare bodies under the MA-Sector Operational Programme (SOP) Basic Infrastructure for successful implementation.

### Effects

4. The 2001 Administrative Capacity initiative comprised 17 individual activities (including twinning, technical assistance and special support measures), dealing with numerous training activities for the Ministry of Construction and Regional Development (MoCRD)/ Community Support Framework (CSF) Department, MAs, Paying Agency and Monitoring Committees (MC), in order to make these SF institutions operational. In addition, a centralised overall monitoring system for SF and Cohesion Fund (CF) has been created and is operational (Information Technology Monitoring System- ITMS). SF publicity measures were carried out (information portal, web site and information centres); written promotion material was printed and distributed. TV spots were produced but broadcasted only by one private TV station. The technical assistance (TA) part helped to prepare programme complements for SOPs, delivered ex-ante evaluations and set up project pipelines. The 2002 Administrative Capacity programme comprised a twinning, addressing the needs of the Ministry of Agriculture (MoA/ MA-SOP Agricultural and Rural Development and Fisheries), the Ministry of Economy (MoE/ MA-SOP Industry/Services and INTERREG) and the MoCRD (MA SOP Basic Infrastructure and CF). While the previous 2001 twinning addressed mainly SF programming, the primary focus of the 2002 assistance has been the SF implementation phase. The 2002 LRD GS has initiated the preparation of strategies and project documents, and assisted with building up partnership at local and regional levels in order to create conditions for SF implementation. For the time being no effects can be reported for the 2002 UIBF Support for IB project, which has just started, for the 2003 LRD GS where project fiche (PF) modification is taking place and for the 2003 Strengthening of Capacities programme, where Terms of Reference (ToR) have not yet been prepared.

### **Component 2 – Small and Medium Enterprises Support**

*2002/000-610.14 Tourism Development Grant Scheme, 2002/000-610.12 Industry Development Grant Scheme, 2003-004-995-03-09 Support to Innovative SMEs (SISME), 2003-004-995-03-10 Tourism Development Grant Scheme, 2002/000-642.01 Innovation and Technology Development Grant Scheme – INTEG<sup>4</sup>*

<sup>4</sup> Although INTEG represents a CBC initiative it is managed by the National Agency for Development of Small and Medium Enterprises (NADSME); therefore, INTEG is included in this Component

### Activities and Outputs

5. The 2002 Tourism Development Grant Scheme (TDGS) is to increase the competitiveness of the Slovak tourism sector and to strengthen the administrative capacities of the central and regional structures needed to manage and implement SF projects. The subsequent 2003 TDGS should strengthen the MoE's operational and management capacities including the gradual delegation of appropriate functions to complementary regional and local partner bodies in order to ensure the effective use of SF, while its final purpose is to reinforce the competitiveness of the Slovak tourism industry. The 2002 Industrial Development Grant Scheme (IDGS) focuses on increasing the value-added content of the Slovak industry through enhanced product offerings and process technologies. The 2003 Support to Innovative SMEs (SISME) GS should help to increase the availability of financial sources for innovative companies through the establishment of a sustainable venture capital investment scheme. The 2002 Innovation and Technology (INTEG) GS is proposed to support innovation and technology transfer through the establishment of technology incubators.

### Effects

6. Regarding the 2002 TDGS, the grant projects have mostly commenced implementation, but it is still too soon to report any effects. The respective administrative capacities at the National Agency for Development of Small and Medium Enterprises (NADSME), dealing with GS implementation, cover only the central level and are expected to be used also for the upcoming 2003 TDGS GS. However, based on a governmental decision, SF type projects in the tourism sector are now to be implemented through the nominated Intermediary Body (Slovak Tourism Board), which has no PHARE experience in this area. The gradual delegation of functions, in particular monitoring of individual projects, to NADSME's regional partners (Regional advisory and Information Centres – RAIC, Business Innovation Centres - BIC) is still under consideration. It is also equally premature to report any effects for the 2002 IDGS. The first activities have been conducted for the 2003 SISME; the marketing assistance for promoting the scheme is nearly completed and the TA project is about to start. The 2002 INTEG GS adopted a rather complicated mechanism in order to select only two grant projects. The refurbishment of the two selected technology incubators should be contracted soon. INTEG training activities are contracted and an agreement has been signed to create a venture capital window for the incubators to be assisted. At the cut off date of the report, no effects can be reported.

### **Component 3 – Regional Development and Cross Border Co-operation Investment**

*SR-0107.03 Zemplinska Sirava - Tourism Development, SR-0107.04 Industrial Park Humenne - Guttmanovo, SR-0107.06 Industrial Park at Spisska Nova Ves, SR-0107.07 Tourism Development Velka Domasa, SR-0101.02 Clean Water - Riverbed Poprad and Dunajec, SR-0101.01 Relocation of Road I/59 – Podbiel Bypass, SR-0102.01 Reconstruction of Road II/587 Plesivec at the State Border between Hungary and the Slovak Republic, SR-0113.01 Re-engineering of the Water Channel Chorvatske rameno, SR-0113.02 Wastewater Disposal System of the Villages in the Basin of the River Morava, SR-0113.03 Business Incubator in the City of Malacky, 2002/000-642.02*

*III/0238 Moravsky Svaty Jan bridge over the river Morava, 2002/000-603.01 Environmental Protection and Nature Conservation in the Hungarian-Slovak Border Region through Local Initiatives, 2002/000-635.01 Reconstruction of Road III/520 19 Oravice – Zuberec, 2002/000-635.02 Development of Environmental Infrastructure - Districts of Kezmarok, Poprad, Stara Lubovna, 2003/004-616.01 Development and support of business sites and infrastructure, innovation activities and human resources in border areas, 2003/005-704.01 Environmental protection and nature conservation in the Slovak-Austrian border region, 2003/005-704.02 Economic development focusing on support of Tourism, and 2003/005-665.01 Business related infrastructure Grant Scheme*

#### Activities and Outputs

7. The 2001 Zemplinska Sirava project was planned with the intention of creating conditions for stabilisation and further growth of tourism in the Zemplinska Sirava area. The 2001 Industrial Park Humenne project focused on the creation of favourable conditions for inflow of private foreign and domestic capital in the Humenné District. 2001 Industrial Park Spisska Nova Ves assisted the identical aim, by creating favourable conditions for private investment within the industrial zone of the city Spisska Nova Ves. The 2001 Velka Domasa project was supposed to create conditions for stabilisation and further growth of tourism in this area. 2001 Clean Water – Riverbed Poprad and Dunajec focused on the improvement of the quality of the surface and ground water in the riverbed of lower Poprad and Dunajec. The original purpose of the 2001 Podbiel Bypass intervention was to improve the cross-border accessibility through the border crossing Trstená. The 2001 Road Plesivec project was directed towards an improvement of transport conditions in the Slovak-Hungarian border region through the reconstruction and modernisation of the access road Plesivec leading to the state border. 2001 Chorvatske rameno was proposed to ensure environmental mitigation measures for the construction of the D-61 highway Viedenska cesta – Pristavny most. The 2001 Wastewater Disposal System is planned to reduce pollution of ground and surface water near the nature protected area in the Zahorie-Gajary micro-region. The 2001 Malacky Incubator project intended to create favourable conditions for the start up and development of SMEs in the city of Malacky. 2002 Moravsky Svaty Jan Bridge should improve the cross-border accessibility at Slovak–Austrian border. The purpose of the 2002 Environmental Protection project is twofold: (i) to improve contacts between environmental protection institutions and to establish long-term co-operation; and (ii) to promote joint nature and environmental protection initiatives of local character (through the preparation and implementation of investment projects). 2002 Oravice – Zuberec should improve cross-border accessibility at Slovak– Polish border whilst 2002 Environmental Infrastructure aims to develop environmental infrastructure (wastewater treatment, sewerage) in bordering regions with Poland. The 2003 Support of Business Sites intervention focuses on development and consolidation of economic relations in the Slovak-Hungarian border areas. 2003 Environmental Protection intends to promote nature and environmental protection initiatives at a local level through the preparation and implementation of environmentally targeted investment projects. The 2003 Support of Tourism intervention should create conditions for sustainable development of the tourism sector in the border area. The 2003 Business Related Infrastructure GS should improve business related infrastructure while promoting economic development.

### Effects

8. The 2001 Zemplinska Sirava and 2001 Velka Domasa projects assisted mainly environmental infrastructure. Sewerage and wastewater treatment plants (WWTP) were constructed in the villages located in the close vicinity of the dams. A small part of construction activities was addressing tourism – swimming pools were built in Sirava, parking places and a tourism information centre in Domasa - and should serve tourists in the up-coming season. The WWTP at Sirava is completed but at present it has an insufficient number of connected households for operational use. The 2001 Industrial Park Humenne project created favourable conditions for investors and shortly after its completion two foreign companies completed construction of factories providing employment for some 200 people. 2001 Industrial Park in Spisska Nova Ves modernised two older vacant factories and an administrative building, including improvements in roads and environmental infrastructure. Two investors have already set up or are about to set up production in the park with further negotiations pending.

9. 2001 Podbiel Bypass was cancelled following a local referendum; based on its results a decision was taken not to continue with the project. Under 2001 Clean Water – Riverbed Poprad and Dunajec sewerage systems in nine villages in the catchment of the two rivers, and three WWTPs were built. The project finished by the end of 2004 but the weather situation has not yet permitted the connection inhabitants requiring the new service. The 2001 Wastewater Disposal System project built sewerage in seven villages in Zahorie, covering some 50% of their population. The inhabitants have not yet been able to build their connections due to the cold weather but the local authorities expect them to do so, starting by March 2005. The WWTP in Gajary has been upgraded to meet the future needs of newly built sewerage networks. The completion of the 2001 Reconstruction of Road Plešivec project improved the border access, and access to the tourist attraction Cave Domica. No information was available on the state of the planned mirror improvements on the Hungarian side and more efficient processing at border crossing. 2002 Oravice – Zuberec is presently in an early phase of construction. Upon completion, it should significantly improve the road accessibility for tourists to this region with rich natural and historical heritage and tourism potential. The 2001 Chorvatske rameno project resulted in the upgrading of an artificial channel to enable de-watering of a key highway section leading from Bratislava to the border with Austria. As the highway has not yet been completed, the facilities built are not in full operation. 2002 Moravsky Svaty Jan Bridge has seen the beginning of construction works on a bridge that should replace the current platform bridge leading to a border crossing, which is unusable almost two months per year due to high water in the river. The 2001 Malacky Incubator was created in a reconstructed building in the centre of the city, three project management staff were trained and promotional activities took place. There are now some 30 tenants at the incubator, about two thirds at commercial rents (mainly shops and services). Companies receiving incubator benefits represent about a third, including some in more technologically sophisticated areas of services. The incubator has created some 60 new jobs and is nearing operational self-sufficiency.

10. The 2002 Environmental Protection GS has awarded four investment projects for wastewater infrastructure and six projects for the preparation of various studies in the area of environment. 2002 Environmental Infrastructure is in early stages of constructing WWTP infrastructure in 11 municipalities, many of which are presently hindered in developing tourism facilities and industry due to limits of existing infrastructure. 2003 Support of Business Sites intends to launch a Call for Proposals in the near future, pending approval of changes in the definition of national co-financing in the PF, along with 2003 Environmental Protection, 2003 Support of Tourism and the 2003 Business Related Infrastructure GS.

#### **Component 4 – Joint Small Project Funds**

*SR-0101.03 Joint Small Project Fund (JSPF) – SR/ Poland, SR-0102.02 Joint Small Project Fund – SR/ Hungary, SR-0113.04 Joint Small Projects Fund – SR/ Austria, 2002/000-642.03 Joint Small Projects Fund, 2002/000-603.02 Joint Small Projects Fund, 2002/000-635.03 Joint Small Projects Fund, 2003/004-665.02 Joint Small Projects Fund, 2003/004-616.02 Joint Small Projects Fund, 2003/004-704.03 Joint Small Projects Fund, and 2003-004-995-03-12 External Border Initiative<sup>5</sup>*

#### **Activities and Outputs**

11. The 2001, 2002 and 2003 JSPFs with Austria, Hungary and Poland are designed to stimulate small-scale activities across the border according to the priorities and measures set up in the respective Joint Programming Document (JPD). The JSPF supports mainly areas such as local democracy, economic development and tourism, cultural exchange, ecology, health, information and communication links of the border regions, by strengthening existing structures and reducing the peripheral character of these areas, thereby improving the quality of life and creating a co-operative network on both sides of the border. The 2003 External Border Initiative intends to support investment and non-investment actions of a genuine cross-border nature at the future EU external border region (Slovak/Ukrainian border).

#### **Effects**

12. The 2001 JSPFs activities were all completed by November 2004. No effects can yet be reported for the 2002 JSPFs, since the respective project contracts were not signed until end-July 2004, and the selected projects are only half-way into their implementation period. The respective Calls for Proposals for the 2003 JSPFs have not been published yet, except for the SK/PL JSPF, which was launched together with the FM 2002 Call. Overall, the final beneficiaries perceive the completed JSPF actions as a relative success. Generating new project ideas and improved project design skills of the local actors in all the border areas were reported as one of the key effects across all JSPFs covered in this IE. In terms of local administrative capacity development, closer links have been established between institutional actors across all the three borders covered. This has created a solid basis for more and better co-operation, including INTERREG.

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<sup>5</sup> Although this programme is part of the Phare national programme, for the purpose of this IE it has been included in the JSPF part, due to its cross border nature.

## 2. EVALUATION RESULTS

### 2.1 Component 1 – Structural Funds Institution Building

#### 2.1.1 Relevance

13. The projects within the 2001 Administrative Capacity programme were in general relevant, addressing the need to establish administrative capacities for the management of SF and the Cohesion Fund (CF) after accession. The follow-up programme, 2002 Administrative Capacity, was justified by the need to ensure the effective and full use of the SF and CF. Both programmes comprise substantial twinning and TA support. The problem of potential duplication with the simultaneous twinning activities at the MoCRD was solved by ensuring that the 2002 twinning was more focused on SF implementation, whilst the earlier 2001 twinning addressed SF programming. In relation to SF operations, the establishment of the Information Technology Monitoring System (ITMS), supported both from 2001 and 2002 sources, is fully justified. A number of measures - originally not planned - were needed to ensure sufficient publicity on the SF activities and access to information. This has been flexibly covered by funds re-allocated from a cancelled 2001 infrastructure project (Industrial Park Roznava). The funds have also assisted the preparation of programme complements, ex-ante evaluation of SOPs and project pipelines. One project originally dealing with ROP evaluation was later re-focused on SOP. The original design of the 2002 LRD GS assumed that the ROP had been implemented and referred to the establishment and testing of the administrative procedures for the future implementation of the ROP. The ROP was later cancelled and therefore, this assistance became irrelevant. However, the related TA project was reoriented towards SOP Basic Infrastructure. Nevertheless, a considerable part of the intended activities (creation of partnerships, development of strategies) duplicate previous PHARE projects. Subsequently, the 2003 LRD GS is, in terms of needs, justified and correctly addresses the capacity of local and regional actors to prepare and implement SF projects.

14. PF design of the 2003 Strengthening of Capacities programme appears questionable. The project directly builds upon the earlier programmes, which were unsustainable. The justification, given in the PF, to further train people due to the high staff turnover is not convincing; if staff cannot be retained in the administration, training in a traditional way and with massive fund provision cannot be the right solution. At the regional level, authorities were already trained under the TA part of the 2001 Administrative Capacity programme. The fact that, currently, the regional and local level programme management tasks are not carried out, implies that capacity building should be directed more to the capability to identify, formulate, implement and control projects. A good and informative programme publicity strategy, pro-active programme management soliciting potential target groups at local and regional level, and the well-established internet platform with further guidance through the Regional Information Centres (RIC) should fully ensure that applications would meet the necessary quality and eligibility standards. The idea to train-the-trainers for regional management of SF interventions is questionable. Although the original proposal for the 2002 Support for Intermediary Bodies (IB) was fully relevant, reflecting the actual needs, commencement of such activities after substantial delay - at the time when SF Calls for Proposals have been or are to be launched and staff are fully occupied with work - raises



questions concerning relevance of the envisaged training activities. Experience shows that the absorption capacity is very limited for this sort of activities and the beneficiary prefers on-the-job training. Nevertheless, the same target group (MAs and IBs) was provided with training as a part of the TA under the 2001 Administrative Capacity programme managed by the CSF Department. However, the proposal to develop a SF Management Information System (MIS) - as requested by the 2002 Support to IB project - at the time when the overall ITMS is operational and should serve all identified functions, is redundant. As confirmed by the MoCRD/ CSF Department, any link between systems is unlikely to be agreed.

15. Overall, the lengthy discussions between the European Commission and the Slovak authorities on the final SF programming did not allow its finalisation before late 2003, which could not be fully reflected at the programming stage. Every institution involved has tried to cover practically identical needs, but essential overall co-ordination has been lacking.

### 2.1.2 Efficiency

16. As regards the 2001 and 2002 Administrative Capacity initiatives, considerable delays in starting the activities (last-minute contracting) and serious staff issues have already identified in the previous interim evaluation (IE). These have made it difficult to reap synergy effects with other projects, to gear activities towards each other and to avoid duplication effects, hence the efficiency (cost per unit) has been poor. There are indications that the 2001 twinning component and the TA have run in parallel without significant co-ordination. A positive exception has been the support given to the Programming Document Objective 2. Here, permanent day-to-day coaching has been very effective in capacity building. Efficiency is questioned as regards the TV spots as these were broadcasted only once on private TV. The majority of projects dealing with development of programme complements, project pipelines and ex-ante evaluations, have been managed efficiently, with one small exception (SOP Transport) where the *ex-ante* evaluation could only be prepared after the approval of the respective documentation.

17. In terms of capacity building tools, twinning was more appropriate for SF institution building activities than TA. The majority of TA activities were focused on training (nearly 1,000 people trained), which cannot be considered the most appropriate way of assistance at a stage when the staff were also required to pay attention to numerous other tasks and implementation duties. Overall efficiency of the SF capacities established is questioned also due to the fact, that 600 'Euro-officers' are employed at the central level to deal with SF matters, a figure much larger than any comparable EU-15 Member State<sup>6</sup>. It is accepted that people were new to the business and inexperienced, and that communication with EC was difficult, and often resulted in revisions of elaborated documents. In terms of the regional structures created within the 2002 LRD GS, these are assessed as fragile, since most staff in the regional technical secretariats (provided by the Regional Development Agencies - RDAs) are hired on a short-term basis; moreover, there are issues of potential conflict of interest regarding the RDAs (which constitute an important segment of applicants under the SF). The approach taken by the recently started 2002 Support for IB - specific on-the-job training - is considered more realistic.

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<sup>6</sup> For example, Austria has some 60 people running the SF business all over the country (including IB), usually together with other administrative duties.

### 2.1.3 Effectiveness

18. Overall, in order to assess the readiness of the country for SF implementation, five pre-conditions have to be fulfilled<sup>7</sup>. The first three pre-conditions (programming, monitoring/implementing and paying) are fulfilled to a major extent. Some consolidation and better co-ordination is still needed. The fourth pre-condition (evaluation) is not yet sufficiently developed, and the fifth pre-condition (national co-funding) is not the subject of this IE.

19. In terms of benefits it must be stressed that, due to the considerable staff turnover at the ministries, the absorption of the SF training and its effectiveness has been low. The ITMS is rated as one of the systems with the highest standards, although further attention is needed in to increase the capability of the system to allow crosschecks between financial and physical effectiveness/impact indicators. Concerns can be raised in connection to the vulnerability of the central monitoring system, though certainly strongly protected. The SF website as such has been designed attractively; it is target-oriented and saves time and money; publicity activities comply with the general standard of SF publicity patterns. The effects of broadcasted TV spots on private TV are difficult to assess as there is no reliable feedback. In general, the benefits expected from the 2001 and 2002 Administrative Capacity programmes were achieved - SF institutions are established. To judge their proper functioning is too early and the identified indicators are irrelevant, e.g. referring to *application of a decentralised system*.

20. The expected benefit of the 2002 LRD GS – the establishment of the administrative structures and procedures - has been achieved; however, whether and how these structures are to be used for the implementation of future SF measures remains unclear. 2002 UIBF Support to IB is unlikely to have a substantial effect on the preparation of the IBs for the SF implementation as these have already started with the actual SF implementation. However, solution of actual/ad-hoc problems appearing during the implementation phase could still be assisted by PHARE consultants.

### 2.1.4 Sustainability

21. The sustainability of results achieved within the 2001 and 2002 Administrative Capacity programmes varies. Overall, while the established SF structures are sustainable over the programming period, the persistently high staff turnover will reduce the performance of the established capacities. The same applies for the 2002 UIBF Support for IB project. From the perspective of the current SF cycle implementation, measures implemented directly for the newly established SF structures (CSF, MAs, IBs) are likely to be more sustainable than the structures established in the regions, such as technical secretariats within the 2002 LRD GS. These are unlikely to be involved in the administration of the current SF cycle. More sustainable effects are likely to be delivered through the grant project outputs (strategies,

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<sup>7</sup> (i) Sufficient and sustainable capacity in programming at national, regional and sectoral level; (ii) Sufficient and sustainable capacity in programme implementation – paying, controlling and managing (co-ordination/facilitation and communication); (iii) Reliable monitoring infrastructure, both, technically, in terms of effective monitoring systems as well as administrative, in terms of qualified and balanced monitoring committees; (iv) Qualified evaluation capacities, in terms of specialised independent research bodies; and (v) Funds for co-financing.

feasibility studies, technical documentation), which should facilitate the preparation of future SF projects.

### *2.1.5 Impact*

22. The results achieved within the 2001 and 2002 Administrative Capacity programmes, including the 2002 UIBF Support to IB project, will contribute to the overall objectives set out as the effective and full use of the SF and CF. To estimate the level of this contribution and the extent to which it is directly attributable to the implemented activities is rather complicated and it cannot be justified through the specified indicators. The overall objective for the 2002 LRD GS is irrelevant, referring to the conditions for the implementation of ROP. Based on the ToR, the 'ROP' should be understood as 'SOP Basic Infrastructure', and thus the intervention is likely to contribute the creation of conditions for its implementation via the delivered preparatory activities.

## **2.2 Component 2 – Small and Medium Enterprises Support**

### *2.2.1 Relevance*

23. In general, the design of the various 2002 GS (TDGS, IDGS) followed the priorities as set out in the NDP. The usual weakness in the programme design – inappropriate indicators of achievement - was observed in most cases. The needs concerning sector specific issues like increasing competitiveness of tourism, or value-added performance of industry are justified. However, the stated need to develop also administrative capacities (central and regional) for SF project management was addressed inconsistently. While the 2000 PHARE pilot TDGS was managed by the Ministry of Economy (MoE), the 2002 TDGS was implemented purely by NADSME. The respective NADSME management capacity is to be further developed during the 2003 TDGS; however implementation of tourism measures within SF has already commenced via the nominated IB – the Slovak Tourism Board (STB) - an institution having no previous experience in this area. Despite the change of the target group,<sup>8</sup> the experience of applicants in the area of project design and management, gained during three subsequent GS, will be at least partly utilised. Regarding IDGS, the capacity building aspect seem to be more adequately respected due to NADSME's role in implementing two measures from the SOP Industry and Services, though again focused mostly on bigger investments rather than small enterprises. The follow-up 2003 SISME GS is more focused on the provision of financial resources for innovation, which is not explicitly reflected in the SOP, and in the meanwhile appears to be sufficiently covered by the strongly competitive local banking sector. The needs addressed through the 2002 INTEG GS are fully justified. Based on an agreement with the beneficiaries, the indicators set out in the PF will be monitored, following project completion for three more years.

### *2.2.2 Efficiency*

24. Based on the ToR, two TA teams – one for 2002 TDGS and one for 2002 IDGS - were given nearly identical tasks, partly duplicating their efforts. NADSME has been implementing both schemes following the design provisions of the original projects. Previous experience with GS implementation (pilot TDGS) has been lost due to changes in institution

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<sup>8</sup> SF measures will pay more attention to big investment projects, while activities supporting small enterprises, that are obviously demanded, might be missing.

and staff. The use of one comprehensive TA, taking into account technical differences and providing experts in the area of tourism and industry has not been considered. From a more general point of view, the development of manuals, operational guidelines and instructions for applicants of PHARE GS, assisted by the different TAs, had too many common features and thus the contracting of separate TAs with identical tasks for every single GS, cannot be considered as efficient. The MIS developed was adapted to cover the needs of both GS, and the question remains as to why the system could not also have been adapted for the needs of any other PHARE GS. Monitoring of other PHARE GS had to be handled either manually or any development of software modules was financed from other projects (for more details on the GS management, reference is made to Annex 7).

25. The management of PHARE projects under the External Decentralised Implementation System (EDIS) applies national procurement legislation. Since the Slovak law does not mention GS, the NADSME decided to apply the latest EC guide's rules (GGAPP) for the 2003 TDGS and any necessary adjustments are being done by the contracted TA. For 2002 GS the existing network of Regional Advisory and Information Centres (RAIC), Business Innovation Centres (BIC) and First Contact Points (FCP) has been assisting with the promotion activities but due to their commercial involvement in the project design activities, they could not fulfil the originally envisaged monitoring role. No final decision has been made yet concerning their involvement in the 2003 GS implementation. In terms of efficiency for 2003 SISME, it remains questionable why the Seed Capital Company (SCC) - successfully running state funded venture capital funds for almost ten years - would need foreign consultants (TA) to update its business plan, whilst on the other hand the need for assistance for introducing new products is fully understood. The SCC activities are identical with the effort of 2002 INTEG, establishing a venture capital window for the same purposes, but for a different target group - tenants being hosted in the two PHARE supported technology incubators. To use the INTEG GS tool as an instrument for selecting only two incubators, to be assisted, is a complicated and time-consuming approach. Apart from that, the INTEG TA contract, signed for the training of incubators' staff is not cost-efficient<sup>9</sup>. In the case of the INTEG incubators, the legal status of the future incubators it is not clarified yet. Efficiency of the two selected grant projects is questionable and would require an in-depth cost-effectiveness analysis. The required co-financing is provided in the form of existing buildings as future venues of incubators, however any refurbishment is usually more costly compared to a new construction<sup>10</sup>.

### 2.2.3 Effectiveness

26. It is too early to assess the effectiveness for both 2002 TDGS and 2002 IDGS. The indicators do not enable progress to be followed but the grant projects, at the different stage of implementation, regularly report their individual performance. In terms of strengthening administrative capacities of central SF structures, the TDGS is unlikely to achieve any effects

<sup>9</sup> In comparison to an identical TA contract signed with the same company for training of the incubator staff in Malacky including also networking activities with Austrian institutions, promotion campaign and study tours (budget 0.200 M€, 330 man days, providing 25 days of training for 3 people), the current contract is even more costly (budget 0.400 M€, 320 man days, for 6 – 9 people).

<sup>10</sup> Refurbishment of the INTEG incubators has an allocation of 1.437 M€/ 2225 m<sup>2</sup> (646 €/ m<sup>2</sup> STU), respectively 1.253 M€/ 3278 m<sup>2</sup> (382 €/ m<sup>2</sup> Sladkovicovo) whilst the comparable cost of newly constructed incubator in Malacky was 2.110 M€/ 4800 m<sup>2</sup> (439 €/ m<sup>2</sup>).

until the IDGS prospects are more promising. For the time being, regional structures have had only limited involvement in the management function. The 2003 TDGS expectations, referring to a strengthening of MoE's tourism section capacities, have no direct link to the project activities whilst its ultimate purpose set out as reinforcement of tourism competitiveness is likely to be achieved. The expected benefits of 2002 INTEG - supporting innovation and technology transfer through the establishment of technology incubators - and of 2003 SISME - increasing availability of financial sources for innovative companies through venture capital investment scheme - are likely to materialise.

#### *2.2.4 Sustainability*

27. When judging the sustainability of 2002 TDGS and 2002 IDGS, in particular their individual grant projects, it is likely that the outcomes for final beneficiaries and end-users will be largely sustainable. Less encouraging is the sustainability of administrative capacities. Those established to manage the 2002 and 2003 TDGS are not to be used for the identical purpose, as the STB became the IB for SF Tourism initiatives. The IDGS management capacities are likely to strengthen the existing NADSME/ SF Department (dealing with implementation of SOP Industry and Services, Measures 1.1 and 1.2). In this respect, the capacity should be exploited. Development of regional administrative capacities has practically not been initiated and for the time being it is rather difficult to predict the future development in terms of SF structures for the up-coming SF period. As regards the 2003 SISME intervention, it is likely that the investment funds will be used. A similar effect is predicted for the 2002 INTEG scheme where the supported technology incubators should become operational and able to provide their expected services, provided that the employment status of future incubator employees is settled.

#### *2.2.5 Impact*

28. According to the planning documents the implementation of 2002 TDGS was supposed to contribute to the establishment of administrative capacities for the effective use of SF however, this impact is likely to be rather negligible in the area of tourism. The 2003 TDGS is expected to strengthen central, regional and local capacities for the same purpose, and the contribution in this sense is unlikely to be substantial either. On the other hand, the contribution to increased competitiveness and productivity of SMEs through innovations is likely to improve the impact of 2002 IDGS, 2003 SISME and 2002 INTEG schemes.

### **2.3 Component 3 – Regional Development and CBC Investment**

#### *2.3.1 Relevance*

29. The needs identified to develop tourism in the area of two dams in the East of Slovakia (2001 Zemplinska Sirava, 2001 Velka Domasa) has reflected local needs rather than clear strategic aims set out at the national or regional level. The construction of infrastructure is linked with the quality of water in the dams, but no evidence is available that the water quality influenced by e.g. leakage from cesspools would directly influence tourism in this area. The construction of facilities for tourists was undoubtedly needed; nevertheless a clear vision concerning the future development of these areas as tourist destinations is still missing. The idea of 2001 Industrial Park in Humenne is fully justified and reflects the local needs and possibilities. Similarly, the 2001 Industrial Park in Spisska Nova Ves creates

much-needed infrastructure with the potential to attract outside investment, putting existing defunct facilities back to use. The 2001 Malacky Business Incubator addresses unemployment, and the sustainability of SMEs in the region. It should help the city realise its full potential stemming from relative closeness to the capital combined with a much higher rate of unemployment, although cross-border relevance seems limited, based on lack of interest in promotion of the incubator in Austria so far. The incubator also ties in well with a planned industrial park in Malacky.

30. The 2001 Plesivec Road is of significant micro-regional importance and its improvement has the potential to strengthen economic co-operation across the border. 2001 Chorvatske rameno represents a necessary contribution to the full functionality of the D-61 highway leading to the border with Austria. The relevance derives directly from the importance of this highway. Before its potential is realised in full, the Austrian side must complete the highway to the border as well, which is expected to take several years. The 2002 Oravice-Zuberec Road is a key road of regional importance, which has been a bottleneck for commerce and tourism development. Its completion should contribute to improving conditions for economic growth in the region and attract tourist traffic. Nonetheless, it is unlikely to be a sufficient driver of growth to bring GDP in the region to the levels of EU-average. The 2002 Moravsky Svaty Jan Bridge seeks to upgrade significantly a traditional cross-border route, to accommodate buses (in addition to the cars that used the existing pontoon bridge and raft). The project relies on forecasts carried out anticipating several-fold increase in cross-border traffic. While the building of sewerage networks was broadly relevant to strategic goals at the national level and needed in the Stara Lubovna district, this had not been the main inhibiting factor in tourism development. Cross-border relevance of this and other similar sewerage projects is also usually limited to a small group of municipalities. 2002 Wastewater Disposal System in the Zahorie region, addresses a significant micro-regional need and was highly desired by the involved municipalities. Similar demand, however, exists throughout the country regardless of cross-border ties.

31. The 2002 Environmental Protection (SK/HU) is the only CBC GS where a Call for Proposals has been launched and evaluated. Ten projects have been contracted. Effectively, the choice was made only among 13 projects (there had been more applicants but some were ineligible). While conservation of natural resources is a worthwhile goal, the objective of improving the environmental potential is extremely vague. These are expected to lead to improving living conditions in the area, which will be the case for a limited group of people (in the specific municipalities where investment actions are carried out). The remaining CBC GS face several risks in terms of relevance. One of the ideas behind these schemes was in the capacity building of final beneficiaries to work with the SF and INTERREG when these instruments are introduced. Due to delays, these often run in parallel to calls for the former, and will not be of much benefit in preparing for SF. The schemes aimed at 2003 Support of Business Sites (SK/HU), 2003 Environmental Protection and 2003 Economic Development (SK/A) face the risk of being too small to go beyond local relevance to a limited group of beneficiaries. The 2003 Business Related Infrastructure GS (SK/PL) will also overlap with a number of other instruments, some, from the final beneficiaries' perspective, offering more attractive co-financing arrangements.

### 2.3.2 Efficiency

32. The 2001 investment projects Zemplinska Sirava, Velka Domasa and Humenne were approved based on the preliminary proposals. TA was provided from previous FM to prepare technical documentation as well as a tender dossier. Finally, the necessity of arranging building permissions resulted in the usual last-minute commitment. The shortened implementation period led unnecessarily to problems which could have been avoided. The works were completed on time. The 2001 Malacky Business Incubator was also delayed in its construction part. Meanwhile, the TA portion of the project was already fully contracted and running, and consequently, a portion of the planned activities within TA, especially in the area of promotion, was reduced. The majority of TA budget was used for the preparation of studies and the training of three employees of the incubator (rather than up to seven originally projected). Similar delays, either caused by difficulties in the preparation of tender dossiers or in acquiring building permits, have plagued most REG and CBC investment projects under review. The result was contracting very shortly before the final deadline for the vast majority of projects. Subsequently, in several projects, technical difficulties arose increasing the cost beyond the sum originally tendered, but these had to be met by final beneficiaries.

33. This concerned both the 2001 Chorvatske rameno and the 2001 Plesivec Road reconstruction. Chorvatske rameno also suffered from a lack of communication between various institutions, which were not formally involved in the project but play a role in the operation of the infrastructure built. Nonetheless, all construction work for the 2001 investment projects was concluded before the final disbursement deadline. The 2002 and 2003 projects are on track to meet the required deadlines. Last moment contracting also affected the 2001 Clean Water (due to delays in tendering) and Wastewater Disposal System - River Morava. This project includes an investment to upgrade the Gajary WWTP, which is a poor example of efficiency. It was originally built through a 1998 PHARE CBC project but was not operational and now requires further PHARE investment. In the latter project the suspicions of irregularities are under investigation by OLAF. 2002 Moravsky Svaty Jan Bridge, Road Oravice-Zuberec and Environmental Infrastructure – Districts Kezmarok were also contracted near the deadline with subsequent shortened period for works, further reduced by the weather conditions, which do not allow construction in winter months.

34. Several 2002 and 2003 GS will also suffer from a timing problem. As of January 2005, there was a request pending for a change in the PF for four CBC GS (in order to bring co-financing to the same level for all borders). The Regional Development Support Agency (RDSA) will therefore issue Calls for Proposals in February or March 2005 and projects will be contracted most likely in the third quarter of 2005. For Support of Business Sites beneficiaries will have a little over a year for implementation of projects, rather than a little over two years as envisaged originally, which will pose a risk for the quality of projects. The same difficulty applies to Environmental Protection and Economic Development, as well as the Business Related Infrastructure GS.

### 2.3.3 Effectiveness

35. For the time being, it is rather difficult to judge the benefits of 2001 Zemplinska Sirava and 2001 Velka Domasa projects for the end-users. The sewerage and WWTP at Sirava are

not operational yet as an insufficient number of households are connected to WWTP. The swimming pools constructed will serve their purpose only in the summer. Operation of WWTPs and sewerage at Velka Domasa was at the time of the evaluation, awaiting contract signature with the local water company to run and maintain the system. Parking places and information centre will be used in the summer season. The figures reported for indicators in PF had been achieved at the start of the project at Sirava, while Domasa has not been able to provide any data. 2001 Industrial Park in Humenne is operational and shortly after completion the indicator, referring to 200 working places, was achieved. 2001 Industrial Park in Spisska Nova Ves is also operational with several tenants in the newly upgraded facilities and negotiations ongoing with further potential foreign investors. An unspecified number of new jobs has been created. The 2001 Malacky Incubator has 12 incubated companies and 18 additional commercial clients, making it able to cover its operating cost ahead of business plan. Some new jobs have already been created although not in sufficient numbers yet to counteract the city's high unemployment (in the regional context).

36. The 2001 Plesivec Road has been completed and is now in use, although no information was available from the final beneficiary on the actual numbers of transits. The section of the road repaired previously had a high accident rate. No information was available on the connecting road in Hungary, which was also supposed to be reconstructed. The Road Oravice-Zuberec is presently under construction and is expected to bring significant benefit to end-users as the currently used route is in very poor shape damaging commercial transport and tourism. The distance will be reduced from 45 km to 12.5 km. The Chorvatske rameno environmental mitigation measures for the highway Pristavny most-Viedenska cesta is completed but not operating, as the highway itself is not complete. The bridge, being built over the River Morava in Moravsky Svaty Jan, is seen as highly beneficial by local authorities. It should have significant benefits at the micro-regional level, as it will allow the use of the border crossing for most of the year (the present pontoon bridge is closed due to high water for almost two months per year on average). The new bridge will also allow bus traffic and lorries to cross unlike the existing facility. The Wastewater Disposal System - River Morava is completed but inhabitants requiring new connections to the main line have not been connected due to the weather. Local authorities expect no problems in connecting inhabitants later in the year. The new WWTP and sewerage infrastructure built within the Clean Water – Poprad and Dunajec project is in a similar situation: awaiting better weather before inhabitants can connect, after which there will be significant benefits for local users. In 2002 Environmental Infrastructure, benefits are expected beyond the results related to operation of sewerage facilities, as the lack of these has hindered economic growth in several localities by making it difficult to obtain permissions for certain types of new construction.

37. The capacity for implementing the GS at the RDSA appears to have increased and all the delayed schemes are prepared to be launched pending approval of the proposed changes in the PFs.

#### 2.3.4 Sustainability

38. As regards 2001 investment projects Zemplinska Sirava, Velka Domasa and Humenne, the results are most likely to be sustainable. Although the WWTP at Sirava and others are not operational yet, legal obligations should ensure that this is achieved as soon as weather



conditions enable construction works. The results of the 2001 Industrial Park Spisska Nova Ves is sustainable due to the continued commitment by the city, which has further expansion plans building on the results accomplished so far. In the 2001 Malacky Business Incubator, the city has contractually ensured a five-year commitment of the employees trained within the TA portion of the project. This indicates that the incubator function is likely to be sustained for the near future. The city's commitment to developing the incubator should contribute to the sustainability of jobs created.

39. The benefits of roads leading to the Hungarian border in Plesivec and the Polish border in Oravice-Zuberec are likely to be sustained. At Chorvatske rameno the sustainability is ensured through contractual arrangements with the Danube River Administration, which will operate the facilities built. For the environmental infrastructure projects, municipal ownership of results, and its commitment, is a major enabling factor for the sustainability of investment projects results. As noted above, these are often highly relevant to local and micro-regional priorities (even if not always to the same degree with national priorities). When local governments take strong ownership in results, they are usually able to take effective measures for their sustainability.

### 2.3.5 Impact

40. The overall impact of the 2001 Zemplinska Sirava and 2001 Velka Domasa projects is unlikely to be significant. The contribution of the projects to sustainable development of the tourism, SME in the tourism sector and reduction of unemployment is limited. On the other hand, as foreseen, 2001 Industrial Park Humenne has contributed to the reduction of local unemployment. The 2001 Spisska Nova Ves Industrial Park also has the potential to create new jobs. The likelihood of it being a rallying point for the development of SMEs in the region seems low, as SME development is influenced by a large number of other factors. The impact of the 2001 Business Incubator Malacky is likely to be moderate although potential tie-ins with other activities (notably the Industrial Zone Zahorie) can have multiplicative effects. Nonetheless, the incubator has already created a number of new jobs and stimulated the formation of new SMEs.

41. The road to the Hungarian border in Plesivec is unlikely to have a significant impact on GDP in the region, although the number of transits is expected to increase. Such an impact is not clearly measurable. It rests on the assumption of completion of further works both on the Slovak side and on the Hungarian side of the border. The Oravice-Zuberec road is expected to have significant impact on tourism development in the region and improve conditions for economic growth, albeit not to the degree of bringing GDP to the EU average as envisaged in the PF. The re-engineering of the water channel Chorvatske rameno will contribute to the preservation of the bio-corridors in the Danube basin border area with Austria and the functioning of a crucial highway. Further impacts may materialise if follow-up projects to make the channel more attractive to leisure users (walking paths, bike paths) are carried out as envisaged by the Petrzalka municipality. The Bridge in Moravsky Svaty Jan will improve conditions for accessibility. The Environmental infrastructure projects are likely to contribute significantly to the improvement of the surface and ground water quality, but less is expected in terms of tourism and economic development.

42. Again little can be said about impact of CBC GS at such an early phase, although problems are expected on the issues of reach described briefly under 'Relevance' above.

## **2.4 Component 4 – Joint Small Project Funds**

### *2.4.1 Relevance*

43. The design quality of the CBC 2001/2002/2003 JSPF programmes can be judged as sufficient, though the underlying quality of logframe matrices for individual projects varies. The practice of replicating successful projects by the same promoters is common. Overall, the need for, and the content of JSPF actions seem to be well identified in the existing programming documentation. A better institutionalisation of joint monitoring structures remains a challenge at both sides of the border, however, and has to be effectively addressed to enhance the local capability to absorb SF (notably INTERREG) in the future. The responsible managers at RDSA seem to exercise a higher degree of flexibility, as compared with the past, over their programmes in responding to changing needs and external circumstances of a newly acceded EU member. This is also apparent in the case of the 2003 External Border Initiative, which is now being revised to take account of the new border status of the two Eastern-Slovak regions, as well as the recent political developments in Ukraine.

### *2.4.2 Efficiency*

44. Tendering, contracting and implementing tasks for the 2001/2002/2003 JSPF are carried out solely by RDSA. Concerning the monitoring of the implementation of the CBC JSPF, the RDSA is assisted by special Technical Secretariats located in two selected RDAs (one in Zilina for on the SK-PL border, the other in Rimavska Sobota for the SK-HU border). Although the selection criteria are not transparent, the general perception among the informants (both inside MoCRD, and in the regions) is that the 'arm's length' RDAs do perform their CBC JSPF tasks successfully. The RDSA's administrative overload of 2002 funds has been further reduced via substantial recruitment and training of the new staff (though still reporting a high turnover) but is still very heavy. In addition, the creation of a pipeline of alternative projects (aided also by the bilateral assistance MATRA) is perceived to prevent the threat of losing funds allocated. Overall, risk management has been given an increased and more appropriate consideration at the programme level, although this does not yet seem to be a widespread practice at project level. Further efficiency problems seem to be rooted in the chosen financial model with the 80% advance payment to a final beneficiary, irrespective of his/her administrative capacities, which may also reduce incentives towards cost-effectiveness. No major progress can be reported at this stage, concerning the 2002 and 2003 CBC JSPF programmes.

### *2.4.3 Effectiveness*

45. The comparison of planned and realised outputs of CBC JSPF actions undertaken or underway is very difficult to make, as no reliable indicators and completion dates have been defined, against which to measure the progress. Based on semi-structured interviews with a

sample of actors involved<sup>11</sup>, a very mixed picture emerges. Moreover, given the situation that the 2001 JSPF projects were contracted with so substantial a delay, that their final disbursement rate was eventually lower than the commitment, not all the benefits originally expected have been delivered by end of 2004. Effects from the 2002 and 2003 JSPF have yet to materialise, and no major progress can thus be reported within this IE.

#### 2.4.4 Sustainability

46. Overall, sustainability of the JSPF is difficult to assess at this stage. In terms of institutionalisation of good practice over the past decade of PHARE CBC existence, although Joint Monitoring/Steering Committees have been established for all the CBC JSPF programmes, they are often viewed as a formal obligation, lacking ownership, rather than a genuine quality control mechanism. On the plus side, INTERREG projects recently approved are often promoted by the same CBC partnerships, which also proved successful within the past PHARE tenders and implementation. This can be interpreted as a sign of successful cross-border learning, according to many of the stakeholders interviewed. The Euro-Regions<sup>12</sup>, while still having some influence, seem to have been less successful in new CBC project acquisition in the past two to three years, with their facilitating role being taken over by the more formalised institutions, in particular Self-Government Counties (SGC).

#### 2.4.5 Impact

47. A comprehensive assessment of the impact of the CBC JSPF programmes under this IE on regional development cannot be made yet, as too few projects have been fully completed. Also, many of the finished projects did not have their 'mirror projects'<sup>13</sup> on the other side of the border, so the achievement of wider objectives of promoting closer co-operation and integration will need more time to materialise. Nevertheless, based on a sample of contractors interviewed, the general impression is that JSPF, by enhancing the 'social capital' endowment, positively contributes to the economic development of the border regions concerned.

## 2.5 Specific Issues

48. The preparation for the next SF programme period 2007-2013 is a demanding task, as it will be based on a far-reaching reform of EU regional/structural policy. During the course of this evaluation, some impression has been gained that the Slovak authorities have underestimated the workload needed to prepare effectively for the next period. The actual level of preparedness for the 2007-2013 period is difficult to assess. The PHARE capacity building measures did address this issue, but not with much emphasis. There is only one small unit in MoCRD dealing with preparation of the future programming period. This unit facilitates a group of 20 civil servants, heavily engaged in the present programmes. By December 2004 there was a conference with participation of the European Commission, where the Slovak representatives commented on the new draft SF regulation for 2007-2013. However, based on feedback gained during the evaluation, the important strategic views

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<sup>11</sup> approx. 1/3 of projects per each evaluated programme have been sampled, with the sampling being made in relation to the total number as well as a specific type (i.e. orientation on cultural exchange, tourism promotion, environment, economic co-operation, flow of information, etc.) of the projects (being) implemented.

<sup>12</sup> There are 13 Euro-regions officially registered in Slovakia.

<sup>13</sup> This is a formal requirement for INTERREG project proposals.

(alternative policy scenarios, consideration of Lisbon/Gothenburg strategies etc.) have not yet been addressed systematically. The only decision taken so far is that ROPs at NUTS2 level will be again introduced after 2007.

49. There has been another specific issue, which deserves attention. Various administrative delays, as well as the administrative requirements imposed during the reduced programming period of 2004-2006, have created a situation characterised by counter-productive competition between PHARE and the first-generation of SF projects currently being submitted. The availability of two parallel incentive structures may well result in too much focus being put to commitment and disbursement, while downplaying the innovativeness and local relevance of project ideas. In particular, this seem to be more pressing on the SK/PL border and in case of larger projects (under GS); the original role of PHARE CBC as the 'launching pad' for INTERREG remains of continuing importance (as also repeatedly formulated in PFs and other programming documentation).

### 3. CONCLUSIONS AND RECOMMENDATIONS

#### 3.1 Conclusions and Recommendations

##### *Component 1 – Structural Funds Institution Building*

50. The majority of the 2001 and 2002 activities within this Component are fully justified and reflect the needs identified during the programming period. Many projects have adequately dealt with the establishment of structures, preparation of staff, development of basic programming materials and procedural guidelines, establishment of IT system and supporting promotion activities. The envisaged support for ROP, addressed via the 2002 LRD GS, was irrelevant at the time of its implementation and has been re-oriented towards the SOP Basic Infrastructure. Subsequently, the 2003 LRD GS should be directed towards the preparation of large investment projects. Based on the programming documents for the 2003 Strengthening of Capacities programme, the relevance of further training is doubtful, and not is unlikely to deliver effective and sustainable outcomes. In addition, a proposal to develop a SF MIS - as requested by the 2002 Support to IB project - at the time when the overall ITMS is operational and should serve all identified functions, is redundant.

51. The efficiency of activities undertaken within the Component has been often adversely affected by the late start of projects, staffing problems and lack of overall co-ordination between the PHARE and SF structures. Overall, the approach of twinning has appeared to be more efficient than TA. In general, training in the way as it has been delivered so far, has not been the most appropriate instrument. Clearly specific training, preferably done on-the-job or through in-house coaching, would better respond to current needs. The SF structures and staffing established are extremely large in comparison with EU-15 Member States. Most efforts undertaken to introduce and to develop new structures for SF implementation via the PHARE GS led to the creation of isolated structures, which are unlikely to be used for SF purposes. Moreover, in the meantime SF projects have been launched and are centrally managed, potentially competing with the on-going PHARE ESC GS. Co-ordination links between these two structures, although co-existing within the same institution, are usually limited to very formal information exchanges.

52. Effectiveness of the Component also varied when examining the benefits of individual projects. The 2001 and 2002 Capacity Building programmes have achieved their objectives, though there is no indication to say that the system is stable and in place. A good indicator is the general performance of SF interventions. Apart from agriculture and transport<sup>14</sup>, funding approvals and particularly disbursements are still low. The definition of responsibilities, the professional allocation and apportionment of staff entrusted with specific tasks, and the organisational set-up is still not fully secured. The

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<sup>14</sup> The fact that the SOP Basic Infrastructure (Priority 1 transport infrastructure) and the SOP Agriculture/Rural Development/Fisheries are performing better can be explained by the experience gained from the special pre-accession programmes ISPA and SAPARD. These definitely helped to create adequate administrative structures necessary for those fields of structural policy.

organisational set-up has been formally established, however, the clear division of tasks, a transparent inter-institutional co-ordination and communication flows still need to be improved. From the viewpoint of the MoCRD, the training efforts have strongly enhanced the qualification of their staff, although it has been recognised that a high turnover of ministerial staff has reduced the effective absorption of training input. Through so-called 'Euro officers' (with salaries topped-up from the TA budgets of the SF programmes) the MoCRD assumes that the issue of human resources leakage and brain-drain and the steady need of hiring new staff could be resolved. Evaluation capacity is still underdeveloped in Slovakia and the MAs will soon face the need to build capacity for evaluation functions.

53. The majority of individual project results are likely to be sustainable, provided the main risk for sustainability - staff turnover - is resolved. More sustainable are the results of the interventions directly implemented for newly established SF administrative structures. Less promising effects in terms of sustainability have been observed for the interventions by PHARE implementing bodies, although addressing SF needs.

54. The overall impact of the Component is difficult to estimate at this stage but some positive contribution from the substantial volume of assistance will materialise. The use of SF is so far minimal whilst CF performs better, also due to the experience gained through SAPARD and ISPA. The conditions to manage and use SF are in place and the final impact/use will also reflect the effectiveness of the PHARE assistance provided.

#### *Component 2 –Small and Medium Enterprises Support*

55. The needs justifying the 2002 GS (IDGS, TDGS) were twofold. Firstly, addressing economic development issues, which were and remain relevant; secondly, strengthening of administrative capacities for SF, which were not fully justified at the time of evaluation. This is mostly due to the new structures for SF, already established at the central level (for tourism), and the rather negligible involvement of regional structures. The necessity to provide financial resources for innovation, addressed by the 2003 SISME GS, is justified, but it is not explicitly determined under SOP measures. Support for innovation and technology transfer, via establishment of technology incubators, supported through 2002 INTEG, is identified as one of the measures, and will receive subsequent support from SF.

56. The project implementation should have been more efficient. Contracting two separate TA teams with almost identical tasks for the GS, simultaneously implemented by NADSME, was a poor solution, in particular, once a number of PHARE GS were running in parallel, and part of the documents produced had standard forms. A common approach has been successfully applied for the MIS, which was adapted to be used for both GS and it should be used in the future as well. The role of regional bodies, potentially assisting the implementation of SME GS, has not been clarified yet. Efficiency is also questioned in relation to the 2003 SISME GS where rather basic tasks are planned to assist an already fully operational institution (SCC). Similar activities, creating two venture capital windows addressing specific target groups, are to be established within the GS

(INTEG, SISME). Moreover, cost-efficiency of the projects within the INTEG GS remains questionable.

57. To judge the potential effects of the numerous grant projects is rather complicated since the projects are at different stages of implementation. The overall performance cannot be followed via the indicators set up in the programming documents. The expected capacity building for SF is unlikely to materialise from the 2002 TDGS since the new SF structures for tourism are not involved in the PHARE GS; equally, the 2003 TDGS is unlikely to strengthen the MoE's tourism section capacities. The IDGS management capacities might potentially be utilised for the SF implementation within NADSME. The establishment of technology incubators via INTEG as well as the provision of capital investment through SISME should deliver the expected benefits, such as supporting innovation and technology transfer.

58. In general, the positive outcomes of the SME GS are likely to be sustainable. The capacity building efforts within TDGS will not serve the original purpose and in this sense will not be sustainable. More sustainable capacity building effects are expected from the IDGS. The interventions assisting the innovation and technology transfer (incubators and venture capital) should become sustainable, provided all outputs are delivered as planned.

59. The impact of the 2002 and 2003 TDGS, referring to established SF administrative capacities, will not be exceptional, due to factors outside of the scope of the PHARE programme. The assumed PHARE assistance for SF interventions often missed the target, since it was implemented either too late or designed at a time when no final structural and operational set up was in place. Overall, some long-term beneficial effects are expected but it is not possible to estimate the extent to which these impacts are attributable to the interventions under evaluation (IDGS, INTEG and SISME). Part of the planning indicators are not quantified or usable for such purposes.

### *Component 3 – Regional Development and Cross Border Co-operation Investment*

60. Overall, the relevance of individual projects varied. The tourism projects addressed mainly environmental infrastructure needs. The transport infrastructure projects (roads and bridge) were fully justified with potential cross-border effects. The assistance addressing industrial/SME needs was fully justified although cross-border effects are hardly observed. The construction of environmental infrastructure in the bordering regions is a very common form of investment project, however, cross-border effects are again not so obvious. The 2002 GS on the Hungarian border identified environmental needs widely. All 2003 CBC investment GS are delayed and will run in parallel with SF operations, which makes them irrelevant for the planned preparation for SF. The quality of programming and specifically of log frames is low and does not show improvement in the 2002 and 2003 projects. This poses problems both for monitoring and evaluation of projects at later stages. Indicators used are generally inadequate. Baseline and benchmark measures are often either missing or unrealistic.

61. The efficiency of projects within the Component is too often hampered by last-minute contracting leaving limited time for physical implementation and causing numerous difficulties. Most investment projects managed to overcome delays caused by inadequate or missing technical documentation and problems with tendering procedures. It remains to be seen however, whether the late contracting and hasty implementation did not negatively affect effectiveness once the facilities built are put to use. Moreover, there is an obvious need to follow the projects once they are completed and funds are disbursed, as there are examples of projects that were not put into operation. Late contracting has caused PHARE funds to be returned in several large investment projects, while later developments required additional local funds. If contracting had been carried out in accordance with schedule, PHARE funds could have been utilised in full through re-allocation (this is particularly egregious with the Road Plesivec project).

62. The effectiveness of CBC transport infrastructure is reasonable with the exception of repeated mistakes where cross border effects cannot materialise because the other side of border remains unaffected. The assistance addressing industrial/SME was successful and expected benefits were mostly achieved at the time of the projects' completion. For the majority of environmental infrastructure investment projects, although completed, it is too early to assess their effectiveness. This is partly caused by design deficiencies in terms of adequate indicators and partly because the actual results will materialise later. Delays in project implementation led to the completion of constructions in the starting winter period and the final benefit will only be achieved when the system is connected and made operational. However, this is likely to happen and the environmental benefit should be apparent. The potential tourism, cross border or socio-economic benefits, which were in many cases set out as priority aims, are expected to be less significant.

63. The probability of sustainable results of REG and CBC investment projects is relatively high. The fact that legal obligation related to environmental infrastructure (namely sewerage and WWTP) will be enforced soon, makes these investments not only urgently needed but also ensures their sustainability. Moreover, the ownership of constructions is clear and the owners are committed.

64. The majority of the projects will contribute to the achievement of their overall objectives. The identified limitations in impact are more attributable to design deficiencies rather than to the project implementation itself (e.g. development of tourism through WWTP measures). The contribution of industrial/SME initiatives to the overall impact at the regional level appears to be reasonable. Transport infrastructure impact of some CBC projects is limited by missing complementary activities on the other side of the border.

#### *Component 4 – Joint Small Project Funds*

65. The JSPF projects show a high relevance to particular local/regional needs. Despite their limited size, JSPFs have a high didactic potential, in that they generate a learning environment along the borders: good practice in project design and delivery is being disseminated, the local public awareness is being built of the EU funding opportunities in



these regions, etc. Whilst recognising the general difficulties of, and limitations to developing sound quantifiable indicators of achievement of CBC objectives, in Slovakia these seem to be very poorly developed at both programme and project level, thus preventing a more solid evaluation of outcomes/effects of the activities undertaken. This observation is also applicable to JSPF actions, which are characterised by their unique genesis, design and local circumstances. Moreover, the existing regional information base (to be further validated by *ex-post* evaluations) can be assessed as fairly limited, and in need of substantial improvement, if it is to serve as a credible source of information for programme management, or regional policy-making purposes in general.

66. Efficiency of the on-going 2002 JSPF programmes seems to be higher than the 2001 performance. However, despite quality improvements, many project budgets were found to be substantially overestimated financially, which may lead to subsequent delays/deficits in implementation. On the plus side, a decentralisation of JSPF monitoring functions to technical secretariats, located at selected RDAs, is a positive step. It remains to be seen, however, if this management approach can also be sustained from 2005 onwards, since the RDAs' institutional capacity is currently being contested by three parallel and potentially conflicting developments. Firstly, while enjoying a great deal of operational independence, as technical secretariats, they are in a sub-ordinate position vis-à-vis MoCRD (as part of the 'Integrated Network of RDAs'). Secondly, they are not co-ordinated by RDSA (as the PHARE CBC Implementing Agency), but through a different section of the MoCRD, namely the Regional Policy Section. Thirdly, the Self-Government Counties are most likely to assume the key responsibility for JSPF administration under INTERREG, and there are yet no clear rules of mutual co-operation between them and RDAs.

67. All JSPF programmes under evaluation are expected to produce some positive effects, though some immediate objectives of 2002 projects may be at risk currently, due to the pending administrative overload faced by RDSA. It is rather premature at this stage to determine the sustainability/longer-term duration of the evaluated programmes' benefits, however, despite the mostly formal work of the Joint Committees, in some cases, they have managed to build real partnerships promoting further co-operation.

68. Although the majority of the CBC JSPF programmes have not yet reached the impact evaluation stage, the lack of sound indicator systems is a major operational weakness, which puts successful programme delivery at risk. Also, a great deal of evaluative evidence is being lost that could otherwise be used to support an inter-regional learning processes.

**RECOMMENDATIONS TABLE**

<b>Conclusion</b>	<b>Recommendation</b>	<b>Output</b>	<b>Reference/ Paragraph</b>	<b>Responsibility</b>	<b>Deadline</b>
The numerous training activities carried out so far have proved to be largely unsustainable and ineffective. To make sure that upcoming assistance is used more effectively and will address the needs of the next SF cycle, further training assistance should be carefully considered.	In the event of further needs for Structural Funds capacity building, instead of generic training for voluminous numbers of beneficiaries, only tailor-made coaching in specific areas and for individual staff (Managing Authorities, Paying Authority etc.) related to the future ROPs (to be implemented in the next Structural Funds cycle) should be considered. In this instance, a certain proportion of the PHARE funds for the 2003 Strengthening Regional and Local Capacities for Managing and Implementing SF project should be earmarked for such direct measures.	Adjusted design	14, 51	MoCRD (ACU)	With immediate effect
2002 UIBF Support to Intermediary Bodies project: The proposed activity for establishing new MIS for SF at NADSME is considered redundant and inefficient.	NADSME should immediately initiate negotiations with the MoCRD/ Community Framework Support Department on the Structural Funds management information system, intended to be developed at the Agency, despite having the overall Structural Funds monitoring system in place. Only after inter-institutional clarification, NADSME should agree with its contractor whether there is still a need for a specific management information system and in which form it could be established.	Final decision on activities to be performed	14, 50	NADSME MoCRD	With immediate effect
Evaluation capacity is still underdeveloped in Slovakia. Although this is a field where the authorities cannot directly intervene, it is necessary for the MAs to be better informed of the Slovak and non-Slovak capacities on the market. Since the relations between government and higher education and research institutes (where such potentials might be found) are still rather poor, efforts in this field are quickly needed.	Although evaluation is more a matter of external capacities, it would be desirable to create consciousness on that issue and to encourage the establishment of a dialogue between the MoCRD and potential Slovak research bodies and/or qualified consultants. A useful approach would be an open call for registration, where companies, individuals and think tanks in fields such as social sciences, economics, geography, regional/spatial planning etc. can submit structured qualification profiles, reference lists and statement on their financial performance. PHARE assistance could be used to specify the qualification and capacity needs and to assess the submitted profiles.	Database of consultants for evaluation	18, 52	MoCRD	With immediate effect

Most efforts intending to introduce new structures for SF implementation through PHARE managed GS were not successful. They led to the creation of structures, which are unlikely to be used for such purposes but run in parallel with newly established SF bodies. Co-ordination links between these two structures, although co-existing within the same institution, are limited to very formal information exchange.	To make sure that PHARE objectives are achieved the institutions running both PHARE GS and SF measures, should find ways, for ensuring that the same people are managing both instruments. In case where different institutions are involved, very tight, informal and daily communication should be ensured.	The actual and sustainable transfer of knowledge and experience	20, 23, 31, 51	MoCRD NADSME	With immediate effect
Grant schemes at NADSME: Several TAs provided practically identical assistance for GS. Any necessary up-date of documents should preferably be managed by the staff of the implementing bodies and agencies.	For all upcoming GS, the necessity to use TA for the preparation of standard guidelines and manuals should be carefully considered in the light of value-for-money aspects and synergy effects.	Reduction of TA to a necessary minimum	24, 56	MoCRD/RDSA	With immediate effect
The efficiency of projects within the SISME and INTEG schemes would require some revisions, to justify the cost of projects and to avoid duplications.	To ensure a reasonable level of efficiency, the Implementing Agency should review the related projects in the light of value-for-money aspects. In the case of INTEG (TA), a discussion should be initiated with the completed incubator in Malacky to discuss the details, to find the most appropriate and efficient solutions to be applied for the implementation of the INTEG projects.	Improved efficiency of projects	25, 56	NADSME	With immediate effect
RDSA investment projects: The quality of programming and specifically those of log frames is extremely low. This poses difficulties both for monitoring and evaluation of projects at later stages. As soon as funds are disbursed, no further attention is paid to projects.	In order to avoid again a situation where investments are completed but not put into operation the RDSA should ensure an adequate follow-up for the investments projects and ensure monitoring after the end of the disbursement periods. This could also provide a useful feedback on the actual success of certain type of investment activities.	Monitoring of results	33, 60, 61	MoCRD/RDSA	With immediate effect
The MIS, which has been successfully adapted for the use of NADSME GS could be equally applied for other PHARE GS.	In order to enable a more efficient management of PHARE GS, RDSA (and other concerned institutions) should negotiate with NADSME and discuss the possibilities for the common use of the established GS MIS.	MIS for GS	24, 56	MoCRD/RDSA	With immediate effect
RDSA is still faced with a heavy workload, which may potentially threaten the successful JSPF implementation.	MoCRD should already now consider increasing the share of JSPFs, to be handled by the capacities of the Self-Government Counties/ regional institutions, in order to	Improved efficiency and effectiveness	44, 67	MoCRD/RDSA	With immediate effect

	reduce the workload at the central level.				
The established joint monitoring committees for INTERREG/ PHARE CBC are often viewed as a formal obligation, lacking project ownership, rather than a genuine partnership and quality control mechanism.	To promote CBC, Slovak JSPF managers should seek possible operational synergies with INTERREG IIIA activities from 2005 onwards. The contractual arrangements regarding JSPFs should be adapted to increase regional ownership of the projects promoted.	Improved effectiveness and sustainability		MoCRD/RDSA	With immediate effect
To avoid the mistakes in PHARE CBC/INTERREG where completely isolated interventions were carried out and to ensure effective benefits, close co-operation/real partnership would be needed in particular for the initiatives starting at the Ukrainian borders.	In order to promote effective cross-border partnerships, project proposals providing clear evidence of real partnership, e.g. via joint applications, should receive a better rating in the project selection process.	Projects with cross-border effects	46, 65, 67	MoCRD/RDSA	With immediate effect
The majority of grant applicants are not familiar with the logframe principles for project design and the requirements how to fill in the tables (for regular reporting) is not always sufficiently clear.	In order to enable the better understanding of project design requirements, a shortened and easy to use Slovak version of the Project Cycle Management Manual, in particular its logical framework part, should be made available for any future GS applicants, as part of the Guidelines, together with an example of the project logframe. Moreover, all GS reporting forms should contain more detailed explanation and examples.	Improved project design	46, Annex 7, 67	NADSME MoCRD/RDSA	With the next call for proposals launch

### 3.2 Performance Rating

Please note: The performance rating is given only for those interventions under evaluation, which have been already contracted.

Component/ Project	Relevance	Efficiency	Effectiveness	Sustainability	Impact	Verbal overall rating
<b>Component 1 – Structural Funds Institution Building</b>						
SR-0107.01	1	0	1	0	0	S
2002/000-610.11	1	1	1	0	0	S
2002/000-610.13	0	0	0	0	0	S
2002/000-610. UIBF	1	1	0	0	0	S
<b>Component 2 – Small and Medium Enterprises Support</b>						
2002/000-610.14	1	0	0	0	0	S
2003-004-995-03-10	1	1	1	1	0	S
2002/000-610.12	1	0	1	1	1	S
2003-004-995-03-09	0	-1	1	1	1	S
2002/000-642.01	1	-1	1	1	1	S
<b>Component 3 – Regional Development and Cross Border Co-operation Investment</b>						
SR-0107.03	0	1	0	1	0	S
SR-0107.04	1	1	1	1	1	S
SR0107.06	1	1	1	1	1	S
SR-0107.07	0	1	0	1	0	S
SK-0101.02	0	0	0	1	1	S
SR0102.01	1	0	0	1	-1	S
SR-0113.01	1	-1	0	1	0	S
SR-0113.02	1	0	0	1	1	S
SR-0113.03	1	-1	1	1	1	S
2002/000-642.02	1	0	0	1	0	S
2002/000-635.01	1	0	1	1	1	S
2002/000-635.02	1	0	0	1	1	S
2002/000-603.01	0	1	0	0	0	S
<b>Component 4 – Joint Small Project Funds</b>						
SR-0101.03 (SK/A)	0	0	0	0	0	S
2002/000-642.03 (SK/A)	1	0	0	0	0	S
SR-0102.02 (SK/HU)	0	0	0	0	0	S
2002/000-603.02 (SK/HU)	1	0	0	0	0	S
SR-0101.03 (SK/PL)	0	0	0	0	0	S
2002/000-635.03 (SK/PL)	1	0	0	0	0	S
2003/005-665.02 (SK/PL)	1	0	0	0	0	S
<b>Taking into account the contextual constraints on the evaluation, the sector overall is rated to be ‘SATISFACTORY’</b>						
<i>ESC Monitoring Sector/Regional Development and CBC</i>	1	-1	0	0	0	S

Ratings guide: -2 unacceptable; -1 poor; 0 sufficient/adequate; +1 good; +2 excellent.  
 HS-Highly Satisfactory, S- Satisfactory, U-Unsatisfactory, HU-Highly Unsatisfactory.

## **ANNEXES**

## ANNEX 1 INDICATORS OF ACHIEVEMENT

Immediate Objective (Project Purpose)	Indicators of Achievement (Objectively Verifiable Indicators)	Remarks
<b>Component 1 – Structural Funds Institution Building</b>		
<b>SR-0107.01 Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds</b>		
Institutions involved in Structural Funds type measures established and operational, in line with Council Regulation (EC) No. 1260/1999 of 21 June 1999 on Structural Funds and the other relevant EC regulations and communications (acquis communautaire).	More than 95% of funds allocated committed	Not adequate for the project purpose level and not possible to measure immediately after the project completion
	Decentralised system fully applied	Not relevant
<b>2002/000-610.11 Consolidating the Institutional Framework and Enhancing Administrative Capacity for Programming, Implementation and Monitoring of Structural Funds</b>		
To strengthen the setting-up of the relevant Managing Authorities and to develop the professional skills of the human resources at central level needed to manage programmes in the area of structural policies.	Qualifications of trained staff	Not sufficiently specified
	No. and quality of advice given and reports/guidance notes/ documents produced by trained staff in relation to EC funded programmes in the area of ESC	Not measurable, baseline and benchmark data missing
<b>2002/000-610.13 Local and Regional Development Grant Scheme</b>		
To establish and test the administrative structures & procedures needed for the implementation of the ROP by supporting regional and local initiatives.	Successful testing of management systems for EU funding	Not valid
	Procedures established at each stage of the Programme cycle	Not valid
	Rate of absorption on the grant scheme	Not valid
<b>2003-004-995-03-08 Support to Local and Regional Project Development Grant Scheme</b>		

To increase the capacity of local and regional actors to prepare and implement projects funded under EU programmes.	Percentage of successful applicants	
	Rate of absorption on the grant scheme	
<b>2003-004-995-03-15 Strengthening Regional and Local Capacities for Managing and Implementing Structural Funds</b>		
To ensure the effective management & capacity to absorb EC funds in area of economic and social cohesion.	Min. 1,000 people trained by core pool of trainers in year 2006	Relevant for output level
	Rate of absorption 2006 funds (end 2008 latest) increases for that of 2005 funds (end 2007) and 2004 funds (end 2006)	
	MCRD (CSF MA) oversees consultative process for development new programme documentation for post-2006 SF/CF funding, with a min. of 12 workshops organised in year 2006	Not valid
<b>Component 2 – SME Support</b>		
<b>2002/000-610.14 Tourism Development Grant Scheme</b>		
To increase the competitiveness of the Slovak tourism sector and strengthen the administrative capacities of the central and regional structures to manage and implement EU Structural Funds type of projects.	Qualitative and quantitative performance of grant disbursements under PHARE 2002 Programme measured against the SPP Priority B TDGS benchmarks.	Comparison can be done only after the completion of 2002 GS. However, indicators should have been set out more specifically or adjusted based on the benchmarking exercise on PTDGS conducted with the project
<b>2002/000-610.12 Industry Development Grant Scheme</b>		
To increase the value added content of Slovak industry through enhanced product offerings and process technologies through a grant scheme procedure, which will also have the effect of increasing the capacity of the central and regional structures to manage future EU Structural and Cohesion Funds.	80 - 100 successfully implemented projects achieving their projected objectives on time and within budget.	Not specific enough and not directly linked to the project purpose
	Rate of absorption of ERDF	Not linked to the project purpose
	Full budget utilisation	Not linked to the project purpose
<b>2003-004-995-03-09 Support to Innovative SMEs (SISME)</b>		
To increase availability of financial sources for innovative companies through establishment of	Full budget utilisation	Not linked to the project purpose
	30 investments in innovation companies	Valid



sustainable venture capital investment scheme.	Increased awareness of MoE/EU activities.	Not measurable
<b>2003-004-995-03-10 Tourism Development Grant Scheme</b>		
To strengthen the Ministry of Economy's tourism sector operational and management capacities including the gradual delegation of appropriate functions to complementary regional and local partner bodies to ensure the effective use of EU Structural Funds. The final purpose is reinforcing of competitiveness of Slovak tourism.	Performance of grant scheme (from quantitative and qualitative point of view) disbursement compared to view) disbursement compared to PTDGS SPP and TDGS under PHARE 2002	Comparison can be done only after the completion of 2002 GS. However, indicators should have been set out more specifically
<b>2002/000-642.01 Innovation and Technology Development Grant Scheme (INTEG)</b>		
To support innovation and technology transfer through the establishment of technology incubators	2 – 3 technology incubators established	Valid, likely to be achieved
	Venture capital window created	Output level indicator
	Number of common projects between research institutions/universities and SME sector started at the end of the project	Not quantified and unlikely to be measured at the end of the project
	Number of new patents developed	ditto
<b>Component 3 – Regional Development and Cross Border Co-operation Investment</b>		
<b>SR-0107.03 Zemplinska Sirava - Tourism Development</b>		
Creation of conditions for stabilisation and further growth of tourism in the Zemplinska Sirava area.	500,000 served tourists per season	Achieved before the launch of the project
	Tourism capacity utilisation stabilised	Not valid
<b>SR-0107.04 Industrial Park Humenne – Guttmanovo</b>		
Creation of favourable conditions for inflow of private foreign and domestic capital in the Humenne District.	240 new or secured jobs	Valid and achieved
	Creating 4 - 5 new SMEs in the region	Valid, two new companies are already located in the park
<b>SR-0107.06 Industrial Park at Spisska Nova Ves</b>		
Favourable conditions for private investment within the industrial zone of the city Spisska Nova Ves created.	560 new or secured jobs in 2006	Limited number of new jobs created, negotiations with investors on going.
	Creating 7 new SMEs in the Industrial Park	Valid, some new companies already located in the park.

<b>SR-0107.07 Tourism Development Velka Domasa</b>		
Creation of conditions for sustainable development of the tourism sector in the Presov region. Reduction of unemployment/social disparities in the districts Vranov n/Toplou and Stropkov. Development of SME in the tourism sector in the Velka Domasa region.	400,000 served tourists/ potential visitors per year	Valid, but figures are not available
	No of tourist/ nights in existing facilities	Invalid as project had no direct link to accommodation facilities, and figures are not available
<b>SR-0101.02 Clean Water - Riverbed Poprad and Dunajec</b>		
Improvement of the quality of the surface and ground water in the riverbed of lower Poprad and Dunajec	BOD discharge into Poprad and Dunajec reduced at least 217 tons of BOD/year	Valid, but will be measurable only later in the year after households connect to the new sewerage.
	SS discharge into Poprad and Dunajec reduced by 195 tons of SS/year	Valid, but will be measurable only later in the year after households connect to the new sewerage.
	Ground water quality fulfilling the limit for NO <sub>3</sub> 45-55 mg/l	Valid, but will be measurable only later in the year after households connect to the new sewerage.
<b>SR-0102.01 Reconstruction of Road II/587 Plesivec at the State Border between Hungary and the Slovak Republic</b>		
Improvement of transport conditions in the Slovak-Hungarian border region through the reconstruction and modernisation of the access road Nr. II/587 Plešivec leading to the state border.	Increase of transits	Valid, but not yet measured, may depend on linked improvements in the road outside the project.
	Total number of transits reaching 2400 vehicles/day	Not yet measured.
<b>SR-0113.01 Re-engineering of the Water Channel Chorvatske rameno</b>		
Environmental mitigation measures for the construction of the D-61 highway Viedenska cesta - Pristavny ensured.	The water quality in the channel improved	Valid, but not measurable until the highway Pristavny most - Viedenska cesta is completed.
	The noise level remain the same	Unclear what noise level is referred to.
<b>SR-0113.02 Wastewater Disposal System of the Villages in the Basin of the River Morava</b>		
Reduction of pollution of the ground and surface water near CHKO (Nature Protected Area) Zahorie-Gajary Micro-region.	60% of the population of the micro-region served by the sewerage system	Local authorities estimate coverage at about 50%.
	Pollution reduced by 170 t/year of BOD	Valid, but will be measurable only later in the year after households connect to the new sewerage.
<b>SR-0113.03 Business Incubator in the City of Malacky</b>		
Favourable conditions for the start up and	Up to 250 new or secured jobs in 2005	Some 60 new jobs as of January 2005.

development of small and medium size enterprises in the city of Malacky created.	Up to 30 incubator companies positioned in the incubator by 2005	12 companies in incubator as of January 2005.
<b>2002/000-642.02 III/0238 Moravsky Svaty Jan Bridge over the River Morava</b>		
Improvement of the cross border accessibility at the Slovak – Austrian border through the construction of the bridge over the river Morava in Moravsky Svaty Jan	Improved accessibility at the border crossing	Not directly measurable, no baseline or units of measurement specified.
<b>2002/000-603.01 Environmental Protection and Nature Conservation in the Hungarian-Slovak Border Region through Local Initiatives</b>		
Improvement of contacts of environmental protection institutions, establishment of actual forms of long-term co-operation	Increase (%) in (1) informal contacts (2) ad hoc forums (3) co-operation agreements (4) cross-border structures between environmental organisations	Invalid, as no baseline specified and units of measurement unclear.
Promotion of joint nature and environmental protection initiatives of local character (through the preparation and implementation of investment projects targeted at the improvement of environmental conditions)	Increased number of households served by new wastewater installations	Several investment projects awarded (sewerage) will increase number of households but no baseline or target level specified.
<b>2002/000-635.01 Reconstruction of Road III/520 19 Oravice – Zuberec</b>		
Improvement of the cross-border accessibility in the Slovak – Polish border region	Increased number of border crossing at the Slovak – Polish border	No baseline in project, no specific target.
	Transport capacity used as forecast in the pre-feasibility study	Valid, measurable after implementation.
	Accident rate as assumed in the pre-feasibility study	Valid, measurable after implementation.
<b>2002/000-635.02 Development of Environmental Infrastructure - Districts of Kezmarok, Poprad, Stara Lubovna</b>		
Development of environmental infrastructure (wastewater treatment plants and sewerage system) in bordering region with Poland, District of Kezmarok, Poprad, Stara Lubovna	Pollution of river Poprad improved to BOD 3,96 mg/l	Valid, measurable after implementation.
	Pollution of river Dunajec improved to BOD 2,62 mg/l	Valid, measurable after implementation.
	90% of population in the region connected to the sewerage system (current situation: 30%)	Valid, measurable after implementation.
<b>2003/004-616.01 Development and Support of Business Sites and Infrastructure, Innovation Activities and Human Resources in Border Areas</b>		

Development and consolidation of economic relations in the Hungarian – Slovak border areas	Number of new investments attracted to the region (10)	Valid, measurable after implementation.
	Number of types of formally constituted partnerships and other long-term co-operation arrangements across the borders (5)	Valid, measurable after implementation.
	SME market share in local and export markets	Invalid, as no baseline or target specified.
	SME with new export activity (10)	Unclear
	SME income growth (3%)	Invalid, as no target date specified.
<b>2003/005-704.01 Environmental Protection and Nature Conservation in the Slovak-Austrian Border Region</b>		
Promotion of nature and environmental protection initiatives on local level through the preparation and implementation of environmentally targeted investment projects.	Quality changes in environmental protection co-operations	Invalid, indicator not measurable.
<b>2003/005-704.02 Economic Development focusing on Support of Tourism</b>		
Creation of conditions for sustainable development of tourism sector in the border area.	Development of cross-border partnership by the increase of co-operation networks	Invalid, indicator not measurable.
	Number of new products and services in tourist field developed	Invalid, indicator not measurable, no baseline or target and date specified.
<b>2003/005-665.01 Business related Infrastructure Grant Scheme</b>		
To improve business related infrastructure while promoting economic development	Number of new companies in the border area	Invalid, no target and date specified.
	Number of Polish tourists in the Slovak border region and of Slovak tourists in the Polish border region	Invalid, no baseline or target and date specified.
	Increased use of the tourist infrastructure	Unclear
<b>Component 4 – Joint Small Project Funds</b>		
<b>SR-0101.03 Joint Small Project Fund – SR/ Austria</b>		
To support development in particular in the fields of small-scale activities across the border according to the priorities and measures set up in the Joint	At least 15 cross border co-operation agreements signed (within the field of local bodies and economic development)	The Indicator has not been quantified, without a specific target and completion date against which progress could be measured

Programming Document (supporting mainly the following fields: local democracy, economic development and tourism, cultural exchanges, ecology, health, information and communication links).	At least 5 events from those financed through SPF are organised for the first time and are of cyclical character	The Indicator has not been quantified, without a specific target and completion date against which progress could be measured
<b>SR-0102.02 Joint Small Project Fund – SR/ Hungary</b>		
Support development in the field of small-scale activities.	Increased local/regional capacities to design and implement development programmes and projects who successfully completed the training programmes	The Indicator has not been quantified, without a specific target and completion date against which progress could be measured
Encourage local involvement and strengthening local co-operation across the border.	Increased number of qualified institutions	ditto
	Increased number of cross-border applications per available fund	ditto
	Number of cross border economic actions increased	ditto
<b>SR-0113.04 Joint Small Projects Fund – SR/ Austria</b>		
Promote joint small-scale actions, with a strong cross-border co-operation character.	Cross-border links intensified	ditto
	Number of cross-border activities increased	ditto
	Opinion of inhabitants living in the other part of the border (indicator of approval)	ditto
<b>2002/000-642.03 Joint Small Projects Fund</b>		
Promote joint small-scale actions, with a strong cross-border co-operation character.	Cross-border links intensified	ditto
	Number of cross-border activities increased	ditto
	Opinion of inhabitants living in the other part of the border (indicator of approval)	ditto
<b>2002/000-603.02 Joint Small Projects Fund</b>		
Encouragement and support for the creation of sustainable co-operation networks between local and regional actors in the border region.	Increased local/regional capacities to design and implement development programmes and projects for those successfully completed the training programmes	ditto
Providing on-going assistance for participants in the identification and preparation of projects; increase	Increased number of qualified institutions Increased number of cross-border applications per	ditto

personal and institutional capabilities for co-operation and participation in future development programmes in particular for the preparation of future INTERREG Programmes.	available fund	
Development of common project management structures	Number of cross-border economic actions increased	ditto
<b>2002/000-635.03 Joint Small Projects Fund</b>		
To support development in the fields of small-scale activities across the border according to the priorities and measures set up in the Joint Programming Document (supporting mainly the following fields: local democracy, economic development and tourism, cultural exchanges, ecology, health, information and communication links).	At least 15 cross border co-operation agreements signed (within the field of local bodies and economic development)	ditto
	At least 5 events from those financed through SPF are organised for the first time and are of cyclical character	ditto
<b>2003/004-665.02 Joint Small Projects Fund</b>		
To support development in the fields of small-scale activities across the border according to the priorities and measures set up in the Joint Programming Document (supporting mainly the following fields: local democracy, economic development and tourism, cultural exchanges, ecology, health, information and communication links).	At least 15 cross border co-operation agreements signed (within the field of local bodies and economic development)	ditto
	At least 5 events from those financed through SPF are organised for the first time and are of cyclical character	ditto
<b>2003/004-616.02 Joint Small Projects Fund</b>		
Encouragement and support for the creation of sustainable co-operation networks between local and regional actors in the border region.	Increased local/regional capacities to design and implement development programmes and projects for those successfully completed the training programmes	ditto
Providing on-going assistance for participants in the identification and preparation of projects; increase personal and institutional capabilities for co-operation and participation in future development programmes in particular for the preparation of	Increased number of qualified institutions Increased number of cross-border applications per available fund	ditto

future INTERREG Programmes.		
Development of common project management structures	Number of cross-border economic actions increased	ditto
<b>2003/004-704.03 Joint Small Projects Fund</b>		
Promote joint small-scale actions, with a genuine cross-border co-operation character.	Cross-border links intensified	ditto
	Number of cross-border activities increased	ditto
	Opinion of inhabitants living in the other part of the border (indicator of approval)	ditto
<b>2003-004-995-03-12 External Border Initiative</b>		
To support investment and non-investment actions of a genuine cross-border nature at the future EU external border region (Slovak/Ukrainian border).	Development of cross-border partnerships increased	ditto
	Number of eligible projects implemented	

## ANNEX 2 LIST OF INTERVIEWS

INSTITUTION	INTERVIEWEE	DATE
Office of the Government of the SR	<b>Mr. Martina Svitkova</b>	07.11.2004
Aid Co-ordination Unit	Programme Manager	13.01.2005
Namestie slobody 1 SK-813 70 Bratislava		
Tourism Administration	<b>Mr. Jan Hresan</b>	14.12.2004
Zemplinska Sirava	Director	
SK-072 36 Kaluza		
Municipal Office Bzany	<b>Mr. Miroslav Fecko</b>	14.12.2004
SK-090 33 Turany n/Ondavou	Mayor	
Municipal Office Humenne	<b>Mr. Marian Salata</b>	15.12.2004
Kukorelliho 34	Project Manager	
SK-066 28 Humenne		
National Agency for Development of Small and Medium Enterprises	<b>Ms. Eva Burzova</b>	20.12.2004
Zahradnicka 153	Financial Manager	
SK-821 08 Bratislava		
Stolarstvo Company – Z. Halak	<b>Mr. Zoltan Halak</b>	20.12.2004
Galanta	Company Manager	
SGC Kosice	<b>Mr. Peter Tapak</b>	22.12.2004
Department of Regional Development	Head	03.01.2005*
Nam. Maratonu mieru 1		
SK-042 66 Kosice		
Ministry of Construction and Regional Development of the SR	<b>Mr. Richard Hakszer</b>	22.12.2004*
Regional Development Support Agency	PHARE CBC SK-HU	18.01.2005
Spitalska 8	Programme Manager	
SK-816 44 Bratislava		
Ministry of Construction and Regional Development of the SR	<b>Ms. Lucia Gallova</b>	22.12.2004*
Regional Development Support Agency	PHARE CBC SK-AT	17.01.2005
Spitalska 8	Programme Manager	
SK-816 44 Bratislava		
Ministry of Construction and Regional Development of the SR	<b>Ms. Georgia Podova</b>	22.12.2004*
Regional Development Support Agency	PHARE CBC SK-PL	14.01.2005*
Spitalska 8	Programme Manager	
SK-816 44 Bratislava		
Ministry of Construction and Regional Development of the SR	<b>Mr. Jozef Borbely</b>	27.12.2004
Regional Development Support Agency	Task Manager	24.01.2005
Spitalska 8		
SK-816 44 Bratislava		
SCG Trnava	<b>Ms. Maria Karpatyova</b>	03.01.2005*
Department of Regional Development	Head	
Vajanskeho 2		
SK-917 01 Trnava		
Civic Association “Kingdom of Matus”	<b>Mr. Peter Istona</b>	03.01.2005**
Nam. Slobody 1716/6	Representative	11.01.2005
SK-921 01 Piestany		



Regional Development Support Agency Ministry of Construction and Regional Development of SR Spitalska 8 SK-816 44 Bratislava	<b>Mr. Jozef Kelbel</b> Project Manager	04.01.2005 27.12.2005
Regional Development Agency Rožnava ul. Kosu Schoppera 22 SK-048 01 Rožnava	<b>Mr. Miroslav Boldis</b> Director	04.01.2005*
Regional Development Agency Moldava nad Bodvou Školská 5 SK-045 01 Moldava nad Bodvou	<b>Mr. Ervin Petrik</b> Director	04.01.2005*
Regional Development Agency Komarno nám. gen. Klapku 8 SK-945 01 Komarno	<b>Ms. Ema Vasiova</b> Director	06.01.2005*
Regional Development Agency Senec-Pezinok M.R.Stefanika 1 SK-902 01 Pezinok	<b>Ms. Luba Pavlova</b> Director	06.01.2005*
Regional Development Agency Tatry-Spis Dr. Daniela Fischera 4 SK-060 01 Kežmarok	<b>Mr Martin Gallik</b> Project Coordinator	06.01.2005**
Regional Development Agency Galanta Mierove namestie 941/1 SK-924 01 Galanta	<b>Mr. Robert Baros</b> Director	10.01.2005*
Regional Development Agency Synergia TT Pod Parovcami 5190/3C SK-921 01 Piestany	<b>Mr. Rudolf Kubalak</b> Director	10.01.2005* 11.01.2005
Ministry of Construction and Regional Development Department of CSF Management Monitoring and Evaluation Unit Spitalska 8 SK-816 44 Bratislava	<b>Ms. Elena Kusnirova</b> Project Manager	10.01.2005
Ministry of Construction and Regional Development Department of CSF Management Monitoring and Evaluation Unit Spitalska 8 SK-816 44 Bratislava	<b>Ms. Alexandra Kucmanova</b> Project Manager	10.01.2005
Municipal Office Piešťany Nám. SNP 3 SK-921 45 Piešťany	<b>Ms. Dasa Rehakova</b> Project Manager	11.01.2005 03.01.2005*
Ministry of Construction and Regional Development Department of CSF Management Monitoring and Evaluation Unit Spitalska 8 SK-816 44 Bratislava	<b>Ms. Anna Hroncakova</b> Project Manager	11.01.2005
Ministry of Construction and Regional Development Section of CSF Spitalska 8 SK-816 44 Bratislava	<b>Ms. Monika Javorkova</b> Director General	11.01.2005

Ministry of Construction and Regional Development Department of CSF Management Monitoring and Evaluation Unit Spitalska 8 SK-816 44 Bratislava	<b>Ms. Katarina Tomkova</b> Project Manager	11.01.2005
Ministry of Construction and Regional Development Department of CSF Management Spitalska 8 SK-816 44 Bratislava	<b>Ms. Lubica Sabadosova</b> Director	11.01.2005
Ministry of Construction and Regional Development Department of CSF Management Publicity Unit Spitalska 8 SK-816 44 Bratislava	<b>Ms. Erika Gurinova</b> Head of Unit	12.01.2005
Ministry of Construction and Regional Development Department of CSF Management Publicity Unit Spitalska 8 SK-816 44 Bratislava	<b>Ms. Elza Banova</b> Project Manager	12.01.2005
Ministry of Construction and Regional Development Department of CSF Management Publicity Unit Spitalska 8 SK-816 44 Bratislava	<b>Ms. Agata Fisterova</b> Project Manager	12.01.2005
Ministry of Construction and Regional Development Department of CSF Management Monitoring and Evaluation Unit Spitalska 8 SK-816 44 Bratislava	<b>Mr. Ivan Hudec</b> Head of Unit	12.01.2005
VVMZ, spol. s r.o. MATRA Project Pipeline Vazovova 9/B SK-811 07 Bratislava	<b>Mr. Marek Kapusta</b> Senior Manager	13.01.2005 22.12.2004*
Department of CSF Management Ministry of Construction and Regional Development Spitalska 8 SK-816 44 Bratislava	<b>Mr. Wilfried Thelen</b> Twinning Adviser	13.01.2005
Berating und Service GmbH Saarbruecker Str. 38 A 4. OG D-10405 Berlin	<b>Ms. Uta Schneider</b> Project Leader	13.01.2005
Timur & Partners Ltd. Dunajska 4 – 6 SK-814 02 Bratislava	<b>Mr. Roman Kaiser</b> Statutory representative	13.01.2005*
Incubator Malacky, n.o. Bernolakova 1A SK-901 01 Malacky	<b>Mr. Valentin Magdolen</b> Director	13.01.2005

Municipal Office Malacky Mierove nam. 10 SK-901 01 Malacky	<b>Mr. Jozef Ondrejka</b> Mayor	13.01.2005
Municipal Office Malacky Mierove nam. 10 SK-901 01 Malacky	<b>Ms. Eva Sokolova</b> Project Manager	13.01.2005
Office of Government of the SR Department for Development of Regions and Structural Actions Stefanikova 2 SK-813 70 Bratislava	<b>Mr. Ivan Zemko</b> Senior Officer	14.01.2005
Slovak Road Administration Mileticova 19 SK-826 19 Bratislava	<b>Mr. Peter Balaz</b> Project Manager	16.01.2005
Slovak Road Administration Mileticova 19 SK-826 19 Bratislava	<b>Mr. Peter Hura</b> Project Manager	16.01.2005
Municipal Office Zavod Sokolska SK-908 72 Zavod	<b>Mr. Jozef Gajda</b> Mayor	18.01.2005
Municipal Office Kostoliste Hlavna 66 SK-908 76 Kostoliste	<b>Mr. Karol Galba</b> Mayor	18.01.2005
Municipal Office Velke Levare Stefanikova SK-908 73 Velke Levare	<b>Mr. Stefan Kudlicka</b> Mayor	18.01.2005
Municipal Office Studienka SK-908 75 Studienka	<b>Ms. Zita Kurova</b> Mayor	18.01.2005
Municipal Office Male Levare SK-908 74 Male Levare	<b>Mr. Milan Pernecky</b> Mayor	18.01.2005
Municipal Office Petrzalka Kutlikova 17 SK-852 12 Bratislava	<b>Mr. Dusan Vavra</b> Deputy Mayor	18.01.2005
National Agency for Development of Small and Medium Enterprises Monitoring Unit Zahradnicka 153 SK-821 08 Bratislava	<b>Ms. Klara Matura</b> Project Manager	20.01.2005
National Agency for Development of Small and Medium Enterprises Ex-Ante Unit Zahradnicka 153 SK-821 08 Bratislava	<b>Ms. Zuzana Kovacova</b> Head of Unit	20.01.2005
Ministry of Construction and Regional Development of the SR Regional Development Management Department Spitalska 8 SK-816 44 Bratislava	<b>Ms. Beata Veghova</b> RDA Integrated Network	20.01.2005*
National Agency for Development of Small and Medium Enterprises Ex-Ante Unit Zahradnicka 153 SK-821 08 Bratislava	<b>Ms. Anna Bartova</b> Public Procurement Manager	20.01.2005

Municipal Office Stara Lubovna Obchodna 1 SK-064 01 Stara Lubovna	<b>Mr. Peter Burian</b> Coordinator	20.01.2005
Municipal Office Spisska Nova Ves Markusovska cesta 1 SK-067 01 Spisska Nova Ves	<b>Mr. Peter Susa</b> Manager of Industrial Park	20.01.2005
Regional Development Support Agency Ministry of Construction and Regional Development Spitalska 8 SK-816 44 Bratislava	<b>Mr. Peter Badin</b> former Task Manager	21.01.2005
Head of Association of Municipalities Municipal Office Spisska Bela Petzvalova 18 SK-065 01 Spisska Bela	<b>Mr. Stefan Bielak</b> Mayor	21.01.2005
Ministry of Construction and Regional Development Department of CSF Management Spitalska 8 SK-816 44 Bratislava	<b>Ms. Martina Bencatova</b> Project Manager	24.01.2005
National Agency for Development of Small and Medium Enterprises Department of PHARE Programmes Zahradnicka 153 SK-821 08 Bratislava	<b>Ms. Romana Kedronova</b> Project Manager	24.01.2005
National Agency for Development of Small and Medium Enterprises Structural Funds Department Zahradnicka 153 SK-821 08 Bratislava	<b>Ms. Martina Strmenova</b> Project Manager	24.01.2005
University of Presov Faculty of Management Nam. Legionarov 3 SK-080 01 Prešov	<b>Mr. Robert Stefko</b> Dean	24.1.2005** 01.02.2005*
Municipal Office Moravsky Svaty Jan No. 803 SK-908 71 Moravsky Svaty Jan	<b>Mr. Jozef Zajic</b> Mayor	25.01.2005
National Agency for Development of Small and Medium Enterprises Department of PHARE Programmes Zahradnicka 153 SK-821 08 Bratislava	<b>Mr. Rastislav Iglar</b> Project Manager	25.01.2005
National Agency for Development of Small and Medium Enterprises Department of PHARE Programmes Zahradnicka 153 SK-821 08 Bratislava	<b>Ms. Elena Pristasova</b> Team Leader	25.01.2005
MIRO Foundation Nam. Centrum SK-069 01 Snina	<b>Mr. Andrej Smolak</b> Project Manager	25.1.2005** 02.02.2005*
Slovak Chamber of Commerce and Industry Regional Office Zilina Halkova 31 SK-010 01 Zilina	<b>Ms Katarina Machovicova</b> Project Manager	25.01.2005** 02.02.2005*

National Agency for Development of Small and Medium Enterprises Department of PHARE Programmes Zahradnicka 153 SK-821 08 Bratislava	<b>Mr. Marian Madara</b> Project Manager	26.01.2005*
Municipality Medzilaborce Mierova 326/24 SK-068 01 Medzilaborce	<b>Mr. Vladimir Protivnak</b> Project Coordinator	26.1.2005*
Ministry of Construction and Regional Development of the SR Regional Development Support Agency Spitalska 8 SK-816 44 Bratislava	<b>Ms. Beatrix Baranyova</b> PHARE External Border Initiative Programme Manager	27.01.2005 21.01.2005*
Federal Chancellery of Republic of Austria Section IV/4 Co-Ordination Hohenstaufengasse 3 A-1010 Vienna	<b>Mrs. Alexandra Deimel</b> INTERREG Co-ordinator	31.01.2005
OEAR Regionalberatung Gmbh Tech Center, Hafenstrasse 47-51 A-4020 Linz	<b>Mr. Michael Weber</b> Consultant	31.01.2005*
OIR Austrian Institute for Regional Studies and Spatial Planning Franz-Josefs-Kai 27 A-1010 Vienna	<b>Mr. Bernhard Schausberger</b> Technical Secretariat INTERREG IIIA	01.02.2005
Energy Centre Bratislava Ambrova 35 SK-831 01 Bratislava	<b>Mr. Vladimír Hecl</b> Project Co-ordinator	02.02.2005*
National Agency for Development of Small and Medium Enterprises Department of PHARE Programmes Zahradnicka 153 SK-821 08 Bratislava	<b>Mr. Marek Vanko</b> Head of Department	03.02.2005

\* telephone interviews, \*\* e-mail correspondence

### ANNEX 3 LIST OF DOCUMENTS REFERRED TO IN THE INTERIM EVALUATION

Name of Originator	Date	Title of Document
All ToR		
EMS Consortium	11 June 2003	R/SK/ESC/03.046
POHL	4 August 2004	R/SK/ESC/03.POHL
Government of the Slovak Republic/ European Commission	2001	Financing Memorandum 2001 and Project Fiches
Government of the Slovak Republic/ European Commission	2002	Financing Memorandum 2002 and Project Fiches
Government of the Slovak Republic/ European Commission	2003	Financing Memorandum 2003 and Project Fiches
Office of Government/ACU	15 October 2004	M/SR/ESC/04008/REG
Office of Government/ACU	7 October 2004	M/SR/ESC/04008/CBC
International Development Ireland	May 2003 August 2004	Inception Report, Interim Reports and Final Report TA to IDGS
ECO	July 2003 June 2004	Inception Report, Interim Reports and Final Report TA to TDGS
ECO	22 October 2004 21 April 2004	Inception Report, Interim and Final Report - TA for Capacity Building for Relevant Partners involved in SF Programming
DATAR	July 2003 – November 2004	Inception Report, Quarterly Reports 1 – 7, Final Report Development of the Administrative Capacity for the Management of Structural Funds in SR
	September 2003 – October 2004	Inception Report, Quarterly Reports 1 -4 Consolidating the Institutional Framework and Enhancing Administrative Capacity for ...
AXON PRO	January 2003 June 2004	Inception Report, Interim Report, Final Report Information Portal and Web Site Creation
Siemens	December 2003 July 2004	Inception Report, Interim and Final Report IT-Monitoring System for Structural and Cohesion Funds
PE-International	January 2004 August 2004	Inception, Interim, Final Report Sustainable Public Information Strategy on the SF
Timur and Partners Ltd	January 2004 September 2004	Inception, Interim, Final Report Creation of TV Spots, Interactive CDs and DTP Works for the Publicity and Communication on SF
AUREX Ltd.	December 1999	JPD Austria - Slovakia
AUREX Ltd.	December 1999	JPD Slovakia - Hungary
AUREX Ltd.	December 1999	JPD Slovakia - Poland
ATKINS	July 2003	TA to SOP Transport – Final Report
TDI	June – Sept. 2003	TA to SOP Industry and Services – Inception, Intermediary and Final Report
CEEN Economic and Policy Consulting GmbH	10 January 2005	Support for future IB – Inception Report

ATKINS	Jan. – Nov. 2003	TA to SOP Environment, Inception, Interim, Monthly Reports 2 – 6
ECO	May 2004	Ta to CSF – Final Report
Hypodomi Consult. S.A.	October 2004	TA Incubator Malacky – Final Report
EURATA	July 2003	TA for Ex-ante of SOP Agriculture – Final Report

**Documents not provided:**

- TA to the Ex-Ante Evaluation ROP - Reports
- TA to the SOP Human Resources - ToR, Reports

## ANNEX 4 RECOMMENDATIONS FROM PREVIOUS INTERIM EVALUATION

### Interim Evaluation Report No. R/SK/ESC/03046, issued 11 June 2003

Programmes/Components evaluated: SK-0017, SR-0113 & 2002/000-642.01-.03 Cross Border Co-operation Slovak Republic/ Austria; SK-0011, SR-0102 & 2002/000-603.01& 02 Cross Border Co-operation Slovak Republic/ Hungary; SK-0015, SR-0101 & 2002/000-635.01-.03 Cross Border Co-operation Slovak Republic/ Poland; SK-0009 Economic and Social Cohesion; SK-0016 Supplementary Investment Facility; SR0107 Economic and Social Cohesion; 2002/000-610.11 Consolidating the Institutional Framework and Enhancing Administrative Capacity for Programming, Implementation and Monitoring of Structural Funds; 2002/000-610.12 Industry Development Grant Scheme; 2002/000-610.13 Local & Regional Development Grant Scheme; 2002/000-610.14 Tourism Development Grant Scheme.

Recommendation	Applied	Responsibility for Follow-up	Deadline	Remarks
<p>Ministry of Construction and Regional Development (MoCRD)/ Section for Regional Development should review the entire process for programming with a view to improve the selection, quality and relevance of the proposed projects. In this instance, the Section for Regional Development should also strengthen and formalise the communication flow and feedback with the implementing Regional Development Support Agency (RDSA). Furthermore, the Section is strongly advised to develop, in co-operation with other involved institutions, with immediate effect a pool of eligible projects (that are sufficiently mature) for funding from EC sources, in order to avoid insufficiencies and problems with the re-allocation of the funds of risky or failed projects. The Section for Regional Development together with the RDSA should already now start to assess in detail the actual status of all proposed PHARE 2002 or 2003 investment projects; timely before their actual commencing is envisaged.</p>	Y	MoCRD/ Section for Regional Development, RDSA, Section for EU Assistance Management	With immediate effect	<p>RDSA informed that 2002 and 2003 PHARE projects would be implemented according to the time schedule. No risks/ major delays were envisaged.</p> <p>substantially increase mutual co-operation within MoCRD - RDSA, Section for EU Assistance Management and Section for Regional Development - in order to implement PHARE ECOSOC and CBC projects effectively.</p> <p>a pool of eligible projects in case of reallocations is developed.</p>



RDSA should immediately act towards re-allocation of the cancelled 2001 regional development and CBC investment projects in order to secure these respective funds.	Y	RDSA	With immediate effect	Reallocation of funds was discussed during JMC meeting of 19 June 2003. However, securing the funds from project SR0101.01 Relocation of Road I/59 Podbiel Bypass (1.8 M€) was not feasible due to the non-existence of reserve project and limited time available for reallocation.
RDSA should immediately speed up the process of implementing the 2002 Grant Schemes, if necessary in close co-operation with NADSME, possessing more experience in fulfilment of technicalities connected to the implementation of Programmes of a similar nature.	Y	n	With immediate effect	Implementation of 2002 Grant Schemes is ongoing, operational manual was prepared in January 2004.
RDSA, following the model of NADSME, should use the established network of Regional Development Agencies in order to enhance public awareness, to assist grant applicants in project preparation and in this way to help building up regional capacity in order to absorb future EU assistance.	Y	MoCRD/ RDSA	With immediate effect	RDSA selected number of Regional Development Agency and signed contract in January 2004 with these to work as Technical Secretariats. Their tasks also included enhancement of public awareness in order to increase EU assistance absorption capacity. Moreover, MoCRD prepared a communication strategy on EU assistance and its utilisation. RDSA in co-operation with the Technical assistant prepared a workshop to give effective information about technical secretariats' tasks and implementing arrangements of the grant scheme.
To ensure effective use of the grants for higher quality projects, to be submitted by future grant applicants, all key stakeholders of 2002 Grant Schemes, namely RDSA, NADSME, MoLSAF, Ministry of Economy and Ministry of Education, should consider the development of a standardised strategy focused on raising public awareness, using all means of information dissemination as well as the wide variety of regionally present agencies.	Y	MoCRD/ RDSA, NADSME, MoLSAF, Ministry of Economy and MoEd	With immediate effect	Meetings with potential grant applicants were organised, call for proposals advertised in newspapers and internet.
As regards the 2002 'Institutional Building' Programme, the upcoming EU Twinning experts, together with MoCRD/ Section for EU Assistance Management, should carefully consider the activities and/or achievements of	Y	MoCRD/ Section for EU Assistance Management, 2002 Twinning partner	Inception phase of the 2002 Twinning	The MCRD prepared new web page with information for public. The RDSA attended meetings to spread information on future possibilities in relevant regions. The coordination meeting of the Twinning 2001 and Twinning 2002 was organised in November 2003.

the on-going 2001 Institutional Building Twinning and should ensure close co-ordination between these two Twinning projects and other similar assistance projects currently on-going.				
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### Interim Evaluation Report No. R/SK/ESC/03.POHL, issued 04 August 2004

Programmes/Components evaluated: SR-0107.01 Preparation for Structural Funds Institution Building Support; 2002/000-610.11 Consolidating the Institutional Framework for Structural Funds; SR 0107.03 to 07 Regional Investment Projects ( Zemplinska Sirava, Humenne, Roznava, Spisska, Nova Ves, Velka Domasa); SR-0113 and 2002/000 642.01.03 Cross Border Co-operation Slovak Republic/ Austria; SR-0102 and 2002/000- 603.01 and .02 and 2003/004-616.01/616.02 Cross Border Co-operation Slovak Republic/ Hungary; SR-0101 and 2003/004.616.02 and 2002/000-635.01-.03 Cross Border Co-operation Slovak Republic/ Poland; 2003/004.995.03.12 External Border Initiative; 2002/000-610.12 Industry Development Grant Scheme; 2003/004.995.03.09 Support to Innovative SMEs; 2002/000-610.13, 2003/004.995.03.08 Local and Regional Development Grant Scheme; 2002/000-610.14, 2003/004.995.03.10 Tourism Development Grant Scheme

Recommendation	Applied	Responsibility for Follow-up	Deadline	Remarks
The MoCRD needs to make an immediate decision on whether to allow the recruitment of 3 short term experts to replace the 1 long term PAA.	Y	MoCRD	With immediate effect	Two mid-term experts were recruited. One expert is working for the Department of Cohesion Fund at the MoCRD and the second for the Department of Structural Funds at the Ministry of Transport.
The MoCRD needs to make contingency plans in case of delays in the development of the system and the development of communication systems between all relevant Ministries.	Y	MoCRD	With immediate effect	The Monitoring system has been established. Data on projects have been already loaded to the Monitoring system. Trainings for the system's users took place.
Steps need to be taken to ensure that the Twinning and TA programmes for institution and capacity building are well synchronised.	Y	MoCRD	With immediate effect	TA reports were regularly sent to the twinning partners. The twinners regularly participated at the Steering Committee of the TA. Both the twinners and the TA were located in the same building of the MoCRD at the same floor that enabled to establish contact and communication between them.
The implementing agreement needs to be reviewed and rewritten by a competent lawyer.	Y	MoCRD/ RDSA	With immediate effect	The quality of implementing agreements has improved substantially. MoCRD's lawyers checked the agreement's template.

## ANNEX 5 DISSENTING VIEWS AND COMMENTS NOT INCORPORATED

### Comments not incorporated

Party/ Comment	Reference	Evaluators Response
<b>National Agency for Development of Small and Medium Enterprises</b>		
Referring to the Performance rating that is given only for those interventions under evaluation, which have been already contracted, is wrong for the project No.: 2003-004-995-03-10 and 2003-004-995-03-09 since those projects have not been contracted, yet, except Technical assistance to the grant scheme.	D) Performance Rating Table	Part of the activities for both of the projects has been contracted and therefore, following the IE Guide, projects are listed and a rating is provided.
Logframe Matrix sample is a part of GS guidelines. Besides this opportunity potential applicants can attend seminars focused on Logframe Matrix and Project Cycle Management.	page 27	The Evaluators would consider useful to provide a Logframe Matrix example, filled in with real data (example of a best practice project). The provision of seminars is certainly helpful but cannot these can hardly be attended by every single applicant.
Indicators were proposed based on the Project Fiche approved. Their revision is possible but it is questionable how long the new indicators approval would last.	page 31	Revision of indicators can take place at any stage and it is sufficient to record any changes in this respect in the Monitoring Report.
The subsequent GS TDGS 2003 should strengthen the MoE's operational and management capacities including the gradual delegation of appropriate functions to complementary regional and local partner bodies in order to ensure the effective use of SF, while its final purpose is to reinforce the competitiveness of the Slovak tourism industry. <i>Our comment to this part is that all appropriate functions to ensure the effective use of SF should be carried out by Contracting Authority (NADSME) as it was in the previous GS (TDGS 2002)</i>	para 5	This is the quotation of the project purpose stated in PF TDGS 2003. The Evaluators can only confirm that both 2002 and 2003 TDGS are and will be implemented by NADSME.
INTEG GS is realised within the FM 2002. As the Project Fiche for GS INTEG including the budget for each component was approved by EC and the activities were contracted till November 2004, the reducing of the financial sources for each component is not possible and eligible. <u>This comment is not relevant in this phase of the implementation of GS.</u> The value-for-money aspects cannot be	C, page V	Being aware that projects are already contracted and therefore, that possibilities are rather limited, the Evaluators would still suggest to keep in mind the efficiency of all individual projects, closely monitor all delivered outputs and to make sure that all of the outputs were delivered in required quality.

evaluated, as the deliverables are not known yet and also as the relevant projects were not studied by evaluators.		
The mechanism of the selection of the grant projects followed the PHARE rules set in the Practical Guide and was fully standard. No complicated mechanism was adopted.	1.2.1., page 3	The comment in the IE Report referring to the complicated selection mechanism (GS). For any future selection of only two to three projects a different decision mechanism should be envisaged than the time consuming and administratively comprehensive GS tool.

## **ANNEX 6 ANNEX TO CHAPTER 1: EVALUATION SECTORAL SCOPE AND BACKGROUND**

### **Component 1 – Structural Funds Institution Building**

#### **SK-0107.01 Development of the Institutional Framework and Administrative Capacity for Programming and Implementation of Structural Funds**

The programme was divided into 17 projects including several training measures, management support, project pipelines, development of a monitoring system and publicity material. The projects were implemented through TA, twinning and specific technical support. The most important projects were the Management of Structural Funds (SF) twinning (1.5 M€) and the related TA on Capacity Building (1 M€).

#### *Management of Structural Funds - Twinning*

The twinning activities comprised three components: (i) establishment of the Managing Authority (MA) for the Community Support Framework (CSF), (ii) establishment of the Paying Authority (including the auditing trail), and (iii) European Social Fund (ESF) management. Twinning experts had to be changed and there were long gaps in the presence of Pre-Accession Advisers (PAAs) forcing the Slovak authorities to prepare themselves, without substantial support. Noted duplication effects related to the 2002 twinning for Capacity Building cannot be substantiated, simply because different ministries (except MoCRD) were addressed by the two projects. The twinning activities should have been closely co-ordinated with other running projects, notably the grant schemes (GS) and the project pipelines (infrastructure and environment). Due to delayed implementation, it was not possible to link the activities of the PAAs sufficiently with other activities. The final outputs of assistance were development of the National Development Plan, elaboration of the CSF, Operational Programmes (OP) Industry and Services, and Basic Infrastructures and SPD Objective 2 Bratislava, setting up of CSF and OP/SPD, MAs and enhancement of the capacity of managing structures.

#### *TA Capacity Building*

The implementation of the TA component also suffered from staff issues. The qualification of foreign experts was sometimes inadequate and the management of the project team was sometimes poor. The project outputs, as reported in the final report are: mainstream training - regular monthly workshops on the SF /CF project and programme cycle for the three identified target groups (MA, Paying Agency and the Monitoring Committees). Training for MA covered SOPs, monitoring, programme evaluation and publicity. Training of Intermediary Bodies (IB) dealt with project selection, contract negotiation, communication, controlling. The Paying Agency received training on co-financing rules, SF legislative and regulatory frameworks, eligibility, auditing etc. and the members of Monitoring Committees underwent training in partnership principles and co-ordination. Further activities included: (i) *ad hoc* seminars and workshops for MAs and IBs in response to arising needs, e.g. selection criteria for project assessors in OP Basic Infrastructure and OP Human Resources; (ii) programming and implementation of EAGGF programmes; mentoring/'on-the-job' training for individuals and small groups of

officials in MAs, IBs and Self-Government Counties (SGC) on administrative and operational matters related to the management and implementation of the SF interventions and CF measures; (iii) selection of programme indicators for ITMS; (iv) 'eligible costs' in the programmes and use of TA budgets; (v) awareness raising and training for regional administrators and potential applicants on developing regional strategies and integrating these into the NDP for the next SF programming cycle, and (vi) identification and preparation of projects for upcoming SF Calls for Proposals. In total, some 400 people were trained.

#### *Monitoring System for Structural Funds and Cohesion Fund (ITMS)*

Slovakia has been provided with a centralised overall monitoring system for SF and CF. This kind of monitoring system has been required by the EC for all new Member States. Between December 2003 and July 2004 the system was developed by a Slovak subsidiary of an international information technology (IT) company in co-operation with four thematical steering committees (evaluation, IT experts, involved authorities and access rights). It started operations on 1 May 2004 (accession date) and is now fully operational. Following the request of the MoF, the system was online-linked to the State Treasury and the budgeting system. Moreover, an accounting system was integrated into the system. Access is strictly protected and only possible for individuals with access rights. The system registers the applications via a link to the internet-based information portal (see below). This saves time and effort and avoids mistakes in data transfer. Apart from financial data monitoring, the system is fed with all programme, priority and measure-related indicators, including those of the horizontal objectives 'sustainability', 'equal opportunities', 'information society' and 'Roma issues'.

#### *Publicity measures*

All publicity measures are co-ordinated by the CSF Department. Hence, programmes not being co-ordinated by the CSF are also subject to the CSF-run publicity management. For this purpose a Communication Action Plan and an inter-ministerial taskforce was created. The sub project *Sustainable Public Information Strategy on the Structural Funds – Training* addressed the capacity building within regional authorities in communicating EU regional and structural policy. It served as an important complementary measure for the production of publicity media and material (leaflets, TV-spots, internet site and CD-ROM). Four modules were offered: (i) basic overview of the Slovak SF programmes and its documents (four training sessions with 81 participants), (ii) EU communication and best practice experiences (six training sessions with 78 participants), (iii) Communication Action Plan of the MA for the CSF (ten meetings with 109 participants), and (iv) use of the Integrated Information System and Communication Tools (five training sessions with 68 participants). The feedback from the trainees was positive. There were only two issues regarding the first module: The fact that documents were not finalised and still subject to revisions implied uncertainty and sometimes irrelevant training contents delivered. Moreover, the qualification and experience of trainees was extremely varied. The project reviewed above was closely linked to a number of technical activities, i.e. information portal and website, publicity on SF (TV spots etc.), printing brochures and manuals.

*Information portal and website:* This project aimed at ensuring publicity through the internet and guided access to potential beneficiaries, assisting them to prepare applications. The website is inter-active and facilitates the dialogue with the MAs and the preparation of formally acceptable proposals. In the different Regional Information Centres (RICs), the public has free-of-charge access via 100 PCs provided for that purpose. Whether the 100 computers are efficiently used in the numerous RICs cannot be judged, as information on that is not available.

The project *Printing Brochures and Manuals* aimed at providing written material (brochures, leaflets) and electronic information (CD-ROM). The material prepared included a CD-ROM including the information of the Information Portal and the 18 TV spots (see below), brochures on the EU regional and structural policy in Slovakia in general, the CSF, the different SOPs, the SPDs Objective 2 and 3 and the Community Initiatives Programmes (CIPs) INTERREG and EQUAL. The material is provided in a folder. The RICs received 50 folders each for their publicity purpose and other involved institutions and ministries were supplied with similar material which was distributed at conferences, etc. The project *TV spot* was intended to spread more information on rationale, aims and activities of EU regional and structural policy among the general public. Since the negotiations between Slovakia and the Commission Services were dynamic until accession, there was some delay with the project start, furthermore, the MAs were occupied with a large workload of other preparative/programming activities so that co-operation on TV spots was not prioritised. In order to resolve that problem, an inter-ministerial task force was created with a view to providing the contractor with the information on time and with the guarantee of actuality and validity. A major problem, however, arose when the spots were to be broadcasted. Originally, the public Slovak TV (STV1) was supposed to broadcast the spots free-of-charge, but it turned out that – although being approved by the MoCRD - STV1 did not find the spots appropriate for its profile and refused to broadcast them. The contractor was then obliged to find an alternative solution. Only a private TV station (specialised on news) was ready to broadcast the spots. However, for technical reasons they had to be divided into 36 clips, at the cost of the contractor, and implying a considerable financial loss, although it was not possible to blame the contractor.

#### *TA to the CSF Department*

A thematical focus was to build on lessons learned from Ireland and Portugal. The activities comprised training solely for the CSF Department staff. 15 individuals were provided an opportunity to be trained in one-hour sessions (24 in total), as requested by the beneficiary, but with relatively low attendance rates due to the working obligations. The training took place in addition to the training already delivered to the MA through the 2001 TA-Capacity Building. Here also the training included SF basics and some other more specific issues. The number of trained individuals was explained by the need of personnel flexibility, which should mean that anybody can be replaced immediately when need arises. This argument clearly accepts a lack of pursuit of sustainability. When the project started there was one meeting organised between the French twinning and TA contractor with a view of avoiding duplicating activities. There were no subsequent co-ordination meetings despite the fact that the French Twinning staffs were accommodated in the office next door. Apparently, their workload did not allow

discussing any mutual issues or problems. The output of the TA project included an 'internal manual' comprising of two parts. The first is a management manual, the second part consisting of printed training material - presentations, for the newcomers to read. Apart from that, the TA developed an evaluation strategy, a human resources development plan and a CSF master plan. In general, the beneficiary institution found the provided TA useful.

#### *TA to the ex-ante-evaluation ROP*

This activity is not relevant any more, since the CSF does not include a ROP. The ROP funding has been financially transferred to the new OP Basic Infrastructure.

#### *TA SOP Transport*

Originally, the OP Basic Infrastructure was a merger of the SOPs Transport, Environment and the ROP. *Ex-ante* evaluations were to be carried out for these SOPs. Apart from the environment sector, transport makes up the bulk of measures within the OP Basic Infrastructure. The TA team was faced with the problem that the request of the EC to merge the former SOPs and to re-draft a new OP Basic Infrastructure came extremely late, leaving only 36 hours to assess the programming document and to prepare an *ex-ante* evaluation. Coping with the demanding scope of tasks required by the Commission in its Guideline on *Ex-ante* evaluations was therefore completely impossible. The TA team could only comment in general terms on the document. It was also impossible for the TA to oversee the preparation of the programming document. Hence, the finalised *ex-ante* evaluation could only be submitted after the OP submission deadline in March 2003. The completed *ex-ante* evaluation was presented in June 2003. Apart from that, the TA team also worked on the Programme Complement and a project pipeline. In contrast to the *ex-ante* evaluation, both activities were possible after formal submission of the OP to EC; the Programme Complement was approved by the MC.

#### *TA SOP Industry and Services*

Based on the reporting, the TA was aimed at ensuring proper preparation of the programme complement of the SOP Industry and Services, ensuring that an indicative list of projects in the relevant sectors had been prepared; and transferring relevant know-how and experience to all involved parties. Planned outputs comprised the programme complement for SOP Industry and Services, a preliminary review of all proposed projects, and an indicative list prepared in line with the EU guidelines. The following outputs were achieved: SOP and its measures were improved and accepted by the EC, the Final Draft Programme Complement was completed and ready for *ex-ante* evaluation, analysis and categorisation of current project pipeline, indicative potential project list completed, the TA Team has transferred knowledge to target groups resulting in improved working documents, and project database was developed. From the above outputs the project was effective. The recommendations spelled out in the final report (September 2003) still focus on the problem of institutional responsibility of further dealing with the project pipeline and the inter-institutional co-ordination of involved bodies to ensure a smooth implementation of the programme. Since the German Twinning could strongly enhance the capacity for managing the SOP Industry/Services, the weaknesses have been addressed in the meantime.



*TA SOP Human Resources*

No material was provided by the beneficiary institution.

*TA Ex-ante evaluation SOP Environment*

As already mentioned (see TA to SOP Transport above) the objective was to assist the development of *ex-ante* evaluation and the preparation of SOP Basic Infrastructure, in particular its part based on the original OP Environment. The expected outputs were delivered and assisted the original purpose.

*TA Ex-ante evaluation SOP Agriculture, Fisheries and Rural Development*

Technical assistance was needed to prepare the *ex-ante* evaluation of the EAGGF activities within the CSF. The objective was to perform the *ex-ante* evaluation and to assist the MA in drafting the SOP. The *ex-ante* evaluation was submitted. As regards the quality, completeness and the balance of conclusions and recommendations, this *ex-ante* evaluation is useful in its function of strengthening the quality of the SOP.

*Project Pipeline Local Infrastructure*

The objective was to establish a project pipeline for the Measure 3.1 of the SOP Basic Infrastructure and to train the staff of the SGC in the preparation for calls and tender documents. The final report was insufficiently comprehensive to formulate a useful conclusion from it. What can be said is that all SGC were visited - accompanied by a representative of the MA – in order to record the project ideas. Major issues were identified by the TA in categorical and cost eligibility, budgetary and financial aspects, public procurement procedures and legal aspects of ownership preventing the TA drawing a list of projects meeting the criteria of the SOP Measure 3.1. A guideline for assessing eligibility and completeness of the application and a handbook for procurement of public works were prepared by the TA. An open question is how this pipeline has been co-ordinated with or by the Twinning activities. Apparently, there was none, or only very little, exchange.

*Project Pipeline Environmental Infrastructure*

The objective was to establish and consolidate a project pipeline for the Priority 2 of the SOP Basic Infrastructure and to provide appropriate training for MoE staff. Four tasks were carried out: (i) development of SF documentation, (ii) review of project proposals listed by the SF Project Development Unit, (iii) preparation of project documentation including three different model tender dossiers, and (iv) training. All tasks were performed as scheduled. As for the project above, an open question is how this pipeline has been co-ordinated with or by the Twinning activities.

**2002/000-610.11 Consolidating the institutional framework and enhancing administrative capacity for programming, implementation and monitoring of SF**

This project is endowed with 2.5 M€ and implemented through twinning and some ancillary technical support for further developing the ITMS. The setting up of the relevant managing authorities is to be strengthened and the professional skills of the human resources at the central level needed for SF programme management need to be

further developed. The project aims at finalising preparations in all relevant fields mentioned in the Accession Partnership objectives for regional policy and co-ordination of structural instruments. The project focuses on capacity building in the central administration but provides also technical project preparation assistance. The most important target group has been the relevant managing authorities, but the project should also enhance the capacity to further develop and manage SOPs and SPD Objective 2 at the regional level. The project has aimed at providing training and assistance for the human resources of the MA, PA and IB where appropriate. The project was furthermore supposed to take into account the four grant schemes included in the PHARE 2002 National Programme as complementary at the regional and local level. Finally, co-operation and linkage should have been sought with respect to other ongoing or finalised related activities and twinning projects.

Four components have consequently been addressed (Basic Infrastructure and SPD-Objective 2, with a PAA in the MoCRD, SOP Industry and Services and INTERREG with a PAA in the Ministry of Economy, SOP Agriculture, Rural Development and Fisheries with a PAA in the Ministry of Agriculture and Cohesion Fund with a PAA in the MoCRD. The PAAs and STTEs are employed to advise and coach the MAs for the SOPs, the SPD, the CIPs and the CF and IB, which are under the responsibility of other ministries, i.e. environment or transport, etc. The activities are still running. The following major outcomes of the 2002 twinning can be summarised so far: under Component A specific advice was provided for the Priority 1 (transport), 2 (environment) and the SPD Objective 2. Project pipelines were established, specific advice on cost eligibility and the n+2 rule and claims for reimbursement provided, moreover, a matrix of SPD2 / SOPs mirrored against the PHARE grant schemes was prepared. Open questions are still related to the establishment of the managing and control system of the SOP Basic Infrastructure. Under Component B (SOP Industry and Services and INTERREG) activities are ongoing as scheduled. Under the sub-component SOP Industry and Services 9 Call for proposals have been launched. Ongoing activities are related to evaluation of applications, project monitoring, on-the-spot checks and preparation for the 2007-2013 period. Under the sub-component INTERREG several conferences were held, information to project partners has been a focus. Under Component C (agriculture, rural development and fisheries) most results have been already achieved. Specific advice was needed for land consolidation and rural tourism. So far a call for proposals has been launched for most measures. Around 900 applications were received so far, 715 for Measure 1.1 (farm investment grants). Only in the field of the measure for fisheries has the application activity has been rather poor (only 4 applications). Some major points have been the separation of on-the-spot-checks and '5%' -checks, since the latter should be carried out fully independently. Here only a temporary compromise for the duration of the phase 2004-2006 has been reached. Under Component D (Cohesion) activities and results have been according to schedule. There have been some bottlenecks due to shortage of staff or staff overburdened with unrelated other work. Some specific training on CF management issues is still needed.

### 2002/000-610.13 Local and Regional Development Grant Scheme

The RDGS, funded under PHARE 2002, was composed of 3 linked but separate ‘Strands’ of activities: Strand (A) ‘Strategies and Partnerships’, Strand (B) ‘Local Development Organisations’ and Strand (C) ‘Project Development’. The outcomes of that project were awareness campaign and information in 8 regions, management of Frequently Asked Questions to guide applicants, workshops and training sessions, numerous guidelines and manuals, on-the-job training for RDSA staff regarding calls for proposals. Calls for proposals were issued in September 2003 with deadline 27 November 2003. Limited resources and issues regarding the remuneration of assessors implied delays in decision-making. Further major or minor issues are related to co-ordination. One risk might have materialised because the twinning activities were delayed and in fact interrupted, implying a problem of synchronising capacity building and training on fund management. A visible synergy between twinning and this project could not be achieved. Moreover, it is not clear how far this project has created duplication of efforts in respect of the project pipeline ‘Basic Infrastructure’. The figures on application and contracted projects are as follows:

Component	Applications	Technical Evaluation	Contracted Projects
A	323	118	39
B	184	62	28
C	261	75	27
Total	768	255	94

### 2003-004-995-03-08 Support to the Local and Regional Development Grant Scheme

This project (allocation of 6 M€) aims at continuing and building upon the 2002 LRD. It should provide grants for local and regional applicants in order to prepare a project ‘pipeline’ for implementation under the SF and CF. Apparently, the 2003 LRD GS will support the preparation of large, complex infrastructure and productive investment projects, which are identified as being significant in the implementation of local and regional strategies. Previous experience with building infrastructure (e.g. in the PHARE CBC and ESC investment) revealed that such projects are technically demanding (involving feasibility studies, engineering designs, the use of FIDIC contract conditions), time-consuming, and expensive to prepare. Moreover, not all regions have sufficient capacity to undertake the preparation of such projects (in terms of development agencies and consultancies with an understanding of programme requirements and appropriate project preparation skills). Thus, the GS should help in a more effective use of the ERDF. The implementation of ‘hard’ projects (supplies and works) is the logical conclusion of the planning and preparatory work supported under the former GS. In November 2004 a request to modify the PF was submitted. TA to the technical secretariats should be cancelled since such assistance was already provided by the 2002 GS. The funds should be directed to the grant fund for supporting more projects. This 2003 LRD GS will run through 2005. A major issue for the grant fund is whether it can be co-ordinated with the capacity building efforts.

**2003-004-995-03-15 Strengthening Regional and Local Capacities for Managing and Implementing SF**

The aim of that project is to strengthen the administrative conditions for and capacity to absorb funding at regional and local levels, for the implementation of the SF. Further training to existing and new administrative structures and potential intermediaries on management of programmes and projects is considered as necessary. This is due to a number of key factors, such as the ongoing recruitment/ turnover of public servants, the need to remedy the skills deficit evident in public administration in order to raise the overall management capacity for programmes, and the need to support the development of appropriate skills for SF among the new regional actors, including the smooth functioning of relations with final beneficiaries. The project, endowed with 2.4 M€, aims therefore at targeting and providing direct training and skills transfer to three main groups of actors, i.e. beneficiaries, managers/administrators and accredited trainers. Via training and necessary skills transfer to the three target groups, this project is intended to finalise the process of regional capacity building and will allow all stakeholders to exploit opportunities provided by the GS.

**UIBF 2002 Support to Future Intermediary Bodies under the Responsibility of Managing Authority for SOP Industry and Services**

The TA project has commenced recently and follows the originally outlined design. A training package should be developed and delivered to more than the originally envisaged 5-15 staff, institutional analysis for organisational set up and internal procedures should take place, and a MIS is to be designed.

**Component 2 – Small and Medium Enterprises Support****2002/000-642.01 Innovation and Technology Development GS (INTEG)***TA for training of Incubator's Staff*

The contract has been signed but the commencement of activities is expected when the staff are recruited, which should take place during February 2005. It is unclear what sort of contractual arrangements will be in place as the employer of the staff for the Slovak Technical University (STU) incubator is not known due to legislative changes. Some solution should be found at the time of the incubator's completion.

*Grant Scheme*

The PF design applied a rather complicated selection process for the incubator projects and the GS was launched. After the first Call for Proposals in September 2003 five applications were received and one grant was awarded (STU Bratislava); for the subsequent second Call, six applications were received and another project was selected (City of Sladkovicovo). Tender dossiers were prepared by the beneficiaries, approved by the NADSME Ex-ante Unit and the procurement of works was initialised. The works should be completed in September 2005. When comparing the Call for Proposals, where identical sorts of activities are supported through different instruments – SF and PHARE, the main difference is that PHARE provides the funding for services, while SF is limited to construction and equipment supply activities only.

*Venture Capital Fund for Incubators*

As indicated in PF a contract has been signed with the Seed Capital Company to establish a revolving fund, providing risk money for the companies incubated in the two incubators.

**2002/000-610.14 Tourism Development Grant Scheme (TDGS)***TA for TDGS*

A retrospective analysis of the Pilot TDGS was undertaken, to establish relevant performance indicators as a baseline for the TDGS. A full set of documents for the Calls for Proposals was prepared. Training sessions were attended by 65 representatives of Business Information Centres, Regional Enterprise Information Centres and First Contact Points, from all over Slovakia in order to enable them to promote the TDGS and to support applicants in preparing their applications. The Call for Proposals was published, a press conference was held and extensive publicity was secured in the national and regional media. The MIS was developed and installed on the NADSME system. The criteria for the selection of assessors were prepared and publicly advertised (for both TDGS and IDGS). Out of total 44 applications received, nine assessors were qualified and trained. On the closing date for grant applications, the monitoring committee failed to approve the evaluation committees and the assessors for both GS and it took more than four months to reach some agreement. 55% of the applications had been found to have problems in relation to compliance and eligibility (mostly due to lack of experience, complexity of the application process, and limited amount of time to prepare applications). 183 appeals were received and the evaluation committee decided that 22 of them were valid and additionally assessed. A very high number of enquiries had to be handled during the application phase (over 5,000 questions were replied).

*TDGS*

This GS was divided into two components - one for SMEs and one for public institutions. The summary figures are provided in the table below. The project implementation under component 1 started in July and for component 2 in November 2004. A wide scope of activities, including development of accommodation and catering capacities, tourist attractions, leisure time activities etc., was supported. The scheme is centrally managed by a four member team of NADSME. Grantees are obliged to report regularly and on-the-spot control is taking place. The intention of financial unit is to visit all grant projects. The MIS developed as part of TA activities is being used to process data on both TDGS and after small adaptation also on the IDGS.

Component	Call for Proposals	Applications	Technical Evaluation	Contracted Projects
1	1	487	210	37
2	2	451	223	73

## 2002/000-610.12 Industry Development Grant Scheme (IDGS)

### *TA for IDGS*

The TA contractor provided assistance in completing basic materials for Calls for Proposals, development of IDGS web site, preparation of marketing strategy and marketing materials. Training was provided to relevant personnel in monitoring, selection and evaluation of project applications, in improving presentation skills, and promotion activities were organised - press conferences and regional information days.

### *IDGS*

The GS component 1 focused on SME's enhancement of products and production processes with the intent of increasing output added value, increasing industrial productivity and reducing overall costs. Component 2 focused on increasing innovation capacity of enterprises dedicated to organisations such as business support services, research and development institutions and NGOs. Figures are presented in the table below.

Component	Call for Proposals	Applications	Technical evaluation	Contracted projects
1	1	303	242	109
2	7	37		23

## 2003-004-995-03-10 Tourism Development Grant Scheme (TDGS)

### *TA for TDGS*

The TA has commenced recently, its primary task is focused on the amendment of manual and guidelines following GGAPP procedure, which was applied under EDIS since the Slovak legislation on public procurement, does not cover GS. The ToR refer to future activities dealing with the selection of assessors, training for assessors and evaluation committee members, BICs/RAICs and FCPs training in promotion and consultation with applicants, and monitoring of the project implementation. The GS should be launched by the beginning of March 2005.

## 2003-004-995-03-09 Support for Innovative SMEs (SISME)

### *Marketing of the GS*

These project activities are devoted to the promotion of the SISME GS. Press conferences, seminars and information days were organised to address regional administration, entrepreneur associations and promotion materials and leaflets were designed in order to provide the detailed information.

### *Support to Seed Capital Company (SCC)*

These recently commenced project activities should lead to the establishment of an Innovation Fund. The tasks of the contractor involve development of the business plan for the SCC, definition of a strategy for venture capital financing/ equity investments, development of a business angels' network concept, and related activities.

### **Component 3 – Regional Development and Cross Border Co-operation Investment**

#### **SK-0107.03 Zemplinska Sirava – Tourism Development**

The project idea was initiated in 2000 by the Association governing tourism administration at Zemplinska Sirava. A rapid decline of tourists was recorded in 1990 and the current figures report about 670,000 tourists per season. The Association itself employs ca 5,000 staff in summer season, which is reduced to 1,200 staff members in the winter season. The project itself included small tourism measure – comprising construction of four swimming pools, which will be maintained by the Association. The major part of activities included construction of a WWTP and of a sewerage network in the length of 23 km to improve the water quality in the dam. Constructions are completed but not operational yet. Swimming pools will serve during the summer season. The WWTP has to wait for its operation until a sufficient number of households (1,000) is connected, which is expected to happen in spring 2005.

#### **SK-0107.07 Tourism Development – Velka Domasa**

The situation concerning the number of visitors was similar to Zemplinska Sirava. The project idea was developed in 1999 by the Regional Association of Velka Domasa. The activities involved construction or upgrade of existing WWTP and sewerage systems in seven municipalities located at the dam border. The reconstruction of access roads and a construction of parking places in recreation areas together with a Tourist Information Centre (including equipment supply) were also completed. The local Regional Development Agency was delegated the role of TA for managing the project. The completed WWTP and sewerage are operated by the water management company.

#### **SK-0107.04 Industrial Park Humenne - Guttmanovo**

The project idea was initiated by the city itself in 2001. Having a brown field area the city decided to provide a green field for investors/SMEs in close vicinity with an access to the existing transport and basic infrastructure. Supported by TA, which assisted in the PF and tender dossier preparation and after arranging four building permits, the project was successfully implemented. The access road to the industrial park was enlarged, infrastructure was completed and temporary sewerage to the old WWTP was built. As the new WWTP in the city is being built (ISPA funds) near to the park, the EC Representation proposed to change the project and connections will be provided to the future WWTP. Shortly after the completion of the industrial park, two investors are already starting their operation in this location. In a short time this special textile productions should employ about 200 staff. It is expected that 400 working places will be created until 2007. The industrial park is maintained by technical services – municipal company. Promotion of the park was carried out through SARIO and via participation of the city representatives at the trade fairs.

#### **SK-0107.06 Industrial Park at Spiška Nova Ves**

An industrial park built in Spišská Nová Ves in a high unemployment region in Eastern Slovakia was initiated by the city wishing to revive a defunct factory site. The park was built on premises purchased by the city, a part of a former large woodworking factory complex and will be operated by a city-owned firm. Two manufacturing halls and one

administrative and light manufacturing building are now open for potential investors, along with road infrastructure and a WWTP at the park. The city is in negotiations with several potential investors and a few have already committed or began setting up operations. The park was promoted by the city itself and in co-operation with SARIO. The city has plans and land set aside for a further expansion of the park's facilities in the future. The present project expects the creation of 560 jobs by 2008 but the city sees potential for up to 800 new jobs in total.

#### **SK-0101.02 Clean Water – Riverbed Poprad and Dunajec**

The project involved the construction of sewerage networks in nine villages and the construction of three new WWTPs in the lower Poprad riverbed. The remaining villages use existing WWTPs or the spare capacity of a WWTP in Stara Lubovna. The project was based on an earlier larger feasibility study, which had intended to cover environmental infrastructure of the whole Poprad river region at the cost of over 1 billion EUR. The current project involved the clean up of several localities attractive for tourism and prepared the ground for further investments in tourism (further financing has already been obtained from other grant funds). A planned mirror project on the Polish side was not successful.

#### **SK-0113.01 Re-engineering of the Water Channel Chorvatske Rameno**

An artificial water channel in Bratislava's largest quarter was upgraded to provide de-watering for a newly built highway Pristavny most-Viedenska cesta connecting the city with the Austrian border. The highway is scheduled for completion at the end of 2005 (assuming no delays) and the newly built facilities will not be fully deployed before the highway is put into operation. Water from the highway will be led through shafts to be constructed as a part of highway construction into the channel through a water extraction system built within the present project. The construction is complete and all equipment has been tested. There were a lot of delays and additional costs for the final beneficiary (Petrzalka). Operating arrangement is agreed with the Danube River Authority for the specialised water management facilities. The project plays a role in the protection of cross-border bio corridors.

#### **SK-0113.03 Business Incubator in the City of Malacky**

The business incubator has been reconstructed and launched with a significant delay mainly due to delays in the tendering process. Some 2,600 m<sup>2</sup> of office space have been constructed including offices and meeting facilities. The ground floor and first floor of the incubator house a number of commercial shops at market rent with demand exceeding expectations. There are now 12 companies using the incubator and a further 18 companies (mainly shops and services) renting the premises at normal commercial rents with about 65 new jobs created in total (250 expected for 2005). The 0.200 M€ TA component of the project has raised questions over efficiency, as its main result was the training of three incubator staff (with binding five-year contracts with the City of Malacky) and the preparation of a few documents. The incubator itself employs seven staff in total.



**SK-0102.01 SR/H Reconstruction of Road II/587 Plesivec at the Hungary/Slovak State Border**

A 3.8 km section of a road leading to the border crossing to Hungary was reconstructed (starting in the Plesivec main square). A further 8 km of road remain under the authority of the Region, which should be reconstructed in the future. The section covered by the project was the most problematic one as the remaining road is on flatter land. The project assumed improvements in administration at the border crossing, which were not verifiable.

**SK-0113.02 Wastewater Disposal System of the Villages in the Basin of the River Morava**

The project involved the construction of two sewerage lines in seven villages and the intensification of an existing WWTP in Gajary (built with the support of PHARE CBC 1998). The project was contracted close to the deadline, leaving a shorter than expected period for works. As construction was completed in the winter of 2004, inhabitants have not yet been able to build connections to the new sewerage lines but local government do not anticipate serious problems in this respect. The project built about a third of the required total sewerage networks in the seven villages, covering some 50-60% of their total population. The villages intend to seek further project financing for the completion of the sewerage network.

**2002/000-603.01 and 2002/000-604.01 Environmental Protection and Nature Conservation in the Hungarian-Slovak Border Region through Local Initiatives**

The GS aimed at improving contacts among environmental protection institutions and promoting joint local initiatives was launched in 2004. The Call for Proposals was issued in July 2004; proposals were evaluated in October and contracted in November. The full amount of funding has been contracted – 1.8 M€ (PHARE) with four 1.3 M€ for investment actions and 0.5 M€ for various studies. National co-financing is 25%. The four investment projects awarded focus on wastewater treatment infrastructure and are currently concluding tenders and contracts for works. The studies focus on a number of development opportunities for sustainable tourism. Five final beneficiaries are villages in the region, while the remainder are associations and public institutions. The initial number of applicants was about 20 but in the end, choice was made only among 13 eligible projects.

**2002/000-635.01 Reconstruction of Road III/520 19 Oravice-Zuberec at the Polish/Slovak State Border**

The Oravice-Zuberec road with total length of 5.6 km is one of great regional importance connecting the Zuberec region to the Sucha Hora border crossing to Poland and to the road leading to the Liptov region. The road belongs to the so-called Small Tatra Circuit serving a number of tourism localities (Oravice and Besenova thermal pools, Zuberec and Habovka skiing centres). The present road is of very low quality, in parts a forest road and makes access very difficult especially in the winter, requiring the use of a route almost four times longer. Works on the road have begun and are continuing as weather allows.

**2002/000-642.02 Moravsky Svaty Jan Bridge over the River Morava**

The project involves the construction of a temporary (due to agreements with environmental protection agencies) bridge at the border crossing to Austria at Moravsky Svaty Jan. The bridge replaces a pontoon bridge provided by the Austrian side and operated by the Slovak side after a 1994 agreement between Moravsky Svaty Jan and the village of Marchegg. Construction works on a bridge, which will raise the number of days a broader crossing to Austria is accessible, has begun. The new bridge will be able to open to let river traffic through, while the original bridge had to be moved. The pontoon bridge was unusable some 50 days per year due to high river water level and closed to freight transport over 3.5 tonnes forcing drivers to cross at much more distant crossings near Bratislava. Furthermore, no scheduled bus routes were possible due to uncertainty over whether the bridge would be open. The contracting of the bridge was delayed by a year compared to the original schedule. Further difficulties were experienced due to demands of environmental protection authorities but the bridge is on track for timely completion.

**2002/000-635.02 Development of Environmental Infrastructure - Districts of Kezmarok, Poprad, Stara Lubovna**

The construction of environmental infrastructure has begun involving the construction of sewerage pipes and six WWTPs in seven villages in the border region with rich natural and historical heritage. The final beneficiary of the project is an association of villages involved. The overall objective of the project is to assist sustainable tourism development. While in some localities the benefit will be mainly local, others are facing difficulties in terms of obtaining consent of environmental authorities for further construction activity before the completion of adequate environmental infrastructure. One of the villages overlaps with the earlier 2001 project in the region, building a new WWTP.

**2003/004-616.01 Development and Support of Business Sites and Infrastructure, Innovation Activities and Human Resources in Border Areas**

The GS launched in parallel with the Hungarian 2003 CBC programme and is to offer 1.3 M€ for investment actions and 0.5 M€ for studies and human resources development. National co-financing is 25%. The investment activities focus on technology incubators, IT infrastructure, technology and innovation. The other component allows a number of activities in the areas of business support, training, counselling and preparation of construction plans, business plans and studies. There are changes of the PF pending approval to specify national co-financing more clearly. Following the approval, a Call for Proposals is ready to be launched by the RDSA reducing originally anticipated period for implementation by a year from two years.

**2003/005-704.01 Environmental Protection and Nature Conservation in the Slovak-Austrian Border Region**

The 3.4 M€ GS (with additional 25% national co-financing by final beneficiaries) aims to conserve natural resources in the border region, improve environmental potential and thus improve living conditions, support alternative energy sources and improve cross-border

co-operation and co-ordination in land-use planning and regional development. Of the PHARE support, 0.5 M€ is allocated for environmental studies and strategies, 1.8 M€ for investment actions, 0.9 M€ for renewable energy and 0.2 M€ for TA for the implementing authority. There are changes of the PF pending approval to specify national co-financing more clearly. Following the approval, a Call for Proposals is ready to be launched by the RDSA.

#### **2003/005-704.01 Economic Development Focusing on Support of Tourism**

The GS focused on supporting tourism development in the cross-border region offers in total 1.7 M€ for investment activities in the area of tourism activities and cross-border networking of information centres. An additional 0.2 M€ is allocated for preparing a project pipeline for INTERREG and 0.1 M€ for TA to the IA. National co financing is 25% for the investment components. A call for INTERREG IIIA Austria-Slovakia, which also includes tourism, was launched in November 2004, which implies that the present project will not be able to serve the function of preparing for INTERREG. There are changes of the PF pending approval to specify national co-financing more clearly. Following the approval, a Call for Proposals is ready to be launched by the RDSA.

#### **2003/005-665.01 Business Related Infrastructure Grant Scheme**

The project will support the creation of business infrastructure in the border region with Poland to the tune of 0.1 to 0.3 M€ per project with a total of 3.6 M€ of PHARE funds and 25% national co-financing. Publication of the Call for Proposals originally planned for the first quarter of 2004 is likely to take place towards the end of the first quarter 2005. In January 2005, the Call for Proposals was launched for INTERREG IIIA with partial overlap with some measures. There are changes of the PF pending approval to specify national co-financing more clearly. Following the approval, a Call for Proposals is ready to be launched by the RDSA.

### **Component 4 – Joint Small Project Funds**

The aim of this component is to improve the bi-lateral relations between Slovakia and its neighbouring countries of Austria, Hungary and Poland. Typically, JPSF provides co-financing to ‘people-to-people’ projects, which aim to contribute to the promotion of cultural communication and economic co-operation among inhabitants and institutions of the border region, through a variety of small-scale actions, with a PHARE contribution up to 90%, and a maximum budget of 50,000 €.

In the period of this IE, four grants were awarded by the **SK/HU CBC JSPF**. While the main focus of 2001 CBC projects here was on cultural exchange, in the approved 2002 FM projects major attempts are being made to activate cross-border tourism potential. In mid-2004, the **SK/A JSPF** awarded 19 grants to support a wide variety of projects, with a relatively high (and increasing, compared to the past) share of those strengthening CBC strategy building and partnership-development. On the **SK/PL** border, PHARE CBC JSPF will support some 35 small-scale projects, which are often oriented on various ‘mirroring’ cultural activities. The **2003 External Border Initiative** is addressing the regional development challenges faced by Slovakia, of becoming the new external border of the EU. No particular activities have been launched yet.

## ANNEX 7 TDGS and IDGS QUESTIONNAIRE

In the course of this interim evaluation, a questionnaire was distributed to the grant project recipients of TDGS and IDGS in order to find out the progress and quality of the preparatory activities. The following questions were asked:

**1. Apart from current grant, have you ever received PHARE or other grant?**  
 A PHARE            B other sources            C no

**2. How did you prepare the project?**  
 A on our own            B in co-operation with consultant            C we contracted consultant

**3. How did you learn about possibility to get PHARE grant?**  
 A info seminar            B RDA            C RAIC  
 D internet            E press            F other

**4. Was the information you obtained during the grant application (operational guidelines, guide for applicants) sufficiently clear?**  
 A totally            B partly            C not at all

**5. If further information were needed during the project preparation and implementation, where have you asked them from?**  
 A MoE            B NADSME            C RDA            D RAIC

**6. Have you organized public procurement within the project?**  
 A supply            B works            C services

**7. Have you prepared it on your own?**  
 A yes            B no

**8. Will you apply for EU grant in the future (PHARE, SF)?**  
 A yes            B no

Based on the responses (TDGS 14 replies, IDGS 42 replies) the following conclusions can be made:

- The majority of grant applicants (in small grant schemes), which are both public and private bodies, can design projects on their own or in co-operation with consultancy companies. Very rarely, in case when no previous experience is available, consultancy companies are contracted to provide these services.
- Although majority of respondents referred to the clarity of guidelines as relatively good, many of them pointed out that the instructions provided were changed in the process, and when different institutions were asked for explanation (MoE, RAIC) they provided contradictory instructions. The reporting format is considered too complicated. In both application and reporting processes, more detailed and

definite/clear explanations of how to fill in individual tables was required. It would have been very helpful to assist the design stage for grant applicants by providing them with simplified Slovak version of Project Cycle Management Handbook, in particular, the logical framework principles. Some examples of previous very well written proposals could have been provided.

- In terms of publicity, the most effective seems to be internet and media. The quality of guidelines was acceptable however, majority of grant recipients complained about the too bureaucratic procedures and administration, too many confirmations that could have been simplified through the delivery of one single binding statement.
- Tendering procedures have been managed without substantial difficulties mostly by the recipients; the majority of tenders were for supplies.