

## STANDARD SUMMARY PROJECT FICHE

### 1. Basic information

1.1. CRIS Number: 2003/005.665.01 (Slovak Republic) - 2003/005.681.01 (Poland)

1.2. Title: Business Related Infrastructure Grant Scheme (BRIGS)

1.3. Sector: Phare CBC Slovakia - Poland

Location: Žilina and Prešov regions in the Slovak Republic; in Poland, two lines of powiats

- southern part of Slaskie, Malopolskie and Podkarpackie Voivodships, i.e. the following powiats:
- Malopolskie Voivodship: Nowy Sacz, Gorlicki, Nowosadecki, Nowotarski, Suski, Tatrzański, Tarnów, Brzeski, Limanowski, Myslenicki, Tarnowski, Wadowicki;
- Podkarpackie Voivodship: Krosno, Bieszczadzki, Jasielski, Krosnienski, Sanocki, Przemysl, Brzozowski, Debicki, Przemyski, Strzyzowski;
- Slaskie Voivodship: Cieszynski, Zywiecki, Bielsko-Biala, Jastrzebie Zdrój, Bielski, Pszczynski

### 2. Objectives

#### 2.1. Overall objective

To strengthen the economic potential in the eligible Polish-Slovak border regions.

#### 2.2. Project purpose:

To improve business related infrastructure while promoting economic development

#### 2.3 Accession Partnership and NPAA priorities

##### **Slovakia:**

##### Accession Partnership (AP)

##### *Economic criteria:*

- Continue enterprise restructuring and promote private sector development; complete the privatisation process

##### National Plan for the Adoption of the Acquis (NPAA)

##### *Medium-term priorities (chapter 16 of the NPAA)*

- to strengthen the position and stimulate the growth of SMEs
- to increase the competitiveness of SMEs

##### **Poland:**

##### Accession Partnership (AP)

*Medium term priority – economic criteria* – “improving the competitiveness of the Polish economy including market access readiness, SMEs, the existence of a conducive legal and commercial environment and upgrading of skills”

##### National Plan for the Adoption of the Acquis (NPAA)

The project complies with at least three *priorities* specified in the NPAA: Economic Policy, Improvement of Competitiveness of Small and Medium Businesses, Tourism.

## 2.4 Contribution to the National Regional Development Plan (NRDP)

The project is in line with the National Development Plan.

### **Slovakia:**

#### Development axes of NDP:

- utilisation, restructuring and development of the productive potential of regions
- enhancement of the innovative capacity of regions

#### Global objectives of NDP:

- Support of continuous growth in competitive production

Within the SOP for Industry and Services, the project will contribute to the following objectives:

- Continuous growth in competitive production and services with special regard to small and medium-sized enterprises
- Restructuring, micro-economic adaptation and stimulating the development of industry

### **Poland:**

#### National Development Plan

The project is fully in line with the National Development Plan. It should assist in achieving the following objectives:

- Improvement of the Economy's Competitiveness through Modernisation and Structural Adjustment of Industry and Services (*Growth in Competitiveness of Restructuring Sectors of Industry; Development of the SMEs sector; Growth in Innovation*)
- Strengthening Development Potential of Regions and Counteracting Marginalisation of Certain Areas (*Development and Modernisation of Infrastructure Serving to Strengthen Competitiveness of the Region*)
- Restructuring the Economic Basis of the Regions and Creating Conditions for Diversification (*Supporting Development of Small and Medium Enterprises; Support for Innovations and Technology Transfer; Development of Tourism, Recreation and Protection of Cultural Heritage*)

### **In both countries:**

The BRIGS fully complies with the objectives of the Joint Programming Document where "economic development" has been identified as one of the key spheres of co-operation. The following measures have been identified M1 – Development of small and medium-sized enterprises, M2 – Development of co-operation between economic entities in field of production and services, M3 Development of co-operation of economic subjects in production and services M4 – Co-operation in the field of tourism and health resorts.

Implementation of this project (priority: Economic Development) will enable to achieve full compliance with the JPD (the weights of priorities will be precisely as envisaged in the JPD).

## 2.5 Cross Border Impact

The cross-border nature will be the basic criterion for evaluation and selection of individual projects.

Phare shall support projects with a genuine cross-border nature favouring the economic development. Lack of the adequate infrastructure is one of the main barriers of the economic development in this area and hampers the free flow of people and goods across the border. The project will also contribute to improve the attractiveness of the Polish-Slovak border area to potential foreign investors.

The existence of a more favourable business environment should also favour the creation of joint ventures between SMEs from both sides of the borders and further increase co-operation among research institutions and the SME sector.

The project complies with the priorities of the Slovak-Polish Joint Programming Document. Partners from both sides of the border will participate in the project evaluation session. Thus not only the information on the projects recommended in the relevant country will be exchanged between the Polish and Slovak authorities but the opinion of foreign partners on the cross border nature of the relevant project and its benefits for inhabitants on the other side of the border will be taken into consideration while making recommendations on granting the Phare support.

### **3. Description**

#### **3.1. Background and justification**

The Slovak – Polish cross border region includes two Higher Territorial Units Žilina and Prešov on the Slovak side and two lines of Powiats on the Polish side as defined in JPD.

The economic development in the Polish-Slovak border region is lagging behind even in comparison with other Polish and Slovak regions. The regional economy is characterised by a relatively low regional GDP, limited investments and strong under-capitalisation. The economic co-operation between entities in the border region allows the utilisation of common know-how and the creation of conditions for the development of a common economic area, using its comparative advantages and internal potential.

On the other hand there are several factors, which negatively influence further development of economic potential and innovation capacity of the region, such as:

- High rate of unemployment
- Poor infrastructure conditions (notably road and railway transport networks)
- areas with degraded environment
- Low level of cross-border economic co-operation

Natural environment is one of the key assets of this region. The highest mountains in Slovakia and Poland (Tatra), a large number of lakes and forests attract each year thousands of tourists from both countries. However, the lack of the proper infrastructure (e.g. lack of the sewerage systems) contributes to the degradation the environmental conditions, preventing investors and visitors to come here. Thus the economic potential of the region is not fully used.

The proposed project takes into account the above-mentioned problems and barriers as it concentrates on strengthening the regional business support infrastructure. The co-operation with the similar institutions in the border region of Slovakia and Poland will enable design and implementation of common projects in the cross-border region.

### **3.2. Linked activities**

#### **Slovakia**

Past Phare Activities:

Grant Scheme for Slovakia/ Austria 2002 – Economic co-operation  
Joint Small project Fund (JSPF) Slovakia/ Poland 2000-2002

SR 9906.02 Economic reform

Establishment of business incubators in Martin and technology and incubator centre in Banska Bystrica

SK 0009.01 Improvement of business infrastructure in the Eastern regions of Slovakia  
Improvement of business infrastructure environment for SMEs

Establishment of business incubators in Rožnava and Spišska Nova Ves and technology incubators in Prešov and Košice

#### **Poland:**

Similar ‘small infrastructure’ projects related to economic development have already been in operation in Poland within the following programmes:

Polish-Slovak Phare CBC programme 2000 (Small Infrastructure Project Fund)

Polish-German Phare CBC programme: edition 1999 and 2000 (Small Infrastructure Project Fund), edition 2001 (Grant scheme for Business related infrastructure).

The grant model has been also used within the previous editions 2000-2002 of the Polish-Slovak Phare CBC programme - Joint Small Project Fund (JSPF). The JSPF makes it possible to implement undertakings supporting contacts among inhabitants of the border regions. This project will create better infrastructure conditions for developing direct co-operation supported within the JSPF.

### **3.3 Results**

The means for achieving the planned results will be through successful implementation of the BRIPF. Results of the project will be as follows:

**Business related infrastructure of cross border importance improved** (e.g. transportation network modernised, bottlenecks in the development of small and medium businesses related to the environment infrastructure removed, infrastructure of technology incubators created/modernised), including cross-border tourism infrastructure (such as bike roads and tourist routes established/modernised). Each from these activities will respect environment protection.

### **3.4 Activities**

**Creation of business related infrastructure** for the development of the cross border co-operation, including development of the cross border tourism infrastructure.

The project will support investment activities that are directly linked to the business development in this area. It will co-finance local environmental infrastructure, transportation network infrastructure and tourism infrastructure. A detailed list of eligible activities will be developed in the “Guidelines for Applicants” that will precisely define all rules on the functioning of the Fund.

For the activities described above, the following rules will apply:

Organisations eligible for support have to be the public authorities

Eligible areas:

Applicants have to be registered at the regions of Žilina and Prešov on Slovak side and in the two lines of powiats on the Polish side:

- on the Slovak side: counties - Higher Territorial Units (VÚC) Prešov and Žilina
- on the Polish side: southern part of Slaskie, Malopolskie and Podkarpackie Voivodships, i.e. the following powiats:
  - Malopolskie Voivodship: Nowy Sacz, Gorlicki, Nowosadecki, Nowotarski, Suski, Tatrzański, Tarnów, Brzeski, Limanowski, Myslenicki, Tarnowski, Wadowicki;
  - Podkarpackie Voivodship: Krosno, Bieszczadzki, Jasielski, Krosnienski, Sanocki, Przemysl, Brzozowski, Debicki, Przemyski, Strzyzowski;
  - Slaskie Voivodship: Cieszyński, Żywiecki, Bielsko-Biała, Jastrzebie Zdrój, Bielski, Pszczynski

Profit oriented organisations are not eligible.

Projects selected for financing have to fulfil following criteria:

CBC Criteria

Cross-border impact – contribution of the project to the development of cross-border region and cross-border co-operation

Contribution to the country’s integration process into EU and to the implementation of Accession Partnership and NPAA

Selection criteria (in accordance with the Chapter VI. of PRAG):

**Readiness for implementation:**

- The successful applicants will have to present projects ready for implementation (technical documentation/business plans developed, ownership conditions settled, environmental impact assessment performed – if required by the national law etc.)

**Relevance:**

- Conformity of project operation with wider regional development strategies
- Clear definition of target groups and relevant benefits for them

**Methodology:**

- The preparedness and elaboration of the project proposal
- The rationality of the project proposal.
- Realistic time-schedule for implementing the project proposal
- Objectively verifiable indicators for project outcomes

**Sustainability:**

- Guaranteed sustainability of the project in the future
- Beneficial social, economic and environmental impacts of the project
- Possible multiplier effects of the project

**Budget and cost effectiveness:**

- Reality and transparency of the financial plan of the project proposal
- Justification of the planned budget
- Cost effectiveness of the project
- Phare CBC support – 100.000 EURO – 300.000 EURO
- Self-contribution – min. 25% of the total eligible project value (from public funds)

**Management capacity and expertise:**

- Availability of the necessary personal, technical expertise, management capacity and institutional capacity for the implementation of the project proposal

**3.5. Lessons learned**

In the Slovak Republic, experience has been gained notably through the 1999 and 2000 NPs (construction of business incubators in Eastern Slovakia) and the various JSPFs.

As for the Polish side, experiences were gained while implementing several editions of the Small Infrastructure Project Funds within the Polish-German Phare CBC programme as well as the Small Infrastructure Project Fund within the Polish-Slovak Phare CBC 2000 programme. Despite the great need for medium-sized infrastructure projects in the border regions, it turned out that the applicants had problems with submitting properly prepared projects of truly cross border character. This implies the necessity of organising intensified training sessions for potential applicants.

**4 Institutional Framework****Slovakia**

The recipient institution is the Ministry of Construction and Regional Development of SR and Regional Development Support Agency will be responsible for the monitoring of the overall project implementation.

The project shall be implemented in accordance with the detailed principles prepared by the Implementing Authority and approved by the European Commission, as described in Chapter VI „Practical Guide to Phare, ISPA & SAPARD contract procedures”. The regional authorities will be involved in the process of project evaluation and selection. Observers from the Polish side will be invited to the evaluation sessions.

## Poland

The Implementing Authority for the Phare Cross-border Co-operation Program at the Ministry of Internal Affairs and Implementation shall be the institution responsible for the implementation of the project (Contracting Authority). The project shall be implemented in accordance with the detailed principles prepared by the Implementing Authority and approved by the European Commission, as described in Chapter VI „Practical Guide to Phare, ISPA & SAPARD contract procedures”.

The regional authorities will be involved in the process of project evaluation and selection. Together with the Phare CBC IA they will provide a series of training session for applicants. Observers from the Slovak side will be invited to the evaluation sessions.

## 5. Budget (MEUR)

	Phare support		Total Phare (=I + IB)	National Co-financing		TOTAL
	Investment	IB		Slovakia	Poland	
Total	7,2		7,2	1,2	1,2	9,6

The co-financing will be ensured by the beneficiaries (municipalities, counties)

## 6. Implementation arrangements

### 6.1 Implementing Agency

#### Slovakia

Implementing Agency: Ministry of Construction and Regional Development of SR  
Regional Development Support Agency  
Špitálska 8 - 816 44 Bratislava  
Contact: Mr. Július Slovák - PAO  
Phone: +421 2 5975 3414  
Fax: +421 2 59753438  
e-mail: slovak@build.gov.sk

#### Poland

Implementing Agency: Implementing Authority for Phare Cross Border Co-operation Programme  
Address: Krucza 36 Street; 00-522 Warsaw  
Phone: +48 22 6618739  
Fax: +48 22 6284722  
E-mail: Phare@wwpwp.it.pl

PAO: Mr. Pawel Dakowski - Under-Secretary of State, Ministry of Internal Affairs and Administration; Address: S. Batorego 5; 02-591 Warsaw, phone: +48 (0)22 621 03 91; fax: +48 22 849 52 13, e-mail: [wydzei@die.mswia.gov.pl](mailto:wydzei@die.mswia.gov.pl)

**6.2 Twinning** – not applicable

**6.3 Non-standard aspects** – The Practical guide to PHARE, ISPA and SAPARD contract procedures will be strictly followed. For Poland, implementation will follow the national public procurement law.

**6.4 Contracts** - The Phare allocation will amount to grant fund available is 7,2 MEUR. The exact number of contracts will be known after the selection procedure.

## **7. Implementation schedule**

The key activities should take place according to the following schedule:

<b>Financing Memorandum</b>	<b>Publication of Call for Proposals</b>	<b>Start of project activity</b>	<b>Project Completion</b>
4th quarter 2003	1 <sup>st</sup> quarter 2004	3 <sup>rd</sup> quarter 2004	3 <sup>rd</sup> quarter 2006

## **8. Equal opportunity**

Only such projects will be selected for support in the BRIGS that do not contain discriminatory elements and that are open for women and men on an equal basis.

## **9. Environment**

No environmental impact study has been completed for the project during the preparation of the project fiche. It will be a requirement of each individual application that it provides information on environmental impact.

## **10. Rates of return**

Rates of return will be established for each individual BRIGS application. The individual applications submitted to the IA for grants shall determine the rates of return of individual investments.

## **11. Investment criteria**

### **11.1 Catalytic effect:**

The Phare contribution will help meet the development needs outlined in the Joint Programming Document (JPD) of the Poland–Slovakia border region. Because of the demanding investments required, without Phare support the steps and objectives included in the programme would be implemented only much later and at a much slower speed.

### **11.2 Co-financing:**

The project will be co-financed from Phare and national resources (public funds). The ratio - 75% Phare and 25% national co-financing for investment projects. This will be joint co-financing within all the contracts.



**11.3 Additionality:**

Financial support to be provided by Phare will not replace any other funding, but will be complementary to it.

**11.4 Project readiness and Size:**

All documents shall be prepared according to the PRAG template and submitted to the Delegation for endorsement prior to the launch of the Call for proposals.

Only projects ready for tendering can be supported.

The non-refundable grant is limited to a maximum of 300 000 EUR per project. The minimum amount of the grant is 100 000 EUR.

The Phare contribution to the project is € 7.2 million and meets the minimum project size requirements.

**11.5 Sustainability:**

The beneficiaries will be responsible for the sustainability of the project and will provide the administrative staff and the necessary funds for the operational costs. The ability of the applicant to finance the long-term operation and maintenance of investments shall be proved in the application and checked at the project selection phase.

**11.6 Compliance with state aids provisions**

All actions financed by Phare will respect the state aid and competition provisions of the Europe Agreement.

**11.7 Contribution to National Development Plan**

The project proposal is in line with the priorities identified in the respective National Development Plan.

**12. Conditionality and sequencing**

No conditionality applies to this project.

**Annexes to Project Fiche:**

1. Logical framework matrix
2. Contracting and disbursement schedule
3. Detailed implementation chart

**Annex 1 LOGICAL FRAMEWORK MATRIX**

<b>Business Related Infrastructure Grant Scheme</b>		2003/005.665.01 (Slovak Republic) - 2003/005.681.01 (Poland)	Programme name and number: Phare CBC Programme Poland-Slovakia 2003	Date of drafting: April 2003
			Contracting period expires: 30.11.2005	Disbursement period expires: 30.11.2006
			Total Budget: 9.6 MEUR	PHARE contribution: 7.2 MEUR
<b>Overall Objectives</b>	<b>Objectively Verifiable Indicators</b>	<b>Source of Verification</b>		
<ul style="list-style-type: none"> <li>▪ To strengthen economic potential in the Polish-Slovak border regions</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduction of differences in the business-related infrastructure between the neighbouring countries</li> </ul>	<ul style="list-style-type: none"> <li>▪ National and Regional Statistics Office reports</li> <li>▪ Business register</li> <li>▪ National labour office records</li> </ul>		
<b>Project Purpose</b>	<b>Objectively Verifiable Indicators</b>	<b>Source of Verification</b>	<b>Assumptions and Risks</b>	
<ul style="list-style-type: none"> <li>▪ To improve infrastructure needed for business development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of new companies in the border area</li> <li>▪ Number of Polish tourists in the Slovak border region and of Slovak tourists in the Polish border region</li> <li>▪ Increased use of the tourist infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ministry of Economy records</li> <li>▪ Business register</li> <li>▪ Regional Development Agency records</li> <li>▪ National and Regional Statistics Office reports</li> <li>▪ Tourist Institutes records</li> </ul>	<ul style="list-style-type: none"> <li>▪ Favourable and stable conditions for economic development</li> </ul>	
<b>Results/Outputs</b>	<b>Objectively Verifiable Indicators</b>	<b>Source of Verification</b>	<b>Assumptions and Risks</b>	
<ul style="list-style-type: none"> <li>• Business related infrastructure of cross border importance improved (e.g. transportation network modernised, bottlenecks in the development of small and medium businesses related with the environment infrastructure removed, infrastructure of technology incubators created/modernised), including cross-border tourism infrastructure (such as bike roads and tourist routes established/modernised).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business related infrastructure fully operational</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ministry of Economy records</li> <li>▪ Reports of direct beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Administrative support</li> </ul>	
<b>Activities</b>	<b>Means</b>	<b>Cost</b>	<b>Assumptions and Risks</b>	
<ul style="list-style-type: none"> <li>▪ Creation of the business-related infrastructure for the development of the cross border co-operation, including development of the cross border tourism infrastructure</li> </ul>	The project shall be implemented according to the grant system. Expenses will be known upon identification of subprojects.	<b>Phare: 7.2 MEUR</b> Self-contribution ( Joint Slovak and Polish sources): 2.4 MEUR	<ul style="list-style-type: none"> <li>▪ Co-operation among public authorities ensured in the cross border region</li> <li>▪ Public resources for co-financing available</li> </ul>	
			<b>Preconditions</b>	

**CONTRACTING AND DISBURSEMENT SCHEDULE (cumulative in MEUR)**

	2004				2005				2006				
	1.Q	2.Q	3.Q.	4.Q.	1.Q.	2.Q.	3.Q.	4.Q.	1.Q.	2.Q.	3.Q.	4.Q.	Total
Contracted			7,2	7,2	7,2	7,2	7,2	7,2					7,2
Disbursed			1,5	2,5	3,0	4,0	4,5	5,0	5,5	7,0	7,2		7,2

**DETAILED IMPLEMENTATION CHART**

	2004												2005												2006											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	F	M	A	M	J	J	A	S	O	N	D	J	A	S	O	N	D
Activity 1	X	X	X																																	
Activity 2				X	X																															
Activity 3						X	X																													
Activity 4							X	X																												
Activity 5							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Activity 1 – Call for Proposals

Activity 2 – Project evaluation and selection

Activity 3 – Contracting (Grant contracts)

Activity 4 – Tendering and contracting time for beneficiaries (works and supplies contracts)

Activity 5 – Implementation and disbursement