

STANDARD PROJECT FICHE

Neighbourhood Programme BG-SCG

1. Basic Information

- 1.1 CRIS Number: 2004/016-785.01.01
- 1.2 Title: **LOCAL CAPACITY BUILDING GRANT SCHEME**
- 1.3 Sector:
- 1.4 Location: The border region between Bulgaria and Serbia & Montenegro
- 1.5 Duration:

2. Objectives

2.1 Overall Objective(s):

- To maximise the social and economic cohesion between the border area by encouraging contacts and co-operations at various levels.
- To exploit and manage the border area's territory in a co-ordinated and integrated way between the two sides of the border, thus creating the basis for a sustainable economic development.

2.2 Project purpose:

- Increased capability of local and regional authorities, as well as their socio-economic partners, to develop and implement projects with clear cross-border impact and in line with the NP JPD Bulgaria - Serbia and Montenegro (2004-2006).

2.3 Coherence with the Joint Programming Document 2004-06 RO-SCG:

The project is consistent with the priorities defined within the Joint Programming Document (JPD) under the Neighbourhood Programme between Bulgarian and Serbia & Montenegro (2004-2006), which aims ***to increase cross-border contacts mainly through interventions addressed to the territory and its economy and through strengthening of institutional relations.***

The project sets out the necessary background for effective cross-border cooperation and efficient absorption of the EU-funds allocated over a 3-year period (2004-2006). It integrates both Priority 1 and 2 of the JPD, by placing emphasis firstly on the JPD Priority 2 "**SUPPORT TO SOCIAL, INSTITUTIONAL AND ECONOMIC COHESION**", aiming to intervene on the local actors' attitude for cross-border co-operation and in promoting joint actions towards the socio-economic cohesion throughout the whole border area.

Therefore, the project addresses the implementation in synergies the following two measures laid down in the JPD:

- **MEASURE 2.1: regional and local co-operation between institutions and communities**
- **MEASURE 2.2: enhancing cross-border social and economic cohesion**

However, the project also supports to a certain extend the future implementation of projects under JPD Priority 1 "**PROMOTING SUSTAINABLE ECONOMIC DEVELOPMENT**", with its predominantly investment character. As prescribed in the JPD, the implementation of measures 1.1 and 1.2 will pass through two phases: (1) During the first year of the NP implementation, namely 2004, support to actions for preparing small and medium size business-related infrastructure projects will be ensured (such as cross-border development

plans, feasibility studies, etc.), which positively impact on the cross-border economy. At this extent, joint strategies, studies and concepts for access infrastructure serving as the base for larger investments are to be elaborated in order to create coherent cross-border infrastructure development. (2) Most of the prepared small and medium sized infrastructures could possibly be implemented in the following two years of the NP, namely 2005 and 2006, while some of them could search also for additional funding through other financial lines and programmes.

Therefore, the project addresses partially also the implementation of the following JPD measures:

➤ **MEASURE 1.1: improving business-related infrastructures**

➤ **MEASURE 1.2: safeguard and management of the natural environment**

while giving the opportunity to identify, formulate and preliminary prepare small-scale investment initiatives for further implementation under the NP over the next coming years (2005-2006).

2.4 Accession Partnership (AP) and NPAA priority:

With reference to the Accession Partnership, this project aims to support an integrated approach for addressing regional disparities in the border region. By strengthening and development of joint initiatives across the border, the project stimulates real cross-border co-operation in the regions, seen as one single unit.

2.5 Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP):

The proposed Grant Scheme is in line with the National Economic Development Plan of the Republic of Bulgaria over the 2000-2006 period, and namely with priority 4 "Developing Cross-border Cooperation" under the indicative programme for "Balanced and Sustainable Regional Development". The Bulgarian Government has planned to actively support and complement the EU initiatives and programmes for cross-border cooperation, while seeking to incorporate the latter into the national framework for regional development planning and programming. The NEDP aims at achieving sustainable development of the entire border region rather than of some individual border areas. The main goal pursued under the above mentioned priority area refers to opening up new horizons, fostering the socio-economic development of the border areas and gradually overcoming the problems resulting from their isolated position at the country's periphery.

2.6 Cross Border Impact

3. Description

3.1 Background and justification:

The border region between Bulgaria and Serbia is still to be considered a noticeably segmented space from the economic point of view, where the substantial development axes does not cross or connect, while it seems to have quite a potential in social and cultural similarities. The **fragmented economy** together with the **depopulation trends** represent the main challenges to be faced by the border area when, at the eve of Bulgarian accession in the EU, a major cross border dynamism is utmost required. Cross border cooperation will have to mitigate these phenomena by facilitating economic, social and institutional integration and by creating a desirable economic and social environment in the border area. This will contribute to a general socio-economic stabilisation of the whole region and mostly contrast its peripheral characteristics.

The first challenge is referred to a key issue to *invest in the effective valorisation and the efficient management of the territory*. Without adequate trans-frontier links, trades and communications region-to-region and people-to-people is extremely difficult. Cross border co-operation could give a decisive impulse in this field of vital importance, promoting the collaboration between public and private sectors.

The second challenge is to *increase cross border networks, interactions and connections both at the social and economic spheres*. These represent decisive factors to make the area more attractive for investments, to stimulate internal demand and to enhance general development in the border area.

To concretely face these two challenges one of the main goals must be the building of a local institutional capacity in the region, both at regional and local levels. The rationale behind the present project is to intervene on the local actors' attitude for cross-border co-operation and in promoting joint actions towards the socio-economic cohesion throughout the whole border area. It aims to establish and create favourable conditions for further effective cross border co-operation. Also, the strengthening of local capacities in project generation, management and administration is seen as a prerequisite for the success of the NP, thus equalising capacities in institutions and administrations from both sides of the borders as well as in creating a common methodological framework for further joint cross border actions (designing of a common development strategies, acquiring skills for management of common projects, establishing joint communication strategies towards actors outside the border area, etc).

The local capacity building scheme aims at small-scale intervention, addressing the identified problems derived from the existing border and supporting the joint regional development initiatives. Especially at the Bulgarian side of the border the project will enhance the future territorial integration of Bulgaria into the European Union thus preparing the Bulgarian regions, regional and local institutions for successful participation in interregional projects.

The grant scheme seeks to actively engaging local/regional authorities and development organisation in establishing cross-border networks as well as at the elaboration of economic development strategies. As a result of this sufficient number of individual cross-border projects should be identified. Within the eligible activities of the grant scheme a priority will be given to the support for preparation of small-scale investment projects, which are identified as being significant in the implementation of local and regional strategies. However, past experience with investment initiatives has shown that such projects are technically demanding (involving feasibility studies, engineering designs, the use of FIDIC contract conditions), time-consuming, and expensive to prepare. Nor is it clear that all regional/local actors have insufficient capacity to undertake on themselves alone the preparation of such projects for further participation in joint Call for Proposals. It is therefore vital to begin the preparation of such projects and to build regional capacity to do so as soon as possible.

3.2 Sectoral rationale

N/A

3.3 Results

The overall result of the project will be a fully operational grant scheme aimed at establishment of sustainable co-operation networks between local and regional actors in the border region. The grant scheme will support joint projects in order to reach synergies in the cross-border cooperation development, thus providing for achieving the following specific results:

- ⇒ Increased capacity of public authorities in the border region to elaborate realistic development strategies, which are based on the principle of *partnership* (i.e. produced in an inclusive and participatory manner);
- ⇒ Staff of municipalities, LDOs, and socio-economic partners gain knowledge and experience in project cycle management;
- ⇒ Improved knowledge for the preparation and implementation of projects with the cross-border nature within regional and local agencies;
- ⇒ Increased awareness among citizens and businesses about the positive effects of the cross border co-operation;
- ⇒ At least 100-120 applications received as a result of joint Call for Proposals; and average of 10-15 projects approved and successfully implemented;
- ⇒ A pipeline of at least 100 projects with cross-border impact identified and fully prepared/justified with feasibility studies and all other technical documentation required for further applying under joint Call for Proposals;
- ⇒ Increased capacities at local level to use EU procurement procedures; and to manage supply and work contracts.

The foreseen results will be achieved through the implementation of joint projects as described below.

In order to receive support, projects proposed by local authorities as well as by local development organisations, must demonstrate that they will:

- ⇒ Play a significant role in either assisting public authorities in the development and implementation of locally based strategies and actions.
- ⇒ Have an important role in enhancing the image of the border areas;
- ⇒ Facilitate the *local dynamics*, which strengthens the capacity to attract investment and to stimulate enterprises in the border area.

3.4 Activities

The project will be implemented in the form of a grant scheme, while the support granted will be focused on areas/spheres of co-operation in which regions, municipalities, local development organisations and other social-economic partners should have expertise and experience. In particular this will include the eligible spheres of co-operation as set out below:

1) Support for strengthening cross-border cooperation networks

The rationale behind is to involve partnerships of cooperating districts/municipalities from the both sides of the border and based on jointly developed strategy addressing limited number of topics and joint priorities. It aims at providing the basis for future *programming* approaches within, and by, the regions thus allowing for the concentration of available

resources on a limited number of objectives, which have been agreed by local and regional *partnerships*.

This sphere of intervention is fully consistent with measure 2.1 of the JPD (2004-2006), which aims *at improvement of the local public administration and to the public sector in general*. In order to raise awareness and competencies on cross-border co-operation among the public actors the operational objective of the measure is to enhance **institutional co-operation activities** and to promote **cohesion in the public sector**.

2) Support to Local Development Organisations

Increasing the number and capacities of area-based, local development organisations (LDO), which can take on the role of 'development agents' or project promoters is an essential part of the development process. LDO functions might include the promotion of regions for inward investment; establishing links with private sector developers; looking for funding to support local initiatives and developing public-private partnerships. Therefore the grant scheme aims also at promoting the development of LDO in the border region with strong networking, regional promotion and project development skills.

This sphere of intervention is fully consistent with measure 2.2 of the JPD (2004-2006), which aims *at enhancement of local economic relations and to the private sector in general*. The measure intends to foster the **economic co-operation activities** and promote the **economic cohesion** along the border in order to increase competitiveness of the border economy.

3) Support to Project Development

This specific field of intervention aims to increase regional *absorption capacity* by supporting the preparation of strategically important projects across the border, which should be ready for implementation in the next two years of the NP. The rationale behind is to prepare a project-pipeline of small-scale investment projects, and mostly such with direct impact on the cross border economic development, business and trade, transports and logistics, services and tourism. The vision behind such investment initiatives should clearly demonstrate a cross-border impact as well as the potential to foster further economic activities in the area and create the conditions for the enhancement of the economic competitiveness.

This sphere of intervention is addressing both measures 1.1 and 1.2 of the JPD (2004-2006), thus creating the prerequisite for achieving the specific priority 1 objective, namely *to exploit and manage the border area's territory in a co-ordinated and integrated way between the two sides of the border, thus creating the basis for a sustainable economic development*.

The grant scheme will be implemented through joint Call for Proposals and in compliance with the provisions laid down in the JPD. The applications seeking funding under this grant scheme should be jointly prepared by partners from both side of the border, while adopting an integrated approach, with actions selected to contribute to a common objective. Taking into consideration the eligible spheres of co-operation (given above), as well as the grant scheme main purpose, each individual grant contracted should include obligatory activities under the sphere "Support to Project Development", while the amount requested for that should not be less than 50 % of the total grant requested. **The maximum project duration** of a single project under this grant scheme will be **12 months**.

Organisations eligible for support will be: public administrations; representative institutions of citizens; educational institutions; municipalities; regional development organisations, Euro-regions, NGOs, chambers of commerce; SMEs; business support agencies; local development funds; labour chambers and employment offices; business incubators, business sector representative bodies; rural communities; public utilities bodies; authorities responsible for nature protection or nature parks management and public administrations, etc.

. The **eligible activities** under this grant scheme could cover:

- Support for the internal management aspects of regional/local administrations;
- Creation of networks as the basis of regional partnerships by which information, experience and best practise can be exchanged;
- Training courses and workshops on programme and project preparation;
- Elaboration of regional and sub-regional cross-border strategies: local development plans; local action plans; small-scale urban and rural spatial development plans, etc;
- Carrying out detailed stakeholder analysis, review the roles and capacities of stakeholders to engage in the development process;
- Partnership building and promotion of project based partnerships.
- Developing marketing strategies;
- Support to implementation of joint research projects with direct relevance to the border region;
- Organising training sessions, conferences and seminars to local entrepreneurs
- Counselling and advising in business start up, business planning, technology transfer, patents, legal affairs, finances and marketing;
- Information services for /to the entrepreneurs active in the border region;
- Support to the development of new, competitive products, services and technologies
- Feasibility and pre-feasibility studies for small-scale investment initiatives together with the accompanying technical documentation (e.g. building permits, land use certificates, detailed designs, etc.)
- Environmental Impact Analysis and/ or environmental audits and/or investigating existing environmental liabilities prior to proposed investments.
- Establishment of cross-border monitoring systems for natural safeguard

The above given list of activities is not exclusive and will further be specified within the Guidelines for Applicants.

The minimum grant for a single application to be contracted (under Phare) is **€ 50,000** while the maximum one is **€ 300,000**. Moreover, a grant may not exceed 90 % of the total project costs. The balance must be financed from the applicant's or partners' own resources, or from sources other than the European Community budget.

Basic eligibility criteria

To be eligible under this Grant Scheme, projects must fall within one of following categories

- Simple projects with a cross-border effect taking place mostly or exclusively on one side of the border but for the benefit of both partners;
- Complementary projects where an activity on one side of the border is accompanied by a similar activity on the other side of the border;

- Integrated projects where partners on either side of the border contribute different elements to a single project.

Relevance:

- Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the BG-SCG NP);
- Compliance with the objectives of this grant scheme. The applicants must justify that the proposed projects are adapted to the demands of the cross-border region;
- Clearly defined, strategically chosen target groups. Relevance of the projects to the needs of the target group;
- Coherent, appropriate and practical character of the CBC activities proposed;
- Specific elements of added value in the projects, such as innovative approaches, and models for good practice.

Methodology:

- The preparedness and elaboration of the project proposals (including preparedness for evaluation);
- Involvement and activity of the cross-border partners in the elaboration and implementation of the project proposals;
- The realistic implementation of the time-schedule and action plan of the project proposals;
- Objectively verifiable indicators for the project outcomes, methodology for follow-up of the project results.

Sustainability:

- Guaranteed (financial and institutional) sustainability of the developments implemented through the grant scheme;
- Beneficial social, economic and environmental impacts of the project results;
- Possible multiplier effects of the project results (including possibilities for extension of project outcomes).

Budget and cost effectiveness:

- Reality and transparency of the financial plan of the project proposal;
- Justification of the planned budget;
- Cost effectiveness of the development.

Detailed eligibility and selection criteria will be given within the Guidelines for Applicants. The applicant organisations must be registered in the eligible border region.

3.5 Linked Activities:

At present the contacts between the two sides of the border region are predominantly in the fields of cultural and trade relations; further contacts could be pursued in the spheres of production, infrastructure, and protection of the environment, technological and educational exchange. Both Bulgaria and Serbia (although this last in a lesser ratio) have already recorded a number of previous experiences in dealing with EC aid, within the framework of different programmes and initiatives. However, initiatives of such joint character as the NP is providing for the period 2004-2006, are still new for both of them, therefore no any linked activities could be reported up to date.

3.6 Lessons learned: [Please, write this paragraph in a meaningful English]

The project is the first of this type to be implemented between the two neighboring countries with joint EU funding (Phare and CARDS). In regard to that no specific lessons could be reported which to be closely linked with the present project, and the respective Neighborhood Programme. However, the previous experience of both countries under various other programmes could provide enough evidence for the achieved up to now. It is expected, that the proposed Grant Scheme will have positive impact on building the capacity for management of smaller contracts on more decentralized level. Moreover, the implementation of the Grant Scheme will show the strengths and weaknesses that might occur in the next years of the NP's implementation.

4. Institutional Framework

The Grant Scheme institutional framework is based on the principle of both countries being equal partners and with both countries having an equal role in the management structures.

As described in the JPD, the management structures will include: (a) the national authorities responsible for Programme co-ordination (Implementing Agency in Bulgaria, and Project Coordination and Management Unit (PCMU) in Serbia & Montenegro; (b) the Joint Co-operation Committee and the Joint Steering Committee; (c) assisted by a Joint Technical Secretariat.

On the Bulgarian side, the responsibilities for Phare-CBC Programme are laid down with the Implementing Agency Phare – ESC/ CBC at the **Ministry of Regional Development and Public Works**. It will be acting as a Contracting Authority with the overall responsibility for the programme implementation, as well as administrative, technical and financial management of the grant scheme. MRDPW as a co-ordinator for CBC programme is obliged also to monitor the physical and financial implementation of this project including Phare and co-financing payments, and report to the EC in regularly reports.

The MRDPW will ensure necessary human resources for the technical management of the Grant Scheme.

On the Serbian side, the responsibilities on the day-to-day tasks lay down with PCMU at the **Ministry for International Economic Relations (MIER)**, while the **European Agency for Reconstruction (EAR)** will act as Contracting Authority.

The Joint Technical Secretariat, to be established in the framework of the JPD, will assist the Bulgarian IA and the Serbian PMCU in the implementation of the Grant Scheme.

5. Detailed Budget

Year 2004	Phare Support			National Co-financing*	IFI	TOTAL
	Investment Support	IB	Total Phare (=I+IB)			
Grant Scheme	€ 1,200,000	€ 1,080,000	€ 2,280,000	€ 400,000		€ 2,680,000
TOTAL	€ 1,200,000	€ 1,080,000	€ 2,280,000	€ 400,000		€ 2,680,000

* The necessary co-financing for this project will be provided both by the Bulgarian national budget and the grant applicants. The rate of the generally available maximum support (Phare and national co-financing) could not exceed 90 % of the total cost, while the rest has to be provided as own resources by the beneficiaries.

With regard to the NP requirements for joint development, implementation and co-financing, the joint project ideas will be financed through both Phare and CARDS for the respective activities of the both sides of the border. The indicative CARDS allocations for this grant scheme are as follows:

Year 2004	CARDS SUPPORT				National Co-financing	I F I	TOTAL
	Investment Support	IB	National CARDS*	Total CARDS (=I+IB)			
Grant Scheme	€ 400,000	€ 350,000	€ 400,000	€ 1,150,000			€ 1,150,000
TOTAL	€ 400,000	€ 350,000	€ 400,000	€ 1,150,000			€ 1,150,000

* Stated funds are tentative allocation of Serbian national CARDS budget for year 2004 – expenditure is possible in 2004 and 2005

** The minimum co-financing requirements for the grant applicant from SCG are as follows:

- 5% for less than € 50,000
- 10% co-financing for projects between € 50,000 – € 300.000

6. Implementation Arrangements

6.1. Implementing Agency

Bulgaria

The Implementing Agency will be the Ministry of Regional Development and Public Works:

Implementing Agency:

Ministry of Regional Development and Public Works

Address: 17-19 Cyril and Methodius St. 1202 Sofia

Director: Tzvetomira Lacheva – Deputy PAO

Contact Person: Silvia Teneva, acting Head of Phare CBC Department

Phone: +359 2 9405-280, +359 2 9405-377

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E-mail: steneva@mrrb.government.bg

It acts as Contracting Authority for the Phare funds.

Serbia & Montenegro

Programme Co-ordination and Management Unit

Government of the Republic of Serbia

Ministry of International Economic Relations

Assistant Minister: Gordana Lazarevic

Contact persons: Sanda Simic, Mirjana Jelic

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Phone: +381-11-3346-112, +381-11-3346-591

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Contracting Authority

European Agency for Reconstruction

Local Government and Regional Development Programme

Programme manager: Wout Soer

Contact person: Danka Bogetic

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E-mail: wout.soer@ear.eu.int

The Grant Scheme will operate on the basis of a single call for proposals and a single selection process covering both sides of the border. The Grant Scheme will be implemented according to the NP Implementing Guidelines issued by the Commission. Except when provided differently in the Implementing Guidelines, the award procedures provided in the PRAG will be implemented. The implementation provisions will follow the overall structure as provided within the JPD (2004-2006).

6.1 Twinning

N/A

6.2 Non-standard aspects

There are no non-standard contracts or tender procedures envisaged within this project.

6.3 Contracts

The grant scheme will be implemented via one single (joint) Call for Proposals simultaneously launched in Bulgaria and Serbia & Montenegro. The number of the individual grant-contracts to be signed will vary depending on the number of the proposals received for each component and the respective grant amounts approved for funding. The total number of the contracts to

be signed will be limited to the maximum indicative amount as given in the project indicative budget allocation (item 5 of the project fiche).

7. Implementation Schedule

7.1 Start of tendering/call for proposals
December 2004

7.2 Start of project activity
April-May 2005

7.3 Project completion
April-May 2006

8. Equal Opportunity

The project will stimulate the process building the partnership between the national, regional and local partners in terms of responsibilities taken, decision making and priorities setting and will be in no way discriminatory in terms of gender, life-style, religion or politics. It will contribute to the equal opportunities referring to gender.

9. Environment

The specifics of the grant scheme does not foresee concrete investment element. However all project identification, and respective feasibility studies preparation under component 3 of the grant scheme should comply with the environmental regulations of the EU. The resultant business development should have no negative impact on the environment.

10. Rates of return

The individual project applications submitted for grants shall determine the rate of return of individual investments in the form of indicators.

11. Investment criteria

11.1 Catalytic effect
By contributing to the development of sustainable cross border networks, the Phare/CARDS funding provided by this grant scheme is expected to bring additional resources to border region between Bulgaria and Serbia & Montenegro.

11.2 Co-financing
The grant scheme will be jointly co-financed between EU Phare and CARDS, while additional co-financing resources will be provided both by the Bulgarian and Serbian partners. The rate of the generally available maximum support (Phare/CARDS and national co-financing) is 90 % of the total cost of the projects to be supported, and at least 10 % has to be provided as own resources by the beneficiaries.

11.3 Additionality
Financial support to be provided by Phare will not displace any other funding.

11.4 Project readiness and size

A draft of the Co-operation Agreement, Call for Proposal, Application form, Guidelines for applicants and Grant Contracts will be elaborated by the JTS by the time of signing the Financing Memorandum. All documents shall be prepared according to the PRAG template and submitted to the ECD/EAR for endorsement prior to the launch of the Call for Proposals.

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 the projects' outcomes shall be proved in the respective joint applications and checked at the project selection phase, and it will be one of the evaluation criteria for the projects (the Evaluation Grid will be part of the Guidelines for Applicants)

11.6 Compliance with state aids provisions

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

12. Conditionality and sequencing

The project will start after signing of the Financial Memorandum between Bulgaria and the European Union for 2004. In certain circumstances, the Call for proposals might be launched with suspensive clause, if the EU funding is not yet available (e.g. prior to Commission Decision approving the Financing Proposal). All documentation required for launching joint Call for Proposals (Application Pack) will be prepared by the JTS by October 2004 and will be submitted to the respective EC Delegation/EAR for approval.

Annexes to Project Fiche:

1. Logical Framework in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule

Annex 1

LOGFRAME PLANNING MATRIX FOR Project Title: SUSTAINABLE CO-OPERATION NETWORKS BETWEEN LOCAL AND REGIONAL ACTORS IN THE BORDER REGION (GRANT SCHEME)		Programme name and number	
		Contracting period expires	Disbursement period expires
		Total budget: € 2,680,000	Phare budget: € 2,280,000
Overall objectives	Objectively verifiable indicators	Sources of Verification	
<ul style="list-style-type: none"> To maximise the social and economic cohesion between the border area by encouraging contacts and co-operations at various levels. To exploit and manage the border area's territory in a co-ordinated and integrated way between the two sides of the border, thus creating the basis for a sustainable economic development. 	<ul style="list-style-type: none"> Positive assessment that economic and social cohesion objectives in the frame of NP JPD priorities are met Effectively working formal and informal networks for cross-border cooperation established and operating 	<ul style="list-style-type: none"> Official statistics of the National Statistical Offices, Country Reports 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> Increased capability of local and regional authorities, as well as their socio-economic partners, to develop and implement projects with clear cross-border impact and in line with the NP JPD Bulgaria - Serbia and Montenegro (2004-2006). 	<ul style="list-style-type: none"> At least 90 % absorption of the EU funds under the NP between Bulgaria and Serbia & Montenegro; Improvement of the participatory approach among border institutions and LDO 	<ul style="list-style-type: none"> EC Interim Evaluation Reports Monitoring Report 	<ul style="list-style-type: none"> Continued Government commitment to developing cross-border cooperation Favorable economic and social environment Unpredictable local hindrance impeding economic activity in the target area does not exist or will not emerge
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> ⇒ Increased capacity of public authorities in the border region to elaborate realistic development strategies, which are based on the principle of <i>partnership</i> (i.e. produced in an inclusive and participatory manner); ⇒ Staff of municipalities, LDOs, and socio-economic partners gain knowledge and experience in project cycle management; ⇒ Improved knowledge for the preparation and implementation of projects with the cross-border nature within regional and local agencies; ⇒ Increased awareness among citizens and 	<ul style="list-style-type: none"> Strategies, studies and concepts developed – average 25 Number of promotional events organised – average 10 Sufficient number of local stakeholders participated in the training activities – average 100 Number of institutions involved in cross-border contacts – average 10 Number of institutions involved in cross-border contacts – average 20 Increase of promotion, visibility and 	<ul style="list-style-type: none"> Project progress reports Monitoring and evaluation reports 	<ul style="list-style-type: none"> Public organizations and economic actors realize the importance of cross-border cooperation The beneficiaries complete the envisaged cross-border partnership-building programmes successfully Continued interest of local and regional authorities in the development of CBC Continued interest of the target group in region for joint

<p>businesses about the positive effects of the cross border co-operation;</p> <p>⇒ At least 100-120 applications received as a result of joint Call for Proposals; and average of 10-15 projects approved and successfully implemented;</p> <p>⇒ A pipeline of at least 100 projects with cross-border impact identified and fully prepared/justified with feasibility studies and all other technical documentation required for further applying under joint Call for Proposals;</p> <p>⇒ Increased capacities at local level to use EU procurement procedures; and to manage supply and work contracts.</p>	<p>marketing level of the border area</p> <ul style="list-style-type: none"> • At least 10-16 individual project awarded and successfully completed • Number of investment project identified, formulated and supported with feasibility studies ready for funding – average 100 		<ul style="list-style-type: none"> • cooperation across the border
Activities	Means		Assumptions
<p>The project will be implemented in the form of a grant scheme, while the support granted will be focused on areas/spheres of co-operation in which regions, municipalities, local development organisations and other social-economic partners should have expertise and experience. In particular this will include the eligible spheres of co-operation set out below:</p> <p>1) Support for strengthening border cooperation networks</p> <p>2) Support to Local Development Organisations</p> <p>3) Support to Project Development</p>	<p>Implementation of the grant scheme in line with the provisions of the PRAG and the Vademecum on Grant Management;</p> <p>At average 10-16 individual grant contracts signed.</p>		<ul style="list-style-type: none"> • Sufficient number of good quality project proposals • High quality project management • Co-finance contributions available when required
			<p>Preconditions</p> <p>The documentation, necessary for the launching of the grant scheme prepared by the signing of the FM</p>

ANNEX 2

IMPLEMENTATION CHART

Project title: SUSTAINABLE CO-OPERATION NETWORKS BETWEEN LOCAL AND REGIONAL ACTORS IN THE BORDER REGION (GRANT SCHEME)

ACTIVITIES	2004												2005												2006												2007					
	1	2	3	4	5	6	7	8	9	#	#	#	1	2	3	4	5	6	7	8	9	#	#	#	1	2	3	4	5	6	7	8	9	#	#	#	1	2	3	4	5	6
Draft of Guidelines for Applicants, Application Forms																																										
Guidelines for Applicants, Application Forms and Internal Procedures Guide Approved																																										
Preparing Action Plan for Publicity and Awareness																																										
Publicity and Information Strategy/Action Plan Approved																																										
Launching joint Call for Proposals																																										
Launching Publicity and Information Campaign																																										
Collection of grants proposal																																										
Evaluation of grant application																																										
Finalizing the list of selected individual grants																																										
Approval from ECD/EAR on the individual grants to be funded																																										
Contracting individual grant projects – start of activities under the selected grants																																										
Continuous monitoring actions																																										
End of Project																																										

ANNEX 3

CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER

Project title: SUSTAINABLE CO-OPERATION NETWORKS BETWEEN LOCAL AND REGIONAL ACTORS IN THE BORDER REGION (GRANT SCHEME)

CONTRACTING	Cumulative contracting schedule by quarter in € m (provisional)												
	2005				2006				2007				Total
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Grant Scheme		2.680											2.680
DISBURSEMENT	Cumulative disbursement schedule by quarter in € m (provisional)												
	2005				2006				2007				Total
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Grant Scheme - Phare funds			1.824				0.456						2.280
Grant Scheme - National funds			0.320				0.080						0.400
TOTAL			2.144				0.536						2.680