

**LACE-Phare CBC**

**Draft**  
**Assessment Report**  
**SLOVENIA -AUSTRIA**

## LACE-Phare CBC

### Assessment Report – SLOVENIA -AUSTRIA

#### 1. Profile of the cross-border region:

The Slovene-Austrian border runs from Kuzma (where the three countries Slovenia, Hungary and Austria meet) to Rateèe (where Slovenia, Austria and Italy meet). Slovenia borders for about 110 kilometres to Styria and for another 214 kilometres to Carinthia, Austria. In total, the border shared with Austria stretches 330 kilometres. The total population in this area is almost 2.4 million. With a total area of 25,403 square kilometres this leads to an average population density of 93 inhabitants per square kilometre. Geographically, this area is mostly alpine and sub-alpine.

Table 1

The Slovenian/Austrian border region (PHARE CBC, INTERREG IIIa)

Regional unit Nuts III region	Area in km <sup>2</sup>	Inhabitants 1998 (A), 1997 (SLO)	Density (inhab/km <sup>2</sup> )
Podravska	2 170	320 072	148
Pomurska	1 337	125 957	94
Savinjska	2 384	256 965	108
Gorenjska	2 137	195 823	92
Koroška	1 041	73 973	71
SLOVENIA (PHARE CBC Region)	9 069	972 790	107
Oststeiermark	3 351	269 073	80
West- und Südsteiermark	2 223	190 918	86
Graz	1 228	369 721	301
Unterkärnten	3 374	161 093	48
Klagenfurt-Villach	2 028	270 084	133
Oberkärnten	4 130	132 914	32
AUSTRIA (INTERREG Region)	16 334	1 393 803	85
TOTAL	25 403	2 366 593	93

Source: ÖSTAT, statisticki urad Republike Slovenje

#### **Misspelling!**

**Correction:** ÖSTAT, Statisticni urad Republike Slovenje

Not the whole area of mentioned border regions (except Pomurska region) is scooped into CBC-programmes, but just the zone within 20 km distance from the border.

#### **New data!**

**Correction:** Not the whole area of mentioned Slovenian border regions (except Pomurska region) is scooped into CBC-programmes, but just the zone within 20 km distance from the border. **But, with the beginning of CBC 2000 and onward the whole Slovenian border regions (NUTS III) will be scooped into CBC-programmes.**

#### 1.1 Definition of the border or cross-border region and Maps

*specify administrative units: "cross-border region" if CEC/CEC border or Euro region.*

**Definition of the Slovenian border region:** A regional administrative level does not exist in Slovenia. As long as the regions have not been fully identified, the development planning at

the regional level should be implemented within statistical regions. The Slovenian-Austrian border regions are: Gorenjska, Savinjska, Pomurska, Podravska and Koroška.

In general, this area can be divided into two parts.

- The *Western part* borders to Carinthia in Austria and forms part of an alpine region with some high mountain ranges (Julian Alps, Kamniško-Savinjske Alps and Karavanke).
- The *Eastern part* borders to Styria in Austria also consists of parts of Carinthia, Podravje and Pomurje.

#### **Definition of the Austrian border region:**

On the Austrian side, 95.5% of the border to Slovenia stretches within the Länder Styria (145 km) and Carinthia (170 km) and another 4.5% borders to Burgenland. The Austrian border region comprises the following NUTS III districts: East Styria, West and South Styria, Graz, Lower Carinthia, Klagenfurt–Villach and Upper Carinthia (Oststeiermark, West- und Südsteiermark, Graz, Unterkärnten, Klagenfurt–Villach and Oberkärnten).

For administrative reasons, Burgenland, rather than being directly involved in the INTERREG III Programme with Slovenia, especially with regard to trilateral aspects, participates in this programme within the Hungarian programme context.

#### **Definition of the Hungarian border region:**

The CEC-CEC border of Hungary – Slovenia is concentrated on a narrow area. The length of the border is only 56 kilometres. Hungarian Counties of Zala and Vas are eligible for initiating CEC-CEC cross border co-operations. Vas is in the favourable situation of taking part in both border regions (Hungary/Slovenia/Austria and Hungary/Slovakia/Austria). From geographical point of view there are no obstacles for CBC activities since the tri-border region of Hungary/Slovenia/Austria is mostly situated on a plain.

#### **Correction: Austria is not in CEC !**

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### 1.2 Political / administrative structures

At the moment there are only two levels of administration in **Slovenia**, national and municipal, while there is no intermediate, regional level of territorial administration (the 12 regions are statistical categories only). This lack of territorial administration at the regional level seems to be an important impediment for the creation of development coalitions that would guide and channel development efforts in the area.

#### **New data!**

#### **Correction:**

At the moment there are only two levels of administration in Slovenia, national and municipal, while there is no intermediate, regional level of territorial administration (the 12 regions are statistical categories only - **NUTS III**). **This lack of territorial administration at the regional level seems to be an important impediment for the creation of common**

**interests and development coalitions that would guide and channel development efforts in the area.**

The Federal Republic of **Austria** comprises 9 Länder (NUTS-II), which are further subdivided into NUTS-III “Bezirke”. The fourth government level is formed by the local municipalities.

The smallest units of public administrations in **Hungary** are the local municipalities as well. They are organised into *Inter Communal Co-operations (NUTS-IV regions)*. The ICC’s consist of 7 to 32 local municipalities, and have their own development concepts and programs. The next level structure are the *Counties/Megyes (NUTS-III)*, of which there are 19 in Hungary, each of them is consisting of 12 to 22 ICC’s. The recently emerged *Macro Regions (NUTS-II)* synchronise and converge development efforts of 3 or 4 counties.

### 1.3 Main socio-economic characteristics

#### *Slovenia-Austria*

##### 1.3.1 Economy

- All regions on the Slovene side are below the Slovenian average of GDP, especially the Koroška, Podravska and Pomurska regions have been far below average in the past few years. All three regions belong to the least developed regions in Slovenia, resulting from the economic structure of the regions. They are burdened by old industrial plants, produce with great losses and often have a negative impact on environment.
- Next to the companies of Podravska and Koroška, regions were also badly hit by the loss of markets in former Yugoslavia and Eastern Europe. They also lacked competitiveness since the old industries were not able to find new markets.
- The main centre of the area is Maribor, the second largest city in Slovenia. Important centres are also located at Gornja Radgona and Murska Sobota. Agriculture plays an important role in the economic structure (10,3% on average, over 20% in Pomurje).

- **Delete small cities! They are not so important as Maribor.**
- **Correction:** The main centre of the area is Maribor, the second largest city in Slovenia. Agriculture plays an important role in the economic structure (10,3% on average, over 20% in Pomurje).

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- Industrial activity is concentrated in the larger centres, especially Maribor (metal processing, textile, machine building). Due to global changes Maribor has the highest unemployment rate, not only in the border region but also in Slovenia as a whole.
- With the exception of the central spaces, the level of economic activity is in many parts of the INTERREG and CBC PHARE regions sometimes substantially below the respective national averages. While the Carinthian central spaces is the region with the Land’s highest GDP, it barely reaches national average. East, West and South Styria, as well as Lower Carinthia are all around or below 60% of the Austrian average.
- Throughout the nineties, economic growth in the Carinthian central space lagged significantly behind Graz, just as Upper and Lower Carinthia were trailing East Styria. This was primarily due to the crises in the construction and tourism industries. The manufacturing sector in Carinthia is still too weak to function as a driver – as in other Länder – of the entire economy.

Table 2

Economic activity (GDP/inhabitant; harmonised to EU standards yet to be supplied)

Territorial unit	GDP/inh 1996 (A), 1996 (SLO) National =100	Index EU=100
Podravska	84.7	56.9
Pomurska	74.6	50.3
Savinjska	94.3	63.5
Gorenjska	94.3	63.5
Koroška	94.3	63.5
SLOVENIA (PHARE CBC Region)	100.0	67.4
East Styria (Oststeiermark)	57.4	64.4
West and South Styria (West- und Südsteiermark)	60.6	68.1
Graz	111.4	125.1
Lower Carinthia (Unterkärnten)	60.8	68.2
Klagenfurt-Villach	96.3	108.1
Upper Carinthia (Oberkärnten)	70.3	112.3
AUSTRIA (INTERREG Region)	100.0	127.3
EU15		100.0

Source: INTERREG III –CBC Phare Austria-Slovenia information on the main socio-economic indicators of the border regions involved.

### 1.3.2 Employment

- With respect to human capital development, Slovenia is lagging behind the EU countries especially in the segment of higher education. Both important indicators in this area, participation rate for university degree education as well as the proportion of adult population that has attained university degree, are not favourable. Savinjska, Gorenjska and Koroska are, for example, regions that stand high in all the both indicators presented in the tables, while Pomurska and Podravska are far below the respective averages for Slovenia as a whole.
- But in addition to growing economic disparities, regional development in Slovenia has been affected by another unfavourable development during the 1990s, namely job losses during the transition period. In the period 1990 – 1997, all the regions have lost many jobs, but the largest losses of jobs have, however, been registered in the border regions of Podravska and Gorenjska. The losses are largest in manufacturing, agriculture and forestry, construction and in some regions also in the trade sector. As a result of these trends, the structure of the active population has shifted in favour of the tertiary sector.
- A comparison between the different Länder in Austria shows a lag in employment growth in Carinthia. Only a sheer 1.5 percent growth has occurred since 1994, with some areas even experiencing a minor drop of labour opportunities. In spite of this, statistics show a decrease in number of unemployed Carinthians. Styria, on the other hand, belongs to the few Länder with a labour market growing more than 7 percent over the last five years (7.2%). Styria's border regions scored well in this respect (Radkersdorf, 32.4%; Deutschlandsberg, 15.2%).

- **Misspelling!**
- **Correction: Bad Radkersburg**

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- Differences amongst the regions are significant, but in general, unemployment in the three regions bordering Slovenia is subsiding continuously, around Carinthia's average of 8.5 percent. Agricultural activities are still very important for Carinthia's economy, even though labour participation is declining in this sector due to difficulties with commercialisation and expansion of market shares.
- Much of the regional employment is generated by small and medium-sized enterprises and often requires highly skilled craftsmanship. Employment in Carinthia, notably in the regions of Wolfsberg and Völkermarkt, is affected by the seasonal nature of the tourist sector and the relatively peripheral location in regard to Austria's core areas. Industrial activity is mainly concentrated in the urban areas of, for example, the region surrounding Klagenfurt.

Table 3  
Unemployment

	Unemployment	Change in the number of unemployed		
	rate In % 1998	in % 1998	1990-1998	1995-1998
Podravska	12.8	30 611		9,7
Pomurska	10.1	10 818		11,0
Savinjska	9.2	15 498		17,9
Gorenjska	5.9	10 817		8,8
Koroška	[6.3]	7 829		10,6
<b>SLOVENIA (PHARE CBC Region)</b>		<b>126 625</b>		<b>4,2</b>
East Styria (Oststeiermark)	7.3	7 396	35.9	4.5
West and South Styria (West- und Südsteiermark)	8.1	6 051	35.8	0.6
Graz	7.0	11 101	48.7	16.9
Lower Carinthia (Unterkärnten)	8.4	5 011	21.5	1.0
Klagenfurt-Villach	7.9	8 688	51.2	7.1
Upper Carinthia (Oberkärnten)	9.2	4 552	17.7	-0.5
<b>AUSTRIA (INTERREG Region)</b>	<b>7.7</b>	<b>42 799</b>	<b>37.5</b>	<b>6.3</b>

Source: Arbeitsmarktservice Österreich, Slovenian Labour Force Survey (LFS) – [...] less accurate estimate due to small sample size

### 1.3.3 Infrastructure

- A total of thirteen international border crossings and additional sixteen local crossings can be found along the Slovenian - Austrian border. These are supplemented by three international railway connections. Three small alpine border crossings and a large toll tunnel make up the Carinthian door to Slovenia. Styria's international border traffic is relatively better developed through a range of small yet well-equipped crossings.
- Another two advantages of Slovenia are a relatively well developed road infrastructure, especially highways whose construction is well advanced and strong basic research in

some areas (it allocates 1.7 percent of GDP for R&D). Slovenia is now building a 25-kilometre rail-road connection from Pomurska region to Hungary, and the highway across the entire country, from the Northeast to the Southwest. Major investments in transport infrastructure, partly financed by the EIB and EBRD, have contributed to substantial services surplus on which the strong current account position of the country is based. Moreover, they have enhanced the prospects for Slovenia's integration into European Trans-European networks.

#### 1.3.4 Environment

- This border area is characterised by its heterogeneous landscape and richness of natural resources with, in general, a low level of pollution. A number of protected areas has been pointed out and there exists a well equipped basic communication network.
- Because of the low quality of the organisation on municipal level on Slovenian side, the system of resource protection is in disorder. In some parts of the border area industrial pollution takes place.

##### *Slovenia-Hungary-Austria*

- The number of companies registered per 1000 inhabitants is 74, that is the second most after the Central Hungarian region.
- From the 1990s, unemployment grew tenfold, but since 1997 the number of registered unemployed has been declining constantly. The decline in employment has come to a stop in 1998, and is now stabilised (with an average of 120.000 registered employees). The level of unemployment is unequal in the three counties: in Győr-Moson-Sopron only 3.9%, in Vas 5.2%, in Zala 7.1%, still any of these figures are lower than the national average (data January-July 1999).
- Investment activity is very high in the border region, just in the period January-June 1999 more than 48 billion HUF was invested by locally registered companies only in County of Győr-Moson-Sopron. (This county produces the half of the industrial output of the whole region.)

#### 1.4 Degree of cross-border co-operation

*who co-operates? Since when? With support from EU programmes?*

Cross-border contacts in general are intensive due to international traffic and economic flow, daily migration in both directions for various purposes. Slovenia has been active in the Alpe-Adria working groups since 1978, and has co-operated with partners from both Austria and Italy. Intensity of contacts at local level is a consequence of minorities living on both sides of border.

The OSTHILFE initiative of Austria has existed since 1990. Its main purpose is to help Slovenia in the process of structural reforms in the transfer to a market economy. In this context, some working groups at a ministerial level have been established to develop and improve the existing forms of co-operation (e.g., transport, energy, education, etc).

In 1995, a general agreement on cross border co-operation under INTERREG and Phare was signed by the governments of Slovenia and Austria. An indicative plan has been developed, containing five key fields: economic development, environment, infrastructure and transport, human resources and technical assistance.

#### 1.4.1 Phare CBC

Up to now Slovenia has been participating in the Phare CBC programme with Austria. An additional programme is in progress involving Slovenia, Austria and Hungary. These CBC programmes are closely linked to initiatives from the INTERREG II programme.

**Table 4. Phare contribution under the Phare CBC Programme 1995-1999 (EUR)**

	1995	1996	1997	1998	1999	1995-1999
<b>Economic Development</b>	1.504.000	1.833.000	1.103.000	1.040.000	1.500.000	6.980.000
<b>Environment</b>	400.000	700.000	810.000	425.000		2.335.000
<b>Infrastructure &amp; Transport</b>	770.000	117.000	701.000	690.000		2.278.000
<b>Human resources / Small Project Funds</b>	66.000	60.000	206.000	790.000	400.000	1.522.000
<b>Technical Assistance</b>	260.000	240.000	180.000	55.000	100.000	835.000
<b>Total</b>	<b>3.000.000</b>	<b>3.000.000</b>	<b>3.000.000</b>	<b>3.000.000</b>	<b>2.000.000</b>	<b>14.000.000</b>

Source. Publications of Government Office of European Affairs and Unit for Programme Implementation

#### **Add year!**

**Correction:** Source. Publications of Government Office of European Affairs and Unit for Programme Implementation, **1999**

#### Border region Slovenia, Hungary and Austria

A total of 3 million Euro was budgeted for the trilateral H/AU/SLO Phare CBC programme of 1995-96, out of which 300.000 Euro were appointed to Small Project Funds. Thus far, only the budget of the annual programme 1995 was accepted by the European Commission. The trilateral projects were concentrated on the following areas:

- Nature protection
- Training
- Infrastructure
- Regional planning
- Tourism

#### **Delete areas and replace with!**

#### **Correction:**

- Environment (1995: Castle Grad I, Nature Park Goricko-Raab - Orszeg.; 1996 Castle Grad II,)
- Regional development (1995, TRI-D project, Small Projects Funds; 1996: Training Centre Rakican, Small Projects Funds)

#### 1.4.2 INTERREG

**Table 5. Programme budget INTERREG IIa 1995 - 1999**

<b>Priorities</b>	<b>Total costs</b>	<b>Total public expenditures</b>		<b>Private Contribution</b>
		<b>Total</b>	<b>EU</b>	
<b>1. Economic</b>				



<b>development</b>	<b>13,449</b>	<b>9,880</b>	<b>4,940</b>	<b>3,569</b>
<b>2. Technical infrastructure</b>	<b>1,056</b>	<b>1,056</b>	<b>0,528</b>	
<b>3. Human resources</b>	<b>2,292</b>	<b>2,220</b>	<b>1,110</b>	<b>0,072</b>
<b>4. Environment, natural resources, energy</b>	<b>3,379</b>	<b>2,460</b>	<b>1,230</b>	<b>0,919</b>
<b>4. Technical Assistance</b>	<b>2,384</b>	<b>2,384</b>	<b>1,192</b>	
<b>Total</b>	<b>22,560</b>	<b>18,000</b>	<b>9,000</b>	<b>4,560</b>

Source: INTERREG IIA Austria

### 1.5 Barriers to cross-border co-operation

- Slovenia has no division of its national territory other than into municipalities and the regions have only statistical status;
- Programmes available for the support of activities, INTERREG and Phare CBC, are not sufficiently aligned to facilitate the smooth implementation of joint programmes and projects;
- Poor cross-border networks of enterprises;

#### **New data! Delete!**

**Explanation:** The cross-border networks of enterprises was established. (For example: IBC, Beloffice, STP)

- In Pomurska region (border Slovenia-Hungary) an high level of delays is experienced at border crossings throughout the region;
- The high level of unemployment in Slovenia and Hungary;
- Education and training system is not in accordance with the needs of the region's population;
- High rate of commuters to other regions; this problem, as far as it involves cross-border commuting, is relatively significant and also relatively unstudied with respect to its impact upon both the commuter's country of origin and the country to which he commutes.

The draft Joint Programming Document states concerning the bottlenecks:

- Main emphasis should be given to economic integration. In addition, human resources within the border regions should be further developed. Existing fears and mental reservations should be counterbalanced.
- Spatial and infrastructure design should be brought into line with sustainable use of existing natural potentials and with the effective use of economic opportunities following the principles of sustainability.
- At least these forms of co-operation should be developed and implemented in the frame of cross-border initiatives, which are adequate for managing the future issues of an increasingly integrated economy in an efficient and professional way.

## **2. Structures:**

### 2.1 Cross-border structures

The existing cross-border structures are:

- a. Cross-border agreements or twinning relationships between various local authorities which have been formed as a result of the requirements of EU programmes such as Phare CBC and CREDO
- b. Specialist committees or working groups established to tackle common problems
- c. The Slovenian/Hungarian Border Regional Council.
- d. Bi- and Trilateral Working groups
- e. Alpe-Adria Working Group

Preparations have been made on content and administrative levels for the establishment of an Euro region Styria/Northeast Slovenia. This, however, has not been realised yet. The Euro region, is to carry out key agendas within the framework of the implementation of the Phare CBC - INTERREG IIIA programmes. A similar initiative has been taken in the trilateral region SLO/HU/A.

## 2.2 Other structures / authorities / social partners engaged in cross-border co-operation

- a) Ministry of Economic Relations and Development
- b) Programme Implementation Units 1

**Delete Number 1!**

**Correction:** Programme Implementation Units

- c) Government Office for European Affairs
- d) Ministry of Finance
- c) Regional Development Agencies
- d) Joint Programming and Management Committee (JPMC) between Austria and Slovenia

**New data!**

**Correction:** Joint Programming and Management Committee (JPMC) between Austria and Slovenia and **Slovenia and Hungary.**

- e) Steering Committees which were established with some projects to be representative of the co-operating countries. It includes democratically elected representatives of local self-governments within the cross border region.

## 2.3 Activities / services:

*- promotion of cross-border co-operation*

There is evidence of an increasing awareness of cross-border co-operation and various organisations are considering developing cross-border projects in the context of the INTERREG/Phare CBC. On a wider and broader perspective, many municipalities are now considering cross-border co-operation in the context of the development of regional and national plans and are beginning to plan ahead for the Phare CBC Programme. Almost every cross-border co-operation programme publishes brochures, newsletters or leaflets. Media in border regions cover these programmes and inform the public about projects.

In the period 1996/1997 the Association of European Border Regions (AEBR) has promoted networking and the exchange of good practice through the pilot LACE-Phare project that was supported by the European Commission. Workshops were organised and advice provided

through international and regional experts with regard to the development and implementation of cross-border strategies and projects.

Also the establishment of the Small Project Fund in this border region has contributed to the promotion of cross-border activities and the involvement of local actors.

#### 2.4 Awareness of cross-border co-operation issues / knowledge of CBC programmes

As a result of high co-operation activity in the border region, the cross border issues are appearing in all level of strategic planning. Local strategies mainly appointing ad-hoc cross-border partnerships, while regional planning is considering the participation or set-up of major structures to maximise fund raising potential and to harmonise development priorities over the national boundaries of the country.

The Phare CBC is remarkably converging towards the macro projects. Certainly the experience and the existing strong local structures and their higher level co-operation needs were the driving force behind this positive trend, but as a side effect the Phare CBC was forced to restrict the financial resources of the Small Project Fund. Currently, there is an increased need for generating and implementing local cross-border co-operation.

There is a developing awareness of the opportunities of cross-border co-operation (e.g., trade, co-ordinated infrastructure development, better neighbour relations, etc.). Many ideas exist for project development but people are not enough aware of the existence and requirements of the various programmes. A majority of them think that is very difficult to find out which tenders exist and when they are available.

### **3. Programme related Activities:**

#### 3.1 Strategy development

Most economic development strategies and programmes are prepared and implemented on a national basis. In a regional development context this would mean that the national government would determine that a region is underdeveloped in comparison to the national average.

Recently the Joint Programming Document 2000-2006 has been drafted on the basis of the provisions made in the draft regulations for INTERREG IIIA and Phare CBC. While the differences between Phare and INTERREG have been a handicap to a co-ordinated implementation of INTERREG and Phare-CBC programmes in the past, the new phase should allow for truly converging programmes so as to have real cross-border impact.

The TRI-D Phare CBC project aimed at the creation of a joint trilateral (*H/A/SLO*) Development Concept, which was successfully compiled until the end of 1999. This material is a major foundation for future trilateral actions, and the establishments of trilateral organisations.

#### **Replace word and delete!**

**Correction:** The TRI-D Phare CBC project aimed at the creation of a joint trilateral (*H/A/SLO*) Development **Strategy**, which was successfully compiled until the end of 1999. This material is a major foundation for future trilateral actions.

### 3.2 Programming, especially Phare-CBC / INTERREG related:

The regions are gradually acquiring more programming experience in the context of the preparation of regional development plans. In the framework of INTERREG IIIA /CBC Phare II, for the period 2000 – 2006, a Joint Programming Document has been drafted for the Slovenian-Austrian border area.

Taking into account the opportunities and risks of enlargement / accession, the following development strategy has been chosen:

- allow a stable growth path on both sides of the border, with the clear emphasis on the catching-up process on the accession countries
- be focused on the joint vision of an integrated regional economy, social cohesion and good neighbourly relations
- provide a set of infrastructure which will make border-crossing easier and which is oriented towards spatial integration of the border regions
- take into account the protection of environment, natural resources and the needs of the local (resident) population
- help establishing cross-border institutions for regional development and cultural exchange.

### 3.3 Management of programme implementation

#### - Small Project Funds:

In the first year of the Phare CBC programme, the emphasis was on setting up structures for the implementation of large-scale projects. However, it was soon recognised there was a major need to support initiatives that could directly impact the regional economy and the people living in the border regions. In this context, the concept of the Small Projects Fund was initiated and developed in order to give the opportunity to implement small-scale "people-to-people" projects. The costs of these projects were relatively low, while the impact was considerable. Since it would have been too cumbersome for local organisations to put forward proposals that follow the same procedures as for major projects. A different procedural concept for small project was developed.

Consequently, guidelines for the establishment of a Small Projects Fund were prepared by the European Commission. Under these guidelines, the institutional framework for the implementation of projects must comply with two main principles, that of transparency and decentralisation. The key elements of the general model on how the Small Projects Fund operates involve the following main structures: Steering Committee and a Secretariat. The Steering Committee, made up of representatives from the region, is in the centre of the entire process and makes the ultimate decision on to which projects are to be supported.

The Secretariat, an administrative body, provides technical support to the Steering Committee and monitors the course of project implementation. Both of these organisations should ideally be based in the border region. Slovenia is at the forefront of countries implementing small-scale projects under a decentralised system. Presently, two programmes involving 27 projects have been completed and four funds (reflecting the four programmes in operations) with a total allocation of EUR 647.000 are now underway. Moreover, current negotiations endeavour to reach to an even higher percentage of Phare CBC funds to small projects.

### 3.4 Project development and implementation

Some counties or Inter Communal Co-operations (ICC's) have their own project teams, that are able to generate and implement projects on a continuous basis, and their success is exemplary. The Phare CBC is seen as the primary funding source for financing cross-border activities. A large number of NGOs and local municipalities use the small project fund to support yearly joint programs (business meetings, cultural, sporting events), whereas the regions or experienced and highly active local organisations use the other project categories for securing cross-border co-operation at a higher and more complex level.

The side effects of the cross-border project implementation are also very important: enterprises learn how to prepare for public tenders, experts increase their competitive position in the EU marketplace, municipalities prepare for effective project execution within the framework of different EU funding instruments, cadres in the public and private sectors are trained for the management of EU programme procedures and implementation of international projects.

## **4. Specific / Sectoral Actions):**

### 4.1 CBC Phare

#### *CBC Slovenia – Austria*

##### 4.1.1 Economic development (SME's, rural development, etc)

Important projects supported under this item were among others the establishment of the Styrian Technological Park in Maribor, an International Information Centre for IBC and a Business Support Centre in Kranj. Furthermore, much attention was paid to tourism activities through a project called "Tourist Border Zone", while for the agriculture and rural development different projects were initiated like processing and marketing of agricultural products in the alpine region, a revival project for sheep breeding and the protection of drinking water.

Small and Medium Sized Enterprise Development: The overall aim of this subproject is to foster economic growth in areas influenced by heavy industry that face high unemployment and social difficulties. Through the CBC 1998 programme, a further support is given to activities started in CBC 1995 and 1996 programmes. The following activities will be carried out:

- Economic and Spatial Regeneration of Jesenice
- Innovation Promotion and Transfer of SME Technology

#### **New data!**

Economic and Spatial Regeneration of Jesenice (To be contracted by December 2000)

##### 4.1.2 Environment

Especially the Gornja Radgona Waste Water Treatment Plant received an important part of the Phare CBC resources for this item. Besides several others, projects were supported for the purification of water and the treatment of sewage systems and waste water. Also a spatial plan in Solcava was supported as well as the Natural monument Dovzanova Soteska.

#### 4.1.3 Infrastructure and Transport

Most money available for this item went to border crossing projects in Ljubelj, Jezersko and Pavlicevo Seldo. In 1998 construction of some biking tracks were supported as well as the Logistic Centre Maribor.

**New data!**

**Explanation: Logistic Centre Maribor is not contracted yet - FWC)**

#### 4.1.3 Human resources

Under this item most of the available resources were spent on the Small Projects Fund, while two projects were supported to enable development of vocational education and training and border area labour market in order to meet specific requirements of local SME's and industries for skilled people. These projects were: co-operation among Vocational Schools and the Regional Human Resource Development Centre in Maribor.

#### 4.1.4 Technical assistance

Technical support has also been provided to the staff of the programme implementation structures (PIU managers, regional officers and project managers). The resources for the technical assistance were also used to set up Antenna Bureau in Maribor, and for publicity purposes.

**New data!**

**Explanation:** Antenna Bureau in Maribor is not existing anymore. Instead, the Ministry for Economic Relations and Development (National Agencies for Regional Development) established Regional Office.

**Correction :** Technical support has also been provided to the staff of the programme implementation structures (PIU managers, regional officers and project managers). The resources for the technical assistance were also used to set up **Regional Office** in Maribor, and for publicity purposes.

# Action Plan

## Actions Specific to the Region (2 Pages):

### Introduction

The lack of regional structures on the Slovenian side of the border remains a major obstacle to the promotion and implementation of cross-border cooperation. Consequently, there is a clear need to establish working structures on the CEC/EU and the CEC/CEC borders which are long-term in nature and can address the wider issues of cross-border cooperation on the proper territorial level.

### **New data!**

Some working structures was established in last period through Steering Committees of SLO/H/A programmes . (Small Project Funds, TRI-D)

In the Joint Programming Document with regard to an ongoing and consistent, professional working relationship and the implementation of EU guidelines is proposed to create cross-border planning and implementation structures. Corresponding preparations have been made at the content and administrative levels for the establishment of an Euregion Styria/Northeast Slovenia. This, however, has not been realised yet. This cross border region, however, should carry out key agendas within the framework of the implementation of the INTERREG IIIA operational programme, not the least through the cross-border co-ordination of projects.

The establishment of such working structures on regional and local level is a priority for this border region. These structures should have a long-term perspective. The establishment of these structures should be aided and facilitated by outside technical assistance which can draw upon the experiences and best practice from other European border regions. In consideration of the aforementioned assessment of needs, the following assistance should be offered:

### 1. Training workshop

A training workshop should be held in this region which can include as wide participation as possible. The following issues could be interesting:

- Training on programming, particularly in the context of preparing common cross border strategies and plans
- Project identification, design and preparation
- New Phare cbc regulation with strong focus on types of eligible projects(hard and soft)
- Experiences and best practice of cross-border cooperation from other european border regions

### **New data!**

**Explanation!** Training workshops (trilateral) were held in last periods (trough Small Project Founds projects.)

There is a general viewpoint that the training workshop should include much more participants. As a truly regional and cross-border workshop, there is a need to encourage a broad participation from both sides of the border. These participants should come from all of

the local and regional authorities along the border together with key personnel from Chambers of Commerce and some NGOs.

**New data! Edit!**

**Correction:** These participants should come from all of the local and regional authorities along the border together with key personnel from Chambers of Commerce and other Chambers as also form NGOs, Regional Development Agencies and Local Initiatives.

2. Counselling / advice

The main topic arising from the needs assessment regarding consultancy, is related to project preparation in the context of the new Interreg/Phare cbc programmes. A number of regional/local authorities requested advice and specialist support in preparing hard and soft projects for submission under Phare CBC/ INTERREG.

The establishment of Euregions is an actual subject in this border area. Between Slovenia and Austria and in the Tri- D Region initiatives have been taken. These processes should be supported by LACE-Phare.

**New data!**

**Explanation: Austria and Hungary bypassed Slovenia. They established Euregion named Panonia. The establishment of Euregion in TRI-D area is no more actual subject.**

3. Study visits

*where to visit / why*

Study visits were regarded as an important tool for the exchange of experience and best practice. Three types of study visits were suggested:

- visits across the common border (A/SLO and HU/SLO) in order to develop contacts and linkages in order to identify and develop future projects.
- visits to other Phare borders which have been relatively successful in securing Phare funding such as HU-RO (CEC-CEC) and HU-A (CEC-EU).
- Visits to advanced EU cross border regions, which have long-time experience of CBC. It was suggested that these visits could have a thematic focus with emphasis on specific sectors such as the environment.

Annex - list of regional/local practitioners

**Feedback for “horizontal” activities of LACE-Phare CBC:**

International seminars, Publications, Networking, etc

Keen interest in participating in seminars and receiving LACE Phare publications. Both sides of the border would highly value the dissemination of at least some publications in their native language.