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1. Description, Objectives and Priorities

1.1. Summary including a description of the joint programming process

The Polish-Slovak Interreg III A programme has been prepared in line with the European Commission guidelines for the Interreg III Community Initiative of 28 April 2000 and in accord with the practical guide (issued on 14 March 2003) for preparing Interreg programmes resulting from the enlargement of the EU. The programme respects legal framework provided for structural funds management as well as the Treaty and EU policies (see: chapter 1.5 and 3.4).

The Interreg III Initiative stems from the principle that political and administrative boundaries should not impede sustainable development and integration of the European territory. To this end, strand A of the initiative seeks to facilitate cross-border co-operation between neighbouring regions through joint strategies and common actions. In the case of the Polish-Slovak border area such co-operation is to be founded on the experiences gained during the previous joint programme for the area – the Phare CBC programme, as well as on common strategic documents for the border region (see: chapter 1.5).

The willingness of both countries to co-operate within the Interreg III A framework has been expressed during the initial meeting in Warsaw (see below) and is to be confirmed in the Memorandum of Understanding.

The PL-SK CIP has been prepared in close co-operation of both parties, based on a wide partnership and “bottom up” approach. Regional and local authorities, as well as social and economic partners have been consulted. The task force for the programme preparation was composed of representatives of:

- Ministry of Economy, Labour and Social Policy (Poland) and Ministry of Construction and Regional Development (Slovak Republic) as co-ordinators,
- Marshal Offices from Podkarpackie, Małopolskie and Śląskie regions (PL),
- Higher Territorial Units of Prešovský and Žilinský counties (SK),
- Implementing Authority for PHARE Cross Border Co-operation Programme, Ministry of Internal Affairs and Administration (PL)
- Euroregions.

Representatives of regional authorities were responsible for wider consultation within respective regions. The Ministries took care of consultations with other authorities and ministries to be involved in the programme.

The milestones for the preparation of the programme:

- 26 February 2003, Warsaw – initial meeting (agreement on principles of co-operation as well as MA, PA and JTS location, indicative ERDF allocation, setting up the task force),
- 21 March 2003, Warsaw – meeting of representatives of the Polish euroregions (discussion on their expectations and involvement in Interreg III A programmes),
- 9-10 April 2003, Žilina – division of tasks within the task force, priorities of the programme proposed, micro-project facility discussed,
- 5-6 May 2003, Warsaw – launch seminar Interreg III, attended by the representatives of the Slovak Republic,
- 13-14 May 2003, Kraków – socio-economic analysis discussed, agreement on priorities and measures, indicative division of funds,

- 13 June 2003, Bratislava – technical meeting of the teams responsible for drafting of the CIP, with participation of the EC representative,
- 24-25 June 2003, Prešov – implementing arrangements discussed, ex-ante evaluation (first contribution of the evaluators provided),
- 31 July -1 August 2003, Rzeszów – final discussion on the CIP draft before official submitting to the EC, regarding comments of the ex-ante evaluators and the Commission,
- 16-17 September 2003, Bratislava – meeting with the representatives of Slovak and Polish Ministries of Finance, resulting in adding more details concerning financial flows and control systems into the CIP.

The Ex ante evaluation and the summary of the text are attached to the document. The evaluators took part in the Task Force meetings and contributed especially to the improvement of description of the socio-economic situation, strategic objectives, description of the measures, as well as the implementation and control system. The detailed proposals of indicators will be taken into account while preparing the programme complement.

1.2. Eligible areas

The programme area consists of the following NUTS III regions

- on the Polish side of the border – bielsko-bialski, nowosądecki and krośnieńsko-przemyski subregions,
- on the Slovak part of the border - Žilina and Prešov counties.



1.3. Description and analysis of the border region, including SWOT analysis

In the history of Poland and Slovakia, there are many common elements, to begin with the fact that both states came to existence on the turn of the 9th century. The border area is the land where influences of both states combined to shape its features. Particularly in Orava and Spiš, Polish and Slovak culture intertwined over the ages. The similarity of languages contributed to natural contacts between Polish and Slovak societies.

Nowadays, the Polish-Slovak borderline is 539 km long. The areas situated on both sides vary to a large extent. Also available statistical data are incomparable in many cases. This makes preparing a coherent description and analysis of the border region difficult. It seems that looking for common features and problems, important as it is, should not exclude presenting differences. This attitude is reflected in the following chapter – where possible common description has been provided, in other cases different phenomena have been chosen to illustrate situation on Polish and Slovak part of the area. Nevertheless, the descriptive part leads to common conclusions and common SWOT analysis table.

Main data related to the situation in the area has been also collected in the Context Indicator Table (part 1.7.3.)

1.3.1. Programme area, population, population density, demographic structure and landscape features

The area of the Slovak-Polish border region is equal to 36 037 km² (20 256 km² on the Polish side and 15 781 km² in Slovakia) and consists of three Polish subregions (NUTS III): bielsko-bialski (in the śląski region), nowosądecki (in the małopolski region) and krośnieńsko-przemyski (in the podkarpacki region) as well as two Slovak counties (NUTS III): Žilina and Prešov. The area of the Slovak counties overlaps with the territory of self-government regional units – the Higher Territorial Units whereas Polish subregions constitute only parts of self-governed regions represented by relevant Marshal Offices. Altogether, almost 4,2 million people live in this area.

The Polish part of the border region is populated by more than 2,7 million people, which constitutes 7% of the population of Poland. The population density of 134 people per km² is higher than average in Poland (123 persons / km²). The present settlement network results, to a large extent, from the peripheral character of the area, distant from the main economic and social centres of both countries. Among the biggest cities of the Polish part of the region there are: Bielsko-Biała, Nowy Sącz and Przemyśl. Kraków and Katowice, regional capitals located in the vicinity, have also strong impact upon the area.

The demographic analysis reveals unfavourable situation of the area. Natural growth rate is positive in the Polish part of the territory, but net migration balance is negative almost in all poviats (NUTS IV). The areas of the Polish part of the Polish-Slovak border area are, to certain degree, similar to each other in terms of social and economic structure, as well as in terms of natural environment features.

In 2001, 1.482.300 people (27,5% of the Slovak Republic inhabitants) lived in the Slovak part of the area. The population density was 94 inhabitants per km² (in the SK - 109,7 inh. per km²). There is an increase in population in all districts of the area concerned, except for the districts Turčianske Teplice and Medzilaborce. In comparison with the Slovak average the border area shows a favourable age structure with higher proportion of pre-productive part of population and low

proportion of post-productive part, even though a tendency towards ageing of society is visible here too. The settlement structure includes several agglomerations (Žilina – Martin and Prešov – Košice as the most significant ones, as well as other agglomerations as Poprad – Spišská Nová Ves – Kežmarok, Liptovský Mikuláš – Ružomberok – Dolný Kubín and Michalovce – Vranov nad Topľou - Humenné. Next to the urban agglomerations, there are areas of rural, mountainous and sub-mountainous character.

The Polish-Slovak border area is characterised by a great variety and uniqueness of natural resources. Mountains and forests are typical elements of the landscape. In many parts of the area, traditional rural settlements can be found, with well-preserved folk architecture and culture.

1.3.2. Economic structure

In 2000, in the Polish part of border region, **GDP per capita** in the krośnieńsko-przemyski subregion was equal to 11.299 PLN (2.583 EUR; 1 EUR = 4,374 PLN, exchange rate of August 2003) and exceeded the value of 1999 by 546 PLN (124,8 EUR). In the nowosądecki subregion GDP per capita was equal to 10.313 PLN (2.358 EUR) in 2000, and was higher than in 1999 by 222 PLN (50,7 EUR). The highest increase in the GDP value was noted in the former południowośląski subregion, reaching 18 364 PLN (4.198 EUR) in 2000, whereas the value in 1999 was 16.081 PLN (3.676 EUR). Both in the krośnieńsko-przemyski and nowosądecki subregions the GDP value was noticeably lower than average in Poland, i.e. 17.725 PLN (4.052 EUR) in 2000. In the same time the value of GDP was equal to 96.242 mln SKK (2.300 mln EUR; 1 EUR = 41,835 SKK, exchange rate of August 2003) in Žilina County and 85 155 mln SKK (2.035,5 mln EUR) in Prešov County. Gross Domestic Product per capita (PPP in US dollars) did not reach the Slovak average (10.478) neither in Žilina County (8.645), nor in Prešov County (6.746). The border area share in total GDP creation in the Slovak Republic amounts to 20%.

On the Polish side, in the **economic structure** of the area the primary sector plays the most important role. In many cases the sector is predominant. In some poviats (limanowski, nowosądecki, brzozowski, krośnieński, przemyski and strzyżowski) more than 70% of the employed people work for the sector. In the majority of other poviats of the małopolski and podkarpacki regions the share of the primary sector in employment exceeds 50%. The situation is different only in the bielsko-bialski subregion, where the role of the sector is relatively small, except for the żywiecki powiat, neighbouring with Slovakia, where 53,2% of the total employers work for the primary sector. Quite differently, in the Slovak part in 2001, the employment structure showed the highest share of employed people in the tertiary sector (55,5% – in wholesale and retail trade, education, health and social work, transport, post and telecommunications), on the second place was employment in the secondary sector (38,5%) and the lowest share of the employed was in the primary sector (6%).

Agriculture in the Polish area is characterised by dispersion of lands, excessive workforce and a large number of farms producing only for themselves. This factor combined with unfavourable climatic conditions and poor quality of soil seems to be main reason of backwardness. Very limited investments do not allow for optimism regarding an improvement of the economic situation in a near future. Investments in agriculture are scarce in most of the poviats in all subregions of the border area. . On the Slovak side the position of agriculture production within the border region and the role of whole primary sector in the economy of the region is less important

The development of the market services on the Polish side is noticeably low – in several poviats of the nowosądecki and krośnieńsko-przemyski the share of market services in the labour market does not exceed 10%. However, it is worth noticing that

in the krośnieńsko-przemyski this sector develops dynamically, especially wholesale and retail trade. Nevertheless, the development potential of the market services, particularly in the agriculture environment and tourism is still unsatisfactory. Beyond the urban centres, the development of industry is also inconsiderable. Besides, in many cases the industry is represented by the enterprises related to the declining branches and requires restructuring (e.g. textile industry in Bielsko-Biała). Low diversification of the economic activities on the Polish side results in not competitive and susceptible to market fluctuations economic structure.

In the Slovak part of the border region there are: 21,8% of the total number of legal entities (20.318) existing in the Slovak Republic, of which 10.441 are trading partnerships, 473 are cooperatives and 15 are state and communal enterprises; 25,5% of natural persons – entrepreneurs (77.322) existing in the Slovak Republic - of which 71.802 are tradesmen, 2.977 freelancers, 2.543 self-employed farmers; 19,6% of enterprises (12.335) existing in the Slovak Republic – 12.146 are in private sector, 684 are foreign and 917 are international. In 2000 the districts of Žilina and Ružomberok reached the highest incomes from the industrial activities, whereas the lowest were registered in the districts Levoča, Medzilaborce, Turčianske Teplice and Stará Ľubovňa.

In the Žilina County, the industrial production is concentrated mainly in the districts Žilina, Ružomberok, Liptovský Mikuláš, Martin and Dolný Kubín (manufacture of pulp paper and paper products, manufacture of machinery and equipment). To the lowest developed industrial basis belong the following districts Turčianske Teplice, Bytča, Čadca and Námestovo.

In terms of employment, the biggest industrial centres in Prešov County are Prešov and Poprad (manufacture of food products and beverages, manufacture of machinery and equipment, electricity, gas, steam and hot water supply). The industrial base is entirely missing in the North-Eastern part of the county.

Restructuring process is advanced in the manufacture of machinery (especially in the Žilina County). The other industrial branches are influenced by the general attenuation caused by the restructuring and production decrease. In the Prešov County severe regression of existing industrial enterprises was noticed in the last decade. Certain development of industrial activities has been observed in the biggest settlement centres of the counties (Poprad, Prešov).

The SME sector in the Polish-Slovak border area is characterised by low level of competitiveness and productivity. Even though in many districts SMEs constitute majority of all enterprises, their share in foreign trade and investments is relatively small. Foreign investments in this sector are small as well.

The development of SMEs is impeded by lack of the capital, which results from low profitability of the enterprises of, mainly, family character and employing small number of people.

The co-operation of Polish and Slovak enterprises may become a development stimulus for the region. In eastern and western parts of the area there is also possibility to undertake trilateral co-operative actions (involving partners from Ukraine in the east and from the Czech Republic in the west).

The economic situation, difficult as it is, may improve as a result of services development, and particularly owing to tourism. Industrial and handicraft tradition may become a good basis for small entrepreneurship and contribute to enriching the services. There is an opportunity to introduce trademark products rooted in the culture of the region and to take advantage of good associations with its character.

The Polish-Slovak border area has all predispositions to benefit from new trends related to leisure activities, tourism, eco-tourism, agro-tourism.

Rich environment, positive image of the area and already existing tourism base open new possibilities of both summer and winter tourism development. There are nationwide winter sports centres in the area: in Poland - Zakopane, Bukowina Tatrzańska, Białka Tatrzańska, Zwardoń, Korbiewów, Szczyrk; in Slovakia – Štrbské Pleso, Smokovec, Tatranská Lomnica, Zuberec, Vrátna Dolina, Oščadnica. The growing role of the Bieszczady centres is also worth mentioning. However, apart from these well prepared for tourism and recreation places, mainly in the western part of the region, there are also areas where the infrastructure is underdeveloped. In the border area, there are still places where the potential for tourism development is high and not exploited. This applies particularly to the eastern part of the territory, where natural conditions, historical monuments and other tourist attractions still wait to be discovered.

Health resorts in the area seem to have good chances for further development. Such places as Piwniczna, Szczawnica, Krynica, Muszyna, Rabka, Iwonicz-Zdrój, Ustroń, Polańczyk, Rymanów in Poland and Bardejov, Turčianske Teplice, Vyšné Ružbachy, Rajecké Teplice in Slovakia are well known. The services offered in spas attract many people, but strong competition in the field may make using the opportunities difficult.

The area has also rich historical and cultural heritage with a great number of architectural, urban and landscape monuments. The most important are in the World Cultural Heritage List of UNESCO – Spišský hrad – Žehra, Bardejov and Vlkolínec (Slovakia) as well as Kalwaria Zebrzydowska and wooden churches in Dębno, Sękowa, Binarowa, Blizne and Haczów (Poland).

Also, cultural and sports international ventures are an important dimension of the trans-border co-operation. Festivals, contests, exhibitions, folk ventures contribute to developing direct contacts between local societies and self-governments from Poland and Slovakia.

1.3.3. Labour market

In the Polish-Slovak border area, situation on the labour market is very difficult. High unemployment rate, and particularly fixed character of the unemployment, especially on the Polish part of the border, has to be counteracted.

In Poland, according to the data of 31st of December 2002, the worst situation was noted in the krośnieńsko-przemyski subregion, where the registered unemployment rate was as high as 18,2%. In three poviats it exceeded 20% (bieszczadzki – 27,7%, brzozowski – 22,5% and nowosądecki – 22,2%). In the bielsko-bialski subregion the unemployment rate was equal to 13,0%, and in the nowosądecki subregion it was 16,6%.

In the Slovak part of the border region the registered unemployment rate was 19% (whereas according to the data from the Slovak National Labour Office of 31st December 2002 unemployment rate in the whole country was equal to 17,45%). Unemployment rate in Žilina County was equal to 14,74%. The lowest unemployment rate was noted in the districts Žilina (10,8%), Bytča (14,02%), Námestovo (14,6%), Liptovský Mikuláš (14,7%). A high unemployment rate was in Prešov County, reaching 23% in 2002. The highest unemployment rate was in the following districts: Bardejov (24%), Medzilaborce (27%), Vranov nad Topľou (28%), Sabinov (28,7%), Kežmarok (31,4%).

According to the Census 2001, 27% of economically active inhabitants of Slovakia lived in the border region. 48,7% of permanent resident inhabitants in the region were

economically active. 24% of the total number of employed in Slovakia lived in the area concerned. In comparison with the Slovak average higher percentage of employed was registered in the primary and secondary sectors and lower in the tertiary sector.

A big problem is high level of agrarian unemployment on the Polish side, which is connected with the before mentioned economic structure. In some Polish poviats industrial unemployment also creates serious problems. It may be difficult to improve the situation also due to the fact that on the Slovak part of the border people are better educated and thus their competitive position on the labour market is better.

The economic structure of the border area, as well as relatively low attractiveness for investors indicate that it will be difficult to create new job opportunities.

1.3.4. Infrastructure

In the mountainous area of the Polish-Slovak border region costs of constructing and maintenance of infrastructure networks are high. Dispersion of settlements in the area also contributes to this unfavourable situation, increasing costs of the communal, telecommunication and transport infrastructure. The main road and railway routes are situated in valleys, in many cases very narrow ones. In order to improve the quality of transport connections, it is necessary to invest in technically difficult and economically expensive works.

A positive impact on the situation may have national and international development programmes. The area may benefit from such programmes due to its favourable geopolitical position enabling transit transport development. This refers particularly to the road network. At present, the state of roads is inappropriate for needs of the area, especially for economic entities, agriculture lands and tourist activities.

The area is covered by the Conception of Transport Corridors connected to the international corridor network TEN. One of the most important elements of the network is corridor III on the Polish part of the border area. Its counterpart on the other side of the frontier is corridor Va, closer to the borderline. There is also corridor VI – Žilina–Čadca–Zwardoń and additional TINA corridors (from Poland to Hungary). Roads and railways that cross the border along meridians complement the corridors.

On the Polish side, the communication network is further complemented by railway routes Zwardoń-Żywiec-Chabówka-Nowy Sącz-Krosno-Sanok-Ukrainian border, and so called “podkarpacka (sub-Carpathian) road” of more or less similar route. On the Slovak part of the border region, the motorway in the corridor Bratislava-Žilina-Prešov-Košice is under construction and the railway line is under reconstruction for 160 km speed. The road network, as well as the railway infrastructure require development and modernisation, especially in the North-South direction, in order to improve accessibility of the region.

The situation in the telecommunication sector in the border area is still unsatisfactory, even though it continues to improve. Nevertheless, the level of telecommunication technology usage for business purposes is relatively low.

1.3.5. Environment protection

On the both parts of the programme area there are many valuable natural sites protected by law. In the Polish border area there are 6 National Parks as well as nature and landscape protection areas. The Bieszczadzki National Park has been registered on the UNESCO world list of protected biosphere areas. On the Slovak part of border region 7 National Parks, 6 Protected Landscape Areas and significant number of small-scale protected nature areas with the highest protection level.

Large-scale protected water-management areas can also be found. Surface water resources in the border region are abundant and clean. There are also mineral and thermal waters, which can serve as a basis for health resorts development and for energy supply. The most significant thermal sources serving as a basis for medical spa resorts in Slovakia can be found in Turčianske Teplice, Vyšné Ružbachy, Bardejov, in Poland in Krynica, Szczawnica, Ustroń, Iwonicz-Zdrój and Rymanów.

Both Poland and Slovakia are preparing themselves to establishing ecological network Natura 2000 on their territories. By the date of accession lists of proposed Sites of Community Importance (pSCI) are to be submitted to the EC. At this stage of preparatory works the lists are under discussion on national levels. In the Polish-Slovak cross-border area, there are numerous territories (in Poland especially in the Podkarpackie region and in Slovakia in the Žilina County) planned as a part of the Natura 2000 network.

Even though the state of the natural environment in the Polish part of the border area is much better than in many other parts of the country, it is still threaten on one hand by the results of human activity and on the other by natural disasters connected with the shaping of the land. Water resources may be endangered by the development of water-supply facilities whenever they are not accompanied by sewerage system. The quality of surface water within the border region is getting improved, but the pace of the process is too slow. The erosion of the soil in the mountainous part of the territory poses serious ecological and economic problem. Some parts of the area suffer from industrial pollution, low emission and pollution inflow from abroad.

The problem of refuse dumps, not adjusted to the EU requirements, still need to be addressed. So far, the system of gathering and neutralisation of the refuses has not been implemented. Low ecological consciousness of the inhabitants and financial problems experienced by economic entities, self-governments and individual people combine to make solution of the waste disposal problem difficult.

The Polish-Slovak border region, particularly Podkarpacie, is rich in rivers and river springs. As a result the area is susceptible to floods. The situation has worsened since several years ago, which is due to heavy rains and deteriorating anti-flood infrastructure. In the rural areas the floods result in even lower productivity of already poor farms. However, typically for the mountain areas, the level of water in rivers changes frequently. As a result, in certain periods the region suffers from insufficiency of water supplies whereas in other periods the area is under threat of flood.

In the context of environment protection, an important issue in the border area is using of alternative energy sources, especially the renewable ones.

Low level of infrastructure is one of the most serious development barriers in the area.

Since 1992, a continuous decrease in basic pollutants level has been registered in the Slovak part of the area. This process was significantly influenced by the industrial restructuring, which was accompanied by a decrease in energy consumption and minimalisation of non-effective metallurgy production. There is also a significant improvement in the air quality owing to modern technology implementation as well as the transition to the rare fuels in large-scale energy industry as well as in small local heating facilities. The pollution is still connected particularly with the sources in the Upper Váh region (Martin, Ružomberok, Žilina), as well as with the pollution from car transportation in the transport corridor of Považie. The significant level of air pollution show the districts in the Eastern part of the area where chemical industry plays an important role (Humenné, Vranov nad Topľou).

The quality of water in rivers is still unsatisfactory. The Upper Váh River can be classified to II – III quality class (clean to polluted water). The Topľa River belongs to polluted rivers. There is a significant decline of quality in terms of the oxygen regime indicators and therefore the water is classified as IV class (strong pollution of water). The periodical decline of water quality is registered in connection with the influence of the chemical industry in the town Vranov nad Topľou.

Soil degradation resulting from erosion processes is one of the main problems of agriculture. Water erosion results in decline of natural soil productivity, damages in vegetation cover, water flows pollution and water reservoirs clogging. The biggest damages caused by erosion are seen in the agricultural arable lands in the Eastern part of the border region (Humenné, Vranov nad Topľou, Snina, Svidník) .

In the past, the industrial fertilizers and chemical pesticides used to cause an increased penetration of extraneous toxic substances to the food chain, but according to results of the Slovak soil monitoring system it is clear, that now the majority of border regions can be classified to the category of non-contaminated or low contaminated soils. In agriculture an ecological soil management approach has been adopted.

The volume of municipal waste shows a modest increase. From the results of municipal waste management analysis it is evident that majority of this type of waste is eliminated by dumping according to legislation (including the environmental aspects), including the refuses segregation. Decrease in industrial waste volume is connected with industry restructuring, technology changes and raw material recycling. The biggest problem in the Slovak Republic is a clean management of hazardous waste (in particular the waste from health services). Also sanitation of old (black) dumping sites decontamination and recultivation of industrial waste dumpings still require solution.

1.3.6. Education

Polish part of the region is in need of development of vocational schools, permanent education centres and training centres. Support for the investments in education and sports will enable to modernise schools and create better conditions for teaching and physical development of pupils.

A dynamic increase in the number of students in the recent years requires new investments in order to provide didactic rooms, laboratories and dormitories. The academic infrastructure must be improved for the sake of better quality of education available for the local population.

The region may profit also from further co-operation of educational centres, as well as relationships between Polish and Slovak high education institutions and research centres. Co-operation of the Slavonic Philology Institute of the Silesian University and research institutes in Bratislava, Prešov and Banská Bystrica, as well as co-operation of the Jagiellonian University and other high education schools from Kraków with similar institutions in Košice, Žilina and Bratislava provide good examples. Also secondary schools from Malopolska co-operate with their counterparts in Slovakia. The Slovak minority in Poland has the possibility to study Slovak language (e.g. in Jabłonka) and to maintain their tradition (e.g. The Slovak Society in Poland).

All the above-mentioned types of contacts should be used to educate people able to work on both sides of the border.

The education structure of society in the Slovak part of the border region is reflected by the following data for the inhabitants older than 15 years in 2001: 12% of them had basic education, 38% had secondary and vocational education without certification, 38% had secondary education with certification and 11% had high

school (academic) education. In comparison with 1991 there was a significant decrease in share of inhabitants with basic education, whereas number of inhabitants with vocational, secondary and academic education increased.

The academic education in the Slovak part of the border area is provided by the following institutions: Žilina University in Žilina, Prešov University in Prešov, Faculty of Industrial Technologies of Košice Technical University with a seat in Prešov, Catholic University in Ružomberok and Military Academy in Liptovský Mikuláš. Besides, the detached places of work of the universities provide bachelor education in Spišská Kapitula, Poprad, Martin, Prešov, Dolný Kubín, Ružomberok, Trstená.

1.3.7. Summary

- the Polish-Slovak border region is the area of interesting landscapes, rich in natural and cultural values that offer basis for tourism and related services development;
- GDP per capita is below national averages, both in Polish and Slovak parts of the area;
- many districts of the region are characterised by high unemployment rate, in some cases significantly higher than respective national average;
- economic structure of the region requires transformation, especially the role of services should increase;
- the region suffers from insufficiently developed or/and dilapidated technical infrastructure that affects quality of life, accessibility and attractiveness for tourists and investors;
- even though the quality of environment has improved for the last decade, still much has to be done in the field of environment protection.

1.4. SWOT analysis

FIELD	STRENGTHS	OPPORTUNITIES
Population / demographic structure	<ul style="list-style-type: none"> • Similar culture and tradition of societies on both sides of the border • Similarity of Polish and Slovak languages • Favourable demographic situation 	<ul style="list-style-type: none"> • Development of programmes for prevention of social pathological phenomena • Potential for further cross-border co-operation in culture, health care (spa centres) and integrated rescue systems
Landscape characteristics/ Environment protection	<ul style="list-style-type: none"> • Unique environmental value, protected areas of international importance and attractiveness • Positive image of the territory associated with good quality of environment, specific landscape, architecture, and folk values 	<ul style="list-style-type: none"> • Growing importance of environment in the context of social expectations and EU requirements • Natural conditions extremely favourable for the development of tourism and recreational activities
Economic structure	<ul style="list-style-type: none"> • Rich local resources of raw materials mainly for construction • Good conditions for international trade and economic co-operation (also trilateral, with Ukraine in the eastern part of the area and the Czech Republic in the west) • Maintenance of natural methods in agriculture 	<ul style="list-style-type: none"> • Development of Small and Medium Enterprises and also micro-enterprises creating alternative source of income for local population, • Development of tourism as a result of improving tourist offer • Handicraft and industry tradition that can be base for the development of local entrepreneurship
Labour market /education	<ul style="list-style-type: none"> • Low labour cost • Cross-border co-operation of universities and scientific institutions • Observed social trends towards gaining higher education level, new qualifications and further vocational training 	<ul style="list-style-type: none"> • Possibility of new job opportunities as a result of tourist services development, especially for women • Potential for closer cross-border co-operation in science, research and education • Development of university education
Infrastructure	<ul style="list-style-type: none"> • Advantageous geopolitical localisation for transit passenger and cargo transport • Existence of the international Trans-European corridors and developed regional transport network • Availability of lands with basic infrastructure 	<ul style="list-style-type: none"> • National and international infrastructure development programmes • Potential for co-operation and co-ordination of transport activities across the borders • Development of information and communication infrastructure

FIELD	WEAKNESSES	THREATS
Population / demographic structure	<ul style="list-style-type: none"> • Negative net migration rate • Pauperisation of the inhabitants (in certain areas) 	<ul style="list-style-type: none"> • Diminishing socio-economic activity of population, increasing passiveness and apathy • Migration of younger generation to other regions offering better conditions • Growth of socially marginalised groups
Landscape characteristics/ Environment protection	<ul style="list-style-type: none"> • Low ecological consciousness • Insufficient number of sewage treatment plants and their purification capacity • Conflicts between socio-economic activities and environment requirements 	<ul style="list-style-type: none"> • Insufficient financial means for preservation of environment assets • Danger of floods • Degradation of natural resources as a result of urbanisation process as well as agricultural and industrial production
Economic structure	<ul style="list-style-type: none"> • Economic structure with prevailing agriculture and large number of small farms in the Polish part of border region • Not competitive economic structure susceptible to market situation changes • Insufficient level of services for business and business environment institutions 	<ul style="list-style-type: none"> • Problems with the restructuring of agriculture and industry • Insufficient number of investors interested in the area
Labour market /education	<ul style="list-style-type: none"> • Very high unemployment rate (often of structural character) • Low level of qualifications of the workforce • Low offer of new job opportunities (mainly in eastern part of the region) 	<ul style="list-style-type: none"> • Outflow of well-qualified inhabitants of the region • Growing long-term unemployment with all negative consequences
Infrastructure	<ul style="list-style-type: none"> • Insufficient transport infrastructure and poor quality of existing infrastructure • Underdeveloped water supply system, sewerage network and waste disposal system • Undeveloped infrastructure in rural areas, particularly along the border 	<ul style="list-style-type: none"> • Retardation in realisation of the transport infrastructure development programmes, especially those of international importance and high costs of investments • Increasing peripheral character of the south-eastern part of the region • Negative impact of transport development on valuable environment, natural reserves and protected areas

1.5. Joint development strategy and coherence with other programmes

1.5.1. The experiences with cross-border activities

Relations between Polish and Slovak societies in the border area - resulting in a natural way from their neighbourhood, similarity of languages and tradition.-intensified in the 1990s. Political and economic changes in both states added new elements to the common cross-border activities, so far concentrated on tourism, culture and sports. The establishing of the Carpathian (in 1994), Tatra (1993) and later Beskidy (in 2000) Euroregions contributed to closer co-operation, including also small and medium enterprises. Many of these activities were supported by funding from the EU.

1.5.2. Phare CBC Programme

In line with the Commission Regulation No. 2760/98 (Article 3), the Polish-Slovak Phare cross border co-operation programme seeks to promote co-operation of the border regions with the neighbouring regions from the other side of the frontier. The programme supports these regions in their efforts to overcome specific development problems resulting, among other things, from their relative isolation in the framework of national economics, in the interest of the local population and in a manner compatible with the protection of the environment. Also co-operative networks on both sides of the border and the creation of linkages between these networks and wider Community networks are promoted.

Specific objectives of the Phare CBC programme include increasing the competitiveness of enterprises, reviving the overall economy on both sides of the border, solving problems related to pollution of the environment and inadequate infrastructure, improving the quality of life and creating a co-operative network on both sides of the border.

The Phare CBC programme was launched in 2000. Then editions 2001, 2002 and 2003 follow. Within the programme, three components are implemented.

- Joint Small Project Fund supporting “soft” projects in the field of local democracy, economic development and tourism, culture, ecology, health, information and communication. Within Phare CBC 2000 edition around 300 000 EUR on the Polish side and similar amount on the Slovak side were allocated to the component, in the editions 2001, 2002 and 2003 the fund is to be equal to 400 000 EUR on each side of the border. The Joint Small Project Fund is implemented by the Euroregions: Carpathian, Beskidy, Tatra (PL).
- Small Infrastructure Project Fund, envisaged within 2000 and 2003 editions of the programme, seeks to support small-scale infrastructure projects of trans-border importance. It is targeted at suppressing disparities in the level of communal infrastructure, as well as supporting environment protection infrastructure. The 2000 Phare CBC edition provides for 254 000 EUR allocation to this component on the Polish side and 176 000 EUR on the Slovak side. The 2003 edition allocation to the fund is to amount 3,6 mln. EUR on each side of the border.
- Big infrastructure projects – for the 2000, 2001 and 2002 editions 6 big projects have been approved by the Commission on each side of the border.
- In Poland, 4 mln. EUR were allocated within the 2000 edition of the Phare CBC programme, out of which 3,9 mln. EUR were contracted.
- Within the Joint Small Project Fund, out of 346 000 EUR allocated, 94% were contracted. The Polish self-contribution amounted to 120 000 EUR. In all, 26 projects were implemented.

- The Phare CBC support for big infrastructure projects amounted to 3,350 mln. EUR. Two projects were implemented: “Modernisation of the road Radoszyce-Palota” (1,7 mln. EUR) and “Construction of the border bridge Leluchów-Circ with an access road” (1,65 mln. EUR).
- In the Slovak Republic 4 mln. EUR were allocated for the 2000 edition, contracted 3,99 mln. EUR.
- For the Joint Small Project Fund supporting “soft” projects within PHARE CBC 400 000 EUR were allocated and 100% contracted with 40 000 EUR of co- financing. Together 20 projects were realized.
- The Phare CBC support for big infrastructure projects amounted to 3,5 mln. EUR. There were two big projects realised – “Road Radoszyce / Palota” (2 mln. EUR) and “Sewerage system in Polhoranka” (1,5 mln. EUR)

Judging by the experiences connected with the PHARE CBC programme implementation so far, it seems that in most cases problems related to cross-border development can be addressed using smaller funds. The threshold of 2 MEURO adopted in PHARE constituted in some cases a severe barrier, as respective national co-financing was in many cases not available. After accession to the EU large infrastructure projects will be implemented, as a rule, within Cohesion Fund and ERDF mainstream programmes. The amount of financial support allocated for the Interreg IIIA PL-SK programme should be distributed via a bigger number of smaller projects. The Joint Small Project Fund turned out to be very attractive for local communities, contributing to better understanding and forming a basis for further co-operation. These good experiences should be continued within INTERREG III A.

Implementation of PHARE CBC so far also shows that financial aspects of project realisation are very difficult for many beneficiaries. Therefore, in addition to frequent trainings for applicants, manuals and instructions related to eligibility of expenditures within the Interreg IIIA PL-SK programme need to be prepared before the call for proposals is launched. During the implementation of the Interreg III A PL-SK programme, due attention will be paid to the evaluation of the proposals. Experiences from the Phare CBC show that proper technical evaluation, based on a detailed grid, combined with experts’ work play crucial role for the programme management efficiency.

In the last period, the cross-border co-operation was expressed also in the common works on the Strategy of Spatial Development of the Polish-Slovak Border Area, and jointly managed by the Ministry of Environment of the SK and State Office for Housing and Urban Development from Poland (2000). This spatial aspect was also covered within the Interreg III B CADSES project “VISION PLANET” with active participation of the Government Centre for Strategic Studies from Poland and Ministry of Environment of the Slovak Republic. One of the results of the project was identifying the Carpathian Development Area as one of the future action areas where international co-operation should focus.

1.5.3. Joint cross-border strategy

Taking into account experiences with hitherto existing cross-border co-operation, especially Phare-CBC, and regarding the results of the socio-economic analysis, following recommendations have been identified:

- financial possibilities offered in line with the EC communication on the Interreg III Initiative should be rationally used which means that actions to be supported should be clearly linked to the global objective of the programme and different from those financed under other EU and national instruments in terms of having cross-border impact;

- focus should be on common initiatives and co-operation of people from both sides of the border at all stages of project development and implementation in order to contribute to better social integration of the border area.

The global objective of the joint strategy is:

To support integrated and sustainable economic, social and cultural development of the Slovak-Polish border region.

The priorities and measures of this programme seek to use the strengths and opportunities of the cross-border region for common solving of main problems.

In line with the global objective, the programme document aims at supporting the following strategic objectives for co-operation in the cross-border region:

- To promote development of infrastructure (technical, communication and environment infrastructure), which is oriented towards spatial integration, better accessibility and attractiveness for investors and tourists.
- To promote cross-border socio-economic co-operation with special regard to actions contributing to tourism development, support for entrepreneurship and balanced labour market development.

While pursuing the strategic objectives for development, it is necessary to regard the following aspects:

- creation of common vision of integrated regional economy, social cohesion and good neighbourhood relations
- stable growth on the both sides of the border
- nature conservation and cultural heritage protection
- needs of the local social groups.

1.5.4. Indicators on the programme level

The programme is concentrated on cross-border co-operation addressing problems concerning infrastructure underdevelopment and insufficient services, especially in tourism. The target is to enhance the economic level of the area through encouraging activity of local societies and raising awareness of opportunities connected with cross-border co-operation.

To this end, it is recommended to monitor the following indicators at the programme level:

- number of cross-border projects supported
- number of partners involved in microprojects
- level of involvement of Polish and Slovak partners (quality of partnership).

1.5.5. Co-ordination of strategic objectives with other regional development policies

The global objective and also the strategic objectives of the programme are co-ordinated with the basic development documents of both countries - National Development Plans (NDP).

The strategic goal of the Polish NDP for 2004-2006 is development of the competitive economy, based on knowledge and entrepreneurship and providing for long-term and harmonious development, enabling higher employment and better social, economic and spatial cohesion with the UE on regional and national levels. To this end operational programmes have been elaborated linking to the following development axes:

- promotion of the enterprises competitiveness (co-financed by ERDF),
- human resources development and employment (co-financed by ESF),

- creation of conditions for investments, sustainable development and spatial integration (co-financed by ERDF)
- structural transformation in agriculture and fishery, rural areas development (co-financed by EAGGF and FIFG),
- strengthening of the regional development potentials, counteracting marginalisation of certain areas (co-financed by ERDF, ESF).

The main objective of regional policy of the Slovak Republic described in the NDP as a long-term objective is providing for a well-balanced economic and social development of the Slovak Republic.

Following the analysis of the existing situation and based on the knowledge of pre-requisites, the Slovak Republic proposes the following strategic objective for the NDP during 2004 – 2006:

To support, by respecting the principle of balanced sustainable development equally across the regions, such GDP growth that the Slovak Republic by 2006 achieves a level exceeding 50% of the GDP per capita average in the EU countries .

The NDP priorities will be implemented by means of 4 separate Operational Programmes; each will be funded by one of the Structural Funds. The Operational programmes are: Industry & Services (ERDF); Human Resources (ESF); Agriculture & Rural Development (EAGGF) and Basic Infrastructure (ERDF).

The Slovak NDP strategic objective will be achieved by building of 3 development axes:

- Economic Growth & Competitiveness
- Employment
- Well-balanced Regional Development

The strategy defines 4 priorities for Slovakia's overall development over the period 2003-6. These are: 'Competitiveness'; 'Employment'; 'Agriculture & Rural Development' and 'Basic Infrastructure'.

Apart from the Community Initiative Interreg III, both Poland and Slovakia will participate in 2004-2006 in the EQUAL initiative.

The proposed CIP document corresponds with the objectives of above-mentioned national strategic documents of both countries. The Polish-Slovak Interreg III A programme will be linked to:

- objective I and Cohesion Fund programmes - in terms of supporting economic development, employment, entrepreneurship; however, in case of this PL-SK programme cross-border dimension of activities will be crucial selection criterion. Operations co-financed from the Cohesion Fund will contribute to development and modernisation of transport and environment protection infrastructure with a strategic objective of improving cohesion of the enlarged European Union. Supported projects should have strong impact on improvement of transport development conditions and quality of the environment, therefore their value should be considerable (no less than 10 mln. EUR according to Polish Framework Reference Document for Cohesion Fund 2004-2006). Within Priority 1 of the Interreg III A Poland – Slovak Republic programme two measures concerning both above mentioned spheres have been selected, however the size and nature of the projects are completely different and there is no risk of overlapping. In case of investments in transport, operations co-financed from the Cohesion Fund will concentrate on modernisation of railways, construction of highways and express roads as well as national roads. These activities can not be co-financed from Interreg III A Poland – Slovak Republic programme as possible investments must have local or regional dimension and always demonstrate cross-border impact. Financial resources allocated for the Interreg programme do not allow for implementation of big projects in this field, supported operations should be complementary to existing or planned transport

infrastructure and contribute to better accessibility of the cross-border areas especially with a view to developing tourism and improving economic development conditions. As regards environment protection infrastructure the minimum value of the projects co-financed from the Cohesion Fund (10 mln EUR) is the main difference in relation to ERDF co-financed programmes in Poland (the value of the projects must be less than 10 mln EUR), therefore big projects in this field are not eligible within Interreg programme.

Contrary to the projects co-financed from the Cohesion Fund, operations supported under Objective 1 ERDF programmes are similar to those implemented within Interreg III A programmes. In order to carefully distinguish both types of operations specific criteria for cross-border co-operation projects have been identified:

- Implemented projects should seek to solve common problems hampering development of border regions,
 - Infrastructure investments in transport should have local character and contribute to development of direct contacts between societies from both sides of the border,
 - Investments in the field of environment protection should lead to improvement of the quality of the environment in the cross-border areas, the results of the projects must be seen on both sides of the border,
 - All infrastructure projects must demonstrate clear cross-border impact, in the case of investments implemented on one side of the border only, positive influence on regions in the neighbouring country need to be proven,
 - The projects must be in conformity with programme objectives, especially as regards their contribution to socio-economic development of the Slovak-Polish cross-border area (e.g. through development of tourism).
- rural development programmes - in terms of efforts to improve accessibility of the rural areas, development of agro-tourism etc.; however, Interreg III A PL-SK projects will be of complementary character to activities envisaged for funding from the EAGGF, however focusing on projects of clear cross-border significance and impact;
 - the National Strategy of Employment Growth and Human Resources Development (PL) and National Employment Action Plan for 2002- 2003 (SK), based on the National Employment Plan (SK) and the EQUAL initiative – **in terms of efforts to contribute to new jobs creation, especially in tourism and services, and training; equal opportunities principle will be applied;**
 - pre-accession instruments (PHARE-CBC, PHARE, ISPA, SAPARD) – in terms of using experiences gained while implementing the programmes; all the above mentioned instruments seek to solve problems that, in a smaller scale, are addressed also by the Interreg III A PL-SK programme, however financial limitations and the necessity to focus on common actions make this programme different; nevertheless while implementing the PL-SK programme steps will be taken to avoid double financing and duplicating of existing works;
 - sustainability – the programme is environmentally oriented since the natural assets of the PL-SK border area may play a crucial role in attracting tourists and investors; impact on the environment assessment is a part of the ex-ante evaluation and will be also taken into account while assessing individual project proposals;
 - competitiveness – the programme will be in line with respective regulations (see: chapter 3.4).

The Managing Authority, co-operating with National Authority of Slovakia, has overall responsibility for avoiding of double financing and overlapping of activities. National arrangements for implementation of the EU funded programmes contribute to facilitating of the task. Objective 1 ERDF programmes and Interreg III A Poland-Slovak Republic Programme are supervised in both countries by the same ministries, i.e. Ministry of Economy, Labour and Social Policy in Poland and Ministry of Construction and Regional Development in Slovakia. Within the Polish Ministry the Structural Policy Co-ordination Department exists to co-ordinate structural funds related programmes. The Section of Co-ordination of Structural Instruments (CSF) is responsible for the task within the Slovak Ministry of Construction and Regional Development. The ministries work in close co-operation with other bodies

responsible for public funds, on national and regional levels. Representatives of regions will be involved in the quality assessment of projects with responsibility to check compliance and co-ordination with regional programmes and strategies and informing about possible overlapping of activities. Also composition of the Steering Committee will enable to ensure that double-financing and overlapping with EU programmes mentioned above is prevented.

1.6. Priorities and summary description of the measures

Due to existing interregional and intraregional differences within the eligible area, the priorities and measures of the programme are rather broad. Economic structure on the Slovak side with prevailing service sector is different from that on the Polish side with prevailing agriculture. Even on the Polish side the situation in particular areas differs to a large extent (e.g. in industrial part of bielsko-bialski subregion). There are also considerable differences in population density and education level. Based on the joint diagnosis of the socio-economic situation in the Slovak-Polish cross-border area, common strategic priorities have been identified and reflected in the proposed programme. The programme should allow for participation of many institutions from different parts of the cross-border region and of different problematic fields.

Following description focuses on programme priorities, details concerning contents of particular measures will be described in the Programme Complement.

PRIORITY 1. INFRASTRUCTURE DEVELOPMENT

The Polish-Slovak border region requires intensive undertakings that will thicken and improve now neglected infrastructure. Appropriate investments will be co-financed mainly from the Cohesion Fund or Objective 1 programmes, however, cross-border co-operation within Interreg may turn out a good tool for preparation of joint programmes for development of infrastructure serving population from both sides of the border and thus more effectively used. This development will take place in two main spheres: technical and communication infrastructure and environment protection infrastructure.

The main aims of infrastructure reinforcement are to increase competitiveness of the border area and to enhance the conditions for business and tourism development. An increase in expenditure on transport infrastructure can improve accessibility of the area situated at the periphery of national growth centres. These undertakings should enable to make use of favourable geographical position, defined above as one of main strengths of the area, for transit transport development.

When planning infrastructure investments in the Slovak-Polish border area, due attention will be paid to environmental conditions, especially that development of new economic activities, particularly in tourism, depends to a large extent on preservation of rich environmental values. Joint activities aimed at improvement of environment protection infrastructure, which are to be supported within this Priority, should contribute strongly to sustainable development of the cross-border region.

Expected effects:

- elimination of main bottlenecks or missing links in the cross-border local road network hampering development of social and economic, including trade,

relations, restrained not only by existence of state border but also by difficult natural conditions;

- improvement of accessibility to certain locations in order to enhance economic development conditions, including improvement of conditions for trade,
- preservation and protection of rich natural heritage of the area through further limitation of the environment pollution with impact on both sides of the border,
- joint or co-ordinated plans or programmes for infrastructure development in the cross-border region.

Measures to be implemented under this Priority will be described in detail in the Programme Complement.

MEASURE 1: TECHNICAL AND COMMUNICATION INFRASTRUCTURE

As stated in the description of socio-economic situation, the border area requires construction of new and modernisation of existing road and railway connections. Huge investments, due to limited resources, are not eligible within the programme. Smaller actions, aimed mainly at improvement of direct linkages between Slovak and Polish partners or considerably improving accessibility of specific area for economic and especially tourist activities will be promoted under this measure. Additionally, joint plans and programmes for transport and communication infrastructure development are to be prepared in order to create coherent cross-border system. New solutions in the field of multimodal transport can be promoted. Appropriate studies or concepts for larger infrastructure investments of cross-border importance can also be prepared including those concerning connections to transport corridors. The investments themselves could be implemented within other national or international infrastructure development programmes.

Tourism is considered one of the main factors of economic development in the cross-border region, therefore infrastructure investments related to tourism will be supported under this Measure.

Examples of cross-border activities to be supported:

- Improvement of road infrastructure at local scale with impact on both sides of the border,
- Construction of new and extension of existing walking paths and bicycle lanes,
- Elaboration of analysis, studies, strategies, programmes and projects for development of technical and communication infrastructure,

MEASURE 2: ENVIRONMENT PROTECTION INFRASTRUCTURE

In many cases environmental situation still needs to be improved, implementation of projects of cross-border importance can turn out very useful to this end. Local governments from both sides of the border look forward to collaboration in the field of wastewater treatment and waste utilisation. However, since environment infrastructure investments are very costly, it is not possible to co-finance them within this programme. Nonetheless, common planning and elaboration of joint programmes preparing large investment of cross-border significance can be supported. Small environmental investment projects can be co-financed. This applies particularly to the problem of air pollution and flood prevention. In the case of air pollution counteracting, planning of systems for pollutant monitoring could be

supported. Especially, the flood prevention infrastructure is insufficient in the whole region, which can lead to serious natural disasters. When planning new or renovating existing elements of flood prevention system (e.g. water reservoirs), one should also take into account their possible economic use.

Examples of possible activities:

- construction of small waste water treatment plants located near the border and affecting quality of the environment in the neighbouring country,
- development of environment cross-border monitoring system for prevention of natural disasters (e.g. construction of observation decks and their equipment),
- cross-border planning activities in the field of flood prevention (especially in relation to mountain streams),
- preparation of environmental studies and analysis of cross-border importance.

PRIORITY 2. SOCIO-ECONOMIC DEVELOPMENT

On the one hand Slovak-Polish border area is underdeveloped and suffers from high unemployment, on the other its natural and cultural potential is considerable, offering for example good conditions for tourism sector development. Projects implemented under this Priority should contribute to utilisation of this potential and foster socio-economic development of the region. Three Measures have been separated which concentrate on development of human resources and promotion of entrepreneurship, protection of natural and cultural heritage and support for local initiatives.

Special actions are necessary to improve difficult situation on the labour market. Cross-border co-operation may lead to more efficient use of labour resources. New jobs can be created mainly in the SMEs sector, especially in tourism. However, new enterprises will not develop unless certain level of entrepreneurship has been achieved that will enable to make use of endogenous potential (including handicraft and industry tradition, use of natural methods in agriculture or good conditions for development of trade). In this respect exchange of information and knowledge among Slovak and Polish partners may turn out fruitful. To this end, also co-operation between research centres and schools should be promoted.

The level of GDP in Polish – Slovak border area is lower than national averages, and the economic structure, with primary sector playing the most important role on the Polish part of the area, is unfavourable. Consequently, particular attention should be paid to development of services, as well as SMEs. Local governments from both sides of the border should take joint actions, which can be implemented within this Priority, with a view to improving the competitiveness and productivity of enterprises. Taking under consideration regional strengths, such as low labour costs and good natural conditions, especially for development of tourism, the promotion of entrepreneurship can be efficient.

Economic development in the Slovak-Polish border area is connected with its rich natural and cultural heritage. The scope of cross-border co-operation relating to protection of natural and cultural heritage is very broad, particularly in connection with promotion of tourism.

Local initiatives which are to be supported within this priority will contribute to the strengthening of social and economic relations between the inhabitants of the border area. Through the small projects local communities will have a possibility to look for joint solutions to existing problems. Co-operation initiated during the implementation of local initiatives can be developed in future in the form of bigger projects.

Expected effects:

- increase of employment as a result of joint initiatives influencing labour market,
- strengthening of local SMEs through joint co-operation projects,
- increase in qualifications of the inhabitants of the area through development of the co-operation between educational institutions,
- creating networks in the field of tourism development.

More information at Measure level will be included in the Programme Complement.

MEASURE 1: DEVELOPMENT OF HUMAN RESOURCES AND PROMOTION OF ENTREPRENEURSHIP

Joint activities undertaken within this measure should seek to solve the most persistent problem in the border area: unemployment. This can be achieved through common initiatives aimed at development of human resources and promotion of entrepreneurship. Improvement in this field would also alleviate the problem of marginalisation resulting from unemployment

Projects relating to labour market policy should foster cross-border contacts between respective employment offices in order to exchange information on available jobs and changes on labour market, joint cross-border strategies for combating unemployment can also be prepared.

Projects enhancing infrastructure for information or entrepreneurship promotion centres serving SMEs from both countries and other potential investors are to be supported. They would provide potential investors with knowledge about the ownership of the land, taxation or ecological requirements for particular business activities etc. in order to attract and sustain the business in the area. Linkages between SMEs organisations as well as SMEs, universities and research & development institutions should also be encouraged.

Co-operation in the field of health (health resorts), sport and education can bring about positive effects, as in the long term this can be main stimulus for regional development. Relationship between Polish and Slovak education institutions as well as research centres should be further developed. These contacts can contribute to increase in qualifications of inhabitants as well as promotion of entrepreneurship.

In order to develop cross-border tourism, learning of foreign languages as well as exchange of appropriate information and data should be promoted. Co-operation of spas can additionally contribute to development of this specific sector of tourism.

As the border region has mainly mountainous character, special attention should be paid to co-operation of rescue services from both sides of the border.

Examples of cross-border activities:

- development of information and communication networks for entrepreneurship promotion centres,
- comprehensive projects of co-operation among universities and schools,
- co-operation of rescue services,
- common promotional activities through different media (Internet, brochures, international fairs),

- general and specific training for entrepreneurs in particular sectors (e.g. tourism, handicraft and traditional production, ecological agriculture).

MEASURE 2: PROTECTION OF NATURAL AND CULTURAL HERITAGE

The Slovak-Polish border area is known for its rich natural and cultural heritage. In order to take advantage of this while contributing to protection of the assets, infrastructural activities (envisaged within measure 1.2) have to be completed by the activities of soft character. The region offers promising conditions for development of eco-tourism. Co-operation in this field, between different settlements or tourist organisations from both sides of the border, should be encouraged. Thematic networks connecting locations having similar characteristics are to be created with a view to developing new tourist packages and products (e.g. wooden churches or gothic routes). Thanks to joint cross-border activities this area of outstanding natural and cultural assets can be more efficiently promoted outside Poland and Slovakia. In order to preserve cultural heritage of the region joint projects sustaining the identity of local societies should be prepared (including educational actions).

Joint actions aimed at protection of different plants and animal species should be undertaken. Common programmes for natural protection as well as cultural and historical heritage preservation in different spheres are to be prepared.

Examples of cross-border activities:

- projects aimed at creation of common, integrated culture and tourist products (e.g. natural parks, thematic cultural routes),
- promotion of the Slovak-Polish border region and its cultural and natural assets,
- joint activities linked with rational and economical utilisation of natural resources and protection of fauna and flora (endangered plants and animal species),
- development of co-operation between cultural, educational, ecological and research institutions.

MEASURE 3: SUPPORT FOR LOCAL INITIATIVES (MICRO-PROJECT FACILITY)

Under this measure small projects of "people to people" type will be implemented. It is expected to replace the successful "Joint small project fund" hitherto existing within the Slovak-Polish PHARE CBC programme. Overall objective of this measure is development and intensifying of co-operation between communities from both sides of the border with the prospect of joint improvements in cultural, educational, social and economic spheres. Close co-operation between people living in the border area (e.g. cultural and sports exchanges, co-operation between local educational and cultural institutions) deepens neighbourly relations. Activities undertaken within this measure (e.g. organisation of conferences and exhibitions, preparation of studies and publications) will encourage local institutions and citizens to get involved in the Interreg programme. Support for small-size local initiatives can create basis for large cross-border co-operation projects. While implementing this measure, due attention will be paid to promotion of environment friendly activities.

Polish Euroregions and Slovak Regional Agencies will play a crucial role in the implementation of this measure, funds will be allocated by them to local initiatives (Microproject) on the basis of decisions taken by the Microproject Steering

committee. Details concerning implementation of the measure will be provided in the Programme Complement.

PRIORITY 3. TECHNICAL ASSISTANCE

Technical Assistance (TA) may be used to ensure efficient, effective and transparent management as well as smooth operation of the Interreg III A programme. TA is divided into two categories. The first category refers to management, implementation, monitoring and control of expenditure, the second deals with other costs like studies, information actions, evaluation etc. Based on these two categories the priority TA is split up into two measures. The distribution of the funds within priority 3 will be in accord with Rule no 11.2 and 11.3 of the Commission Regulation (EC) no 448/2004 of 10 March 2004 (amending 1685/2000) .

MEASURE 1: MANAGEMENT, IMPLEMENTATION, MONITORING AND CONTROL

This measure includes: setting up and financing of the eligible expenditure of the Managing Authority, Paying Authority and Joint Technical Secretariat. Additionally it may cover costs of the contact point in the country not hosting the managing institutions as well as institutions participating in the implementation of the local initiatives (micro-project facility). Financial allocation to this measure will be equal to 5% of the programme budget.

MEASURE 2: PROGRAMME PUBLICITY AND EVALUATION

The costs of programme publicity and evaluation will be covered under this measure. Communication action plan is to be prepared and several seminars or information events organised. Exchange of information on different project proposals will be encouraged. Actions to support beneficiaries in project development and search of partners can be undertaken. The use of information technologies (Internet) should be promoted. Financial allocation to this measure will be equal to 2 % of the programme budget.

1.7. Indicators

Indicators will be used for the monitoring and evaluation of the programme. Complete list of output, result and impact indicators is to be provided in the Programme Complement. The following indicators for each Measure of the Slovak – Polish Interreg III A programme are of general nature and should be used to measure the effects of the programme as a whole. They were defined in accordance with Practical guide for preparing new and amending existing Interreg III community initiative programmes as well as Working paper no.7 for Interreg III A programmes.

1.7.1. Global programme indicator

<ul style="list-style-type: none"> • number of cross-border projects supported (QT, measured ex-post), • number of projects jointly planned and implemented (QT/QL, measured ex-post)

1.7.2. Programme indicators

Priority 1	Number of supported projects aimed at cross-border infrastructure development	at least 15
Measure 1.1	Number of eliminated missing links in transport network	at least 4
	Reduction in travel time and improved standard of travel	QT/QL, measured ex-post
Measure 1.2	Number of co-operation agreements concluded referring to environment protection and collaboration between rescue services	at least 5
	Hectares of territory directly benefiting from new/improved environmental infrastructure	QT, measured ex-post
Priority 2	Number of “soft” projects contributing to improvement of social and economic conditions in the border area	at least 15
Measure 2.1	Number of joint actions relating to promotion of entrepreneurship and development of SMEs	at least 6
	Number of persons participating in the cross-border trainings	QT, measured ex-post
Measure 2.2	Number of thematic networks created in the field of natural and cultural heritage protection	at least 3
	Creation of co-operation structures in the field of tourism development and joint promotion campaigns (networks, forums)	QL/QT, measured ex-post
Measure 2.3	Number of projects involving people-to-people actions	at least 100
	Better knowledge of each other’s history, traditions, etc; better mutual understanding	QL/QT, evaluated ex-post
TA	Creation of structures for cross-border co-operation programme	QL, measured ex-post
	Number of events aimed at programme promotion	at least 10

QL - qualitative

QT - quantitative

1.7.3. Context indicators

NUTS III	Žilinský	Prešovský	Bielsko-Bialski	Nowo-sądecki	Krośnieński-Przemyski
Area (km ²) total 36 037	6788,37	8 992,64	2352	7490	10414
Number of inhabitants ¹⁾ 4,2 mln	692 332	789 968	650512	1105009	960680
Under 20 years (in %)	28,86	31,81	23,6	28,1	26,3
20-60 years	56,42	54,40	63,2	58,4	58,9
over 60 years	14,71	13,79	13,2	13,5	14,8
Population per km ²	102	88	277	148	92
Natural increase per 1000 inhabitants ²⁾	0,91	3,88	0,5	4,5	1,5
Net migration per 1000 inhabitants ²⁾	0,43	3,09	1,6	0	-1,4
Agricultural land (% of total area)	36,5	42,9	-	50,0	48,4
Rural population (% of total population)	47,93	49,59	-	67,2	64,8
Legally protected areas possessing unique environmental value in % of total area ⁵⁾	38,6	14,3	-	72,4	62,2
Unemployment rate ³⁾	14,74	23,0	13,0	16,9	18,8
Employment by sectors (in %) ³⁾					
- Agriculture	5,16	6,86	27,5	60,1	59
- Industry	40,53	36,37	33,2	14	16
- Services	54,32	56,77	39,3	25,9	25
GDP per capita ⁴⁾	3 306	2 564	4 228*	2 375	2 602

1) data from 2001 (SK) (PL)

2) data from end of the year 2001 (SK) (PL)

3) data from end of the year 2002 (SK) / 2001 (PL)

4) year 2000 (SK) (PL), in EUR (exchange rate of September 2003: 1EUR=4,343PLN, 1 EUR=42,045SKK)

5) National Parks and Protected Landscape Areas

* data for the former południowośląski subregion

1.8. Indicative financing plan

INDICATIVE FINANCING PLAN (2004-2006)

Interreg III A Poland – Slovak Republic

Priority/year	Total eligible cost	Public participation			
		Total public expenditure	Community participation		National public participation
			Total	ERDF	
1	2=3+5	3	4	5	
Priority 1	14 667 928	14 667 928	11 000 946	11 000 946	3 666 982
2004	4 382 120	4 382 120	3 286 590	3 286 590	1 095 530
2005	4 734 960	4 734 960	3 551 220	3 551 220	1 183 740
2006	5 550 848	5 550 848	4 163 136	4 163 136	1 387 712
Priority 2	10 134 205	10 134 205	7 600 653	7 600 653	2 533 552
2004	3 018 040	3 018 040	2 263 530	2 263 530	754 510
2005	3 221 622	3 221 622	2 416 216	2 416 216	805 406
2006	3 894 543	3 894 543	2 920 907	2 920 907	973 636
Priority 3	1 866 827	1 866 827	1 400 120	1 400 120	466 707
2004	557 724	557 724	418 293	418 293	139 431
2005	602 631	602 631	451 973	451 973	150 658
2006	706 472	706 472	529 854	529 854	176 618
Totals per year					
2004	7 957 884	7 957 884	5 968 413	5 968 413	1 989 471
2005	8 559 213	8 559 213	6 419 409	6 419 409	2 139 804
2006	10 151 863	10 151 863	7 613 897	7 613 897	2 537 966
TOTAL	26 668 960	26 668 960	20 001 719	20 001 719	6 667 241

in €

The ERDF contribution has been calculated on the basis of the total public expenditure.

2. Designation of the Competent Authorities

2.1. Joint structures

In accordance with point 38 subparagraph 2 of the Interreg guidelines and the mutual PL-SK agreement, the overall responsibility for the programme within the meaning of Article 9 and Article 34 of the Council Regulation 1260/99 shall lie with the Ministry of Economy, Labour and Social Policy of Poland (acting as Managing Authority) in co-operation with the responsible authority in the Slovak Republic, namely Ministry of Construction and Regional Development. Details concerning division of tasks and responsibilities will be also described in a Memorandum of Understanding (to be signed after the approval of the Programme).

2.2. Managing Authority

<p>Managing Authority</p> <p>Ministry of Economy, Labour and Social Policy Implementation of Regional Development Programmes Department</p> <p>Pl. Trzech Krzyży 3/5 00-507 Warsaw Poland Tel. 0048/22/ 661 87 37 Fax 0048/22 628 64 65 Contact person: Ewa Bieniek e-mail: Ewa.Bieniek@mg.gov.pl</p>	<p>National Authority in the Slovak Republic</p> <p>Ministry of Construction and Regional Development of the SK Regional Development Support Agency</p> <p>Špitálska 8 816 44 Bratislava Slovak Republic Tel.: +421 2 5975 3010 Fax.: +421 2 5293 2844 Contact person: Eva Durišová e-mail: durisova@build.gov.sk</p>
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Responsibility of the Managing Authority:

- setting up a system to gather reliable financial and statistical information on implementation, for the monitoring indicators and for evaluation and forwarding this data in accordance with arrangements agreed between the Member State and the Commission;
- adjustment and the implementation of the Programme Complement;
- drawing up and, after obtaining the approval of the Programme Monitoring Committee, submitting to the Commission the annual implementation report;
- ensuring that those bodies taking part in the management and implementation of the assistance maintain either a separate accounting system or an adequate accounting code for all transactions relating to the assistance;
- ensuring the correctness of operations financed under the assistance, particularly by implementing internal controls in keeping with the principles of sound financial management and acting in response to any observations or requests for corrective measures;
- ensuring compliance with Community policies;
- compliance with the obligations concerning information and publicity;
- representing the programme towards the European Commission
- acting in full compliance with the institutional, legal and financial systems of the Member State concerned;
- ensuring eligibility of financial operations under CIP;
- checking consolidated expenditure sheets received from Voivodship Offices and Sub-Paying Authority and their approval before the Paying Authority;
- verification of payment application presented by Voivodship Offices and Sub-Paying Authority, approving and forwarding them to the Paying Authority, together with due confirmation of correctness of expenditures;
- drawing a report on irregularities which is delivered to the Paying Authority;
- drawing a long-term and annual forecast of expenditures (payments) from ERDF, based on information received from Voivodship Offices and Sub-Paying Authority and submitting it to the Paying Authority;
- storing all documentation related to the project implementation for at least 3 years from the last payment disbursed by the European Commission.

Responsibility of the National Authority in Slovakia:

- co-operation with the Managing Authority in order to ensure smooth implementation of the programme;
- contributing to monitoring and control, as well as verification and certification of payments related to participation of Slovak partners.

2.3. Paying Authority

Paying Authority	Subsidiary Paying Authority
<p>Ministry of Finance</p> <p>Paying Authority Department Address: Świętokrzyska 12</p> <p>00-916 Warszawa</p> <p>Tel. 0048/22 694 37 04 Fax 0048/22 694 38 18</p> <p>Contact person: Piotr Tworos</p> <p>e-mail: piotr.tworos@mofnet.gov.pl</p>	<p>Ministry of Finance of the SK</p> <p>Department of the Paying Authority for Structural Funds Address: Štefanovičova 5 817 82 Bratislava 15 Slovak Republic Tel.: +421 2 5958 2428 Fax.: +421 2 5958 2418</p> <p>Contact person: Juraj Hatrik</p> <p>e-mail: jhatrik@mfsr.sk</p>

<p>Responsibility</p> <ul style="list-style-type: none"> • setting-up a single bank account for ERDF funds under INTERREG and servicing of the accounts; • verification of statements of expenditures submitted by the Managing Authority; • certifying to the European Commission that statements of expenditures are drawn up on the basis of sound and verifiable documents; • drawing up and submitting payment applications to the European Commission for reimbursement of expenditures incurred by Final Beneficiaries; • receiving payments from the Commission and their transferring to Voivodship Offices and Sub-Paying Authority; • providing the European Commission –non later than by 30 April each year- with an annual expenditure forecast for the current year and the next year (based on partial forecast of the Sub-Paying Authority); • preparation of reports on financial irregularities (based on partial reports of the Sub-Paying Authority); • collection, via separate financial monitoring channels, of statistical and financial information, • maintenance of accounting, reporting and archiving of documents in compliance with European Commission regulations. 	<p>Responsibility</p> <ul style="list-style-type: none"> • co-ordination of the preparation of all working and accounting procedures in the Slovak Republic in link with acceptance of the advance payment, interim payments and payment of the balance from the Paying Authority, and of the execution of these activities; • setting-up a bank account for ERDF funds under INTERREG in the Slovak Republic and servicing of the accounts; • financial control of the summary payment request sent by the Intermediary Body – Paying Unit – verification of the compliance with the budget for relevant year and financial table for programme according to priorities and measures; • verification, prior to certification, of procedure used by the National Authority and Paying unit in the SK to ensure that the statement of expenditure includes only eligible and topical expenditure effected in the eligibility period, that checks of delivery of the co-financed constructions, goods and services and of reality of claimed expenditure have been made, that applicable EC regulations are complied with, that supporting documentation is available, and that the audit trail has been maintained and respected; • certifying to the Managing Authority that statements of expenditures are drawn up on the basis of sound and verifiable documents; • drawing up and submitting payment applications to the Paying Authority (through Managing Authority) for reimbursement of expenditures incurred by Final Beneficiaries; • receiving INTERREG funds from the Paying Authority and their transferring to the Paying Unit; • providing the Managing Authority – not later than by 30 March each year- with an annual expenditure forecast for the current year and the next year; • preparation of reports on financial irregularities end transmitting them to the Managing Authority; • collection, via separate financial monitoring channels, of statistical and financial information; • maintenance of accounting, reporting and archiving of documents in compliance with European Commission regulations; • maintenance of Slovak Debtors Ledger.
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2.4. Intermediate Bodies

<p>The Voivodeship Offices of the Śląskie, Małopolskie and Podkarpackie voivodeships shall act as the Intermediary Institutions, performing the following tasks:</p> <ul style="list-style-type: none"> • conclusion of contracts with the final beneficiaries /recipients of the assistance; • approval of applications for payment; • transfer of the payment (reimbursement) to the end beneficiaries /recipients of the assistance; • managing of the voivodeship system of collection of financial and statistical information concerning the activities and projects realized on the territory of a given voivodeship, passing such data to the Ministry for Economy, Labour and Social Policy and to the Ministry of Finance; • participation in the activities of the Joint Monitoring Committee; • preparation of quarterly, annual and final monitoring reports on the basis of the end beneficiaries' reports, and passing them to the Ministry for Economy, Labour and Social Policy. 	<p>The Sub-Paying Authority delegates certain functions to Intermediate Body (Paying Unit) at the Ministry of Construction and Regional Development. This department is fully independent from the department within the same Ministry acting as the National Authority. The scope of the corresponding powers is anchored in the contract on delegating powers. Overall responsibility for the delegated powers remains with the Sub-Paying Authority. Main tasks:</p> <ul style="list-style-type: none"> • assurance of transfer of means from INTERREG and co-financing sources from the state budget to the final beneficiaries; • informing the Sub-Paying Authority on identified irregularities; • execution of ex-ante financial control prior to disbursement to the final beneficiary – verification of compliance with the budgetary chapter; • submission of summary applications for payment to the Sub-Paying Authority along with preparation of statements of expenditure based on the information from the National Authority and its submission to the Sub-Paying Authority; • maintenance of accounting, reporting and archiving of documents in compliance with Community regulations and SR law.
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2.5. Joint Technical Secretariat

<p>Joint Technical Secretariat</p> <p>Implementing Authority for PHARE Cross Border Co-operation Programme</p> <p>Address: Wspólna 2/4 00-926 Warszawa Tel. +48 22 661 87 39 Fax +48 22 628 47 22</p> <p>Contact person: Mariusz Kasprzyk</p> <p>e-mail: mariusz.kasprzyk@wwpwp.it.pl</p>	<p>National Contact Point</p> <p>Will be specified in the Programme Complement.</p>
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<p>The Joint Technical Secretariat will assist the Managing Authority and Paying Authority with the operational management of the programme. The staff of the JTS will be composed of representatives of both partner states. The JTS will be co-financed by the TA of the programme in line with the Rule no. 11, points 2 and 3 of the Commission Regulation (EC) 1685/2000 as amended by 448/2004 of 10 March 2004.</p> <p>Responsibility:</p> <ul style="list-style-type: none"> • Secretariat function for the Monitoring Committee and the Steering Committee including the preparation and mailing of the documentation before and the minutes after the meetings; • drawing up annual reports on the programme implementation; • preparation of project documentation, • receiving applications from lead partners and encoding them into monitoring system; • assessment of applications against the eligibility and selection criteria defined in the programme and in the programme complement; • preparation and making available of standardised forms for project applications and for project assessments; • preparation of a standard contract model; • administrative management of external tasks and services, e.g. interpreting and translation services; • implementation of decisions taken by the MC and SC; • providing training for applicants (in co-operation with the regional authorities); • assistance in promotion, publicity and monitoring of the programme. <p>Additionally, to spread information on the programme and provide assistance in preparing project applications within Polish regions, Contact Points will be established within Marshal Offices in Poland. They will not be financed by the programme budget.</p>	<p>Responsibility:</p> <ul style="list-style-type: none"> • co-ordination of regional authorities • co-operation on program implementation • co-operation with the JTS • data collection for annual reports <p>Info-points Two selected Regional Development Agencies</p> <p>The Info Points are meant to facilitate access of potential beneficiaries to information and assistance in preparing applications. They will be co-financed under TA of the programme in line with the “Practical guide...” (they will share the TA budget).</p> <p>Responsibility:</p> <ul style="list-style-type: none"> • advisory activities for the potential applicants for the project preparation and filling in application forms.
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2.6. Monitoring Committee

The Monitoring Committee is responsible for overall monitoring of the programme. The MC will be set up by partner states in agreement with the Managing Authority, after consultations with partners of national, regional and local levels. The Committee will be set up no more than three months after the decision on the contribution of the funds. The MC will act and draw up its own rules of procedure under the authority and within legal jurisdiction of the Slovak Republic and Poland.

Responsibilities:

- to approve or adjust the Programme Complement;
- to consider and approve the criteria to be used for the selection of projects with the aim of determining the cross-border or transnational character of the operations within six months of approval of the programme (in reality, this will have to be done much quicker, preferably before accession);
- to review periodically progress made towards achieving the specific (and quantified) objectives of the programme and to examine the results of implementation (achievement of the targets set for the different measures);
- to consider and approve the annual and final implementation reports before they are sent to the Commission;
- to consider and approve any proposal to amend the contents of the Commission decision on the contribution of the Funds, especially in order to improve the programme administrative and financial management ;
- to approve the terms of reference of calls for proposals (if appropriate);
- to approve the framework for the Joint Technical Secretariat's tasks;
- to approve operations under the Technical Assistance budget (if not done by the steering committee).

Composition

The Monitoring Committee will consist of representatives of Polish and Slovak ministries, regional self-government authorities (Marshal Offices and Higher Territorial Units), as well as Polish voivodes and social and economic partners (e.g. representatives of Euroregions etc.) from the border area. Due attention will be paid in order to ensure gender balance in the Committee composition. Environmental expertise will be provided by participation of relevant institutions.

A representative of the European Commission will participate in an advisory capacity. A representative of Polish and/or Slovak national authority will chair the MC. Further provisions for the functioning of the MC will be described in the rules of procedure.

2.7. Steering Committee

The Steering Committee has operational character and is overseen by the MC.

Responsibility:

- joint selection and approval of projects and the monitoring of their implementation; the projects have to be selected by agreement of all members entitled to vote (details concerning the selection criteria and procedures will be given in the Programme Complement)

Composition

The Steering Committee consists of Polish and Slovak representatives of national authorities, Marshal Offices (PL) and Higher Territorial Units (SK), social and

economic partners and euroregions. Representatives of Polish voivodes may participate as observers. Environmental expertise will be provided by participation of a representative of a national authority in the relevant field. The representative of the Commission may participate as observer. The Monitoring Committee will endorse the Rules of Procedure of the SC.

For selection of micro-projects additional sub-committee will be created (Micro-project Steering Sub-committee). The committee will be composed of Marshal Offices and Higher Territorial Units representatives, social and economic partners, euroregions and representatives of the ministries responsible for the programme implementation. Details concerning the micro-projects implementation will be provided in the Programme Complement. The creation of specific mechanisms for the micro-projects selection and implementation is justified by the fact that a significant interest in this type of projects has been already observed. Efficient administration of a big number of such projects could be impossible if the same procedures as for bigger projects were applied.

3. Programme Implementation

3.1. Programme monitoring system

The Managing Authority and the Monitoring Committee will carry out the monitoring of the programme (Article 36 of Regulation 1260/1999). In fulfilling their task they will make use of financial and physical indicators specified in the Programme and particularly in the Programme Complement. Proposed indicators take into account the indicative methodology and list of examples of indicators published by the Commission (Working Paper 3 and Working Paper 7).

A computerised information system will be established enabling to gather and exchange all data necessary for appropriate programme management and monitoring.

According to Article 37 of Regulation 1260/1999 the Managing Authority shall submit to the Commission annual implementation reports (within six months of the end of each full calendar year of implementation) and a final report (at latest by 30 June 2009). These reports will be prepared on the basis of information gathered by Joint Technical Secretariat, and then they will be examined and approved by the Monitoring Committee before sending to the Commission.

3.2. Information, publicity and consulting

The Managing Authority is responsible for information and publicity measures. Its role is to inform potential beneficiaries about the opportunities afforded by the assistance and to promote the whole programme and its results (art. 46 of Regulation 1260/1999).

In co-operation with the JTS several seminars will be organised in order to inform different categories of potential beneficiaries at local and regional level. During these seminars potential partners will not only have occasion to meet but also to exchange experience on projects and their implementation. Appropriate information on the programme will be provided on the websites of the institutions involved in the programme implementation (info points, JTS, managing authority). The programme

will be promoted in local newspapers and professional publications, information leaflets are also to be prepared.

Detailed information and publicity plan will be included in the programme complement.

3.3. Programme evaluation system

Ex-ante evaluation has been provided for before submitting of the programme to the Commission. The evaluators participated in the task force meetings and their recommendation has been taken into account. Ex-post evaluation will be carried out by an independent assessor and will cover the utilisation of resources and the effectiveness and efficiency of the assistance as well as its impact. In accordance with article 43 of regulation 1260/1999 ex-post evaluation is the responsibility of the Commission, in collaboration with the Member States and the Managing Authority.

The evaluation of the programme will be co-ordinated with the arrangements and activities envisaged for evaluation of Objective 1 programmes in Poland and Slovakia.

3.4. Compliance with other Community policies

Operations implemented within the Slovak-Polish Interreg III A programme shall comply with Community policies. The Programme has been developed and will be implemented in accordance with the Regulation 1260/1999 laying down the general provisions of Structural Funds. The Managing Authority and responsible body on Slovak side (both institutions deal also with Objective 1 programmes) will ensure compliance with Community policies. Where appropriate, the communications issued by the EC recently, namely *“The Structural Funds and Their Coordination with the Cohesion Fund. Revised Indicative Guidelines”* [COM(2003)499 final of 28.08.2003] and *“Further Indicative Guidelines for the Candidate Countries”* [COM(2003) 110 final of 12.03.2003] will be observed additionally to other Community documents in force.

Programme implementation will be based on the following Community policies:

- **Competition.**

In line with Article 12 of the Council Regulation for the Structural Funds (EC) No 1260/1999 (*OJ L 161 of 26.6.1999, p.1*) and point 7 of the Guidelines for INTERREG III (*OJ C 143, of 23.5.2000, p.6*), all operations within the framework of this Programme will be in conformity with State aid provisions as expressed in Articles 87 and 88 of the EC Treaty. The responsible authorities of the Member States concerned confirm that any aid granted under this Programme will be in conformity with the provisions laid down in one of the Commission regulations adopted under Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Articles 92 and 93 of the Treaty, establishing the European Community to certain categories of horizontal State Aid (*OJ L 142, 14. 5. 1998, p.8*), (the Commission has adopted four such Regulations so far):

Commission Regulation (EC) No 68/2001 of 12. 1. 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid (OJ L 10, 13. 01. 2001, p. 20)¹;
Commission Regulation (EC) No 69/2001 of 12. 1. 2001 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid (OJ L 10, 13. 01. 2001, p.30);

¹ Regulations (EC) No 68/2001 and No 70/2001 have recently been amended by virtue of Commission Regulations (EC) No 363/2004 and No 364/2004 respectively (*OJ L 63, 28/02/2004, p. 20; OJ L 63, 28/02/2004, p. 22*)

Commission Regulation (EC) No 70/2001 of 12. 1. 2001 on the application of Articles 87 and 88 of the EC Treaty to State Aid to small and medium-sized enterprises (OJ L 10, 13. 01. 2001, p. 33); and Commission Regulation (EC) No 2204/2002 of 12. 12. 2002 on the application of Articles 87 and 88 of the EC Treaty to State Aid for employment (OJ L 337, 13. 12. 2002, p. 3).

Assistance going beyond this is generally not envisaged. In case of assistance going beyond the *minimis* or aid covered by one of the Block Exemption Regulations, the individual notification and approval by the European Commission is required.

Special rules may apply for the following sectors: steel; coal; ship-building and repair, synthetic fibres; motor vehicle industry; transport; production, processing and marketing of agriculture and fisheries products. The Programme Complement will specify for each individual measure which of the block exemption regulation will be applicable. The participating Member States, on the basis of the Monitoring Committee decision, may enter new or modified assistance regulations requiring notification into the list of the admissible legal basis for national co-financing, but only after they have undergone the regular notification procedure and have been approved by the Commission under EU assistance regulations.

- **Award of public contracts.** The Polish and Slovak legislative rules to be applied on the Interreg IIIA programme reflect EU requirements for transparent public procurement, for elimination of any possible discrimination and for stipulation of preliminary conditions for rational use of resources from the Structural Funds. At the same time procurement rules will be compliant with the Treaty and with the relevant directives, namely The Public Services Directive 92/50/EEC, The Public Supplies Directive 93/36/EEC, The public Work Directive 93/37/EEC, The Utilities Directives 93/38/EEC, Directive 98/4/EC, and Directive 97/52/EEC.
- **Environmental protection and improvement.** The Interreg IIIA programme on the Slovak-Polish border will comply with EU environmental policies and directives. This concerns namely directives 92/43/EEC (Habitats) and 79/409/EEC (Birds directive) related to Natura 2000. Environmental impact assessment of investment projects will be carried out according to the directives 85/337/EEC and 97/11/EEC. Waste treatment and wastewater treatment projects will have to comply with the directives 75/442/EEC (Waste) and 91/271/EEC (Urban waste water treatment).
- **Elimination of inequalities and promotion of equality between men and women.** This policy is to be applied horizontally across all elements of the Programme. As stipulated in the regulation (EU) 438/2001, Annex IV, Field 39, information concerning effect on equality of opportunities will be summarised in the scope of information on operations to be made available to the Commission on request for the purpose of documents and on-the-spot checks.

The Managing Authority will be responsible for checking compliance with the Community policies and will co-operate in this respect with the Slovak National Authority.

4. Implementation at project level

4.1. Submitting of project applications

In the Polish - Slovak Interreg III A programme rolling project application system has been chosen. Applications will be placed on the agenda of the Steering Committee meetings if they are received by a specified date prior to meeting. Project applications will be submitted to the Joint Technical Secretariat where they will be immediately encoded into the monitoring system. In Poland, copies of the applications will be sent to regional info points. In Slovakia, one copy will be sent to the National Authority (National Contact Point) and the second copy to the HTU - Regional Agencies. (Regional Agencies will act on behalf of HTU). Polish Info-points located at Marshal Offices and Slovak Info Points located along the border will

together with Higher Territorial Units advise potential beneficiaries and provide support in filling in the application form. Details concerning specific information to be included in the application will be described in the Programme Complement; however, the following data will have to be defined in all applications:

- project partners,
- content, aims, duration of the projects,
- designation of the measure under which the project will be implemented,
- co-financing sources.

Applications for microprojects implemented within the Measure 2.3: Support for local initiatives (micro-project facility) will be submitted to euroregions on the Polish part of the border area and to HTU – Regional Agencies on the Slovak side. Euroregions will take part in the management, assessment and approval of local initiative projects by a common sub-steering committee. The fact that different institutions are responsible for management of local initiatives measure on the Polish and Slovak side will not cause any problem in programme implementation especially as regards information flows, selection criteria and co-ordination. This solution stems from incompatibility of competencies of similar institutions on both sides of the border. Details concerning implementation of the micro-project facility will be described in the Programme Complement. Both member States will work on flexible adjustment of joint procedures related to micro project facility management systems.

4.2. Selection of project applications

Joint Technical Secretariat will check whether project proposal fulfils eligibility criteria. All projects formally accepted will be then evaluated according to the detailed criteria defined in the Programme Complement. In the assessment process representatives of Marshal Offices and National Contact Point in close cooperation with Higher Territorial Units as well as other bodies participating in the programme implementation will assist JTS. They will be involved in the quality assessment, including conformity with regional strategies and programmes. As a result of the assessment ranking list of projects will be prepared and sent to the Steering Committee members. During the evaluation JTS may ask lead partners of the projects to provide additional information missing in the application form. This is the role of the Steering Committee to finally approve project proposals.

The following core project selection criteria are to be applied to all project proposals:

- all projects must demonstrate cross-border impact,
- co-ordination with activities on the other side of the border,
- activities undertaken within the cross-border project framework shall relate to the measures (and targets) defined in the programme and programme complement,
- appropriate level of co-financing ensured,
- coherence with national and regional strategies and policies;
- compliance with community policies (e.g. competition, environment protection and promotion of equality between men and women) and complementarity with other European programmes (prevention of double financing),
- contribution to the socio-economic development of the cross-border area.
- Priority criteria as well as specific selection criteria per measure will be defined in the Programme Complement.

4.3. Co-financing decisions

On the basis of the decision of the Steering Committee JTS will inform applicants in writing on the co-financing decision. On the Polish side, intermediary bodies participating in the programme management (Polish Voivodship Offices representing state administration in the region) will sign subsidy contracts with final beneficiaries. On the Slovak side, the Ministry of Construction and Regional Development will conclude the contracts. The contract will specify the value of the project including EU contribution in specific phases of project implementation as well as sources of national co-financing.

4.4. Project monitoring system

Final beneficiaries are responsible for project implementation. Payment claims submitted by final beneficiaries shall be supported by properly certified invoices or other accounting documents. Progress reports (including financial reports) will be provided by them regularly. On the basis of information given by final beneficiaries intermediary bodies (Voivodship Offices) will prepare quarterly, annual and final monitoring reports. Information gathered in this way (with the JTS assistance) should allow the Managing Authority to authorise the Paying Authority (and intermediary bodies) to make payments to the final beneficiaries.

On the Slovak part, monitoring on the project level will be performed by intermediate body under the Ministry of Construction and Regional Development (NA), or by the authorised body, while final beneficiary provides reports about project realization and progress of activities. Intermediate body will prepare quarterly, annual and final monitoring reports which will be send to National Authority and National Contact Point. Authority responsible for monitoring on the programme level is Ministry of Construction and Regional Development.

5. Financial implementation and control

5.1. Single bank account

Joint bank account will be established in the name of the Polish Ministry of Finance (as Paying Authority) in National Bank of Poland. This account will be separated from the accounts used for national budget resources. INTERREG funds will be transferred on accounts created at the level of Voivodship Offices and on the bank account of the Sub-Paying Authority in Slovakia.

5.2. Payment claims and forecasts

The Paying Authority will send to the Commission financial plan for the current year and the forecast for the following year non later than by 30 April each year. The Sub-Paying Authority will send to the Paying Authority (through Managing Authority) financial plan for the current year and the forecast for the following year non later than by 30 March each year. Applications for interim payments will be submitted to the Commission three times a year.

The Paying Authority will draw up the certificates of statements of interim and final expenditure according to art. 9 of the regulation no 438/2001 (this will be the task of the unit independent of services approving claims).

5.3. Financial implementation on project level

European Commission will transfer INTERREG funds to the special account of the Paying Authority in Poland in the framework of the commitment accepted by the European Commission, in accordance with the Program. Paying Authority will transmit INTERREG funds on accounts created at the level of Voivodship Offices and on the bank account of the Sub-Paying Authority in Slovakia. Certified applications for interim payments and final balance payment will be submitted by the Paying Authority to EC (based on the documents received from the Managing Authority).

The State Treasury of the Slovak Republic transfers EC funds from the special account of the Sub-Paying-Authority to the revenue account of the Ministry of Construction and Regional Development as the Intermediate Body under the Sub-Paying Authority. The transfers are amounting to the approved sums payable to the final beneficiaries.

Payments to final beneficiaries in the Slovak Republic are made by the State Treasury from the expenditure account of the Ministry of Construction and Regional Development as the Intermediate Body under the Sub-Paying Authority simultaneously with transfer of the EC funds to the revenue account of that Ministry from the Sub-Paying Authority special account.

The graphics in the annexes give general idea about the cash flow and control system.

5.4. Financial control

Control of the physical implementation of the projects

Control of the physical implementation of the project in accordance with Council Regulation No 438/2001 is executed by:

Final beneficiary:

Final beneficiary has obligation to perform for the supplier formal control of every invoice before completion of resources transfer. For the purposes of this control a checklist is being used, the details of which are determined for Community Initiative Programme.

National Authority (SK), Voivodship Offices (PL):

National Authority in the Slovak Republic and Polish Voivodship Offices are responsible for control of the physical implementation of the project. Physical implementation control is executed by unit assigned for that purpose within the organisational structures, by which it verifies construction and goods supply or on-the-spot services.

Sample checks /minimally 5% control/ on operations and projects

In Poland sample checks on operations in accordance to the provisions of Art. 10 – 12 of Commission Regulation No 438/2001 of 2 March 2001 will be carried out by Treasury Control Offices which are the part of Treasury Control. Treasury Control is a service subordinated to the Minister of Finance responsible for external control of public funds including funds from European Union.

The Bureau for International Treasury Relations (situated in the structure of the Ministry of Finance) is also a part of Treasury Control and will be responsible for co-ordination of those sample checks on operations, including selection of a representative sample, standardizing of the audit methodology, consolidation and

circulation of results to the respective national institutions and to the European Commission. The Bureau for International Treasury Relations is functionally and organisationally separated from Paying Authority (both institutions are placed in the Ministry of Finance).

The special Task Force, composed of the representatives of the participating Member States and authorised by the Monitoring Committee will draw up a methodology for selecting projects for sample checks. The Bureau for International Treasury Relations will be responsible for reporting irregularities to the European Anti-Fraud Office (OLAF).

In the Slovak Republic this control will be ensured by the control department of the Ministry of Finance through the control department of the Ministry of Construction and Regional development and respective Financial Control Administrations. Ministry of Finance is also responsible for drawing up of control plan and its co-ordination.

Unit in charge of sample checks on operations and projects is organisationally separated from unit that is participating in general ES resources management and in execution of the payment functions.

Possible risk analysis and consequential sample selection will be performed by each managing unit.

Sub-Paying Authority will receive:

- control plan
- control reports
- in case of irregularities will quarterly inform Contact Body for OLAF at Government office

Contact Body for OLAF is responsible for drawing up and submission of the quarterly "Report on irregularities" to the OLAF at European Commission.

Winding-up of the assistance

The winding-up of the assistance in accordance with Article 38(1)(f) of Council Regulation (EC) No 1260/1999 as implemented in Articles 15-17 of Commission Regulation (EC) No. 438/2001 will be ensured by the following bodies:

- Body for Certifying and Issuing Declarations on Winding-up of EU Assistance in the Ministry of Finance of Poland,
- The Supreme Audit Office of the Slovak Republic.

The winding-up bodies are functionally and organisationally independent from managing authority, paying authority and intermediate bodies.

The declaration on winding-up of the assistance for the whole programme will be issued by the Body for Certifying and Issuing Declarations on Winding-up of EU Assistance.

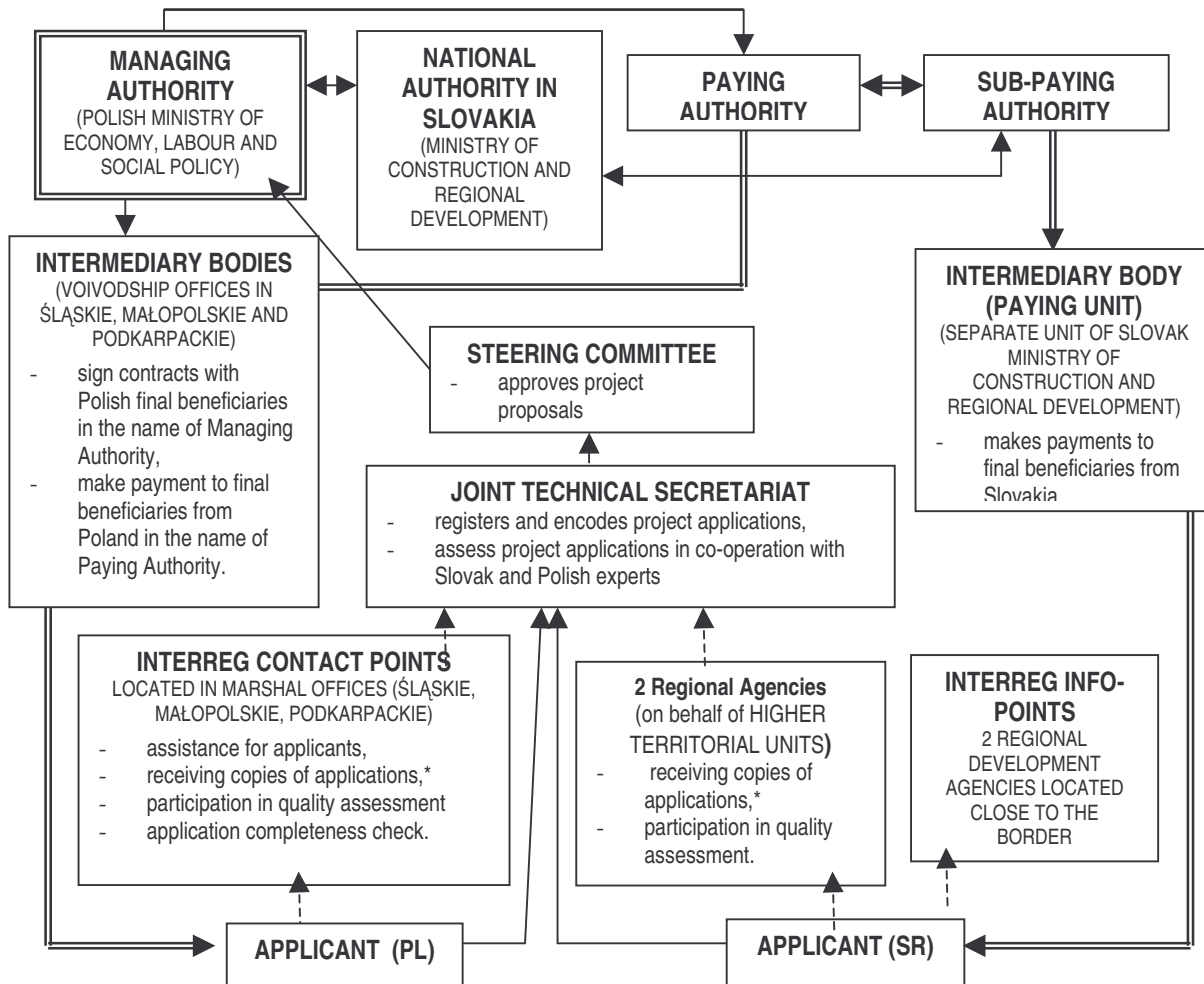
Details concerning financial control will be stated in the separate document.

6. Annexes

1. Implementation chart
2. Financial control chart
3. Collection of maps showing socio-economic situation in the area
4. Ex-ante evaluation

6.1. Implementation chart

INTERREG III A POLAND - SLOVAK REPUBLIC, IMPLEMENTATION STRUCTURES AT PROJECT LEVEL

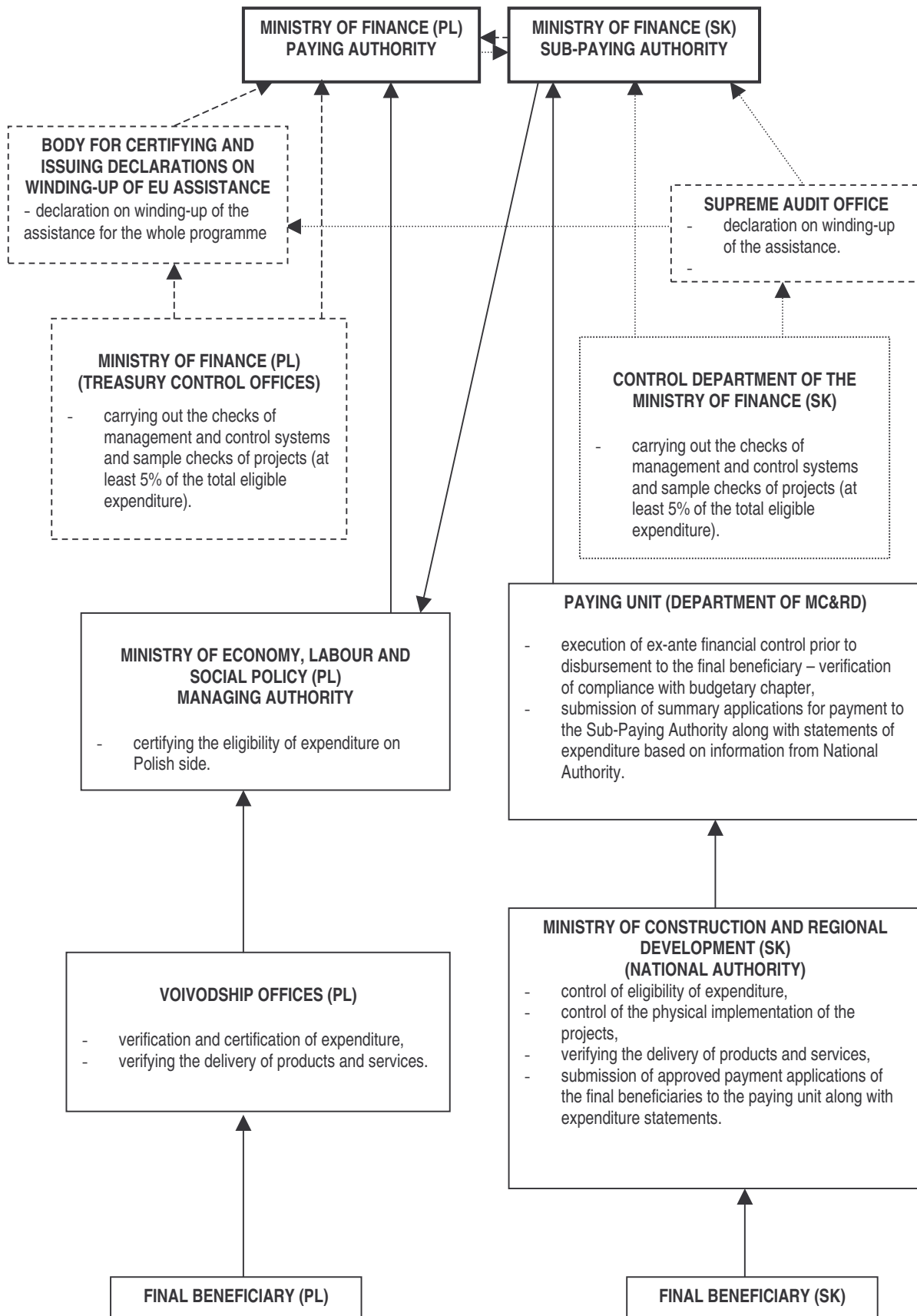


• In Poland micro-projects are submitted to relevant Euroregions, while in the Slovak Republic they are submitted to relevant HTU- Regional Agencies, joint sub-steering committee is responsible for selection of micro-projects.

- Financial flows
- Information and advisory

6.2. Financial control chart

INTERREG III A POLAND – SLOVAK REPUBLIC, FINANCIAL CONTROL



6.3. Collection of maps showing socio-economic situation in the area

Map 2.: Area Characteristics

Map 3.: Increase of Inhabitants

Map 4.: Employment by Sector

Map 5.: Unemployment Rate

Map 6.: Tourism

Map 7.: Environment and Landscape Protection

Map 8.: Transport

6.4. Ex-ante evaluation