

FINANCING AGREEMENT¹

The European Commission, hereinafter referred to as "**THE COMMISSION**", acting for and on behalf of the European Community, hereinafter referred to as "**THE COMMUNITY**"

on the one part, and

The Government of the Republic of Bulgaria, hereinafter referred to as "**THE RECIPIENT**"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Agreement. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Agreement and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: **BG 2006/018-164**

Title: **National Programme for Bulgaria in 2006 (Part I)**

Duration: **Until 30 November 2008**

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of **26,262 M€** hereinafter referred to as "**THE EC GRANT**".

¹ The Financing Agreement structure is as follows : 1. the cover pages with the references to the country concerned, amount and authority to sign, 2. Framework Agreement incl. Annex A and Annex B; Annex C – Special Conditions (the text of the adopted financing proposal starting from **Description and Objectives** onwards; and Annex D 'Visibility/Publicity).

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until **30 November 2008** subject to the provisions of this Agreement. All contracts must be signed by this date. Any balance of funds of the EC GRANT, which have not been contracted by this date shall be cancelled.

The deadline for execution of contracts of THE EC GRANT is **30 November 2009** with the exception of the projects *BG 2006/018-164.01.01: "Civil Society Development Programme"* where the deadline for execution of contracts is **30 November 2010**². THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the contract execution period, should this be requested in due time and properly justified by THE RECIPIENT. Disbursements of funds may continue for up to 12 months after the deadline for the execution of contracts to meet liabilities properly incurred through the execution of the contracts entered into under this programme. This Financing Agreement shall expire once those disbursements have been completed. All the funds which have not been disbursed by that time shall then be returned to the Commission.

ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

for the COMMUNITY:

Delegation of the European Commission

9 Moskovska Str
PO Box 668
BG-1000 Sofia
Bulgaria

Tel: (+359 2) 933 5252

Fax: (+359 2) 933 5233

for THE RECIPIENT:

Mr Lyubomir Datzov

Deputy Minister of Finance
102 Rakovski St
BG-1040 Sofia
Bulgaria

² Consistency between the main text of the FP (1st page) and the FM (1st page as well as in the 'Implementation Arrangements' chapter) must be ensured. The deadline for contracting and the deadline for execution of contracts should correspond accordingly.

ARTICLE 5 - NUMBER OF ORIGINALS

This Agreement is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE

This Agreement shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Agreement.

Done at SOFIA
Date 21.12.2006

Done at
Date 20.12.2006

for THE RECIPIENT

for THE COMMUNITY

Michael B. Humphreys
Head of Delegation

MR. LYUBOMIR DATZOV
DEPUTY MINISTER OF FINANCE
NATIONAL AID CO-ORDINATOR

- Encl.
1. Framework Agreement (incl. Annexes A & B)
 2. Special Provisions (Annex C)
 3. Visibility/Publicity (Annex D)

ANNEX C TO THE FINANCING AGREEMENT

National programme part I. for Bulgaria in 2006

1. OBJECTIVES AND DESCRIPTION

The Phare National Programme 2006 has been deployed according to the 6 overarching priorities that have been set for the MAP 2004-2006 as above mentioned. It concentrates on 12 sectoral objectives referring to these priorities:

	Objectives in National Programme
<i>Objective 01</i>	Political criteria
<i>Objective 02</i>	Internal market and economic criteria
<i>Objective 03</i>	Agriculture
<i>Objective 04</i>	Transport
<i>Objective 05</i>	Employment, social policy and education
<i>Objective 06</i>	Energy
<i>Objective 07</i>	Environment
<i>Objective 08</i>	Justice and home Affairs
<i>Objective 09</i>	Customs and Finance
<i>Objective 10</i>	Administrative reform and capacity
<i>Objective 11</i>	Economic and Social Cohesion
<i>Objective 12</i>	Unallocated IB Envelope, EC programmes and agencies, Project Preparation Facility

Summary descriptions¹ of the individual projects grouped under the sectoral objectives are as follows:

¹ Descriptions are indicative; some details may be changed

Objective 1: Political Criteria

BG 2006/018-164.01.01 Civil Society Development Programme	
Duration / Phase	2004-2006 / Year 3
Twinning	N/A
Phare budget	€ 3 M
Implementing Agency	CFCU

The aim of this project is to increase the role of civic society in the process of policy formulation at all levels – national, regional and local – notably through enhancing the capacity of the non-governmental organisations. The project focuses on:

- i) NGOs' participation in the accession process and the participation of the civil society in the process of harmonization and implementation of the *acquis communautaire*, notably in the fields of social *Acquis*, equal opportunities, human rights, protection of minorities, regional development, environmental protection, consumer protection, youth issues, science, education, culture and public health.
- ii) social integration of the minorities and vulnerable groups to promote tolerance in society,
- iii) enhancing transparency and prevention of the corruption;
- iv) developing mechanisms of public-private partnership for elaboration of national and local policies and for further development of self-sustainable and independent civil society via innovative approaches, such as social entrepreneurship;
- v) providing solutions to the problem of vulnerability in rural communities.

The project will be implemented through a Grant Scheme (GS) divided in three components: a national GS, a regional GS, and NGO's in rural communities

Objective 4: Transport

BG 2006/018-164.02.01 Strengthening of the waterborne tasks of the Bulgarian Maritime Administration, Phase II	
Duration / Phase	2005-2006 / Year 2
Twinning	N/A
Phare budget	€ 5.916 M
Implementing Agency	CFCU

The aim of this project is to strengthen the capacity of the Bulgarian Maritime Administration (BMA) to implement and enforce the requirements of the *acquis* on maritime safety and pollution prevention. Under this project the following will be delivered: i) 4 specialized vessels, incl. spare parts, which will enable Bulgaria to perform regular inspections and environmental pollution monitoring and prevention operations. ii) training of designated BMA staff in using the boats and the equipment on board.

With this project, the Bulgarian Maritime Administration will be equipped to face the needs arising from the implementation of the EU legislation.

BG 2006/018-164.02.02 Provision of effective search and rescue (SAR) services in Bulgarian SAR region	
<i>Duration / Phase</i>	<i>2006</i>
<i>Twinning</i>	<i>Yes</i>
<i>Phare budget</i>	<i>€1.238 M</i>
<i>Implementing Agency</i>	<i>CFCU</i>

The project aims to improve the efficiency of the Maritime Search and Rescue operations by strengthening the operational capacity of the Bulgarian Maritime Administration (BMA). It should increase the effectiveness of the Vessel Traffic Management Information System. This project will be implemented through a twinning targeted on the implementation of the National Search and Rescue Plan according to the relevant EU legislation and the best practices available as well as the drafting of a long term development plan in the SAR region. A supply component will provide specialized equipment for Search and Rescue Information management system and maritime search planning.

BG 2006/018-164.02.03 Further Improvement of the Operational Capacity of Executive Agency “Maritime Administration”² for Detecting and Minimizing the Dangerous Cargo Spills on the River Danube	
<i>Duration / Phase</i>	<i>2006</i>
<i>Twinning</i>	<i>N/A</i>
<i>Phare budget</i>	<i>€ 0.708 M</i>
<i>Implementing Agency</i>	<i>CFCU</i>

To provide the BMA with appropriate waterborne equipment (specialized vessels) in order to allow the administration to fulfill its obligations under the *Acquis communautaire* and other international instruments such as the Convention on Co-operation for the Protection and Sustainable Use of the River Danube related to environmental protection of the river.

The following will be delivered under one supply contract:

- Supply of four specialized vessels, incl. spare parts, which will enable the BMA to perform effective environmental inspections, oil sampling collection operations and oil pollution response;

² Throughout this document the Executive Agency “Maritime Administration” will be referred as Bulgarian Maritime Administration or the abbreviation (BMA) for convenience.

- Provision of training to designated BMA staff of using the boats and the equipment on board.

Objective 8: Justice and Home affairs

<i>BG2006/018-164.03.01: Streamlining the Penitentiary System in Bulgaria</i>	
<i>Duration / Phase</i>	<i>2004-2006 / Year 3</i>
<i>Twinning</i>	<i>N/A</i>
<i>Phare budget</i>	<i>€ 2.4M</i>
<i>Implementing Agency</i>	<i>CFCU</i>

This project is the follow-up of the investment component financed in 2005. The aim is to contribute to the successful reform of the Bulgarian Judiciary and to combating crime through constructive and flexible law enforcement and execution of penalties within the Bulgarian judicial system. It focuses on providing technical equipment for socio-educative work and training with persons deprived of liberty, in accordance with the EU standards.

Objective 10: Administrative Reform and Capacity

<i>BG200/018-164.04.01: Unallocated Institution Building Envelope</i>	
<i>Duration / Phase</i>	<i>2004-2006 / Year 3</i>
<i>Twinning</i>	<i>Yes – to be programmed according to the needs</i>
<i>Phare budget</i>	<i>€ 5 M</i>
<i>Implementing Agency</i>	<i>CFCU</i>

This facility, will provide Institution Building support through assistance (twinning, twinning light, or other form of technical assistance) to meet the requirements related to specific, urgent and unforeseen needs identified. In particular this facility may help to strengthen the implementation of *Acquis* in particular areas where assistance is still necessary; strengthen the institutional and operational capacity of public administration bodies, develop human resources of public administration institutions relevant for the implementation of the EU *Acquis*; facilitate public administration reform and develop the institutions involved in current and future management of EC funds, and in the protection of these funds against fraud, other irregularities and corruption.

Objective 11: Economic and Social Cohesion

BG2006/018-164.05.01: Support for Increasing the Competitiveness of Bulgarian Enterprises	
Duration / Phase	2004-2006 / Year 3
Twinning	N/A
Phare budget	€ 6.0 M
Implementing Agency	Ministry of Economy and Energy

The aim of this project is to foster the sustainable development of Bulgarian enterprises through improving their competitiveness.

This latest phase is a continuation of the Grant Scheme financed under phases 2004 and 2005. The Grant Scheme includes two components:

- i) The Consultancy Grant scheme, to provide a range of consultation measures, aiming at identifying the accession-related development needs of beneficiary SMEs, developing business strategies and plans for them, measures to improve their quality management, etc.
- ii) The Competitiveness Support Grant Scheme, to provide grants to support activities aimed at implementation of acquis requirements and internationally recognized market standards, supporting innovation activities and R&D, improving management systems and enhancing the vocational qualification of staff

Objective 12: Other programmes

BG2006/018-164.06.01: Project Preparation Facility	
Duration / Phase	2004-2006 / Year 3
Twinning	N/A
Phare budget	€ 2 M
Implementing Agency	CFCU

This facility will strengthen the capacity of Bulgarian institutions to prepare and manage Phare projects and play a fuller partnership role in Phare programming, including for the preparation of the transition facility. It should contribute to better project design and results. Technical assistance will be provided for feasibility studies, training in programming, project design and project management, and the preparation of projects, technical specifications, procurement plans, tender dossiers and environmental impact assessments. The facility will be managed by the National Aid Coordinator in close consultation with the Commission Delegation. Assistance will only be given for preparing projects linked to agreed programming priorities.

Lessons Learned

Experience with the implementation of Phare programmes in previous years and evaluation have led to a number of general lessons being learned. These lessons have been developed in the Country Interim Evaluation Review released in March 2004 and recommendations have been

made according to the key lessons learned and taken into account. Moreover, The Country Summary Report released in December 2005 has provided a list of recommendations, discussed with the Bulgarian authorities during the Joint Monitoring Committee (JMC) in December 2005 in Sofia.

The following agreements have been reached on the Recommendations made (R):

R1: Bodies responsible for the implementation of works projects (Roads Executive Agency and Ministry for Regional Development and Public Works) should contract out the update of the technical designs for upcoming Phare projects once it is known that they will be included in the proposal for financing to the EC for the next Annual Programme. Likewise, land acquisition for such Phare projects, where necessary, should commence at this stage and not wait for the signing of the FM

Recommendation should apply to all IAs and PIUs that are responsible for works projects. Improvements have been initiated under projects covered by 2004 & 2005 FMs with the efficient utilisation of funds provided by Project Preparation Facilities (PPF)

R2: The CFCU, in conjunction with the Bulgarian beneficiary, should ensure that the contracting process for the procurement of the Resident Twinning Adviser's office equipment is complete ahead of his/her arrival.

CFCU has prepared & disseminated detailed specific instructions to all TW beneficiaries

R3: Phare ESC grant schemes likely to be implemented after Bulgaria's accession to the EU should be monitored on a regular and frequent basis to ensure the absorption of allocated funds is not being detrimentally affected by the availability of assistance under Structural Funds measures.

SF measures will start immediately after accession but the implementation of the first grant schemes funded under SF will begin not earlier than 2008. This will reduce the risk of overlap with the GS funded under Phare 2004 and 2005. It should be noted that the recommendation is particularly relevant to programming Phare 2006 and taken into consideration for programming.

R4: Co-ordination of Phare and other non-EU Funds should be brought under the control of the management of EU Funds Directorate at the Ministry of Finance

Changes to the system proposed in the meantime should help improve co-ordination within the Bulgarian administration.

R5: The role and scope of the Sectoral Monitoring Sub-Committees (SMSCs) for Phare should be strengthened and targeted on resolution of sector-specific issues and formulation and adoption of corrective actions.

The twinning project of MEUFD on monitoring and evaluation has the objective to revise the templates of the monitoring reports and propose changes that would make them more useful to all stakeholders. In addition, the decision to have JMCs every 6 months allows swift reactions following problems identified in SMSCs meeting. But in cases of urgent actions needed written procedures for recommendation of JMC/SMSC had been agreed.

R6: Bodies responsible for the management of grant schemes should consider ways to improve monitoring project effectiveness and integrate lessons learned into the design of the future schemes (with a particular view to their deployment under Structural Funds)

The monitoring systems is in place and is implemented with the active participation of the regional structures of the PIUs and the IAs. The duties and the responsibilities of the different institutions are described in the MoU and formalized in the internal rules and procedures for operational and financial monitoring. In some of the cases monitoring information systems are established.

The EC Delegation has contracted independent monitoring and evaluation of grant schemes financed under 2003 & 2004 FMs on a sample basis, and will share the outputs with the BG side.

R7: A formal structure for quality control of programming, particularly for project fiches(PFs) , is needed

At the level of the Bulgarian authorities, a formal structure for quality control exists through the implementation of the following mechanism:

- i) Sector coordinators perform preliminary assessment of PFs
- ii) experts from the programming sectors within "Coordination of Projects and Programmes" Department at MEUFD control and assess PF's quality
- iii) working meetings with Sector Co-ordinators are organized
- iv) guidance is provided and guidelines submitted to all potential beneficiaries.

The EC confirmed that the following methodology for quality control is in force:

- i) Stage1 - Preliminary assessment of Log Frame Matrix,
- ii) Stage 2 - Detailed Assessment of Project Fiches,
- iii) Stage 3 – fine-tuning of the project fiches
- iv) Stage 4 – comprehensive EC internal consultations.

R8: The Ministry of Finance should ensure that gaps in Bulgaria's obligations to meet the requirements of the Acquis are addressed through instruments immediately at its disposal, for example the Phare 2005 Unallocated IB Envelope (UIBE).

The use of the UIBE in 2004 and 2005 has been accelerated to timely address the remaining needs. For more urgent needs assistance is secured through the annually approved Plan of the Council for European Integration as well as through projects financed by the national budget.

R9: The Management of EU Funds Directorate (Ministry of Finance) should develop a training programme for first-time beneficiaries on the process of preparing and implementing projects.

A new training session is scheduled in 2006. In addition the NAC Services have disseminated to project beneficiaries detailed information on:

- i) the documents and Guidelines for Phare programming and implementation
- ii) the existing opportunities for training on project management provided by the Institute on Public Administration and European Integration and other training organisations.

Moreover, a careful follow-up of the implementation of projects by the means of Monthly meetings is carried by the ECD and updated procurement plans of projects 2004 and 2005 have been provided early this year by the Bulgarian authorities to the Commission. This allows to identify in advance risks of delays and to take remedial actions. More specific lessons relating to individual sectors have also been learned and are reflected in the design of individual projects.

Overall programme conditionalities

Before the Financing Agreement between the Commission and the Government of Bulgaria is signed, the National Aid Coordinator will satisfy the Commission that adequate steps have been taken to staff and resource adequately the National Fund, CFCU, Ministry of Regional Development and Public Works, other Implementing Agencies and project management units involved in implementing this programme.

Before the Financing Agreement between the Commission and the Government of Bulgaria is signed, the National Aid Coordinator will confirm the availability of the national co-financing indicated in each project fiche, and the modalities for combining Phare and national co-financing when projects are contracted.

Any project involving the supply of equipment and works requires national co-financing as shown in the relevant project fiche. In addition, all operational and running costs and the maintenance of the equipment will be provided by the final beneficiaries.

If the total cost of equipment or works is less than the amount envisaged in the fiche, the amount of Phare support will be reduced to maintain unchanged the relative proportions of Phare support and national co-financing shown in the fiche. If the total cost is greater than the amount envisaged in the fiche, the extra support required will be provided by additional national co-financing.

Before the Financing Agreement between the Commission and the Government of Bulgaria is signed, the National Aid Coordinator will satisfy the Commission that draft twinning contract, terms of reference and technical specifications have been prepared, as appropriate, to allow each project to be launched immediately.

For any project delivered partly or wholly by twinning, a draft twinning contract shall be presented to the Commission Delegation for approval within three months of notification of selection of the twinning partner. If no draft contract is presented within this period, the Commission may re-circulate the project to Member States for selection of a new twinning partner, tender the project for commercial technical assistance, or cancel the project.

Projects to be implemented through twinning or twinning light require the full commitment and participation of the senior management of the beneficiary institution. In addition to providing the twinning partner with adequate staff and other resources to operate effectively, the senior management must be fully involved in the development and implementation of the policies and institutional change required to deliver the project results.

For projects involving more than one Bulgarian Ministry or agency, the National Aid Coordinator will ensure that effective mechanisms for co-operation and co-ordination between such Ministries or agencies are in place. The National Aid Co-ordinator will undertake thorough reviews of progress on implementation of the projects listed at least every three months from the time the Financing Agreement is signed until the final date for contracting.

If these reviews indicate that by the first quarter of the final year for contracting (2008 unless otherwise specified) there is a high risk of a project or component of a project not being

contracted, the Commission reserves the right to take remedial action including, if necessary, reallocating funds to other purposes or cancelling projects or components thereof.

Further project-specific conditionalities are described in each project fiche.

2. BUDGET

2.1. Budget Table for 2006

No.	OBJECTIVE	Phare support			Co-financing		TOTAL
		IB	INV	Total Phare (in €M)	Other sources (**)	National public fund (*)	
01	Political criteria	3	0	3	0	0	3
02	Internal market and economic criteria	/	/	/	/	/	/
03	Agriculture	/	/	/	/	/	/
04	Transport	0.722	7.14	7.862	0	2.380	10.242
05	Employment, social policy and education	/	/	/	/	/	/
06	Energy	/	/	/	/	/	/
07	Environment	/	/	/	/	/	/
08	Justice and Home affairs	0	2.4	2.4	0	0.8	3.2
09	Customs and Finance	/	/	/	/	/	/
10	Administrative reform and capacity	5	0	5	0	0	5
11	Economic and Social cohesion	0	6	6	0	2	8
12	Others	2	0	2	0	0	2
	TOTAL	10.722	15.54	26.262	0	5.180	31.442

(The distribution of figures between the budget lines is indicative within the limits of Art. 5 MoU NF)

(*) Contribution from national, regional, local, municipal authorities, FIs loans to public entities, funds from public enterprises.

(**) Private funds, FIs loans to private entities.

2.2. Principle of Co-Financing

In accordance with the Phare Guidelines, all investment projects supported by Phare must receive co-financing from national public funds.

The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing.

Co-financing for Institution Building projects is provided by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance.

3. IMPLEMENTING AGENCIES

Implementing Agencies will be responsible for sub-programmes as follows:

The Central Finance and Contracting Unit (CFCU) of the Ministry of Finance will be the Implementing Agency for all programmes and sub-programmes, except for project BG2006/018-164.05.01 for which the Implementing Agency is the Ministry of Economy and Energy.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of Implementation

Implementation of the programme will follow Art. 53 (1) b (second alternative) of the Financial Regulation³. The Beneficiary Country will continue to ensure that the conditions laid down in Art. 164 (1) (a) - (e) of the Financial Regulation are respected at all times.

Until the accreditation of Implementing Agencies foreseen by Art. 12 (2) of Regulation 1266/1994, project selection, tendering and contracting by the Beneficiary Country will be subject to ex-ante approval by the Commission.

4.2. General rules for Procurement

Procurement shall follow the provisions of Part 2, Title IV of the Financial Regulation and Chapter 3 of Part 2, Title III of its Implementing Rules⁵, as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries adopted by the Commission on 24 January 2006 (C(2006)117).

The Contracting Authorities shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for in the "Practical

³ Council Regulation (EC, Euratom) 1605/2002 of 25 June 2002; OJ L 248; 16.9.2002; p. 1

⁴ Council Regulation (EC) 1266/1999 of 21 June 1999; OJ L 161; 26.6.1999; p. 68

⁵ Commission Regulation (EC; Euratom) 2342/2002 of 23. December 2002; OJ L 357; 31.12.2002; p.1 as amended by Commission Regulation (EC, EURATOM) 1261/2005 of 20 July 2005. OJ L 201, 02.08.2005 p 3

Guide to contract procedures for EC external actions” (PRAG) as published on the EuropeAid website⁶ at the date of the initiation of the procurement or grant award procedure.

4.3. Grant Schemes

For grant schemes the precise implementation arrangements will be specified in the relevant project fiches in line with the following principles:

The procedures and formats to be used in the implementation of the schemes and award of the grants will follow the procurement rules for External Actions. In particular, due care will be given to the selection process of the projects. Grants will be awarded in conformity with the provisions of chapter 6 of the Practical Guide, and following the principles of Phare decentralised management. Prior to EDIS accreditation, the ex-ante approval of the Commission Delegation in Bulgaria will be required.

The competent PAO for the programme under which the grant scheme is financed has to retain his/her contractual and financial responsibility for the implementation of the schemes. In particular, the PAO has to formally approve the call for proposals, application forms, evaluation criteria, as well as the selection process and results. The PAO also has to sign the grant agreements with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.

The implementation of selected projects through provision of works, supplies and services, which are sub-contracted by the final beneficiaries of the individual grants, shall be subject to the procurement rules for External Actions at the time of implementation. Following a positive assessment of the Implementing Agency’s capacity to operationally and financially manage the schemes in a sound and efficient manner⁷, the Commission Delegation may decide to waive its ex-ante approval of sub-contracting carried out by the final beneficiaries of the individual grants. The detailed provisions governing the role of the Delegation in the above-mentioned sub-contracting phase will be specified, as appropriate, in the Exchange of Letters between the Delegation and the national authorities following the above-mentioned assessment exercise.

Grant schemes will not involve projects for which the Phare contribution is below € 50 000 or above € 2 million. This lower limit may be waived as a result of the above-mentioned assessment of the Implementing Agency’s capacity of giving assurance of sound financial management. The lower limit is not applicable in the case of NGOs.

The financial commitments in Phare terms will take effect at the date of signature of the grant agreements by the competent PAO. The projects should be fully implemented before the expiry date for contract execution of the corresponding Financing Agreement.

4.4. Implementation Principles for Twinning Projects

Twinning projects are set up in the format of a grant contract (twinning contract) whereby the selected Member State administration agrees to provide the requested public sector expertise (including the long term secondment of an official assigned to provide full time counsel to the beneficiary administration as Resident Twinning Advisor) against the

⁶ current address: http://ec.europa.eu/comm/europeaid/tender/gestion/index_en.htm

⁷ see section 11 and Annex 4 of the 2004 Phare Programming Guide

reimbursement of the expenses thus incurred. This twinning contract is in line with the provisions of Article 27 of the Financial Regulation and of Part One, Title VI on grants of the Financial Regulation and its Implementing rules.

Further to the provisions of Article 160, first paragraph of the aforementioned Implementing Rules, the Contracting authority shall use the rules and proceedings set out in the regularly updated Twinning Manual (which includes a system of fixed rates and prices for the reimbursement of the provided public sector expertise by the selected Member state administration for launching, selection, implementation and closing of twinning projects.

The twinning manual is available on the Website of DG ELARG at the following address: <http://europa.eu.int/comm/enlargement/pas/twinning/index.htm>.

5. MANAGEMENT OF ASSISTANCE

5.1. Project Management

5.1.1. Responsibilities

The National Aid Co-ordinator (NAC) will have overall responsibility for programming and monitoring of Phare programmes.

The National Authorising Officer (NAO) and the NAC shall be jointly responsible for the co-ordination between Phare, ISPA and SAPARD, as well as the Structural and Cohesion Funds.

The NAO and the Project Authorising Officer (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the instructions of the Commission. They will also ensure that all contracts required to implement the Financing Agreement are awarded using the procedures and standard documents for External Actions in force at the time of implementation, and that EU state aid rules are respected.

5.1.2. Project Size

All projects will be greater than 2 M €. Nonetheless, in accordance with the Phare Guidelines, some specific objectives may require smaller projects such as:

- a) projects focused primarily on institution building where the Bulgarian Ministry/agency concerned has limited absorptive capacity and cannot utilise as much as € 2 million
- b) projects constituting part of a wider multi-annual project where the total value of the multi-annual project is greater than € 2 million.

5.1.3. Deadline for contracting and execution of contracts, programming deadline

(1) All contracts must be concluded by no later than November 30, 2008.

(2) All contracts must be executed by no later than November 30, 2009. For the following project only, the contracts must be executed by no later than November 30, 2010 :

- BG 2006/018-164.01.01 Civil Society Development Programme;

This project refers to long-term development of political issues. Moreover, the multi-annual framework aims at ensuring a strong financial commitment on these issues beyond accession.

In no case can the contracting period for projects implemented under this programme exceed three years after the date of the global commitment (Art. 166 (2) FR). Budgetary commitments which have not given rise to payments during three years counted from the date of the legal commitment will be de-committed (Art. 77 (3) FR).

(3) Under DIS, a complete tender dossier must be submitted to the Delegation for approval by no later than 6 months after the signature of the Financing Agreement. In case of non-compliance, the Beneficiary Country will inform the JMC, which may recommend reallocation or cancellation of funds in accordance with Art. 5 of the MoU on the National Fund.

5.1.4. Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive⁸ are fully applicable for all investment projects under Phare. If the EIA-directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive. If a project would fall within the scope of annex 1 or annex 2 of the EIA-directive, the carrying out of the EIA-procedure must be documented⁹.

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-directive must be documented¹⁰.

All investments shall be carried out in compliance with the relevant community environmental legislation. The project fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

5.2. Financial Management

5.2.1. Principles and Responsibilities

The National Fund in the Ministry of Finance, headed by the NAO, will supervise the financial management of the programme, and will be responsible for reporting to the European Commission. The NAO shall have the overall responsibility for financial management of the Phare funds, and the full accountability for the Phare funds of a programme until the closure of that programme.

The NAO shall ensure that the Phare rules, regulations and procedures pertaining to reporting and financial management are respected, and that a reporting and project information system is functioning.

The Commission will make payments to the NF in accordance with the Memorandum of Understanding signed between the Commission and the Republic of Bulgaria in December 1998.

⁸ DIR 85/337/EEC; OJ L 175/40; 5.7.1985, as amended

⁹ in Annex EIA to the corresponding investment project fiche.

¹⁰ in Annex Nature Conservation to the corresponding investment project fiche

Payments will be made following requests from the NAO onto a separate bank account, denominated in €, which will be opened and managed by the National Fund in the central bank or in a Government guaranteed bank. In principle, all bank accounts will be interest bearing.

According to Articles 3 & 4 of the implementing rules of the Financial Regulation accrued interest is the property of the Beneficiary Country. The NAO must however ensure that the accrued interest is actually registered in its entirety as revenue in the national budget. Furthermore the NAO will ensure a regular reporting of the interest via Perseus.

5.2.2. Payments to the National Fund

A first payment¹¹ of up to 20% of the funds to be managed locally, will be sent to the NF following signature of the Financing Agreement and the Implementing Agreements between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function between them will be carried out.

Two further payments¹² of up to 30% of the funds to be managed locally will be made. The second payment will be triggered when 5 % of the total budget in force has been disbursed by the IAs and the CFCU. The third payment may be requested when 35% of the total budget in force has been disbursed.

A final fourth payment will be made when 70 % of the total budget in force has been disbursed and all contracts have been signed.

Exceptionally the NAO may request more than the percentage agreed where it can be demonstrated by a cash-flow projection that the cash-flow requirements in the subsequent period will exceed such percentage. In cases where the aggregate of the funds deposited in the NF, CFCU and IAs accounts exceeds 15% of the total budget in force for the programme the Commission may exceptionally authorise a payment, if the NAO provides duly substantiated evidence that contractual obligations cannot be met with the funds available.

5.2.3. Payments from the National Fund to the Implementing Agency

The National Fund will make payments to IAs, including the CFCU, in accordance with Implementing Agreements signed between the NF and the IAs/CFCUs. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency/CFCU in charge of financial management of the sub-programme in line with Art. 13 of the MoU on the National Fund.

As long as implementation follows DIS, each individual Implementing Agreement must be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU/IA there will be no payments from the NF to the CFCU. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO)

¹¹ representing pre-financing as defined in Art. 105 (1) of the Implementing Rules to the Financial Regulation

¹² representing interim payments or the renewal of pre-financing as defined in Art. 105 (1) of the Implementing Rules to the Financial Regulation

appointed by the NAO after consultation with the NAC. The PAO will be responsible for all operations carried out by the relevant CFCU/IA.

5.2.4. Payments to the National Fund for Participation in Community Programmes and Agencies

Non applicable.

5.2.5. Payments in Case of Contractual Retention Clauses

For those contracts with contractual retention clauses (e.g. funds retained for a warranty period), the Implementing Agency assumes full responsibility for managing the funds until final payment is due, as well as for ensuring that the said funds will only be used to make payments related to the retention clauses.

The IA further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission.

5.2.6. Closure of Expenditure and Clearance of Accounts

No later than sixteen months after the end of execution of contracts, the NF will submit a final declaration of expenditure and a final technical progress report covering both PHARE support and co-financing and an attestation regarding the regularity, accuracy and veracity of the accounts transmitted. The final certified expenditure should at this point equal the original value of the contracts minus any deductions and savings agreed with contractors in the course of implementation. This should also equal payments made plus any sums outstanding on account of contractual retention.

If the payments received from the Commission exceed the final certified expenditure, the NF shall return the excess to the Commission at the time of submitting the final declaration. If there are any outstanding payments (with the exception of contractual retention funds), the NF should provide an explanation and a forecast when payment will be finalised. The NF shall report on progress on contractual retention funds and outstanding payments on a quarterly basis. If they are not paid to the contractor, they shall be returned to the Commission.

After evaluation of the final declaration, the Commission will state its view on any expenditure to be excluded from Community funding, where it finds that expenditure has not been executed in compliance with Community rules.

The results of the Commission's checks and its conclusions to exclude expenditure from financing will be notified in writing to the NF, which shall be given one month to transmit its reply in writing.

If no agreement is reached within one month of receipt of the NF's written reply, the Commission shall decide and establish the amounts to be excluded, having regard in particular to the degree of non-compliance found, the nature and gravity of the infringement as well as the financial loss suffered by the Community.

Following the decision about amounts to be excluded, all ineligible expenditure will be recovered without prejudice to the treatment of irregularities and subsequent financial corrections stipulated below.

The funds will be recovered either by direct reimbursement from the NF or by compensation in accordance with Community rules.

6. MONITORING AND EVALUATION

Project implementation will be monitored through the Joint Monitoring Committee (JMC). It includes the NAO, the NAC and the Commission services. The JMC will meet at least once a year to review all Phare funded programmes in order to assess their progress towards meeting the objectives set out in the Financing Agreements and the Accession Partnership. The JMC may recommend a change of priorities and/or reallocation of Phare funds. Furthermore, the JMC will review the progress of all pre-accession EU-funded assistance programmes once a year (Phare, ISPA, SAPARD).

For the Phare programme, the JMC will be assisted by Sectoral Monitoring Sub-Committees (SMSC), which will include the NAC, the PAO of each Implementing Agency (and the CFCU where applicable) and the Commission Services. The SMSC will review in detail the progress of each programme, including its components and contracts, assembled by the JMC into suitable monitoring sectors. Each sector will be supervised by one SMSC on the basis of regular monitoring reports produced by the Implementing Agency, and interim evaluations undertaken by independent evaluators. The SMSC will put forward recommendations on aspects of management and design, ensuring that these are effected. The SMSC will report to the JMC, to which it will submit overall detailed opinions on all Phare financed programmes in its sector.

The Commission services shall ensure that this programme will be subject to interim (either centralised or decentralised) and/or ex post evaluations.

7. EQUAL TREATMENT

Equal opportunity and gender equality are fundamental principles enshrined in the Treaty that are reflected in the programming and implementation of the Phare funding.

8. AUDIT, FINANCIAL CONTROL, ANTI-FRAUD MEASURES, PREVENTIVE AND CORRECTIVE ACTIONS

8.1. Supervision and Financial Control by the Commission and the European Court of Auditors

All Financing Agreements as well as all resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-Fraud Office) and audits by the European Court of Auditors. As long as EDIS is not yet applicable to the Implementing Agencies in the Beneficiary Country, this includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the Community, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96¹³.

¹³ Council Regulation (EC, Euratom) 2185/96 of 11. November 1996, OJ L 292; 15.11.1996; p. 2

The controls and audits described above are applicable to all contractors and subcontractors who have received Community funds.

Without prejudice to the responsibilities of the Commission and the European Court of Auditors¹⁴, the accounts and operations of the National Fund and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission's discretion by the Commission itself or by an outside auditor contracted by the Commission.

8.2. Obligations of the Beneficiary Country

8.2.1. Audit and Financial Control

In order to ensure sound financial management of the Phare funds, the Beneficiary Country must have a system for management and control of assistance in accordance with generally accepted principles and standards in place. This system shall fulfil the requirements set out in Art. 164 of the Financial Regulation, and in particular provide adequate assurance of the correctness, regularity and eligibility of claims on Community assistance.

The Beneficiary Country's management and control systems shall provide a sufficient audit trail, as defined in Art. 7 (2) of Commission Regulation 438/2001¹⁵.

The competent national financial control authority shall carry out appropriate financial controls of all actors involved in the implementation of the programme.

Each year an audit plan and a summary of the findings and main recommendations of the audits carried out and an outline of the follow-up given to past audit recommendations shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

8.2.2. Preventive Measures

The Beneficiary Country shall take any appropriate measure to prevent and counter active and passive corruption¹⁶ practises at any stage of the procurement procedure or grant award procedure, as well as during the implementation of corresponding contracts.

The authorities of the beneficiary country, including the personnel responsible for the implementation of the programme, shall also undertake to take whatever precautions are necessary to avoid any risk of conflict of interest, and shall inform the Commission immediately of any such conflict of interest or any situation likely to give rise to any such conflict.

¹⁴ as referred to in the General Conditions relating to the Financing Memorandum" attached to the Framework Agreement

¹⁵ Commission Regulation (EC, Euratom) 438/2001 of 2 March 2001, OJ L 63; 3.3.2001, p.21

¹⁶ Active corruption is defined as the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Communities' financial interests.

Passive corruption is defined as the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or a third party, or accepts a promise of such advantage, to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Communities' financial interests.

8.2.3. *Anti-Fraud Measures and Corrective Actions*

Beneficiary Countries shall, in the first instance, bear the responsibility to ensure investigation and satisfactory treatment of suspected or actual cases of fraud and irregularities following national or Community controls.

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94¹⁷.

In particular, all suspected or actual cases of fraud¹⁸ and irregularity¹⁹ as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud or irregularity to report, the Beneficiary Country shall inform the Commission of this fact within two months following the end of each quarter.

In case of irregularity or fraud, the Beneficiary Country shall make the necessary financial corrections required in connection with the individual irregularity. The corrections made by the Beneficiary Country shall consist in cancelling all or part of the Community contribution. The Community funds released in this way may be re-used by the NF for the purpose of the programme, in compliance with Art. 5 of the MoU on the National Fund.

8.3. Recovery of Funds in Case of Irregularity or Fraud

Any proven irregularity²⁰ or fraud²¹ discovered at any time during the implementation of the programme or as the result of an audit will lead to the recovery of funds by the Commission.

If, after completing the necessary verifications, the Commission concludes that:

- (a) the Beneficiary Country has not complied with the obligations to prevent, detect, and correct irregularities or
- (b) the implementation of a project appears not to justify either part or the whole of the assistance allocated or

¹⁷ Commission Regulation (EC) 1681/94 of 11. July 1994; 12.7.94; p. 43

¹⁸ Fraud shall mean any intentional act or omission relating to: the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities; non disclosure of information in violation of a specific obligation with the same effect; the misapplication of such funds for purposes other than those for which they are originally granted.

¹⁹ Irregularity shall mean any infringement of a provision of national or Community law, this Financing Memorandum or ensuing contracts, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, by an unjustified item of expenditure. The term "Community law" in this context shall be defined as the entirety of Community rules applicable between the Parties of the Financing Memorandum (e.g. the Europe Agreements, Framework Agreements, the MoU on the Establishment of the National Fund etc.)

²⁰ see definition above

²¹ see definition above

(c) there are serious failings in the management or control systems which could lead to irregularities,

the Commission may suspend further financing of the programme in question, and, stating its reasons, request that the Beneficiary Country submit comments and, where appropriate, carry out any corrections within a specified period of time.

If no agreement is reached by the end of the period set by the Commission and if the required corrections have not been made, the Commission may – taking into account any comments made by the Beneficiary Country – decide within three months to:

(a) reduce or cancel any payment for the programme in question, or

(b) make the financial corrections required by cancelling all or part of the assistance granted to the programme concerned.

The Commission shall, when deciding on the amount of a correction, take into account the principle of proportionality, the type of irregularity and the extent and financial implications of the shortcomings found in the management and control system of the Beneficiary Country.

In the absence of a decision to do either (a) or (b), further financing of the programme shall immediately resume.

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of the notification. If the NAO does not repay the amount due to the Community, the Beneficiary Country shall refund this amount to the Commission.

Interest on account of late payment shall be charged on sums not repaid by applying the rules specified in the Financial Regulation.

9. VISIBILITY AND PUBLICITY

The PAO in charge will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission. Further details are set down in the Annex on Visibility and Publicity.

10. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of the Republic of Bulgaria, the Commission may review the programme with a view, at the Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Phare programme.

ANNEX ON

INFORMATION AND PUBLICITY FOR THE PHARE, ISPA AND SAPARD PROGRAMMES OF THE EUROPEAN COMMUNITIES

1. Objective and scope

Information and publicity measures concerning assistance from the European Community Phare Programme are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Phare Programme.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:

- Regulation (EEC) 1159/2000 Official Journal of the European Communities No L130/30, 31 May 2000;
- Commission Decision of 31 May 1994; Official Journal of the European Communities No L 152/39, 18 June 1994.

Specific provisions concerning ISPA are included in:

- Commission Decision of 22nd June 2001, Official journal of the European Communities No L.182/58

Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning Phare programmes

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.

The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When Phare programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.
- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Phare, Ispa or Sapard:

- measures to make potential beneficiaries and the general public aware of Phare, Ispa or Sapard assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.
- measures targeting applicants for public aids part-financed by Phare, ISPA or SAPARD in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Phare, ISPA or SAPARD Programmes in accordance with the provisions outlined above.

4. Visibility of EU assistance in business circles and among potential beneficiaries and the general public

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.



4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Phare, Ispa or Sapard Programmes, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Phare, ISPA or SAPARD in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Phare, Ispa or Sapard Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Phare, Ispa or Sapard should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.

Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

In order to ensure the visibility of measures part-financed by the Phare, Ispa or Sapard Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

Commemorative plaques

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant Programme (Phare, Ispa or Sapard).

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. Final provisions

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.

In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.

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