

FINANCING MEMORANDUM

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 **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 Memorandum. 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 Memorandum 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: **2003/005-631**

Title: **2003 Cross-Border Co-operation Programme between Bulgaria and Romania**

Duration: **Until 30 November 2005**

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of **8 million €** hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until **30 November 2005** subject to the provisions of this Memorandum. 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 2006**, with the exception of the project **BG-2003/005-631.01** "Final Construction of Silistra Bypass Road" for which the execution of contracts expiry date is **30 November 2007**.

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. This Memorandum shall expire at the expiry date for execution of contracts of the EC GRANT. All the funds which have not been disbursed shall 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 Moscovska Str
PO Box 668
BG-1000 Sofia
Bulgaria

Tel: (+359 2) 933 5252

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for THE RECIPIENT:

Mr Valentin Tserovski
Minister of Regional Development and Public Works
PAO
17-19 ST. Kiril i Metidil Street
Sofia 1207
Bulgaria

ARTICLE 5 - NUMBER OF ORIGINALS

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

ARTICLE 6 - ENTRY INTO FORCE

This Memorandum 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 Memorandum.

Done at Sofia
Date

Done at Sofia
Date

for THE RECIPIENT
Mr Valentin Tserovski
Minister of Regional Development
and Public Works

for THE COMMUNITY
Mr Dimitris Kourkoulas
Head of European
Commission Delegation in Bulgaria

Encl.

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

ANNEX C

1. Objectives and Description

The **overall objectives** of the programme are:

- To promote good neighbourliness and stability in the CEEC border regions by funding projects which will yield tangible benefits to the regions and communities on both sides of the border;
- To promote co-operation between border regions in both countries, helping these regions to overcome the specific development problems which may arise, *inter alia*, from their position within the national economies, in the interest of the local communities and in a manner compatible with the environment protection;
- To promote the creation and further development of co-operation networks on either side of the border and establishment of links between these links and wider Community networks.

The **specific project purposes and results** are reflected in the following priority areas:

- To develop transport infrastructure and accessibility by constructing a bypass in Silistra (project BG 2003/005-631.01) and by improving the access to the border crossing point in Giurgiu (projects RO 2003/005-701.01);
- To improve protections against flood allowing future transport projects by consolidating a dyke along Danube (project RO 2003/005-702.02)
- To strengthen economic co-operation in the border region by identifying and preparing joint programmes in the economic development field (projects BG 2003/005-631.02 and RO 2003/005-701.05);
- To promote environmental protection by developing programmes against air pollution (projects BG 2003/005-631.03 and RO 2003/005-701.03) and by identifying and preparing joint projects in the field of nature protection (projects BG 2003/005-631.04 and RO 2003/005-701.04);
- Setting up of a flexible mechanism to finance the so called “small-scale and people-to-people projects” within socio-economic development field (local economic development, training and employment measures, improvement of the flow of information and communication, cultural exchanges, support for media etc) with a cross-border impact (projects BG 2003/005-631.05 and RO 2003/005-701.06)

In order to prepare a pipeline of mature projects and to improve programming and project management skills in the field of cross-border co-operation programmes, Bulgarian and Romanian financed activities include a project preparation facility (projects BG 2003/005-631.06 and RO 2003/005-701.07).

JPD priority 1: Improving Infrastructure

Phare BG 2003/005-631.01: “Final construction of Silistra bypass road” (3.750 M)

At present the main border crossing points between Bulgaria and Romania along Danube River are as following Russe/ Giurgiu bridge, Vidin/ Calafat and Oriahovo/ Bechet ferryboats.

After 1992 transit and local traffic have increased significantly. In order to facilitate the free movement of passengers and goods between the two countries the Bulgarian and the Romanian Governments have signed bilateral agreement to improve and modernise the existing border crossings and related access roads.

The proposed Project is part of the Silistra bypass road (I stage) in direction to Road II-21 Silistra-Russe with length of 6 km. It starts at km. 106⁺¹⁵⁰ (in the beginning of village of Aldemir on the side of Ruse) and ends at km. 112⁺²³⁰ – crossing with road III 218 “Road II-21 – Dulovo”. The whole Project was divided in three stages. Over the past 10-15 years the Road Executive Agency has provided funding for stages II and III, and executed them.

The bypass is designed for a speed of 80 km/h and has 7/10.5 m road width. It has good horizontal and vertical parameters with 6 horizontal curves having a minimal radius of 500 m. The longitudinal slopes are mostly close to the minimal one of 0.5% and warranted anti-flood security.

After completion the Silistra bypass will carry heavy vehicle traffic and all the other vehicle traffic to/from Jambol-border with Turkey direction or in the direction to/from Russe. Particularly the international traffic, which uses Kalaraj-Silistra ferry will take advantages of the whole bypass road, taking direction to the interior of the country along roads I-7 and II-21.

The results of the counts from 2000 taken from the Study on the Intensity of Motor Vehicle Traffic of the Central Roads’ and Bridges’ Laboratory show that the average annual traffic intensity is more than 1000 cars per day.

The project will also finance the works supervision activities.

Conditionality:

Land acquisition is financed by the Bulgarian authorities. The Bulgarian authorities undertake to notify to the European Commission before the signature of the works contracts that related land acquisitions have been completed.

Phare RO 2003/005-701.01: “Giurgiu - Improvement of the border access infrastructure (€2.655 M)

At present the border crossings in Giurgiu/Russe are the most important between Romania and Bulgaria at the Danube river (prior to Calafat/Vidin and Bechet/Oriahovo ferry).

There are three border crossings namely the big Danube Bridge, one trailer ferry and one passenger ferry. Additional to that there is also the harbour for goods and passengers to link the town to the other ports on the Danube river.

However, the interconnection of local border crossings (ferries) to the town and to the main road connections is in very critical condition. It is only incomplete and the surface is in bad condition with many holes in the asphalt surface and damaged areas, where circulation is difficult and slow.

The Giurgiu Free Trade Zone and the access to the pedestrian ferry is at present endangered because the “Bizetz” bridge (opened in 1905) over the St. George Channel connecting the town and the border crossings is in danger of collapsing. Technical examination concluded that the bridge got damages to both superstructure (riveted cross-bars) and infrastructure (displaced stone bricks), and that the construction of a new bridge is necessary. As an urgency measure severe weight limitations for trucks had to be imposed.

At present the poor conditions of these road connections are hindering an intensified economic development of the immediate border area and are making the border access (especially for the local population and businesses) difficult and unattractive.

Local and international heavy traffic from the harbour and the ferries has to cross the city centre to reach the Danube bridge and the main (inter)national transport routes. With economic and population development this situation will even deteriorate, putting a high burden on the local population.

This project will cover the following components:

1. Road rehabilitation and construction

- a) The rehabilitation and upgrading of a 5.1 km road section, connecting passenger ferry – Free Trade Zone – Portului Str. – Aleea Plantelor Str. - car ferry – junction with Unirii Street. The works are covering a total road surface of about 62,000 m². This road is designed as a two lane road with pedestrian side walks and the necessary installations for rain water collection and illumination.

On a length of 3 km of this road mainly the to be reinforced, the road surface improved and pedestrian side walks added.

On a section of 2 km the road has to be upgraded from a presently unpaved trail.

For the upgrading of the road also technical improvements (illumination) and soil and underground protection measures (collecting rain & snow water into a conduit network) are foreseen,

- b) The construction of a new road section between Unirii Street and National Road No.5

- c) On a length of 450 m a new two lane road section as a continuation of the section described under a) has to be constructed.

The investment in this project road construction will contribute to diminishing the heavy traffic in town center and reducing the pollution degree.

The road will shorten the access to main roads thus ensuring the strict link with the traffic crossing point to the Customs Office of Giurgiu , to the future highway Giurgiu – Bucharest , to the NR #5 , to the Ring Road #119 (heavy traffic lane) .

2. Construction of a new bridge over St. George Channel

The works within that project cover:

- the construction of the infrastructure (arks + pillars) of the bridge;
- the construction of the superstructure (beams + platforms) of the bridge.

The new bridge will have a length of 72.5 m, with 4 vehicle traffic lanes and 2 sidewalks.

3. Upgrading and re-building the stone brick reinforcement wall

For the road section alongside the Danube it is necessary to improve the stone brick wall enforcement of the river dike. This works have to be undertaken between the passenger ferry and the harbor.

4. Planning and supervision of the works

The Giurgiu Town Council, for project component road infrastructure and bridge and the National company “Administration of Danube River Ports”, Giurgiu (ADRP), for project component stone brick reinforcement wall, undertake to finance the operating costs of the project and the obligation to cover any additional cost, necessary for the completion of the whole project during its implementation timeframe

Conditionality:

All legal framework related to environmental aspects will be accomplished and all legal endorsements and approvals will be obtained before launching the tender for works components including completion of land arrangement aspects.

Phare RO-2003/005-701.02: “Dyke along the Danube river into Boianu – Sticleanu precincts” (€1.845 M)

There is an old dyke alongside the Danube, protecting the hinterlands against the floods of the river. This Dyke alongside the Danube West of the Calarasi – Silistra border crossing is in critical conditions. There are substantial erosion areas and there are no arrangements for traffic, except an incidental path at the top of the dyke. Circulation for vehicles can only take place there during periods without rain.

The main objectives of the project are the dyke consolidation, as well as the improvement by surface treatment of the transport infrastructure. The dyke consolidation has as main objective the defence against flooding and the rehabilitation of the erosion areas. The existent earth dyke can not face the periodical Danube flooding, thus being a threat for crops, economic agents in the area and even for the rural localities situated along the Danube: Gradistea, Ciocanesti, Dorobantu, Manastirea, Spantov, Chiselet, Ulmeni.

The dyke consolidation will stop the present erosion phenomena and will defend the bank against flooding. Therefore, this project will have a major environmental impact.

The transport infrastructure, the second priority of this project has as main targets, outside the surface treatment of the infrastructure, the followings:

- the access to the natural reservation Boianu – Sticleanu;
- the establishment of a local network between Calarasi-Oltenita and the bulgarian road Silistra-Tutrakan that will be also modernized, which will encourage the local economic development. There is a project of a national road that will become of international interests – the link with Cross-border checkpoint Calarasi – Silistra.

The activity consists of two stages:

- Dyke rehabilitation Protection dyke arrangement by consolidation and chamfer works;

The existing dyke with a length of 11 **km starting from Chiciu** (10 km far away from Calarasi city, see the attached map) will be consolidated and fortified. The necessary works to be undertaken are:

- Rehabilitation of the erosion areas and of the damaged gradients;
- External gradient pavement of the dyke to +0.50 m above N.A.E. (Extraordinary Water Level);
- Road surface treatment with macadam

The road on top of the dyke will have a 4-meter width with one single lane and some refuges on the both sides of the road. The refuges will allow circulation in the both directions. The road is designed for low traffic only.

The Romanian authorities (Calarasi County Council and National Society for Land Improvements) undertake to finance the operating costs of the project and the obligation to

cover any additional cost, necessary for the completion of the whole project during its implementation timeframe

Conditionality:

All legal framework related to environmental aspects will be accomplished and all legal endorsements and approvals will be obtained before launching the tender for works components including completion of land arrangement aspects.

JPD priority2: Economic Development

Phare BG-2003/005-631.02 & RO-2003/005-701.05: “Sustainable Economic Development of the Bulgarian-Romanian Border Region” (€1.700 M)

Some districts along the RO/BG border lag behind in economic terms due to their remoteness from national economic centres. Their difficulties result additionally from their specific situation at a border, being cut off by institutional, social and cultural/linguistic barriers from areas across the border with which they could form an economically developing area.

Phare Cross Border Co-operation programme Bulgaria/Romania has not financed significant economic development projects so far. However, economic development projects require detailed and reliable data and background documentation to identify the best approach for achieving their objective(s). In-depth feasibility studies, impact analysis and other project background documents are critical for a successful implementation.

The proposed project will finance the following activities grouped under three main components:

Component 1: Preparing a pipeline of mature projects in the field of economic development

A technical assistance will provide assistance to a Joint Steering Committee to complete the following tasks:

1. Identification of common economic development projects

It will identify existing ideas of joint projects in the field of economic development that may be eligible for CBC funding. It will assess identified projects, analyse possible risks, etc. It will then establish a typology of those proposals

2. Formulation of an implementation strategy for supporting future joint cross-border activities, in the field of economic development

It is expected that some type of projects should be supported through a grant scheme during the period 2004-2006. The objective is to ensure a transparent process of identification of project proposals, to get an overview of all initiatives, to be able to select the most interesting ones and to further adapt implementation strategies to INTERREG. The TA will design this grant scheme.

3. Preparation of preliminary documentation of some investment projects to be ready, when future funding is available ;

By the time the grant scheme for supporting CBC projects in the field of economic development is operational (and beyond for specific type of projects which are not eligible under the grant scheme rules but have a real CBC interest), assistance is needed to prepare a set of mature projects that may be ready for future CBC funding.

For the selected projects, the TA will assist the potential beneficiaries to prepare a solid application by completing the necessary feasibility studies, providing assistance for improving proposals, preparing the standard project fiches and relevant documentation for quick implementation (TORs, tender dossiers, legal agreements...).

Component 2: Study on inter-regional measures for the development of the Middle-Danube Euroregion following the construction of Vidin Calafat bridge

The new bridge between Vidin and Calafat will provide a second fixed Danube crossing between Bulgaria and Romania, which are, at present, connected by a single road/rail bridge at Ruse-Giurgiu, some 300 km downstream. The bridge construction period is estimated at 3.5 years and construction activities are expected to start by end 2004. It is expected that the Bridge will have a strong impact on local development, as it is likely to become the catalyst for the economic development of the surrounding regions. Then it is crucial for both sides to identify joint projects that will make it concrete.

The objective of the study financed by the present programme is to define, jointly with the authorities of Vidin (Bulgaria), Dolj (Romania) and Zajecarski (Serbia & Montenegro) districts, inter-regional economic development strategies and specific measures that would take advantage of the new bridge to foster joint economic growth. A Trilateral Steering Committee will be established gathering representatives of concerned stakeholders. IFIs and donors involved in the financing of the Bridge will be closely associated.

It is foreseen that following tasks will be completed:

1. Review and analysis of available baseline information and existing plans

2. Regional partnership, legislation, Inter-regional Operational programme

Among other activities, the TA will (i) assess the institutional strength of the relevant institutions and structures involved in regional planning. In particular, assess the present “absorption capacity” of these institutions and forecast future capacity (ii) identify inter-regional social and economic co-operation links, at public and private level, that would be facilitated by the new bridge, (iii) identify the pending legislation or shortcomings in present legislation related to regional development and (iv) assess differences in regulations applying to regional development programmes on either side of the border, and in financial options

3. Development plan

The plan shall cover those activities best suited to induce joint regional economic development taking advantage of the new Danube Bridge

4. Workshop on Inter-Regional Development

5. Preparation of preliminary documentation of some investment projects to be ready, when future funding is available under Phare CBC RO/BG programme.

Component 3: Review of the project “To revive the tradition – Vidin Dolj”.

A technical assistance will to provide assistance to a Joint Steering Committee in order to complete the following tasks:

1. Review of the project “To revive the tradition – Vidin-Dolj”

The TA will perform a detailed analysis (including economic opportunity) of the project proposal presented in 2003 relating to the development of joint activities to promote traditional produces existing in that region. It will provide recommendations on the opportunity to develop the project as it is / to amend it / to reject it.

2. Develop a project proposal with the necessary documentation (in case it is decided it is worth developing a project in that field)

The TA will have to develop the project to make it attractive for local/foreign support. For every component, it will identify the likely source of funding and will prepare the necessary documents for applying to those funds. In particular, as far as Phare is concerned, it will ensure that all activities proposed to Phare CBC financing are not eligible under another EU instrument (e.g. SAPARD).

JPD priority 3: Environmental Protection and Management

Phare BG-2003/005-631.04 & RO-2003/005-701.04: “Promotion of Sustainable Development and Conservation of Biodiversity in Bulgarian-Romanian Cross Border Region” (€2.250 M)
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The project addresses conservation matters in the BG-RO cross-border region along the Danube river and the Bulgarian northern Black Sea coast, which is the easternmost coastal part of the Dobrogea. plateau. This region is one of the most valuable zones regarding the number of rare species and the biodiversity as a whole.

However, biodiversity is under high pressure in these regions. Ninety percent of Bulgaria’s wetlands have been destroyed over the last century. A large percentage were drained and converted to agricultural areas. Others were destroyed as a result of dyke construction,

alteration of natural river courses, conversion of valleys and lakes to reservoirs, and conversion of native forests to poplar and locust plantations. Forests in the Dobrogea area have almost completely disappeared in the past. Intensely used agricultural plains remained with only very few forest areas (less than 5% of the area are forests). A desertification process can be observed in the area. Denudation of the soil by wind and rain and an increasing aridity of the local microclimate are taking place.

To combat these problems an improved monitoring of the ecosystem's state in a first stage, and based on that concrete measures for environment protection are required.

The very first step for promotion of sustainable development and conservation of biodiversity in BG-RO cross-border area is to identify sites, where appropriate action could be undertaken. The inventory of flora and fauna of the area has to be completed. Existing problems and future threats have to be identified. An in-depth analysis of the situation for increasing the biodiversity value of the area, as well as for identifying joint BG-RO natural resources management initiatives is necessary.

The two main components of the proposed projects are (i) the identification of habitats with potential for development of cross border activities and the preparation of development and management plans for identified sites (ii) the purchase of monitoring equipment in some already existing protected areas.

Then the project proposes to develop the following activities. Joint Steering Committees will be established with an equal representation of both Romanian and Bulgarian partners, in order to manage activities foreseen.

Component 1: Identification and preparation of future cross-border projects in the field of nature protection

A technical assistance (TA) will support the Joint Steering Committee to carry out the following activities:

- 1. Study and review of cross-border region, identification of common reserve places and parks (natural points) and habitats for conservation of biodiversity and areas for promotion of sustainable development. Technical and social spot-review;*
- 2. Outlining the possible purposes of identified areas (e.g. reserve, cross-border park). Development of guidelines for management planning for these areas;*
- 3. Review of cross-border infrastructure (e.g. roads) to ensure geographical scope and opportunities for cross-border co-operation and trans-border activities;*

For some selected projects (at least four), the following activities will also be carried out:

- 4. Formulation and production of management plans involving all stakeholders;*
- 5. Definition of measures for sustainable development in the buffer zones;*
- 6. Preparation of Sustainable Development plans – institutional and investment measures;*

7. Preparation of preliminary documentation of some investment projects to be ready, when future funding is available ;

The TA will also provide support to carry out the following tasks:

8. Training for staff from protected areas, regional and district offices, farmers and foresters, as well as local and regional authorities, structures of line ministries;

9. Formulation of an implementation strategy for supporting future joint cross-border activities, in the field of sustainable development and biodiversity conservation.

The TA will design a grant scheme for providing support to joint cross-border activities, in the field of sustainable development and biodiversity conservation that may be implemented during the 2004-2006 period.

The project will also contribute to prepare of a joint forest management plan for Dobrogea forests in a region, which is particularly rich but is facing many challenges, including desertification process.

A technical assistance will provide assistance in achieving the following tasks:

- *Development of a joint forest management plan* to achieve the common objective of both sides to develop a system of forest corridors ensuring the continuity and interconnection of protected areas and protection forest curtains network in both countries;
- *Public information and awareness campaign;*
- *Training of local staff;*
- *Preparation of preliminary documentation* of some investment projects to be ready for attracting donors' financial support.

Component 2: Equipment acquisition for monitoring and maintenance activities

The specific objective of this component is to purchase monitoring and maintenance equipment for some existing protected area in order to improve knowledge of biodiversity and to improve biodiversity conservation activities.

Here is some information of some indicative areas concerned:

On the Romanian side, five protected areas, located in Dobrogea, covering 1000 ha should be concerned:

Natural Reserves “Hagieni Forest”, village Albesti; “Dumbraveni Forest”, village Dumbraveni; “Padurea Canaraua Fetei”, village Baneasa; “Padurea Esehioi”, village Ostrov; “Fantanita – Murfatlar Forest “, Basarabi Town.

In parallel, the State Forest Directorate Dobrogea – Constanta, will finance reforestation activities in the Dobrogea area. The objective is to protect against desertification and climate dryness through the reforestation of new areas (min. 300 ha).

On the Bulgarian side, the supply component will enable the managing bodies of the protected areas in Dobrich and General Toshevo as well as nature park Rusenski Lom in tracking the populations of the protected and the threaten species.

For those protected areas will be purchased monitoring and maintenance equipment such as:

- GIS, ORDBMS, GPS stations, Satellite Images, hardware and information equipment;
- digital photo camera and digital video camera; binoculars;
- video recorders and TV sets;
- office equipment

(in the case of Bulgaria, national co-financing will also finance off-road vehicles to improve mobility of staff in charge of observation and control activities)

Phare BG-2003/005-631.03: “Development of a joint ambient air quality management programme for the boundary Bulgarian-Romanian region along the lower Danube” (€ 0.700 M)

In Bulgaria the preliminary assessment with regard to the pollutants covered by The First Daughter Directive 1999/30/EC (SO₂, NO_x and Lead, excluding PM₁₀) has been finished in 2001. As a result the country’s territory has been divided in 124 Ambient Air Quality (AAQ) assessment and management areas, out of which – 35 non-attainment areas, i.e. areas with exceedances of the established AAQ standards. For this 35 areas AAQ management programs according to art.8 FWD have to be developed.

Within this 35 areas there are 4 areas with mixed pollution (local and transboundary). Only for them the specific requirements of art. 8 paragraph 6 FWD should be applied, i.e. the AAQ management in this areas has to be closely coordinated between the two countries. This means that the relevant AAQ management programmes should be developed and implemented jointly.

The above 4 transboundary areas consist of the cities Nikopol, Svishtov, Rousse and Silistra with their surroundings or they coincide with the Bulgarian part of the Lower Danube region for which though the financial assistance of PHARE CBC a Joint Air Quality Monitoring System was established .

Having in mind the transboundary origin of part of the pollution within the area in question, the programmes have to be fully co-ordinated with the relevant mirror programmes developed by the Romanian side.

The only possible way to ensure that in practice is to develop the 8 mirror programmes (4 on each side) as a Joint AAQ Management Program for the region of Lower Danube, in the mean time involving all national and regional competent on both sides.

The above will ensure the required level of cost effectiveness and the correct scheduling and prioritization of the separate improvement (emission reduction) measures (since in certain cases the achievement of an AAQ standard in one country will be much more easy and costly effective through relevant emission reduction measures /or combination of measures/ in another country).

In addition, the development of the Joint AAQ Management Program will ensure in the future the possibility to prepare TORs and tender documents for the investments of utmost priority (including in the infrastructure) by which the emission levels will be reduced and thus the AAQ standards achieved.

In the mean time, if the results from the monitoring with the JAQMS prove that there is an exceedance of the established alarm thresholds for public information (according to Directive 1999/30/EC) action plans according to art.7 FWD will be developed for the concerned areas

The main outputs of the project are:

A) Detailed analysis and assessment of the air quality (analysis of measurement equipment and measurement methods presently used; initial analysis of available air quality and meteorological data; initial analysis of the emissions' situation; supplemental measurements of air quality, if needed; preparation of a traffic-emission program-module and of dispersion modelling; compilation and completion of emission inventory; implementation of a geographical information system (GIS) of local emission sources; assessment of ambient air quality).

B) Development of a program for improvement of ambient air quality in the case of exceeding the limit values (identification of potential emission reduction measures; scenarios for development of emissions until 2010; prioritization of measures and financial analysis; drafting of a program of long-term measures; drafting of short-term action plan for measures in case of exceedances of alert thresholds; seminars/workshops with stakeholders).

C) Elaboration of Application Forms in specific format in conformity with the requirements of the specific donors.

D) Preparation of a Training Program. Dissemination of basic knowledge on air quality assessment and management.

Phare RO-2003/005-701.03: "Development of an air quality management programme for the Romanian region along the Bulgarian border, on lower Danube" (€0.700 M)

The Transboundary Pollution and related environmental problems along the Danube River border have been repeatedly expressed in the last decade. On the 27 December 1993 a Memorandum of Understanding was signed by the Romanian and Bulgarian Ministers of Environment, stating their willingness to co-operate on the issue of monitoring of the transboundary pollution Romania - Bulgaria.

The air quality for the Romanian settlements included in the Romanian - Bulgarian settlement agglomerations of Lower Danube (Turnu Magurele - Nicopol, Zimnicea - Svishtov, Giurgiu – Ruse and Calarasi – Silistra) is characterized by exceeded concentrations of a range of controlled pollutants: suspended particulate matter, ammonia, hydrogen sulphide, phenol and other organic substances. The pollution is the result of the production of synthetics, chemical substances, machinery and metallurgical production, power production, road transport and fuel combustion for domestic needs.

The region has been polluted over the norms in result of the industrial activities in the towns of both banks of the Lower Danube, at a time bodies responsible for environmental protection were not in place.

The Ministry of Agriculture, Forests, Waters and Environment (former Ministry of Waters and Environmental Protection) established through the Phare CBC project RO9911.02 an air quality surveillance system on Romanian-Bulgarian border area with monitoring stations on each side: 2 stations at both Calarasi and Silistra, 2 stations at Giurgiu and 3 stations at Ruse, 2 stations at Turnu Magurele and 1 station at Nikopol, 1 station at both Zimnicea and Svishtov. The equipment mentioned above have already been assembled and put into operation. The system is also endowed with mutual on-line data transmission, in main localities being installed panels for public information.

The above-mentioned project, which consists of a first step for solving these problems, is the development of a joint air quality monitoring system. The second step is the development of a control (monitoring) system for emissions, which is the purpose of the proposed project.

Air quality management plans and programs shall be developed in co-operation with the local government, the decentralised bodies of the central administration, the titleholders and other stakeholders.

The plans and programs shall be made public and reported to the European Union. The central environmental authority shall monitor progress and compliance with the air quality management plans and programs and shall report annually on their observance.

The elaboration of the plans will ensure the required level of cost effectiveness and the correct scheduling and prioritization of the separate improvement (emission reduction) measures (since in certain cases the achievement of an Ambient Air Quality standard in one country will be much more easy and costly effective through relevant emission reduction measures /or combination of measures/ in another country).

In addition, the development of the Joint Ambient Air Quality Management Programme will ensure in the future the possibility to prepare ToRs and tender documents for the investments of utmost priority (including in the infrastructure) by which the emission levels will be reduced and thus the Ambient Air Quality standards achieved.

In the mean time, if the results from the monitoring with the Joint Air Quality Monitoring System prove that there is an exceedance of the established alarm thresholds for public information (according to Directive 1999/30/EC) action plans will be developed for the concerned areas.

The main outputs of the project are:

A. Air quality preliminary assessment (detailed analysis of air quality data, air emissions data, meteorological data etc; if necessary, supplementary measurements of air quality; analysis of existing measurement equipment and measurement methods used in the project area; completion of emission inventory and establishment of comparison methodologies; implementation of a geographical information system (GIS) of local emission sources; draw-up of joint Quality Assurance/Quality Control (QA/QC) methodologies and procedures for emissions released in air; detailed analysis of the national pollutant dispersion models in order to use these models for air quality assessment in transboundary conditions; establishing the suitable pollutant dispersion models for these type of areas and perform the collection of data for to assure the input data of the pollutant dispersion models; development of guidelines for air quality assessment in transboundary conditions; perform the preliminary assessment for air quality at local level, for areas along the Lower Danube for Romanian side)

B. Development of Plans and Programmes in transboundary conditions for air quality management (identification and examination of potential emission reduction measures; selection of suitable measures; scenarios for development of emissions in the period 2007-2015; estimation of the development of air quality in the period 2007-2015; prioritisation of measures and financial analysis; guidelines to draw short term and long term action plans; establishing the margins of tolerance and alert thresholds in the areas in transboundary conditions; drafts of long term programmes for improving air quality for 1. Calarasi – Silistra, 2. Giurgiu – Ruse, 3. Turnu Magurele – Nicopol, 4. Zimnicea – Svishtov (financed both from the Romanian and Bulgarian projects); drafts of short term plans for improving air quality where is necessary; training materials; seminars/workshops; public information)

C. Elaboration of Application Forms in specific format in conformity with the requirements of the specific donors

D. Dissemination of basic knowledge on air quality assessment and management

The project will also finance a technical assistance component to support the necessary tender documents for launching both Romanian and Bulgarian projects.

Phare BG-2003/005-631.05: “Joint Small Project Fund” (€0.800 M) and

Phare RO-2003/005-701.06: “Joint Small Project Fund” (€0.800 M)

The Joint Small Project Fund will be established as a flexible mechanism that finances the “small-scale and people-to-people” projects with a cross-border impact referring to: business co-operation, enterprise development, technology transfer and marketing, for small and

medium size enterprises, training, employment, measures for health and cultural exchanges, improvement of information flow and communications between border regions, etc. In order to reach a sufficient impact, these schemes need to be implemented in a multi-annual perspective. Therefore, both sides have agreed to continue this initiative and to increase the Phare allocation for each country.

The JSPF will operate following the Specific Guidelines developed for the 2000 exercise and approved by the Commission Services (EC Delegations) and the "Practical Guide to contract procedures financed from the general Budget of the European Communities in the context of external actions". Precise joint guidelines will be elaborated by the two countries, and will have to be endorsed by both EC Delegations in Bulgaria and in Romania.

The key institutions of the JSPF are the Bulgarian and Romanian Implementing Agencies which will issue a call for proposals that must be open and fair to all eligible organisations, the Joint Evaluation Committee (JEC) and the Secretariats (CBC Regional Offices for JSPF). An appropriate Team of Assessors will assess the submitted applications. The final decisions are taken on the basis of the recommendations of the Joint Evaluation Committee.

The Bulgarian Secretariat has been set up in the border region, at Ruse, in order to ensure the day-by-day contact and co-operation with the project beneficiaries. This office has specific tasks as set up in the guidelines for the JSPF.

The Romanian Secretariat has been set up in the border region, at Giurgiu, in order to ensure the day-by-day contact and co-operation with the project beneficiaries. This office has specific tasks as set up in the guidelines for the JSPF.

The project applicants will, in many cases, need considerable development assistance. Training and information workshops may be organised to inform and assist would-be participants, so as to ensure high transparency and encourage good quality proposals. The Secretariat will also appoint experts to visit would-be project applicants in order to provide assistance, especially in relation to matters such as project cost assessment.

The JSPF is designed to make available a total Phare contribution of 800,000 EUR/border region. Up to 7% of the PHARE contribution (maximum 56 000 EUR for each country) may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

Co-financing is needed and will be one criterion for eligibility of projects. Minimum co-financing will be 10% of the cost of each soft project. Projects already part-financed by another EU funded programme may not be granted support from this PHARE programme.

Support activities

Phare BG-2003/005-631.06: “Project Preparation Facility” (€0.500 M) and

Phare RO-2003/005-701.07: “Project Preparation Facility” (€0.300 M)

Each project will provide short-term technical assistance, to the Implementing Agency for the Phare CBC Bulgaria - Romania programmes in each country. This assistance is referring to all the activities related to the Phare CBC projects life cycle (identification, programming, contracting, implementation, etc), including revision of the JSPF documents.

The implementing authorities involved in the programming phase will be supported with short-term expertise in order to produce relevant background documentation, feasibility studies, project technical designs, terms of references, technical specifications and tender dossiers etc.

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 are reflected in the design and implementation of the 2003 CBC Phare Programme Bulgaria-Romania. The most important lessons relate to constraints on Bulgarian and Romanian administrative capacity. Another key lesson is that the success of Phare projects, especially institution building, depends on continuity of key senior and working level personnel.

More specific lessons relating to individual sectors or project types have also been learned and are reflected in individual project documents.

2. Budget

2003 Phare Cross Border Programme at Bulgarian Romanian Border (€)

CRIS N°	Project Title	Phare Institution Building	Phare Investment	Phare Total
BG 2003/005-631.01	<i>Final Construction of Silistra Bypass road</i>	0	3,750,000	3,750,000
RO 2003/005-701.01	<i>Giurgiu – Improvement of the Border Access Infrastructure</i>	0	2,655,000	2,655,000
RO 2003/005-701.02	<i>Dyke along the Danube river into Boianu – Sticleanu precincts</i>	0	1,845,000	1,845,000
BG 2003/005-631.02	<i>Sustainable Economic Development of the Bulgarian-Romanian Border Region</i>	1,000,000	0	1,000,000
RO 2003/005-701.05		700,000	0	700,000
BG 2003/005-631.03	<i>Development of a Joint Ambient Air Quality Management Program for the Boundary Bulgarian-Romanian region along the Lower Danube</i>	700,000	0	700,000
RO 2003/005-701.03	<i>Development of an Air Quality Management Program for the Romanian region along the Bulgarian border, on Lower Danube</i>	700,000	0	700,000
BG 2003/005-631.04	<i>Promotion of Sustainable Development and Conservation of Biodiversity in Bulgarian-Romanian Cross Border Region</i>	850,000	400,000	1,250,000
RO 2003/005-701.04		400,000	600,000	1,000,000
BG 2003/005-631.05	<i>Joint Small Project Fund</i>	800,000	0	800,000
RO 2003/005-701.06	<i>Joint Small Project Fund</i>	800,000	0	800,000
BG 2003/005-631.06	<i>Project Preparation Facility</i>	500,000	0	500,000
RO 2003/005-701.07	<i>Project Preparation Facility</i>	300,000	0	300,000
	TOTAL	6,750,000	9,250,000	16,000,000

In accordance with the Phare Guidelines of 1999 and Revised Guidelines of 2002, 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 eligible¹ public expenditure.

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

3. Implementation Arrangements

3.1 Implementation Arrangements in Bulgaria

a) Financial and Project Management by the Candidate Country

The programme will be managed in accordance with the Phare Extended Decentralised Implementation System (EDIS) procedures as set down in the EDIS Accreditation Decision and the Agreement on the Implementation of EDIS (EDIS Implementation Agreement; EIA) concluded between Bulgaria and the Commission². Prior to the conclusion of said Agreement, implementation will follow Phare Decentralised Implementation System (DIS) procedures³. Extended Decentralisation will, however, apply from the date of accession at the latest.

The National Aid Co-ordinator (NAC) will have overall responsibility for programming and monitoring of Phare programmes. The National Authorising Officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the EDIS Accreditation Decision and/or the *DIS Manual* as well as the other instructions of the Commission, and that all contracts required to implement the Financing Memorandum are awarded using the procedures and standard documents defined and most recently published by the European Commission for the implementation of External Actions. The NAC and the NAO shall be jointly responsible for co-ordination between Phare (including Phare CBC), ISPA and SAPARD as well as the Structural and Cohesion Funds.

The National Fund (NF) in the Bulgarian 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 overall responsibility for financial

¹ Taxes are not an element eligible for co-financing

² in accordance with the rules set down in the Council Regulation 1605/2002 (Financial Regulation), in particular Art. 164, Commission Regulation 2342/2002 (Implementing Rules of the Financial Regulation) and the annex of Council Regulation 1266/1999

³ in accordance with the rules set down in Council Regulation 1605/2002 (Financial Regulation), the Commission Regulation 2342/2002 (Implementing Rules of the Financial Regulation) and the annex of Council Regulation 1266/1999

management of the Phare funds. He shall ensure that the Phare rules, regulations and procedures pertaining to procurement, reporting and financial management as well as Community state aid rules are respected, and that a reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The NAO shall have the full overall accountability for the Phare funds of a programme until the closure of the programme.

b) Project size

All projects will be greater than €2 million, except for the following:

- 2003/005-631.05, Joint Small Project Fund (JSPF), given its scope;
- 2003/005-631.03 Development of a joint ambient air quality management programme for the boundary Bulgarian-Romanian region along the lower Danube;
- 2003/005-631.04 Promotion of Sustainable Development and Conservation of Biodiversity in Bulgarian-Romanian Cross Border Region;
- 2003/005-631.02 Sustainable Economic Development of the Bulgarian-Romanian Border Region;
- 2003/005-631.06 Project Preparation Facility

given the Institution Building nature of the projects.

c) Deadline for contracting and execution of contracts; programming deadline

All contracts must be concluded by 30 November 2005. In no case can the contracting period exceed 3 years after the date of the global commitment.

Execution of all contracts must end by 30 November 2006 with the exception of project **2003/005-331.01 “Final construction of Silistra Bypass Road”** for which the execution of contracts expiry date is **30 November 2007**. Budgetary commitments which have not given rise to payments during three years counted from the date of the legal commitment will be decommitted.

d) Clearance of Accounts Procedure and Recovery of Funds

A clearance-of-accounts procedure in line with Art. 53 para 5 of the Financial Regulation⁴ and Art. 42 of the Implementing Rules to the Financial Regulation⁵ will be put in place.

⁴ Council Regulation 1605/2002 of 25 June 2002

Any proven irregularity or fraud⁶ discovered at any time during the implementation of the programme will lead to the recovery of funds by the Commission.

If the implementation of a measure appears not to justify either a part or the whole of the assistance allocated, the Commission is to conduct an appropriate examination of the case, in particular requesting the beneficiary country to submit its comments within a specified period of time and to correct any irregularity.

Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure for which the Commission's approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

Where the Commission considers that an irregularity has not been corrected or that all or part of an operation does not justify either all or part of the assistance granted to it, the Commission is to conduct a suitable examination of the case and request the beneficiary country to submit its comments within a specified period. After the examination, if the beneficiary country has undertaken no corrective measures, the Commission may:

- (a) reduce or cancel any advance;
- (b) cancel all or part of the assistance granted to the measure.

The Commission is to determine the size of a correction taking into account the nature of the irregularity and the extent of any failures in the management and control systems.

Any funds not used by the expiry date of the programme will be recovered by the Commission. A final written declaration with supporting documentation shall be issued by the NAO 2 months after all payments have been made, showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed.

Notwithstanding the recovery of unused and ineligible funds after expiry of the Financing Memorandum, a complementary recovery order may be issued after the final audit of the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum has been carried out, taking into account the independent opinion of the final audit.

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 notification. If the NAO does not repay the amount due to the Community, the beneficiary country shall refund this amount to the

⁵ Commission Regulation 2342/2002 of 23 December 2002

⁶ As defined under number 8a (Audit and Anti-fraud Measures by the Candidate Countries) of this document

Commission. Interest on account of late payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

e) Financial Flows

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Bulgaria in December 1998. Funds will be transferred following requests from the NAO onto a separate bank account, denominated in € which will be opened and managed by the NF in a Bank agreed in advance with the Commission.

aa) Transfer of Funds to the National Fund

A first transfer of up to 20% of the funds to be managed locally*, representing pre-financing⁷ will be sent to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. 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 will be carried out.

Two further transfers of up to 30% each of the funds to be managed locally will be made. The second transfer will be triggered when 5% of the budget has been disbursed by the IAs and the CFCU. The third transfer may be requested when 35% of the total budget in force has been disbursed. A fourth transfer will be made when 70% of the total budget in force is disbursed and when all expenditure has been incurred (i.e. fully contracted). No later than 2 months after all payments have been made the National Fund will submit a final declaration of expenditure, which will trigger a balancing operation of all transfers against final certified expenditure incurred, which at that point will be equal to payments made. (closure of expenditure)⁸.

Exceptionally the NAO may request payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no interim payments may be made if the trigger points mentioned above have not been respected.

bb) Transfer of Funds to the Implementing Agencies

The National Fund will transfer funds to IAs, including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NFs and

⁷ as defined in Art. 81.1.b.i of the Financial Regulation

⁸ as defined in Art.105 of the Implementing Rules

the IAs/CFCU where applicable. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency/CFCU in charge of the financial administration of the sub-programme in line with Art. 13 of the MoU on the Establishment of the National Fund.

Under DIS, each individual FA will 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 transfer of funds from the NF to the CFCU/IA. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

For those contracts with funds retained for a warranty period the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses.

The Implementing Agency 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. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

cc) Interest

In principle, all bank accounts⁹ will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme.

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

The Implementing Agency of the whole programme will be the Ministry of Regional Development and Public Works (MRDPW).

g) Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive¹⁰ 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 I or annex II of the EIA Directive, the carrying out of the EIA-procedure must be documented¹¹.

⁹ in particular, but not exclusively, accounts run by the NF, the CFCU and IAs

¹⁰ DIR 85/337/EEC; OJ L 175/40; 5.7.1985; as amended by DIR 97/11/EEC; OJ L 73/5; 14.3.1997

¹¹ in **Annex EIA** to the corresponding investment project fiche

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-Directive¹² must be documented¹³.

All investment projects 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.

h) Special rules for certain components for the programme

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 provisions of the Practical Guide. In particular, due care will be given to the selection process of the beneficiary projects, which has to be done at technical level through selection committees composed of experts appointed by the authorities which are co-financing the schemes as well as by the relevant administrations and interest groups involved in the schemes.
- 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 has also to sign the grant contracts with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management of the schemes can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.
- Prior to EDIS accreditation, the ex-ante approval of the Commission Delegation in Sofia will be required, in conformity with the provisions of chapter 6 of the Practical Guide (decentralised ex-ante control).
- The implementation of selected projects through provision of works, supplies and services, sub-contracted by the final beneficiaries of the individual grants, shall be subject to the procurement regulations in the Practical Guide.
- Following a positive assessment of the Implementing Agency's capacity to operationally and financially manage the schemes in a sound and efficient manner (*cf. Section 11 and Annex 4 of the 2003 PHARE Programming Guide*), the Commission Delegation may decide to waive its ex-ante approval of sub-contracting carried out by final beneficiaries of 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.

¹² DIR 92/43/EEC; OJ 206/7; 22.7.1992

¹³ in **Annex Nature Conservation** to the corresponding investment project fiche

- Grant schemes will not involve projects for which PHARE contribution is more than €2 million and less than €50,000. 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. This lower limit is not applicable in the case of NGOs.

The financial commitments in Phare terms will be effected at the date of signature of the grant contracts by the competent PAO. The projects should be fully implemented before the expiry date for contract execution of the present Financing Memorandum.

Small Projects Fund

The Small Projects Fund will finance projects below €50,000 (PHARE contribution). It will not include physical investments other than small infrastructure not generating substantial net revenue.

For the CBC Small Project Fund, up to 7% of the PHARE contribution may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

3.2. Implementation arrangements in Romania

a) Financial and Project Management by the Candidate Country

The programme will be managed in accordance with the Phare Extended Decentralised Implementation System (EDIS) procedures as set down in the EDIS Accreditation Decision and the Agreement on the Implementation of EDIS (EDIS Implementation Agreement; EIA) concluded between Romania and the Commission¹⁴. Prior to the conclusion of said Agreement, implementation will follow Phare Decentralised Implementation System (DIS) procedures¹⁵. Extended Decentralisation will, however, apply from the date of accession at the latest.

The National Aid Co-ordinator (NAC) will have overall responsibility for programming and monitoring of Phare programmes. The National Authorising Officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the EDIS Accreditation Decision and/or the *DIS Manual* as well as the other instructions of the Commission, and that all contracts required to implement the Financing Memorandum are awarded using the procedures and standard documents defined and most recently published by the European Commission for the implementation of External

¹⁴ in accordance with the rules set down in the Council Regulation 1605/2002 (Financial Regulation), in particular Art. 164, Commission Regulation 2342/2002 (Implementing Rules of the Financial Regulation) and the annex of Council Regulation 1266/1999

¹⁵ in accordance with the rules set down in Council Regulation 1605/2002 (Financial Regulation), the Commission Regulation 2342/2002 (Implementing Rules of the Financial Regulation) and the annex of Council Regulation 1266/1999

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

The National Fund (NF) in the Romanian 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 overall responsibility for financial management of the Phare funds. He shall ensure that the Phare rules, regulations and procedures pertaining to procurement, reporting and financial management as well as Community state aid rules are respected, and that a reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The NAO shall have the full overall accountability for the Phare funds of a programme until the closure of the programme.

b) Project size

Projects will be greater than €2 million, except for the following:

- 2003/005-701.02 Dyke along the Danube river into Boianu – Sticleanu precincts. The total size of the project including co-financing is €4 million;
- 2003/005-701.06, Joint Small Project Fund (JSPF), given its scope;
- 2003/005-701.03 Development of an Air Quality Management Program for the Romanian region along the Bulgarian border, on Lower Danube;
- 2003/005-701.04 Promotion of Sustainable Development and Conservation of Biodiversity in Bulgarian-Romanian Cross Border Region;
- 2003/005-701.05 Sustainable Economic Development of the Bulgarian-Romanian Border Region;
- 2003/005-701.07 Project Preparation Facility;

given the Institution Building nature of the projects.

c) Deadline for contracting and execution of contracts; programming deadline

All contracts must be concluded by 30 November 2005. In no case can the contracting period exceed 3 years after the date of the global commitment.

Execution of all contracts must end by 30 November 2006 with the exception of project **2003/005-701.01 “Giurgiu – Improvement of the Border Access Infrastructure“**, for which the execution of contracts expiry date is **30 November 2007**. Budgetary commitments which have not given rise to payments during three years counted from the date of the legal commitment will be decommitted.

d) Clearance of Accounts Procedure and Recovery of Funds

A clearance-of-accounts procedure in line with Art. 53 para 5 of the Financial Regulation¹⁶ and Art. 42 of the Implementing Rules to the Financial Regulation¹⁷ will be put in place. Any proven irregularity or fraud¹⁸ discovered at any time during the implementation of the programme will lead to the recovery of funds by the Commission.

If the implementation of a measure appears not to justify either a part or the whole of the assistance allocated, the Commission is to conduct an appropriate examination of the case, in particular requesting the beneficiary country to submit its comments within a specified period of time and to correct any irregularity.

Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure for which the Commission's approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

Where the Commission considers that an irregularity has not been corrected or that all or part of an operation does not justify either all or part of the assistance granted to it, the Commission is to conduct a suitable examination of the case and request the beneficiary country to submit its comments within a specified period. After the examination, if the beneficiary country has undertaken no corrective measures, the Commission may:

- (a) reduce or cancel any advance;
- (b) cancel all or part of the assistance granted to the measure.

The Commission is to determine the size of a correction taking into account the nature of the irregularity and the extent of any failures in the management and control systems.

Any funds not used by the expiry date of the programme will be recovered by the Commission. A final written declaration with supporting documentation shall be issued by the NAO 2 months after all payments have been made, showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed.

Notwithstanding the recovery of unused and ineligible funds after expiry of the Financing Memorandum, a complementary recovery order may be issued after the final audit of the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum has been carried out, taking into account the independent opinion of the final audit.

¹⁶ Council Regulation 1605/2002 of 25 June 2002

¹⁷ Commission Regulation 2342/2002 of 23 December 2002

¹⁸ As defined under number 8a (Audit and Anti-fraud Measures by the Candidate Countries) of this document

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 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 payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

e) Financial Flows

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Romania in December 1998. Funds will be transferred following requests from the NAO onto a separate bank account, denominated in € which will be opened and managed by the NF in a Bank agreed in advance with the Commission.

aa) Transfer of Funds to the National Fund

A first transfer of up to 20% of the funds to be managed locally*, representing pre-financing¹⁹ will be sent to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. 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 will be carried out.

Two further transfers of up to 30% each of the funds to be managed locally will be made. The second transfer will be triggered when 5% of the budget has been disbursed by the IAs and the CFCU. The third transfer may be requested when 35% of the total budget in force has been disbursed. A fourth transfer will be made when 70% of the total budget in force is disbursed and when all expenditure has been incurred (i.e. fully contracted). No later than 2 months after all payments have been made the National Fund will submit a final declaration of expenditure, which will trigger a balancing operation of all transfers against final certified expenditure incurred, which at that point will be equal to payments made. (closure of expenditure)²⁰.

Exceptionally the NAO may request payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no interim payments may be made if the trigger points mentioned above have not been respected.

bb) Transfer of Funds to the Implementing Agencies

The National Fund will transfer funds to IAs, including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NFs and the IAs/CFCU where applicable. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency/CFCU in charge of the financial administration of the sub-programme in line with Art. 13 of the MoU on the Establishment of the National Fund.

Under DIS, each individual FA will 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 transfer of funds from the NF to the CFCU/IA. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

For those contracts with funds retained for a warranty period the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing

¹⁹ as defined in Art. 81.1.b.i of the Financial Regulation

²⁰ as defined in Art.105 of the Implementing Rules

Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses.

The Implementing Agency 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. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

cc) Interest

In principle, all bank accounts²¹ will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme.

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

The Implementing Agency of the whole programme will be the Ministry of European Integration (MoEI).

g) Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive²² 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 I or annex II of the EIA Directive, the carrying out of the EIA-procedure must be documented²³.

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-Directive²⁴ must be documented²⁵.

All investment projects 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.

²¹ in particular, but not exclusively, accounts run by the NF, the CFCU and IAs

²² DIR 85/337/EEC; OJ L 175/40; 5.7.1985; as amended by DIR 97/11/EEC; OJ L 73/5; 14.3.1997

²³ in **Annex EIA** to the corresponding investment project fiche

²⁴ DIR 92/43/EEC; OJ 206/7; 22.7.1992

²⁵ in **Annex Nature Conservation** to the corresponding investment project fiche

h) Special rules for certain components for the programme

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 provisions of the Practical Guide. In particular, due care will be given to the selection process of the beneficiary projects, which has to be done at technical level through selection committees composed of experts appointed by the authorities which are co-financing the schemes as well as by the relevant administrations and interest groups involved in the schemes.
- 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 has also to sign the grant contracts with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management of the schemes can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.
- Prior to EDIS accreditation, the ex-ante approval of the Commission Delegation in Bucharest will be required, in conformity with the provisions of chapter 6 of the Practical Guide (decentralised ex-ante control).
- The implementation of selected projects through provision of works, supplies and services, sub-contracted by the final beneficiaries of the individual grants, shall be subject to the procurement regulations in the Practical Guide.
- Following a positive assessment of the Implementing Agency's capacity to operationally and financially manage the schemes in a sound and efficient manner (*cf. Section 11 and Annex 4 of the 2003 PHARE Programming Guide*), the Commission Delegation may decide to waive its ex-ante approval of sub-contracting carried out by final beneficiaries of 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 PHARE contribution is more than €2 million and less than €50,000. 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. This lower limit is not applicable in the case of NGOs.

The financial commitments in Phare terms will be effected at the date of signature of the grant contracts by the competent PAO. The projects should be fully implemented before the expiry date for contract execution of the present Financing Memorandum.

Small Projects Fund

The Small Projects Fund will finance projects below €50,000 (PHARE contribution). It will not include physical investments other than small infrastructure not generating substantial net revenue.

For the CBC Small Project Fund, up to 7% of the PHARE contribution may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

4. Monitoring and Evaluation

Project implementation of this programme 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 Financing Memoranda and the Accession Partnership. The JMC may recommend a change of priorities and/or the re-allocation of Phare funds. Furthermore the JMC will review the progress of all pre-accession EU-funded assistance programmes once a year (PHARE, ISPA and 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 of 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 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 an ex-post evaluation is carried out after completion of the Programme.

5) Audit and Anti-Fraud Measures

a) By the Candidate Countries²⁶

Each year an audit plan and a summary of the findings of the audits carried out shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

Appropriate financial control shall be carried out by the competent national financial control authority with respect to the implementation of the programme.

²⁶ in accordance with the rules set down in Art. 54 of the Financial Regulation

Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

Irregularity shall mean any infringement of a provision of national or Community law²⁷, this Financing Memorandum or ensuing contracts or 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, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

- (i) 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,
- (ii) non-disclosure of information in violation of a specific obligation, with the same effect,
- (iii) the misapplication of such funds for purposes other than those for which they are originally granted.

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94²⁸.

In particular, all suspected and actual cases of fraud and irregularity 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 and irregularity to report, the beneficiary country shall inform the Commission of this fact within two months following the end of each quarter.

b) By the Commission

All Financing Memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and audits by the Court of Auditors. This includes on-the-spot checks and, as long as the Extended Decentralisation System is not yet applicable to the Implementing Agencies in the Candidate Country concerned, measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Candidate Country concerned.

In order to ensure efficient protection of the financial interests of the Community, the Commission may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96²⁹.

²⁷ defined as the entirety of Community rules applicable between the Parties of the Financing Memorandum (for example the Europe Agreements, the Framework Agreement, the Memorandum of Understanding on the Establishment of the National Fund etc.).

²⁸ OJ L 178; 12.7.94; p. 43-46

²⁹ OJ L 292; 15.11.1996; p. 2-5

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 an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the "General Conditions relating to the Financing Memorandum" attached to the Framework Agreement.

6. Visibility/Publicity

The appropriate Programme Authorising Officer 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 Delegation. Further details are set down in the Annex "Visibility/Publicity" (enclosed).

7. Special conditions

For Bulgaria, successful implementation of the 2003 Phare Cross Border Programme between Romania and Bulgaria, requires the Governments of Bulgaria to make a particular effort to identify and remedy gaps and weaknesses in the management of cross-border co-operation programmes. The National Aid Co-ordinator will, by 31 March 2004 elaborate and present to the Commission a CBC capacity building plan, covering the period 2004-2006, specifying the actions needed to reinforce the implementing agency and implementing authorities. The plan should cover the measures necessary in order to ensure that the above bodies have an adequate endowment of qualified full-time personnel, sufficient operating budgets and that all other necessary conditions exist for the effective implementation of current and future CBC programmes. No contract co-financed by Phare allocation for Bulgaria may be signed before this condition is fulfilled except for project 2003/005-631.02 "Sustainable Economic Development of the Bulgarian-Romanian Border Region" and for activities foreseen under component 1 (identification and preparation of future cross-border projects in the field of nature protection) of project 2003/005-631.04 "Promotion of Sustainable Development and Conservation of Biodiversity in Bulgarian-Romanian Cross Border Region".

For Romania, successful implementation of the 2003 Phare Cross Border Programme between Romania and Bulgaria, requires the Governments of Romania to make a particular effort to identify and remedy gaps and weaknesses in the management of cross-border co-operation programmes. The National Aid Co-ordinator will, by 31 March 2004 elaborate and present to the Commission a CBC capacity building plan, covering the period 2004-2006, specifying the actions needed to reinforce the implementing agency and implementing authorities. The plan should cover the measures necessary in order to ensure that the above bodies have an adequate endowment of qualified full-time personnel, sufficient operating budgets and that all other necessary conditions exist for the effective implementation of current and future CBC programmes. The document will describe the first concrete actions already implemented to bring the administrative capacity (human resources and logistics: transportation, access to international phone numbers, etc.) to a sufficient level for the year 2004. No contract co-financed by Phare allocation for Romania may be signed before this condition is fulfilled except for project 2003/005-701.05 "Sustainable Economic Development

of the Bulgarian-Romanian Border Region” and for activities foreseen under component 1 (identification and preparation of future cross-border projects in the field of nature protection) of project 2003/005-701.04 “Promotion of Sustainable Development and Conservation of Biodiversity in Bulgarian-Romanian Cross Border Region”.

In the event that agreed commitments are not met for reasons which are within the control of the Government of Bulgaria or Government of Romania, 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.

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.