

FINANCING AGREEMENT on the 2005 Phare Cross border Cooperation programmes of Romania

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 ROMANIA, hereinafter referred to as "**THE RECIPIENT**"

on the other part,

HAVE AGREED AS FOLLOWS:

The MEASURES referred to in Articles 1 to 5 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 measures shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 12 March 1991 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 – 2005 CBC Programme between Romania and Bulgaria

(1) As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE described in Annex C1:

<u>Programme number:</u>	RO-Phare 2005/017-535.01
<u>Title:</u>	2005 <u>CBC Programme between Romania and Bulgaria</u>
<u>Contracting duration:</u>	Until 30/11/2007

(2) The financial contribution of THE COMMUNITY is fixed at a maximum of 8 M€ hereinafter referred to as "THE EC GRANT".

(3) For the MEASURE described in Annex C1, THE EC GRANT is hereby available for contracting until **30/11/2007** 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 **30/11/2008**. 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.

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For signature

ARTICLE 2 – 2005 CBC Programme between Romania and Hungary

(1) As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE described in Annex C2:

Programme number: RO-Phare 2005/017—536.01
Title: 2005 CBC Programme between Romania and Hungary
Contracting duration: **Until 30/11/2007**

(2) The financial contribution of THE COMMUNITY is fixed at a maximum of 5 M€ hereinafter referred to as "THE EC GRANT".

(3) For the present MEASURE, THE EC GRANT is hereby available for contracting until **30/11/2007** 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 **30/11/2008**. 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 3 – CBC/Neighbourhood Programme between Romania and Moldova

(1) As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE described in Annex C3:

Programme number: RO-Phare 2005/017-537.01
Title: 2005 CBC/Neighbourhood Programme between Romania and Moldova
Contracting duration: Until 30/11/2007

(2) The financial contribution of THE COMMUNITY is fixed at a maximum of 7 M€ hereinafter referred to as "THE EC GRANT".

(3) For the present MEASURE, THE EC GRANT is hereby available for contracting until **30/11/2007** 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 **30/11/2008**. 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

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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 – CBC/Neighbourhood Programme between Romania and Serbia-Montenegro

(1) As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE described in Annex C4:

Programme number: RO-Phare 2005/017-538.01
Title: 2005 CBC/Neighbourhood Programme between Romania and Serbia-Montenegro.
Contracting duration: Until 30/11/2007

(2) The financial contribution of THE COMMUNITY is fixed at a maximum of 5 M€ hereinafter referred to as "THE EC GRANT".

(3) For the present MEASURE, THE EC GRANT is hereby available for contracting until **30/11/2007** 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 **30/11/2008**. 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 5 – CBC/Neighbourhood Programme between Romania and Ukraine

(1) As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE described in Annex C5:

Programme number: RO-Phare 2005/017-539.01
Title: 2005 CBC/Neighbourhood Programme between Romania and Ukraine.
Contracting duration: Until 30/11/2007

(2) The financial contribution of THE COMMUNITY is fixed at a maximum of 9 M€ hereinafter referred to as "THE EC GRANT".

(3) For the present MEASURE, THE EC GRANT is hereby available for contracting until **30/11/2007** 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 **30/11/2008**. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension

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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 6 – FINANCIAL MANEAGEMENT

The National Fund will for each measure defined in articles 1 to 5 open and manage a separate bank account.

The National Authorising Officer will submit separate payment requests for each measure.

There may not be any reallocations of budgets between the measures of this Financing Memorandum without a prior Commission decision to that effect.

ARTICLE 7 - ADDRESSES

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

for **THE RECIPIENT:**

Mr Istvan Jakab
Secretary of State
Ministry of Public Finance
Government of Romania
44 Mircea Voda Blvd.
Entrance C, sector 3
Bucharest
Romania
Fax: 00 40 21 302 52 32

for the **COMMUNITY:**

Mr. Jonathan Scheele
Head of Delegation of the
European Commission in Bucharest
St. Jules Michelet 18-20
010463 Bucharest
Romania
Fax: 00 40 1 212 88 08

ARTICLE 7 - NUMBER OF ORIGINALS

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

ARTICLE 8 - 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.

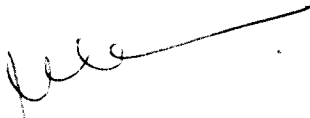
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The Annexes shall be deemed an integral part of this Agreement.

Done at Bucharest

Date 16 August 2006

for THE RECIPIENT



Mr. Sebastian Vladescu
Minister of Public Finance

Done at Bucharest

Date 16 August 2006

for THE COMMUNITY



Mr. Jonathan Scheele
Head of Delegation of the
European Commission in Romania

Annexes

Annex A	Framework Agreement (including sub-annex A.A)
Annex B	Arbitration
Annex C	Special Provisions
	Annex C1: 2005 CBC Programme between Romania and Bulgaria
	Annex C2: 2005 CBC Programme between Romania and Hungary
	Annex C3: 2005 CBC/Neighbourhood Programme between Romania and Moldova
	Annex C4: 2005 CBC/Neighbourhood Programme between Romania and Serbia-Montenegro
	Annex C5: 2005 CBC/Neighbourhood Programme between Romania and Ukraine
	Annex C6: General implementation rules common for all five programmes
Annex D	Visibility/Publicity (Annex D)
Annex E	Total budget of all five CBC programmes

2005 Cross Border Co-operation between Romania & Bulgaria

1. OBJECTIVES AND DESCRIPTION

1.1. General objectives of the Romanian-Bulgarian co-operation

- To reinforce co-operation and stimulate the integration between the two countries and the European Union and to support the stability and security in the region.

To promote good neighbourliness and stability in the CEEC border regions (and the Bulgarian-Romanian one in particular) 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 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 each side of the border and establishment of links between these links and wider Community networks

1.2. Specific project purposes

- To develop transport infrastructure and accessibility by rehabilitation of access roads between Montana and Lom (project BG2005/017-455.01);
- To improve economic development in the border region (project RO2005/017-535.01)
- To improve and implement joint management of environment (projects BG2005/017-455.02 and RO2005/017-535.02);
- Setting up of a flexible mechanism to finance socio-economic development by means of so-called “people-to-people projects” (local economic development, training and employment measures, improvement of the flow of information and communication, cultural exchanges, etc.) with a cross-border impact (projects BG 2005/017-455.03 and RO 2005/017-535.03)

Moreover, 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, project preparation may form part of the Programme Support activities by Technical Assistance (projects BG 2005/017-455.04 and RO 2005/017-535.04).

1.3. Programme Description

The 2005 programme has been designed following the set of projects jointly defined by the partner countries and approved at the Joint Cooperation Committee meeting in Sofia, on 20 April 2005.

Summary descriptions¹ of the individual projects managed by Romania under the Romanian CBC programmes grouped under the sectoral objectives are as follows:

¹ Descriptions are indicative; some details may be changed

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JPD priority 2: Economic Development

RO 2005/017-535.01 Business co-operation and business infrastructure development Grant Scheme	
<i>Duration</i>	<i>24 months</i>
<i>Twinning</i>	<i>N/A</i>
<i>Phare budget</i>	<i>€ 3.400 million</i>
<i>Implementing Agency</i>	<i>Ministry of European Integration of Romania</i>

The expected result is to improve business cooperation and infrastructure leading to a sustainable economic development and enhanced coherence in the border region.

Further effects of this Grant Scheme component will be as follows:

Business related infrastructure of cross border importance improved (network modernised, bottlenecks removed, infrastructure created/modernised), including the level of business and communication services provided. Each of these activities will respect environment protection;
 Improved efficiency of cross border co-operation among research institutions, including networking and information flow between research and development institutions and innovation centres;
 Initiatives for cross-border co-operation encouraged by providing access to information on the business possibilities and markets existing beyond the border;
 Intensified partner searches, development and creation of co-operation projects and networks across businesses;
 Harmonised training systems related to the economic development;
 Absorption capacity of business support institutions improved.

JPD priority3: Environmental Protection and Management

RO 2005/017-535.02 Environmental protection and environment Grant Scheme	
<i>Duration</i>	<i>24 months</i>
<i>Twinning</i>	<i>N/A</i>
<i>Phare budget</i>	<i>€3.400 million</i>
<i>Implementing Agency</i>	<i>Ministry of European Integration of Romania</i>

The expected result is an improved, protected and well-managed environment in the border region, and sustainable use of natural resources.

Further effects of this Grant Scheme component will be as follows:

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Annex C1: RO-Phare 2005/017-535 CBC Programme between Romania and Bulgaria

Joint established bodies/organisations/associations, as well as environment related partnerships developed and implemented in the environmental sector;

Impact assessments, need assessments, feasibility studies and other studies covering preparatory documents for environmental investment actions elaborated;

Harmonised and joint monitoring and information systems set up;

Ecologically important habitats restored;

Joint management of nature sites harmonised and improved;

Studies and inventories done;

Environmental information, awareness raising, and educational programmes implemented, and information centres established and equipped;

Dyking and river regulation planned;

Flood prevention and river bank and coastal erosion control implemented;

Capacity for environmental management, and its response to marine and water based emergencies including joint environmental disaster planning improved.

JPD priority 4 – People to people actions Joint Small Project Fund

RO2005/017-535.03: People to people actions	
<i>Duration</i>	<i>24 months</i>
<i>Twinning</i>	<i>N/A</i>
<i>Phare budget</i>	<i>€ 0.800 million</i>
<i>Implementing Agency</i>	<i>Ministry of European Integration of Romania</i>

The people to people actions aim at encouraging and supporting the establishment or further development of sustainable co-operation networks between local and regional stakeholders in the border region in order to increase personnel and institutional capabilities for co-operation and participation in future development programmes.

The fund will finance selected small-scale “people-to-people” projects. Grants will only be made available for projects whose immediate objective is non-commercial and not-for-profit. Joint projects, especially where co-financed jointly by project partners from Bulgarian and Romania, will be particularly encouraged. The call for proposals will be focused on the themes of economic development, environment, tourism, cultural exchange, local democracy and planning / development studies.

JPD horizontal measure – Programme Support Technical Assistance

RO2005/017-535.04: Technical Assistance	
<i>Duration</i>	<i>24 months</i>

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Twinning	<i>N/A</i>
Phare budget	€0.400 million
Implementing Agency	Ministry of European Integration of Romania

The project purpose is to provide technical assistance for strengthening the capacity in generating, preparing and implementation of adequate projects for the next CBC Programme between Bulgaria and Romania and in supporting the relevant central, regional and local authorities in their efforts to establish future joint technical bodies and manage future projects after EU accession.

2. BUDGET

2.1. Budget Table for 2005

The distribution of figures in this table is indicative within the limits of Art. 5 MoU National Fund. The figures are given in € million:

N°	TITLE	IB	INV	TOTAL Phare	National public fund*	Beneficiary contribution	TOTAL
RO 2005/017 -535.01	Business co-operation and business infrastructure development	0.000	3.400	3.400	1.134	0.504	5.038
RO 2005/017 -535.02	Environmental protection and environment	0.000	3.400	3.400	1.134	0.504	5.038
RO 2005/017 -535.03	Joint Small Project Fund	0.800	0.000	0.800	0.248	0.111	1.159
RO 2005/017 -535.04	Technical assistance / Programme support activities	0.400	0.000	0.400	0.000	0.000	0.400
	TOTAL	1.200	6.800	8.000	2.516	1.119	11.635

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

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

2.2. Principle of Co-Financing

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

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

Co-financing for Institution Building Technical Assistance projects is provided at least by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance. This does not exclude that co-financing may also be provided from the national funds.

The projects selected through the grant schemes (investments and institution building) will be jointly co-financed in cash between Phare, the beneficiary and government resources. The beneficiary has to provide at least 10 % of the total costs. The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs

3. INSTITUTIONAL AND SPECIFIC IMPLEMENTATION ARRANGEMENTS

3.1. Implementing Agencies

The Implementing Agency will be the Ministry of European Integration, through its Cross Border Co-operation Directorate, which will retain overall responsibility for the implementation of the whole of the programme, including: approval of tender documents, evaluation criteria, evaluation of offers, signature of contracts, authorisation of invoices. The Payments Directorate within the same ministry will make the payments of invoices.

3.2. CBC Regional Office

For the Romanian side, the Ministry of European Integration may delegate a considerable part of its responsibilities for implementing the CBC to a regional body, situated in the border area. In this respect, the relevant RDA will establish a CBC Regional Office in Calarasi, which will act in close co-operation with the MIE.

3.3. The Joint Co-operation Committee (JCC)

The JCC is the strategic body of the CBC BG-RO Programme. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operation of the CBC.

The main responsibilities of the JCC are:

- To adopt the JPD and any further adjustment of it, as appropriate

- To adopt the project fiches and the Financing Proposals to be put forward for the yearly programming exercise

- To consider and approve the joint annual and final progress and implementation reports before they are sent to the Commission.

- To approve the framework for the Joint Technical Secretariat's tasks.

The JCC consists of representatives of national, regional, and local authorities.

The JCC will also include representatives from civil society, NGOs, economic and social actors, sectoral organisations – e.g. Chamber of Commerce, Unions, etc. They may participate in the JCC in an advisory capacity, i.e. not as voting members.

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Representatives of the European Commission participate in the JCC in an advisory capacity.

The JCC will be co-chaired by the Romanian IA and the Bulgarian IA.

JCC will meet at least once a year in order to monitor the implementation of the programme and to approve project fiches for the annual Financing Proposal.

3.4. Joint Steering Committee (JSC)

The JSC is the operational body of the CBC Programme. The main responsibilities of the JSC are:

- To prepare the project fiches for the yearly programming exercise, to be forwarded to the JCC for adoption;
- To oversee the calls for proposal/Application Pack (drafted by the JTS), to be forwarded to respective IA for publication;
- To oversee the joint selection of projects;
- To supervise the activities of the Joint Technical Secretariat (JTS) and the Evaluation Committee;
- To review periodically, progress made towards achieving the specific (and quantified) objectives of the programme and to analyse the results of implementation (achievement of the targets set for the different measures).

The JSC consists of:

- Representatives of national, regional and local authorities. Given its specific role, and in order to enhance local ownership, regional and local authorities should be largely represented.
- Representatives of the European Commission, acting as observers.

3.5. Joint Technical Secretariat (JTS)

The Implementing Agencies (IAs) will jointly establish a **Joint Technical Secretariat (JTS)**. The JTS shall in particular be responsible for the secretariat function of the JCC and the JSC, and for assisting the IAs. The JTS will be responsible for the day-to-day management tasks related to the CBC Programme, with due account of the roles and responsibilities of the IAs.

The JTS will assist the JCC and the JSC in their administrative and practical tasks; it will supervise the Technical Assistance provided under this programme, will prepare projects with the help of a project preparation facility and undertake the tasks concerning preparing, monitoring, controlling and evaluating projects under the NP.

3.6. Rules and procedures to this programme

3.6.1. The Commission will provide specific guidelines for the implementation of the Grant Schemes

3.6.2. *Basic eligibility criteria*

In the meaning of the CBC Programme, the following should be considered as joint projects:

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Annex C1: RO-Phare 2005/017-535 CBC Programme between Romania and Bulgaria

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

To be eligible for Phare CBC co-financing, a project must fall into one of these categories.

3.6.3. *Generic selection criteria for grant schemes in the CBC programmes*

Activities under CBC financed grant schemes must be coherent with national policies, or demonstrate coherence with the relevant chapters of the National Development Plan, or the Association process. Activities should complement, but not overlap activities foreseen or implemented through the National Phare Programmes.

Activities must clearly demonstrate a cross border character via the involvement of a partner institution in the other country, or by benefits accruing to communities on both sides of the border. Activities should be implemented close to the border

Activities which are eligible under the Phare National Programmes should in priority seek financing under that programme. Only genuine CBC projects are to be financed under the CBC Programme.

3.6.4. *Generic list of potential beneficiaries of grant schemes*

The potential beneficiaries for grant schemes under this CBC programme are (non-exhaustive list):

- Local and regional authorities in the border regions concerned
- Non-Governmental or Non-profit making organisations, associations and foundations (NGOs and NPOs) such as Business Support Organisations, Local Enterprise Agencies, Development Agencies, Chambers of Commerce, Tourism Agencies, Educational and training institutions; Producers Associations, Labour Unions
- County and regional water management, waste water management, river protection and flood protection companies and public bodies; county and regional environment protection agencies; natural park administrations (responsible at central, regional and municipal level) and local forestry directorates etc,
- Public road and rail management companies;
- Local bodies of local administration legal set up
- Employment Agencies

The list of eligible beneficiaries will be detailed in the Call for proposals/Guidelines for applicants

The provisions continue with the general implementation rules common for all CBC programmes 2005 – See Annex C6

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2005 Cross Border Co-operation between Romania & Hungary

1. OBJECTIVES AND PRIORITIES

This chapter describes the measures¹ envisaged for the budgetary year 2005 under Phare in Romania's CBC-programme with Hungary. These measures are also coherent with the Community Initiative Programme and measures foreseen under INTERREG III A for co-operation between HU-RO (and HU-SCG). The global objective of the HU-RO/HU-SCG CBC programmes is:

"to bring the people, communities and economic actors of the border area closer to each other in order to establish a sound basis for balanced economic and social development, assuring optimal development opportunities for the three countries"

The overall aim of this Phare programme, with the core elements of the strategy derived from the SWOT analysis, together lead to the formulation of the following specific objectives:

- Specific objective No. 1: To establish and develop the physical and infrastructural systems supporting co-operation.
- Specific objective No. 2: To establish and develop a joint system to protect and capitalise on common natural resources promoting sustainable development.
- Specific objective No. 3: To reinforce economic connections between the border regions in order to boost sustainable economic development building on joint assets.
- Specific objective No. 4: To develop social and cultural coherence among people and communities.

In the light of the above objectives, the partners agreed priorities and measures which constitute the backbone of their CBC development strategy for 2004-06

CBC RO-HU 2004-06 Priorities and Measures	
GRANT SCHEME	
Priority 1	Strengthening the spatial, physical & infrastructural integrity of the HU-RO cross-border areas
Measure 1.1	Improving cross-border infrastructure
Measure 1.2	Addressing common challenges in the field of environmental protection & flood prevention
Priority 2	Promotion of cooperation initiatives in order to facilitate the integration of markets & enhance coherence between local societies.
Measure 2.1	Development of business infrastructure & joint business services
Measure 2.2	Support co-operation of enterprises
Measure 2.4	Promotion of co-operation in the field of RESEARCH AND TECHNOLOGY DEVELOPMENT & human resource development
Priority 2	SMALL PROJECT FUND
Measure 2.3	Encourage co-operation between institutions & communities
Priority 3	TECHNICAL ASSISTANCE
Measure 3.1	Programme administration & management (only for Hungary)
Measure 3.2	Programme publicity, monitoring & evaluation (only for Hungary)
Measure 3.3	Programme support activity (only for Romania)

¹ Each measure envisaged for implementation in this programme carries in the following the header Phare/2005/017-536 continued with a numbering system identifying the sub-programme and the measure itself.

Phare/2005/017-536.01 Cross Border Co-operation between Romania and Hungary

The programme is to enable Romania to co-operate with Hungary on this border under rules compatible with INTERREG IIIA rules including joint tendering and selection procedures.

This 2005 Phare programme will contribute to implementing the following specific tasks:

Construction and rehabilitation of public roads
Collection and treatment of waste
Rehabilitation and cleaning up of contaminated sites
Investments related to the development of joint nature protection areas and nature parks
Investments related to the development of joint river protection and flood prevention
Support to the use of renewable energy sources with a cross border impact
Development of existing business infrastructure facilities
Establishment of new business incubators
Support for cross border business events facilitating the meeting of SMEs
Support for enterprise cooperation in regards to cross border activities
Support to the establishment of new partnerships, collaboration between research institutions
Cooperation in the field of education and vocational training
Support to cross-border events, people-to-people actions and to the cooperation of institutions and communities
Technical assistance for programme management and implementation

Basic eligibility criteria, generic selection criteria and potential beneficiaries of this grant scheme, are to be found in § 6.5.

In addition, the project fiche identifies specific criteria for each of the tasks identified for 2005.

This programme is linked to corresponding projects, which Hungary will implement under the INTERREG IIIA regime.

2. BUDGET

TABLE FOR THE BUDGETARY YEAR 2005

The distribution of figures between the budget lines is indicative within the limits of Art. 5 MoU National Fund. The figures are given in €Mio:

The implementing project splits into three components	Phare support			National Public Funds	Beneficiary contribution	Total Cost
	INV	IB	Total			
€M						
Grant scheme Economic and Social development Priority 1&2	4,09		4,09	1,37	0,61	6,07
People to People/JSPF actions Priority 2. Encourage cooperation between institutions & communities ()	0	0,66	0,66	0,22	0,10	0,98
Technical Assistance Priority 3 -	0	0,25	0,25	0	0	0,25
Total project 2005	4,09	0,91	5,00	1,59	0,71	7,30

National co-financing may be made by contributions from National, Regional, Local or Municipal authorities, IFIs loans to public entities or funds from public enterprises NB only in those cases where the public organisation providing funds is not also the beneficiary of the specific project concerned.

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Annex C2: RO-Phare 2005/017-536 CBC Programme between Romania and Hungary
This is to say that the beneficiary contribution shall in all cases be a separate – and in any case additional – amount, payable in cash.

The CBC programme with Hungary provides for a technical assistance financial envelope (capped at 5% of total Phare funds, i.e. € 0.25 Mio) to assist in programme administration and management, programme publicity, monitoring and evaluation. The RO Implementing Agency will ensure that the allocated funds for these purposes will be used in the most effective way for the benefit of the overall CBC programme of Romania.

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Also, the Managing Authority and subordinate agencies shall take particular care to ensure that all actions under this programme shall be recorded, for example in PERSEUS, in such away as to make readily identifiable the specific sub-measure and budget year under which they are contracted.

Moreover, that specific registration shall be organised in such a way as to facilitate a readily traceable connection with the results of each contract, including notably the demonstration in terms of results of the abovementioned additionality.

PRINCIPLE OF CO-FINANCING

In accordance with the Phare Guidelines, all investment ('INV') projects supported by Phare must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing.

Co-financing for Institution Building ('IB') projects is provided at least by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance. This does not exclude that co-financing may also be provided from the national funds.

The projects selected through the grant schemes (investments and institution building) will be jointly co-financed between Phare, the beneficiary and government resources. The beneficiary has to provide at least 10 % of the total costs. The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs

Public support		Beneficiary Contr'n	Total Costs
Phare CBC Grant %	National Public Co-financing %		
75%	25%		
90%		10 %	100 %

OUTLOOK FOR 2006

In line with recommendations of the Phare Management Committee to step forward to Multi-Annual Programming, the Romania – Hungary CBC outlook for 2006 is described in the joint programming documents.

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3. INSTITUTIONAL AND SPECIFIC IMPLEMENTATION ARRANGEMENTS

IMPLEMENTING AGENCY

The Romanian CBC Implementing Agency is the Ministry of European Integration and retains overall responsibility for the implementation of the programme.

Ministry of European Integration
Cross Border Cooperation Directorate

Bdul Libertatii nr 12, sector 5
Bucuresti, Romania.

CBC Regional Office

For the Romanian side, the Ministry of European Integration may delegate a considerable part of its responsibilities for implementing the Romanian-Hungarian CBC programme to a regional body, situated in the border area. In this respect, the RDA West and North-West will establish a **CBC Regional Office** in Oradea (Bihor County), which will act in close co-operation with the MIE.

THE JOINT CO-OPERATION COMMITTEE (JCC)

The JCC is the strategic body of the CBC Programme. It fulfils the function of the Joint Co-operation Committee as described in the Phare CBC Regulation and the Joint Monitoring Committee as for INTERREG. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operations.

The main responsibilities of the JCC are:

- To adopt the programming documents (Joint Programming Document and Programme Complement) and any further adjustment of it, as appropriate
- To adopt the project fiche to be put forward for the yearly programming exercise
- To consider and approve the joint annual and final progress and implementation reports before they are sent to the Commission.
- To approve the framework for the Joint Technical Secretariat's tasks.

The JCC consists of representatives of national, regional, and local authorities.

The JCC will also include representatives from civil society, NGOs, economic and social actors, sectoral organisations – e.g. Chamber of Commerce, Unions, etc. They may participate in the JCC in an advisory capacity, i.e. not as voting members.

Representatives of the European Commission may participate in the JCC in an advisory capacity. JCC will meet at least once a year in order to monitor the implementation of the programme and to approve project fiches for the annual Financing Proposal.

JOINT STEERING COMMITTEE (JSC)

The JSC is the operational body of the CBC programme. The main responsibilities of the JSC are the joint selection and approval of projects and the monitoring of their implementation. The JSC has the following tasks

- Proposals for the criteria for evaluating and selection of the projects to be submitted to the JCC;
- Approval/endorsement of the materials of the call for proposals;
- Ratification of operations for selecting projects and formulation of the ranking of projects to be financed;
- Examination of the monitoring documents;

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- Addition of comments and formulating directives for the Managing Authority, national Authorities, Joint Technical Secretariat and Implementing Agencies.

The JSC consists of representatives of national, regional and local authorities. Representatives of the European Commission will participate in the JSC acting as observers.

JOINT TECHNICAL SECRETARIAT (JTS)

A Joint Technical Secretariat for the programme is established in the VÁTI Hungarian Public Non-profit Company for Regional Development and Town Planning. The JTS is based in the headquarters, supported by the VATI regional office in Békéscsaba. The JTS directly provides in the first place services for the Managing Authority and Paying Authority in Hungary with the operational management of their respective responsibilities but also supports the activity of the Romanian and Serbian National Authorities. At least one Romanian national employee as part of the programme secretariat will be appointed.

Joint Technical Secretariat Hungary/Romania/Serbia:

VÁTI Hungarian Public Nonprofit Company for Regional Development and Town Planning (VÁTI Területfejlesztési Igazgatóság)

Gellerthegey u. 30-32.

1016 Budapest,

HUNGARY

Phone: (+36 1) 224 3278

Fax: (+36 1) 224 3291

To ensure efficient project development under the Romanian component of the Programme, the Romanian Authorities have decided to have a **CBC Regional Office** in Oradea (Bihar county), acting as part of the sub-programme Secretariat for the Romanian side in this programme, along with MIE representatives. This regional office will also give assistance to the potential project applicants and will participate in the project selection and monitoring activities in close cooperation with the JTS.

RULES AND PROCEDURES SPECIFIC TO THIS PROGRAMME

Implementing guidelines

The Commission may, as appropriate, provide additional guidance for the implementation of the programme taking INTERREG and PHARE rules into account.

Basic eligibility criteria

In the meaning of the CBC Programme, the following should be considered as joint projects:

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

To be eligible for Phare CBC co-financing, a project must fall into one of these categories.

Generic selection criteria for grant schemes in the CBC programmes

Activities under CBC financed grant schemes must be coherent with national policies, or demonstrate coherence with the relevant chapters of the National Development Plan, or the Association process. Activities should complement, but not overlap activities foreseen or implemented through the National Phare Programmes.

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Annex C2: RO-Phare 2005/017-536 CBC Programme between Romania and Hungary

Activities must clearly demonstrate a cross border character via the involvement of a partner institution in the other country, or by benefits accruing to communities on both sides of the border. Activities should be implemented close to the border

Activities which are eligible under the Phare National Programmes should in priority seek financing under that programme. Only genuine CBC projects are to be financed under the CBC Programme.

Generic list of potential beneficiaries of grant schemes

The potential beneficiaries for grant schemes under this CBC programme are (non-exhaustive list):

- 1 Local and regional authorities in the border regions concerned
- Non-Governmental or Non-profit making organisations, associations and foundations (NGOs and NPOs) such as Business Support Organisations, Local Enterprise Agencies, Development Agencies, Chambers of Commerce, Tourism Agencies, Educational and training institutions; Producers Associations, Labour Unions
- County and regional water management, waste water management, river protection and flood protection companies and public bodies; county and regional environment protection agencies; natural park administrations (responsible at central, regional and municipal level) and local forestry directorates etc,
- 2 Public road management companies;
- 3 Local bodies of local administration legal set up
- 4 Employment Agencies

The list of eligible beneficiaries will be detailed in the Call for proposal/Guidelines for applicants

The provisions also incorporate the general implementation rules common for all CBC programmes 2005 – see Annex C6

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2005 Phare Cross Border Co-operation 'Neighbourhood Programme' between Romania & Moldova

OBJECTIVES AND PRIORITIES

The global objective of the RO-MD Neighbourhood Programme 2004-06 is:

"to achieve the sustainable socio-economic development of the eligible area in Romania and Moldova by developing the principle of cross-border co-operation"

Two strategic objectives will reinforce the global objective:

- To increase the overall level of cross-border social and economic co-operation, and
- To improve the level of coherence in cross-border infrastructure as it contributes to the populations' quality of life.

In the light of above objectives, the partners agreed priorities and measures which constitute the backbone of their CBC development strategy for 2004-06

Neighbourhood Programme - Priorities and Measures	
Priority 1	Economic and Social Development
Measure 1.1:	Environment and nature protection
Measure 1.2:	Territorial and border management
Measure 1.3:	Local Economic Development
Measure 1.4:	Tourism
Measure 1.5:	Education and Social Services
Priority 2	People to people actions
Measure 2.1:	Joint Small Projects Fund
Priority 3	Technical assistance
Measure 3.1	Programme Management and Implementation
Measure 3.2	Programme publicity and evaluation; Project preparation

The components of the programme for 2005 are:

PHARE/2005/017-537. 01.01 Economic and Social development

The Phare contribution to this project may amount to a maximum of € 5.90 million.

This project covers all five Measures mentioned above under priority 1. It will be implemented through a single grant scheme. The selection criteria and the final beneficiaries are described in the relevant project fiche. The joint evaluation and selection of projects will permit linkages and combined development opportunities to be identified. An imbedded logic of both institutional strengthening and appropriate small scale investments will ensure sustainability and long term benefits.

This project focuses on:

Tasks for the 2005 programme

Tasks for the 2005 programme
Development of effective environmental and natural protection infrastructure
Modernising and upgrading local transport and border infrastructure on a small scale, and addressing local environmental concerns that would not be eligible under larger programmes
Support to the local SMEs and industry sectors to achieve sustainable development and growth;
Promote the emerging tourism sector of the region and engage communities and a wider audience in a renewal of interest in their common cultures, history and natural assets on both sides of the border.
Supporting local education and social services to co-operate benefiting communities on both sides of the border;

Basic eligibility criteria, generic selection criteria and potential beneficiaries of this grant scheme, are to be found in § 6.5.

In addition the project fiche identifies specific criteria for each of the tasks identified for 2005.

PHARE/2005/017-537. 01.02 People to People Joint Small Project Fund

The Phare contribution to this project may amount to a maximum of € 0.75 million.

This project addresses priority 2 mentioned in the above table and consists of only one measure, a "Joint Small Project Fund" to implement people to people actions.

The people to people actions are aimed at supporting the establishment and development of co-operative networks on both sides of the border and the creation of linkages between these networks and wider European Union networks.

The selected projects under this fund shall fall within the priority fields set out in the Joint Programming Document for the period 2004-2006. The projects will encourage new forms of cross-border co-operation and strengthen existing ones.

Tasks of the people to people actions for the 2005 programme
Strengthening local co-operation across the border
Stimulation and support to creation of permanent structures among the local and regional organisations in the border regions
Building and development of specialist resources of local and regional institutions involved in regional development and cross-border co-operation;
Development of local/regional economic and employment;

Basic eligibility criteria, generic selection criteria and potential beneficiaries of this grant scheme, are to be found in § 6.5.

In addition the project fiche identifies specific criteria for each of the tasks identified for 2005.

The Phare contribution to this project may amount to a maximum of € 0.35 million.

The technical assistance comprises two specific measures: (i) support for project preparation, programme management and implementation, which will provide the necessary support to management structures, including covering the operational costs of the Joint Technical Secretariat to be set up on the Romanian eligible border area; (ii) support for programme publicity and evaluation (studies, seminars, information and publicity measures, evaluation, etc.) and providing assistance for a project preparation facility. The Implementing Agency in Romania will be responsible for the implementation of this priority, in close co-operation with the MD Programme Co-ordination Unit.

5 BUDGET

FINANCIAL TABLE FOR THE BUDGETARY YEAR 2005

The distribution of figures in this table is indicative within the limits of Art. 5 MoU National Fund. The figures are given in € million:

Priority Title	Phare Funding			Romanian Funding			Total
and Nature of Action	INV	IB	Total	National Co-finance	Beneficiary contribution	Total	Cost
Economic and Social Development Grant Scheme	5.900	0.000	5.900	1.967	0.875	2.842	8.742
'People to people' Joint Small Project Fund Grant Scheme	0.000	0.750	0.750	0.250	0.112	0.362	1.112
Programme Support Technical Assistance	0.000	0.350	0.350	0.000	0.000	0.000	0.350
TOTAL	5.900	1.100	7.000	2.217	0.987	3.204	10.204

Beneficiary Contribution minimum shall be calculated as a function of the total of Phare and national co-finance, divided by 9 (The distribution of figures between the budget lines is indicative within the limits of Art. 5 MoU NF)

Each Neighbourhood Programme provides for a technical assistance financial envelope (capped at 5% of total Phare funds, i.e. € 0.35 Mio). The implementing agency will ensure that the funds allocated to this purposes will be used in the most effective way for the benefit of all Romanian Neighbourhood Programmes.

5.1 PRINCIPLE OF CO-FINANCING:

In accordance with the Phare Guidelines, all investment ('INV') projects supported by Phare must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing.

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Co-financing for Institution Building ('IB') projects is provided at least by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance. This does not exclude that co-financing may also be provided from the national funds.

The projects selected through the grant schemes (investments and institution building) will be jointly co-financed between Phare, the beneficiary and government resources. The beneficiary has to provide at least 10 % of the total eligible costs of their proposal. The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs.

5.2 OUTLOOK FOR 2006

In line with recommendations of the Phare Management Committee to step forward to Multi-Annual Programming, the Romania – Moldova Neighbourhood Programme outlook for the years 2005-06 is described in the Joint Programming Document, and as updated in June 2005.

6 INSTITUTIONAL AND SPECIFIC IMPLEMENTATION ARRANGEMENTS

6.1 IMPLEMENTING AGENCY

The Romanian CBC Implementing Agency is the Ministry of European Integration, which retains overall responsibility for the implementation of the whole project.

Ministry of European Integration

Cross Border Cooperation Directorate

Bdul Libertatii nr 12, sector 5

Bucuresti, Romania.

CBC REGIONAL OFFICE

For the Romanian side, the Ministry of European Integration may delegate a considerable part of its responsibilities for implementing the NP to a regional body, situated in the border area. In this respect, the relevant RDA's will establish a **CBC Regional Office in Iasi**, which will act in close co-operation with the MIE.

6.2 THE JOINT CO-OPERATION COMMITTEE (JCC)

The JCC is the strategic body of the Neighbourhood Programme. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operation of the NP.

The main responsibilities of the JCC are:

- To adopt the JPD and any further adjustment of it, as appropriate
- To adopt the project fiches and the Financing Proposals to be put forward for the yearly programming exercise
- To consider and approve the joint annual and final progress and implementation reports before they are sent to the Commission.
- To approve the framework for the Joint Technical Secretariat's tasks.

The JCC consists of representatives of national, regional, and local authorities.

The JCC will also include representatives from civil society, NGOs, economic and social actors, sectoral organisations – e.g. Chamber of Commerce, Unions, etc. They may participate in the JCC in an advisory capacity, i.e. not as voting members.

Representatives of the European Commission participate in the JCC in an advisory capacity.

The JCC will be co-chaired by the Romanian IA and the Moldovan Programme Co-ordination Unit.

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JCC will meet at least once a year in order to monitor the implementation of the programme and to approve project fiches for the annual Financing Proposal.

6.3 JOINT STEERING COMMITTEE (JSC)

The JSC is the operational body of the NP. The main responsibilities of the JSC are:

- To prepare the project fiches for the yearly programming exercise, to be forwarded to the JCC for adoption;
- To oversee the calls for proposal/Application Pack (drafted by the JTS), to be forwarded to respective Contracting Authorities for publication;
- To oversee the joint selection of projects;
- To supervise the activities of the Joint Technical Secretariat (JTS) and the Evaluation Committee;
- To review periodically, progress made towards achieving the specific (and quantified) objectives of the programme and to analyse the results of implementation (achievement of the targets set for the different measures).

The JSC consists of:

- Representatives of national, regional and local authorities. Given its specific role, and in order to enhance local ownership, regional and local authorities should be largely represented.
- Representatives of the European Commission, acting as observers.

6.4 JOINT TECHNICAL SECRETARIAT (JTS)

The Implementing Agency (IA) and the Programme Co-ordination Unit (PCU) will jointly establish a **Joint Technical Secretariat (JTS)** located on the eligible area of the Romanian side of the border, which will include staff from Moldova. The JTS shall in particular be responsible for the secretariat function of the JCC and the JSC, and for assisting the IA and PCU.

The JTS will be responsible for the day-to-day management tasks related to the NP, with due account of the roles and responsibilities of the IA and PCU.

The JTS will assist the JCC and the JSC in their administrative and practical tasks; it will supervise the Technical Assistance provided under this programme, will prepare projects with the help of a project preparation facility and undertake the tasks concerning preparing, monitoring, controlling and evaluating projects under the NP.

6.5 RULES AND PROCEDURES SPECIFIC TO THIS PROGRAMME

IMPLEMENTING GUIDELINES

This Neighbourhood Programme shall be implemented according to the NP Implementing Guidelines for Phare CBC/Tacis borders, issued by the Commission on 15 July 2004.

BASIC ELIGIBILITY CRITERIA

In the meaning of the Neighbourhood Programme, the following should be considered as joint projects:

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

To be eligible under the Neighbourhood Programme, a project must fall into one of these categories.

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Annex C3: RO-Phare 2005/017-537 Programme between Romania and Moldova

GENERIC SELECTION CRITERIA FOR GRANT SCHEMES IN THE CBC PROGRAMMES

Activities under CBC financed grant schemes must be coherent with national policies, or demonstrate coherence with the relevant chapters of the National Development Plan, or the Association process. Activities should complement, but not overlap activities foreseen or implemented through the National Phare Programmes.

Activities must clearly demonstrate a cross border character via the involvement of a partner institution in the other country, or by benefits accruing to communities on both sides of the border. Activities should be implemented close to the border

Activities which are eligible under the Phare National Programmes should in priority seek financing under that programme. Only genuine CBC projects are to be financed under the Neighbourhood Programme.

GENERIC LIST OF POTENTIAL BENEFICIARIES OF GRANT SCHEMES

The potential beneficiaries for grant schemes under this CBC programme are (non-exhaustive list):

- Local and regional authorities in the border regions concerned
- NGO's and NPO's such as Business Support Organisations, Local Enterprise Agencies, Development Agencies, Chambers of Commerce, Tourism Agencies, Educational and training institutions; Producers Associations, Labour Unions
- county and regional water management, waste water management, river protection and flood protection companies and public bodies; County environment protection agencies; Natural park administrations (responsible at state, regional and municipal level) and local forestry directorates
- Regional (non-national) divisions of Border Guard and Customs authorities
- Public road and rail management companies; Public owned transport providers
- Employment Agencies

The list of eligible beneficiaries will be detailed in the Call for proposal/Guidelines for applicants

PROGRAMME MONITORING AND EVALUATION

Neighbourhood Programme's monitoring of funding will be conducted at project level by the Contracting authorities of both countries.

Nevertheless, as a Neighbourhood Programme is a joint co-operation programme, every effort should be made to report on progress across the whole programme. Since projects should, as far as possible, produce single progress reports covering the use of Phare CBC and Tacis funding, the Joint Co-operation Committee should have all necessary information in order to report to the Commission on the entirety of the programme on a yearly basis.

A joint progress report should be prepared, covering both Phare CBC and Tacis activities, and submitted to the Commission by the JCC on a yearly basis. The report should be available in English. This report should be available to all concerned parties.

When an evaluation is conducted under the aegis of the JCC, every effort should be made to evaluate all elements of the programme (Phare CBC and Tacis).

These provisions also incorporate the general implementation rules common for all CBC programmes 2005 – See Annex C6

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2005 Cross Border Co-operation between Romania & Serbia

1. OBJECTIVES AND PRIORITIES

The global objective of the RO-SCG Neighbourhood Programme 2004-06 is:

"to achieve the balanced socio-economic development of the eligible area in Romania and Serbia by developing the principle of cross-border co-operation"

Two strategic objectives will reinforce the global objective:

- To increase the overall competitiveness of the regional economy, and
- To improve the quality of living standards for the areas' population.

In the light of above objectives, the partners agreed priorities and measures which constitute the backbone of their CBC development strategy for 2004-06

Neighbourhood Programme Priorities and Measures	
Priority 1	Local Economic and Social Development
Measure 1.1:	Business and Agricultural Support Co-operation.
Measure 1.2:	Co-operation between local public services
Measure 1.3:	Support for small-scale environmental and local infrastructure development
Measure 1.4:	Co-operation in tourism development
Priority 2	People to people actions
Measure 2.1:	Joint Small Projects Fund
Priority 3	Technical assistance
Measure 3.1	Project preparation, programme management and implementation
Measure 3.2	Programme publicity and evaluation

The projects of the programme for 2005 are:

PHARE/2004/016-784. Phare/2005/017-538 01.01 Local Economic and Social development

The Phare contribution to this project may amount to a maximum of €4.200 Mio.

Grant Scheme for Promoting Local Socio-Economic Development

A feature of the Neighbourhood Programme is to encourage regular interaction between businesses (including agriculture) located across the entire border area, via sustainable business-to-business networks, quality business support services, professional assistance and other important services, especially for SMEs.

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Annex C4: RO-Phare 2005/017-538 CBC Programme between Romania & Serbia

This measure, therefore, is aimed at establishing networks of various business oriented facilities, offering high quality business services, with special emphasis on cross-border business-to-business co-operation. It will facilitate co-operation and institution building between agricultural sector support services to sustain the sector's viability.

This 2005 Phare project will contribute to implementing the following specific tasks:

Tasks in the 2005 CBC programme
Business and Agricultural Support co-operation establishing network of various business oriented facilities
facilitate co-operation and institution building between agricultural sector support services
Co-operation between local public services
Support for small-scale environmental and local infrastructure development
Co-operation in tourism development
Small scale Transport and border infrastructure projects: preparation and implementation support
Setting up/reinstalling monitoring networks for air and water quality in border regions
Natural park management
Local environment education programmes

Basic eligibility criteria, generic selection criteria and potential beneficiaries of this grant scheme, are to be found in § 6.5.

In addition the project fiche identifies specific criteria for each of the tasks identified for 2005.

PHARE/2004/016-784. Phare/2005/017-538 01.02 Joint Small Project Fund

The Phare contribution to this project may amount to a maximum of €0.550 Mio.

This project addresses priority2 mentioned in the above table and consists of only one measure "Joint Small Project Fund" to implement people to people actions including Cross-Border networks and local contacts.

The people to people actions are aimed at supporting the establishment and development of co-operative networks on both sides of the border and the creation of linkages between these networks and wider European Union networks.

The selected projects under this fund shall fall within the priority fields set out in the Joint Programming Document for the period 2004-2006. The projects will encourage new forms of cross-border co-operation and strengthen existing ones.

Tasks of the Joint Small Project Fund for the 2005 programme
Strengthening local co-operation across the border
Stimulation and support to creation of permanent structures among the local and regional organisations in the border regions
Building and development of specialist resources of local and regional institutions involved in regional development and cross-border co-operation;
Development of local/regional economic and employment;
Development and strengthening of an effective implementation structure.
Providing on-going assistance for participants in the identification and preparation of projects; increase personal and institutional capabilities for co-operation and participation in future development programmes in particular for the preparation of future Neighbourhood Programme activities;

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Annex C4: RO-Phare 2005/017-538 CBC Programme between Romania & Serbia

Basic eligibility criteria, generic selection criteria and potential beneficiaries of this grant scheme, are to be found in § 6.5.

In addition the project fiche identifies specific criteria for each of the tasks identified for 2005.

PHARE/2004/016-784. Phare/2005/017-538 01.03 Technical assistance

The Phare contribution to this project may amount to a maximum of €0.250 Mio.

The technical assistance comprises two specific measures: (i) support for Programme management and implementation, which will provide the necessary support to management structures, including covering the operational costs of the Joint technical Secretariat to be set up on the Romanian eligible border area; (ii) support for programme publicity and evaluation (studies, seminars, information and publicity measures, evaluation, etc.) and providing assistance for projects preparation,. The Implementing Agency in Romania will be responsible for the implementation of this project in co-operation with the PCU in Serbia.

2. FINANCIAL TABLE FOR THE BUDGETARY YEAR 2005

1.1. 2.1 INDICATIVE FINANCIAL TABLE FOR THE BUDGETARY YEAR 2005

The distribution of figures in this table is indicative within the limits of Art. 5 MoU National Fund.

The figures are given in Mio €:

The implementing project splits into three components	Phare support			National Public Funds	Beneficiary contribution	Total Cost
	INV	IB	Total			
Local Economic & Social Development (Priority 1)	4.200	0.000	4.200	1.400	0.623	6.223
People-to-people(JSPF) actions (Priority 2)	0.000	0.550	0.550	0.184	0.082	0.816
Technical Assistance (Programme support) Priority 3)	0.000	0.250	0.250	0.000	0.000	0.250
Total project 2005	4.200	0.800	5.000	1.584	0.705	7.289

Beneficiary Contribution minimum shall be calculated as one-ninth of the total of Phare and national public support. That contribution shall be in cash and in any event additional to national co-finance.

Each Neighbourhood Programme provides for a technical assistance financial envelope (capped at 5% of total Phare funds, i.e. € 0.25 Mio). The implementing agency shall ensure that the funds allocated to this purposes will be used in the most effective way for the benefit of Romanian Neighbourhood Programmes.

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Annex C4: RO-Phare 2005/017-538 CBC Programme between Romania & Serbia

1.2. 2.2 PRINCIPLE OF CO-FINANCING:

In accordance with the Phare Guidelines, all investment ('INV') projects supported by Phare must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing.

Co-financing for Institution Building ('IB') projects is provided at least by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance. This does not exclude that co-financing may also be provided from the national funds

The projects selected through the grant schemes (investments and institution building) will be jointly co-financed between Phare, the beneficiary and government resources. The beneficiary has to provide at least 10 % of the total costs. The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs.

1.3. 2.3 OUTLOOK FOR THE YEAR 2006

In line with recommendations of the Phare Management Committee to step forward to Multi-Annual Programming, the Romania – Serbia Neighbourhood Programme outlook for the year 2006 is described in the Joint Programming Document.

3 INSTITUTIONAL AND SPECIFIC IMPLEMENTATION ARRANGEMENTS

1.4. 3.1 IMPLEMENTING AGENCY

The Romanian CBC Implementing Agency is the Ministry of European Integration (MIE), which retains overall responsibility for the implementation of the project.

Ministry of European Integration
Cross Border Cooperation Directorate
Bdul Libertatii nr 12, sector 5
Bucuresti, Romania.

3.1.1 CBC REGIONAL OFFICE

For the Romanian side, the Ministry of European Integration may delegate a considerable part of its responsibilities for implementing the NP to a regional body, situated in the border area. For that purpose, the Regional Development Authority ('RDA') V West and RDA IV South-West will establish a **CBC Regional Office**.

1.5. 3.2 JOINT CO-OPERATION COMMITTEE (JCC)

The JCC is the strategic body of the Neighbourhood Programme. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operation of the NP.

The main responsibilities of the JCC are:

- To adopt the JPD and any further adjustment of it, as appropriate
- To adopt the project fiches for the Financing Proposal to be put forward for the yearly programming exercise
- To consider and approve the joint annual and final progress and implementation reports before they are sent to the Commission.

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Annex C4: RO-Phare 2005/017-538 CBC Programme between Romania & Serbia

- To approve the framework for the Joint Technical Secretariat's tasks.

The JCC consists of representatives of national, regional, and local authorities.

The JCC will also include representatives from civil society, NGOs, economic and social actors, sectoral organisations – e.g. Chamber of Commerce, Unions, etc. They may participate in the JCC in an advisory capacity, i.e. not as voting members.

Representatives of the European Commission participate in the JCC in an advisory capacity.

The JCC will be co-chaired by the Romanian IA and the Serbia Programme Co-ordination Unit.

JCC will meet at least once a year in order to monitor the implementation of the programme and to approve project fiches for the annual Financing Proposal.

1.6. 3.3 JOINT STEERING COMMITTEE (JSC)

The JSC is the operational body of the NP. The main responsibilities of the JSC are:

- To prepare the project fiches for the yearly programming exercise, to be forwarded to the JCC for adoption;
- To oversee the calls for proposals and Application Packs (drafted by the JTS), to be forwarded to respective Contracting Authorities for publication;
- To oversee the joint selection of projects;
- To supervise the activities of the Joint Technical Secretariat (JTS) and the Evaluation Committee;
- To review periodically, progress made towards achieving the specific (and quantified) objectives of the programme and to analyse the results of implementation (achievement of the targets set for the different measures).

The JSC consists of:

- Representatives of national, regional and local authorities. Given its specific role, and in order to enhance local ownership, regional and local authorities should be largely represented.
- Representatives of the European Commission, acting as observers.

1.7. 3.4 JOINT TECHNICAL SECRETARIAT (JTS)

The Implementing Agency (IA) and the Programme Co-ordination Unit (PCU) will jointly establish a **Joint Technical Secretariat (JTS)** located in the eligible area of the Romanian side of the border, which will include staff from Serbia. The JTS shall in particular be responsible for the secretariat function of the JCC and the JSC, and for assisting the IA and PCU.

The JTS will be responsible for the day-to-day management tasks related to the NP, with due account of the roles and responsibilities of the IA and PCU.

The JTS will assist the JCC and the JSC in their administrative and practical tasks; it will supervise the Technical Assistance provided under this programme, will prepare projects with the help of a project preparation facility and undertake the tasks concerning preparing, monitoring, controlling and evaluating projects under the NP.

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1.8. 4 RULES AND PROCEDURES SPECIFIC TO THIS PROGRAMME

4.1 IMPLEMENTING GUIDELINES

This Neighbourhood Programme shall be implemented according to the NP Implementing Guidelines for Phare CBC/Cards borders, issued by the Commission on 15 July 2004.

4.2 BASIC ELIGIBILITY CRITERIA

In the meaning of the Neighbourhood Programme, the following should be considered as joint projects:

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

To be eligible under the Neighbourhood Programme, a project must fall into one of these categories.

4.3 GENERIC SELECTION CRITERIA FOR GRANT SCHEMES IN THE CBC PROGRAMMES

Activities under CBC financed grant schemes must be coherent with national policies, or demonstrate coherence with the relevant chapters of the National Development Plan, or the Association process. Activities should complement, but not overlap activities foreseen or implemented through the National (Phare) Programmes.

Activities must clearly demonstrate a cross border character via the involvement of a partner institution in the other country, or by benefits accruing to communities on both sides of the border. Activities should be implemented close to the border

Activities which are eligible under the Phare National Programmes should in priority seek financing under that programme. Only genuine CBC projects are to be financed under the Neighbourhood Programme.

4.4 GENERIC LIST OF POTENTIAL BENEFICIARIES OF GRANT SCHEMES

The potential beneficiaries for grant schemes under this CBC programme may include (non-exhaustive list):

- Local and regional authorities in the border regions concerned;
- NGO's and NPO's such as Business Support Organisations, Local Enterprise Agencies, Development Agencies, Chambers of Commerce, Tourism Agencies, Educational and training institutions; Producers Associations, Labour Unions;
- County and regional water management, waste water management, river protection and flood protection companies and public bodies; county and regional environment protection agencies; natural park administrations; (responsible at central, regional and municipal level) local forestry directorates
- Public road and rail management companies;
- Employment Agencies.

The list of eligible beneficiaries will be detailed in the Call for proposals/Guidelines for applicants

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4.5 PROGRAMME MONITORING AND EVALUATION

Neighbourhood Programme's monitoring of funding will be conducted at project level by the Contracting Authorities of both countries.

Nevertheless, as a Neighbourhood Programme is a joint co-operation programme, every effort should be made to report on progress across the whole programme. Since projects should, as far as possible, produce single progress reports covering the use of Phare CBC and CARDS funding, the Joint Co-operation Committee should have all necessary information in order to report to the Commission on the entirety of the programme on a yearly basis.

A joint progress report should be prepared, covering both Phare CBC and CARDS activities, and submitted to the Commission by the JCC on a yearly basis. The report should be available in English. This report should be available to all concerned parties.

When an evaluation is conducted under the aegis of the JCC, every effort should be made to evaluate all elements of the programme (Phare CBC and CARDS).

These provisions also incorporate the general implementation rules common for all CBC programmes 2005 Annex C6

CBC Programme 2005 Romania - Ukraine

OBJECTIVES AND PRIORITIES

The global objective of the RO-UA Neighbourhood Programme 2004-2006 is:

"To improve cross-border integration between boundary regions while posing good bases for sustainable economic development"

The opportunities for cross border co-operation in the eligible regions can be converted in 4 intermediate/specific objectives, which are instrumental to acquire the general objective:

- 1. Strengthening existing common assets to ignite a new integrated cycle of sustainable development*
- 2. Supporting a new cycle of sustainable development with key infrastructures*
- 3. Develop cross-border cooperation to resurface the common socio-cultural heritage linked to the local history and environment*
- 4. Operationally strengthen Cross Border Cooperation*

In the light of above objectives, the partners agreed priorities and measures which constitute the backbone of their CBC development strategy for 2004-2006

Project Priorities and Measures

Priority 1 Promoting Local Socio-Economic Development

Measure 1.1: Expand and strengthen tourism.

Measure 1.2: Cross-border economic cooperation

Priority 2 Developing cross border integrated infrastructure systems

Measure 2.1: Develop cross-border transport and border infrastructure

Measure 2.2: Improve cross-border environmental management

Priority 3 'People to people actions'

Measure 3.1: Joint Small Project Fund

Priority 4 Technical assistance

Measure 4.1 Programme Management and Implementation

Measure 4.2 Programme publicity and evaluation; project preparation

The projects for 2005 are:

PHARE/2004/016-784. 2005/017-539 01.01 Promoting Local Socio-Economic Development and Cross Border Integrated Infrastructure Systems of Romanian and Ukrainian Border Regions (Priorities 1 & 2)

The Phare contribution to this project may amount to a maximum of € 7.695 Mio.

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It is to be implemented by a Grant Scheme for promoting Local Socio-Economic Development (priority 1) and Developing Cross Border Integrated Infrastructure Systems (priority 2)

These two Priorities will be implemented through a single grant scheme, which will be effective on both sides of the border. The joint evaluation and selection of projects will permit linkages and combined development opportunities to be identified. An imbedded logic of both institutional strengthening and appropriate small scale investments will ensure sustainability and long term benefits.

This 2005 Phare project will contribute to implementing the following specific tasks:

Tasks in the 2005 CBC programme
Development of cross border tourism
Small scale investments for developing cross border tourism
Support to the increase of cross border economic ties and development of human resources for those activities that are linked to the local economy in cross border areas
Institution capacity building project
Training programmes to allow personnel to cope with smuggling, trafficking, organized crime and illegal immigration
Transport and border infrastructure project preparation support
Complementary actions to other programmes involved in border infrastructure development and management
Small scale transport infrastructures
Setting up/reinstalling monitoring networks for air and water quality in border regions
Natural park management
Local environment education programmes

Basic eligibility criteria, generic selection criteria and potential beneficiaries of this grant scheme, are to be found in § 6.5.

In addition the project fiche identifies specific criteria for each of the tasks identified for 2005.

PHARE/2004/016-784. 2005/017-539.01.02

People-to-people actions (Priority 3)

The Phare contribution to this project may amount to a maximum of € 0.905 Mio.

This project addresses priority 3 mentioned in the above table and consists of only one measure a "Joint Small Project Fund" grant scheme to implement people to people actions.

The people to people actions are aimed at supporting the establishment and development of co-operative networks on both sides of the border and the creation of linkages between these networks and wider European Union networks.

The selected projects under this fund shall fall within the priority fields set out in the Joint Programming Document for the period 2004-2006. The projects will encourage new forms of cross-border co-operation and strengthen existing ones.

Tasks of the Joint Small Project Programme for the 2005 programme
Strengthening local co-operation across the border
Stimulation and support to creation of permanent structures among the local and regional organisations in the border regions
Building and development of specialist resources of local and regional institutions involved in regional development and cross-border co-operation;
Development of local/regional economic and employment;
Development and strengthening of an effective implementation structure.
Providing on-going assistance for participants in the identification and preparation of projects; increase personal and institutional capabilities for co-operation and participation in future development programmes in particular for the preparation of future Neighbourhood Programme activities

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Basic eligibility criteria, generic selection criteria and potential beneficiaries of this grant scheme, are to be found in § 6.5.

In addition the project fiche identifies specific criteria for each of the tasks identified for 2005.

PHARE/2004/016-784. 2005/017-539.01.03

**Programme Support Technical assistance
(Priority 4)**

The Phare contribution to this project may amount to a maximum of € 0.40 Mio.

This technical assistance comprises two specific measures: (i) support for project preparation, programme management and implementation, which will provide the necessary support to management structures, including covering the administrative costs of the Joint Technical Secretariat to be set up on the Romanian eligible border area; (ii) support for programme publicity and evaluation (studies, seminars, information and publicity measures, evaluation, etc.) and providing assistance for project preparation. The Implementing Agency in Romania will be responsible for the implementation of this priority, in close co-operation with the UA Programme Co-ordination Unit.

BUDGET

1.1. FINANCIAL TABLE FOR THE BUDGETARY YEAR 2005

The distribution of figures in this table is indicative within the limits of Art. 5 MoU National Fund. The figures are given in Mio €:

Priority No. & Type of Action	Phare Funding			National co-finance	Beneficiary Contribution ²	Total eligible cost
	INV	IB	Total			
1 & 2 Grant Scheme Promoting Local Socio-Economic Development and Cross Border Integrated Infrastructure Systems	7.695	0.000	7.695	2.565	1.140	11.400
3 Joint Small Project Fund	0.000	0.905	0.905	0.305	0.135	1.345
4 Technical Assistance	0.000	0.400	0.400	0.000	0.000	0.400
TOTAL	7.695	1.305	9.000	2.870	1.275	13.145

² Beneficiary Contribution minimum shall be calculated as total of Phare and national co-finance, divided by 9 (The distribution of figures between the budget lines is indicative within the limits of Art. 5 MoU NF)

Each Neighbourhood Programme provides for a technical assistance financial envelope. The implementing agency will ensure that the funds allocated for Technical Assistance will be used in the most effective way for the benefit of all Romanian Neighbourhood Programmes.

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1.2. PRINCIPLE OF CO-FINANCING:

In accordance with the Phare Guidelines, all investment ('INV') projects supported by Phare must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure. Taxes are not an element eligible for co-financing.

Co-financing for Institution Building ('IB') projects is – unless otherwise mutually determined by the parties to this agreement – provided at least by the Beneficiary Country bearing certain infrastructure and operational implementation costs, through financing the human and other resources required for effective and efficient absorption of Phare assistance. This does not exclude that co-financing may also be provided from the national funds.

The projects selected through the grant schemes (investments and institution building) will be jointly co-financed in cash between Phare, the beneficiary and government resources. The beneficiary has to provide at least 10 % of the total costs. The remaining eligible costs will be shared by Phare support up to a maximum of 75% with the Romanian government contributing the remaining costs.

1.3. OUTLOOK FOR 2006

In line with recommendations of the Phare Management Committee to step forward to Multi-Annual Programming, the Romania – Ukraine Neighbourhood Programme outlook for 2006 is described in the Joint Programming Document.

INSTITUTIONAL AND SPECIFIC IMPLEMENTATION ARRANGEMENTS

1.4. IMPLEMENTING AGENCY

The Romanian CBC Implementing Agency is the Ministry of European Integration, which retains overall responsibility for the implementation of the whole project.

Ministry of European Integration
Cross Border Cooperation Directorate
Bdul Libertatii nr 12, sector 5
Bucuresti, Romania.

1.5. CBC REGIONAL OFFICE

For the Romanian side, the Ministry of European Integration may delegate a considerable part of its responsibilities for implementing the NP to a regional body, situated in the border area. In this respect, the RDA North West, RDA North East and RDA South East have come together to establish a **CBC Regional Office** to be based in Suceava, which will act in close co-operation with the MIE..

CBC Regional Office Suceava has legal status and is staffed and fully operational.

1.6. THE JOINT CO-OPERATION COMMITTEE (JCC)

The JCC is the strategic body of the Neighbourhood Programme. With members from both countries and from national, regional and local level, the JCC will ensure a joint management of the programme and thus ensure a policy and financial overview of the operation of the NP.

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The main responsibilities of the JCC are:

- To adopt the JPD and any further adjustment of it, as appropriate
- To adopt the project fiches for the Financing Proposals to be put forward for the yearly programming exercise
- To consider and approve the joint annual and final progress and implementation reports before they are sent to the Commission.
- To approve the framework for the Joint Technical Secretariat's tasks.

The JCC consists of representatives of national, regional, and local authorities.

The JCC will also include representatives from civil society, NGOs, economic and social actors, sectoral organisations – e.g. Chamber of Commerce, Unions, etc. They may participate in the JCC in an advisory capacity, i.e. not as voting members.

Representatives of the European Commission participate in the JCC in an advisory capacity.

The JCC will be co-chaired by the Romanian IA and the Ukrainian National Co-ordination Unit.

JCC will meet at least once a year in order to monitor the implementation of the programme and to approve project fiches for the annual Financing Proposal.

1.7. JOINT STEERING COMMITTEE (JSC)

The JSC is the operational body of the NP. The main responsibilities of the JSC are:

- To prepare the project fiches for the yearly programming exercise, to be forwarded to the JCC for adoption;
- To oversee the calls for proposal/Application Pack (drafted by the JTS), to be forwarded to respective Contracting Authorities for publication;
- To oversee the joint selection of projects;
- To supervise the activities of the Joint Technical Secretariat (JTS) and the Evaluation Committee;
- To review periodically, progress made towards achieving the specific (and quantified) objectives of the programme and to analyse the results of implementation (achievement of the targets set for the different measures).

The JSC consists of:

- Representatives of national, regional and local authorities. Given its specific role, and in order to enhance local ownership, regional and local authorities should be largely represented.
- Representatives of the European Commission, acting as observers.

1.8. JOINT TECHNICAL SECRETARIAT (JTS)

The Implementing Agency (IA) and the Ukrainian National Co-ordination Unit (NCU) will jointly establish a **Joint Technical Secretariat (JTS)** located on the eligible area of the Romanian side of the border, which will include staff from Ukraine. The JTS shall in particular be responsible for the secretariat function of the JCC and the JSC, and for assisting the IA and NCU.

The JTS will be responsible for the day-to-day management tasks related to the NP, with due account of the roles and responsibilities of the IA and NCU.

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The JTS will assist the JCC and the JSC in their administrative and practical tasks; it will supervise the Technical Assistance provided under this programme, will prepare projects with the help of a project preparation facility and undertake the tasks concerning preparing, monitoring, controlling and evaluating projects under the NP.

1.9. RULES AND PROCEDURES SPECIFIC TO THIS PROGRAMME

IMPLEMENTING GUIDELINES

This Neighbourhood Programme shall be implemented according to the NP Implementing Guidelines for Phare CBC/Tacis borders, issued by the Commission on 15 July 2004.

BASIC ELIGIBILITY CRITERIA

In the meaning of the Neighbourhood Programme, the following should be considered as joint projects:

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

To be eligible under the Neighbourhood Programme, a project must fall into one of these categories.

GENERIC SELECTION CRITERIA FOR GRANT SCHEMES IN THE CBC PROGRAMMES

Activities under CBC financed grant schemes must be coherent with national policies, or demonstrate coherence with the relevant chapters of the National Development Plan, or the Association process. Activities should complement, but not overlap activities foreseen or implemented through the National Phare Programmes.

Activities must clearly demonstrate a cross border character via the involvement of a partner institution in the other country, or by benefits accruing to communities on both sides of the border. Activities should be implemented close to the border

Activities which are eligible under the Phare National Programmes should in priority seek financing under that programme. Only genuine CBC projects are to be financed under the Neighbourhood Programme.

GENERIC LIST OF POTENTIAL BENEFICIARIES OF GRANT SCHEMES

The potential beneficiaries for grant schemes under this CBC programme are (non-exhaustive list):

- Local and regional authorities in the border regions concerned
- NGO's and NPO's such as Business Support Organisations, Local Enterprise Agencies, Development Agencies, Chambers of Commerce, Tourism Agencies, Educational and training institutions; Producers Associations, Labour Unions
- county and regional water management, waste water management, river protection and flood protection companies and public bodies; County environment protection agencies; Natural park administrations (responsible at state, regional and municipal level) and local forestry directorates
- Regional (non-national) divisions of Border Guard and Customs authorities
- Public road and rail management companies; Public owned transport providers
- Employment Agencies

The list of eligible beneficiaries will be detailed in the Call for proposal/Guidelines for applicants

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Neighbourhood Programme's monitoring of funding will be conducted at programme level by the Contracting authorities of both countries.

Nevertheless, as a Neighbourhood Programme is a joint co-operation programme, every effort should be made to report on progress across the whole programme. Since projects should, as far as possible, produce single progress reports covering the use of Phare CBC and Tacis funding, the Joint Co-operation Committee should have all necessary information in order to report to the Commission on the entirety of the programme on a yearly basis.

A joint progress report should be prepared, covering both Phare CBC and Tacis activities, and submitted to the Commission by the JCC on a yearly basis. The report should be available in English. This report should be available to all concerned parties.

When an evaluation is conducted under the aegis of the JCC, every effort should be made to evaluate all elements of the programme (Phare CBC and Tacis).

These provisions also incorporate the general implementation rules common for all CBC programmes - see 2005 Annex C6.

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4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of Implementation

Implementation of this programme will follow Art. 53 (1) b (second alternative) of the Financial Regulation¹. The Beneficiary Countries will continue to ensure that the conditions laid down in Art. 164 (1) (a) - (e) of the Financial Regulation are respected at all times

Each measure is either contained in a programme or a project, which the National Aid Co-ordinator proposes to the Commission in compliance with this Financing Agreement. Once jointly agreed these programmes or projects are implemented by means of procurement contracts for investment and/or services, twinnings, or grant schemes, managed by the Romanian and/or t(he Bulgarian authorities. Each such programme or project is supervised by one or several Implementing Authority (ies) and technically implemented by one Implementing Agency.

Until the accreditation of Implementing Agencies foreseen by Art. 12 (2) of Regulation 1266/1999² project selection, tendering and contracting by the Beneficiary Country will be subject to ex-ante approval by the Commission.

4.2. Procurement

Procurement shall follow the provisions of Part 2, Title IV of the Financial Regulation and Chapter 3 of Part 2, Title III of its Implementing Rules³, as well as the Commission Decision SEC (2003) 387/2⁴.

The Contracting Authorities shall also use the procedural guidelines and standard templates and models provided for in the "Practical Guide to contract procedures financed from the general EC budget in the context of external actions" as published on the EuropeAid website⁵ at the date of the initiation of the procurement or grant award procedure.

4.3. Procurement Principles for 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 rules for External Actions. In particular, due care will be given to the selection process of the projects. Grants will be awarded in conformity with the provisions of chapter 6 of the Practical Guide, and following the principles of Phare decentralised management. Until the EDIS accreditation, the ex-ante approval of the Commission Delegations will be required. The competent PAO for the programme under which the grant scheme is financed has to retain his/her contractual and financial responsibility for the implementation of the schemes. In particular, the PAO has to formally approve the call for proposals, application forms, evaluation criteria, as well as the selection process and results. The PAO also has to sign the grant contracts with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and

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

² Council Regulation (EC) 1266/1999 of 21 June 1999; OJ L 161; 26.6.1999; p. 68

³ Commission Regulation (EC; Euratom) 2342/2002 of 23. December 2002; OJ L 357; 31.12.2002; p.1 as amended by Commission Decision 2004/121 of 6 February 2004. OJ L 036, 07.02.2004 p 58

⁴ Commission Decision SEC (2003) 387/2 on Rules and procedures for service, supply and works contracts financed from the general budget of the European Communities in the context of co-operation with third countries, adopted on March 25, 2003

⁵ current address: http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm

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responsibility. With this reservation, the management can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.

The implementation of selected projects through provision of works, supplies and services, which are sub-contracted by the final beneficiaries of the individual grants, shall be subject to the procurement rules in use for External Actions at the time of implementation. Following a positive assessment of the Implementing Agency's capacity to operationally and financially manage the schemes in a sound and efficient manner⁶, the Commission Delegation may decide to waive its ex-ante approval of sub-contracting carried out by the final beneficiaries of the individual grants. The detailed provisions governing the role of the Delegation in the above-mentioned sub-contracting phase will be specified, as appropriate, in the Exchange of Letters between the Delegation and the national authorities following the above-mentioned assessment exercise.

Grant schemes will not involve projects for which the Phare contribution is below € 50.000 (except for the Small Project Fund, see below) or above € 2 million. This lower limit may be waived as a result of the above-mentioned assessment of the Implementing Agency's capacity of giving assurance of sound financial management. The lower limit is not applicable in the case of NGOs.

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

4.4. Principles for the CBC Small Projects Fund

The CBC Small Projects Fund will finance projects with a Phare contribution below €50.000. It will not include physical investments other than small supply or infrastructure not generating substantial net revenue.

5. MANAGEMENT OF ASSISTANCE

5.1. Project Management

5.1.1. RESPONSIBILITIES

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

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

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

It is specifically noted that all grant proposals shall, wherever applicable, be required to demonstrate their additionality to the results of other related actions financed from other sources, notably earlier CBC programmes.

Also, the Implementing Agency and subordinate agencies shall take particular care to ensure that all actions under this programme shall be recorded, for example in PERSEUS, in such away as to make readily identifiable the specific sub-measure and budget year under which they are contracted.

⁶ see section 11 and Annex 4 of the 2004 Phare Programming Guide

Moreover, that specific registration shall be organised in such a way as to facilitate a readily traceable connection with the results of each contract, including notably the demonstration in terms of results of the abovementioned additionality.

5.1.2. PROJECT Size

All programme components will be greater than 2 M € except for the grant scheme “Joint Small Project Fund” and the “TA scheme”, due to the specific nature of the CBC actions.

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

- (1) All contracts must be concluded by no later than November 30, 2007.
- (2) All contracts must be executed by no later than November 30, 2008 with an exception of November 30, 2009 for project BG 2005/017-455.01 Rehabilitation of road II-81 from Montana to Lom⁷
- (3) Under DIS, a comprehensive tendering dossier plan must be submitted to the Delegation for approval by no later than 6 months after the signature of the Financing Agreement. In case of non-compliance, the Beneficiary Country will inform the JMC, which may recommend reallocation of funds in accordance with Art. 5 of the MoU on the National Fund.

5.1.4. ENVIRONMENTAL Impact Assessment and Nature Conservation

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

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

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

Actions under this programme shall in particular be coherent with the Danube Basin Flood Prevention Strategy and the draft EU Flood Prevention Strategy.

5.2. Financial Management

5.2.1. PRINCIPLES and Responsibilities

The National Fund in the Ministry of Public Finance, headed by the NAO, will supervise the financial management of the programme, and will be responsible for reporting to the European Commission. The NAO shall have the overall responsibility for financial management of the Phare

⁷ This provides an extra year for the implementation of this complex programme, for which call for proposals and project selection process have to be jointly carried out by the two countries and the implementation of joint projects requires a close co-ordination between partners from either side of the border.

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

⁹ in Annex EIA to the corresponding investment project fiche.

¹⁰ In Annex Nature Conservation to the corresponding investment project fiche

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funds, and the full accountability for the Phare funds of a programme until the closure of that programme.

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

The Commission will make payments to the NF in accordance with the Memorandum of Understanding signed between the Commission and Romania in 1998 and modified by mutual agreement on 17 July 2003.

Payments will be made following requests from the NAO onto a separate bank account, denominated in €, which will be opened and managed by the National Fund in a bank agreed in advance with the Commission. In principle, all bank accounts will be interest bearing. According to Articles 3 & 4 of the implementing rules of the Financial Regulation accrued interest is the property of the Beneficiary Country. The NAO must however ensure that the accrued interest is actually registered in its entirety as revenue in the national budget. Furthermore the NAO will ensure a regular reporting of the interest via Perseus.

5.2.2. Payments to the National Fund

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

Two further payments of up to 30% of the funds to be managed locally will be made. The second payment will be triggered when 5 % of the total budget in force has been disbursed by the IA. The third payment may be requested when 35% of the total budget in force¹² has been disbursed.

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

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

5.2.3. Payments from the National Fund to the Implementing Agency

The National Fund will make payments to the IA in accordance with the Implementing Agreement signed between the NF and the IA. Bank accounts for CBC-programmes shall be opened in the name of the Implementing Agency in charge of financial management of the CBC-programme in line with Art. 13 of the MoU on the National Fund.

As long as implementation follows DIS, each individual Implementing Agreement must be endorsed in advance by the European Commission. The IA 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 operations carried out by the IA.

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

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5.2.4. Payments in Case of Contractual Retention Clauses

For those contracts with contractual retention clauses (e.g. 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 IA before the deadline for execution of contracts. The Implementing Agency assumes full responsibility for depositing the funds until final payment is due, as well as for ensuring that the said funds will only be used to make payments related to the retention clauses.

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

5.2.5. Closure of Expenditure and Clearance of Accounts

No later than sixteen (16) months after the end of the execution of contracts, the NF will submit a final declaration of expenditure covering both PHARE support and co-financing and an attestation regarding the regularity, accuracy and veracity of the accounts transmitted. The final certified expenditure should at this point equal the original value of the contracts minus any deductions and savings agreed with contractors in the course of implementation. This should also equal payments made plus any sums outstanding on account of contractual retention.

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

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

The results of the Commission's checks and its conclusions to exclude expenditure from financing will be notified in writing to the NF, which shall be given one month to transmit its reply in writing. If no agreement is reached within one month of receipt of the NF's written reply, the Commission shall decide and establish the amounts to be excluded, having regard in particular to the degree of non-compliance found, the nature and gravity of the infringement as well as the financial loss suffered by the Community.

Following the decision about amounts to be excluded, all ineligible expenditure will be recovered without prejudice to the treatment of irregularities and subsequent financial compensation in accordance with Community rules. The funds will be recovered either by direct reimbursement from the NF or by compensation in accordance with Community rules.

6. MONITORING AND EVALUATION

In addition to the respective CBC roles of the JCC & JSC as described above, implementation will be monitored through the Joint Monitoring Committee (JMC). It includes the NAO, the NAC and the Commission services. The JMC will meet at least once a year.

It reviews all Phare funded programmes in order to assess their progress towards meeting the objectives set out in the Financing Agreements and the Accession Partnership.

The JMC may recommend a change of priorities and/or reallocation of Phare funds.

Furthermore, the JMC will review the progress of all pre-accession EC-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 the CFCU where applicable) and the Commission Services. The SMSC will review in detail the progress of

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each programme, including its components and contracts, assembled by the JMC into suitable monitoring sectors. Each sector will be supervised by one SMSC on the basis of regular monitoring reports produced by the Implementing Agency, and interim evaluations undertaken by independent evaluators. The SMSC will put forward recommendations on aspects of management and design, ensuring that these are implemented. The SMSC will report to the JMC, to which it will submit overall detailed opinions on all Phare financed programmes in its sector. The Commission services shall ensure that this programme will be subject to interim (either centralised or decentralised) and / or ex post evaluations.

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

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

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

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

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

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

7.2. Obligations of the Beneficiary Country

7.2.1. AUDIT and Financial Control

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

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

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

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

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

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

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

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7.2.2. *PREVENTIVE Measures*

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

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

7.2.3. *Anti-Fraud Measures and Corrective Actions*

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

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

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

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

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

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

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

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

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

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7.3. Recovery of Funds in Case of Irregularity or Fraud

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

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

- (a) The Beneficiary Country has not complied with the obligations to prevent, detect, and correct irregularities or
- (b) The implementation of a project appears not to justify either part or the whole of the assistance allocated or
- (c) There are serious failings in the management or control systems which could lead to irregularities,

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

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

- (a) Reduce or cancel any payment for the programme in question, or
- (b) Make the financial corrections required by cancelling all or part of the assistance granted to the programme concerned.

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

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

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

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

8. VISIBILITY AND PUBLICITY

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

9. SPECIAL CONDITIONS

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

²⁰ see definition above

²¹ see definition above

ANNEX D ON

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

1. Objective and scope

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

2. General principles

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

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

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

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

Specific provisions concerning ISPA are included in:

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

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

3. Information and publicity concerning Phare programmes

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

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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.

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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.

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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.

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

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Annex E- BUDGET CBC 2005

OBJECTIVE/PROJECT TITLE	CRIS Ref.	Phare Funding			National public fund* min,	TOTAL Public Support	Beneficiaries	Total Project
		IB max	INV max	TOTAL max				
2005 CBC RO with Bulgaria								
Economic development Business co-operation and business infrastructure development	RO 2005/017-535.01.01	0,000	3,400	3,400	1,134	4,534	0,504	5,038
Environmental protection and environment	RO 2005/017-535.01.02	0,000	3,400	3,400	1,134	4,534	0,504	5,038
People to people Joint Small Project Fund Project preparation Facility Technical assistance / Programme support activities	RO 2005/017-535.01.03	0,800	0,000	0,800	0,248	1,048	0,111	1,159
	RO 2005/017-535.01.04	0,400	0,000	0,400	0,000	0,400	0,000	0,400
Total Programme 2005		1,200	6,800	8,000	2,516	10,516	1,119	11,635
2005 CBC RO with Ukraine	CRIS	INV	IB	Phare	National	Public	Beneficiary	Total
Promoting Local Socio-Economic Development and Cross Border Integrated Infrastructure Systems	RO 2005/017-539.01.01	7,695	0,000	7,695	2,565	10,260	1,140	11,400
People to people Joint Small Project Fund Technical Assistance	RO 2005/017-539.01.02	0,000	0,905	0,905	0,302	1,207	0,134	1,341
	RO 2005/017-539.01.03	0,000	0,400	0,400	0,000	0,400	0,000	0,400
Total Programme 2005		7,695	1,305	9,000	2,867	11,867	1,274	13,141

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2005 CBC RO with Hungary	CRIS RO 2005/017-536.01	INV	IB	Phare	National	Public	Benefy	Total
Economic and Social development		4,090	0,000	4,090	1,37	5,46	0,606	6,066
People to People/JSPF actions		0,000	0,660	0,660	0,220	0,880	0,100	0,98
Technical Assistance		0,000	0,250	0,250	0,000	0,250	0,000	0,250
Total programme 2005		4,090	0,910	5,000	1,59	6,59	0,706	7,296

2005 CBC RO with Moldova	CRIS	INV	IB	Phare	National	Public	Benefy	Total
Economic and Social Development	RO 2005/017-537.01.01	5,900	0,000	5,900	1,967	7,867	0,875	8,742
'People to people' Small Project Fund Joint	RO 2005/017-537.01.02	0,000	0,750	0,750	0,250	1,000	0,112	1,112
Technical Assistance	RO 2005/017-537.01.03	0,000	0,350	0,350	0,000	0,350	0,000	0,350
Total programme 2005		5,900	1,100	7,000	2,217	9,217	0,987	10,204

2005 CBC RO with Serbia&Montengro	CRIS	INV	IB	Phare	National	Public	Benefy	Total
Local Economic & Social Development (Priority 1)	RO 2005/017-538.01.01	4,200	0,000	4,200	1,400	5,600	0,623	6,223
People-to-people(JSPF) actions (Priority 2)	RO 2005/017-538.01.02	0,000	0,550	0,550	0,184	0,734	0,082	0,816
Technical Assistance	RO 2005/017-538.01.03	0,000	0,250	0,250	0,000	0,250	0,000	0,250
Total programme 2005		4,200	0,800	5,000	1,584	6,584	0,705	7,289