FINANCING MEMORANDUM

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

The Government of the Republic of Bulgaria, hereinafter referred to as "THE RECIPIENT" on the other part,

HAVE AGREED AS FOLLOWS:

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

ARTICLE 1 - NATURE AND SUBJECT

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

Programme number: 2002/000-624
Title: 2002 Cross-Border Co-operation Programme between Bulgaria and Greece
Duration: Until 30 November 2004

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of € 20 million hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 30 November 2004 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 disbursement of THE EC GRANT is 30 November 2005 with the exception of projects 2002/000-624-01Rehabilitation and Partial Reconstruction of Road II-19 “Razlog Bansko– Gotse Delchev – Sadovo, 2002/000-624-02Construction of Second tube of the Tunnel at km 327 on road E-79 (Dunipitsa By-Pass) and 2002/000-624-03 Provision of waste water treatment plant for Razlog where the disbursement expiry dates are 30 November 2006. All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of
the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the disbursement period of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.

**ARTICLE 4 - ADDRESSES**

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

**for the COMMUNITY:**

Delegation of the European Commission  
Mr Dimitris Kourkoulas  
Head of the EC Delegation  
9 Moskovska Street  
PO Box 668 BG  
1000 Sofia  
Bulgaria

Tel: (+359 2) 933 5252  
Fax: (+359 2) 933 5233

**for THE RECIPIENT:**

Ministry of Finance  
Mr Milen Velchev  
National Aid Coordinator  
102 Rakovski Street  
1040 Sofia  
Bulgaria

Tel: (+ 359 2) 9859 2900  
Fax: (+ 359 2) 987 0581

**ARTICLE 5 - NUMBER OF ORIGINALS**

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

**ARTICLE 6 - ENTRY INTO FORCE**

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

The Annexes shall be deemed an integral part of this Memorandum.
Done at Sofia
Date 15.04.2003

for THE RECIPIENT

Mr Milen Velchev
National Aid Co-ordinator
Minister of Finance

for THE COMMUNITY

Mr Dimitris Kourkoulas
Head of the EC Delegation in Bulgaria

Annex 1  Framework Agreement (with its annexes A and B)
Annex 2  Special Provisions
Annex 3  Information and Publicity
ANNEX 2 TO THE FINANCING MEMORANDUM
SPECIAL PROVISIONS

1. STRATEGY

In July 2002, a Joint Programme Complement (JPC) was approved by the Joint Monitoring Committee for the Greek-Bulgarian Cross-Border Cooperation Programme under the Community support Initiative Interreg III A and the PHARE CBC Programme. The following strategy and objectives were identified in the JPC:

The development strategy for the cross-border region took into account both advantages and disadvantages of the eligible areas on both sides of the border and concluded that it was necessary to include the following factors in any definition of the objectives of the Programme:

- The natural landscape of the region (large mountain masses, special climatic conditions) which hampers communication among the regions on each side of the border.
- The assumption that strengthening the economies of the eligible cross-border regions will avert the risk of their marginalisation and abandonment and will assist in their integration both within their national borders and in the single European territory which is currently evolving.
- The need to protect and utilise the natural and cultural environment of the region, in order to upgrade the quality of life both directly and indirectly (through the contribution to economic growth).

On the basis of these considerations, the general objective of the Programme was defined as follows:

The development of the region as a nucleus and nexus for peace, development and expansion of the European Economic Territory in the interior of the Balkans, the Black Sea region and the eastern Mediterranean.

On the basis of the above objective, the operational objective of the Programme is to:

Aid the social and economic cohesion and competitiveness of the eligible cross-border region.

More specifically, the specific goals, which will implement the strategy and lead to the attainment of the operational objective, are as follows:

1. Ending the geographical and communication isolation of the region.
2. The economic development of the region and the promotion of employment.
3. The functional upgrading of the region, in order to tackle the social, cultural and environmental impact of the current socio-economic changes.

The three specific goals of the Programme set out above will be implemented by means of interventions incorporated in the following 4 Priority Axes and 10 measures.

A. Aid for cross-border infrastructures
B. Support for economic development and promotion of employment
C. Improvement of quality of life in combination with upgrading of health services, protection of the environment and, and promotion of cultural resources.
D. Technical Assistance
<table>
<thead>
<tr>
<th>Priority Axis</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cross-border Infrastructures</td>
<td>1.1. Transport Infrastructures</td>
</tr>
<tr>
<td></td>
<td>1.2. Improvement of external border security</td>
</tr>
<tr>
<td>2. Economic Development and</td>
<td>2.1. Aid to business activities</td>
</tr>
<tr>
<td>Employment</td>
<td>2.2. Human Resources and promotion of employment</td>
</tr>
<tr>
<td></td>
<td>2.3. Cooperation among Educational and Research Institutions</td>
</tr>
<tr>
<td>3. Quality of Life / Environment /</td>
<td>3.1. Improvement of Quality of Life</td>
</tr>
<tr>
<td>Culture</td>
<td>3.2. Protection, promotion and management of natural environment</td>
</tr>
<tr>
<td></td>
<td>3.3. Highlighting and Promotion of cultural and tourist resources</td>
</tr>
<tr>
<td>4. Technical Assistance</td>
<td>4.1. Programme management</td>
</tr>
<tr>
<td></td>
<td>4.2. Technical Support</td>
</tr>
</tbody>
</table>

In order to attain the goals and implement the Programme emphasis will be laid on the following:

- Types of action that provide the eligible region with a comparative advantage.
- Synergy and complementarity among the actions of the programme, both within the programme and with other current programmes (Regional Operational Programmes, National Operational Programmes, Community Initiative Programmes).
- Integrated approach to the urban and rural space, which entails effective, integrated interventions.
- Promotion of innovative action895
- Aid for human resources.
- Conservation and utilisation of natural resources, in accordance with the principle of sustainability.
- Harmonisation with Community Legislation.

The development strategy of the Interreg III A / PHARE CBC Greece – Bulgaria Programme is consistent with the 2000-2006 Development Plan for Greece and the Bulgarian Economic Development Plan. The programme strategy is also in accordance to Community Policies for competitiveness, employment, equality and the environment.

2. OBJECTIVES, DESCRIPTION AND CONDITIONALITY

2.1. The wider objectives of the programme are:

- To promote good neighbourhood and stability between the CEEC countries and the Member States by funding projects which will yield tangible benefits to the regions and communities on both sides of the border;
- To promote co-operation with the CEEC regions bordering the European Union, helping these regions to overcome the specific development problems which may arise, *inter alia*, from their position within the national economies, in the interest of the local communities and in a manner compatible with the environment protection;
- To develop the economy of the border regions by enhancing the trade and the economic co-operation with special environmental consideration.
2.2. The specific objectives and results are reflected in the following priority areas:

- To continue to facilitate the movement of goods and people by rehabilitation of the access roads and infrastructure to the border crossings and by removing bottleneck on the main motorways on the road axis from Sofia to Thessalonica.

- To address local environmental problems that affect both sides of the border, such as, but not limited to, management of liquid waste disposal, and the integrated water management of the shared river basins (Mesta/ Nestos) that will improve the quality of life and the safety of the local population and protect the natural environment.

- To facilitate the cross-border co-operation of regional actors and agencies in the areas of civil society, culture, education, business, especially tourism, and environment trough the continuation of a Small Project Fund: projects 2002/000-624-05.

- To provide technical assistance through Project Preparation Facility projects.

2.3. Programme Description

The programme has been designed following bilateral contacts between Bulgaria and Greece, several consultations with EC Delegations in both countries and DG Enlargement recommendations reflecting the Commission Regulations No 2760/98, concerning the implementation of CBC programmes in the framework of the Phare programmes. The proposed projects selected for support in the Phare CBC Bulgaria-Greece 2002 Programme were discussed during several meetings at technical level and approved at the JMC meeting in Athens, 23 July 2002 (acting on behalf of the JSC).

2.3.1. Transport Infrastructure Projects:

Starting from 1994, thanks to the establishment of the Cross-Border programme between Greece and Bulgaria, substantial funds were made available to improve and strengthen the co-operation of the two border regions. In order to have a longer term strategic approach, reduce the isolation and encourage investments and cross-border trade, the governments of Bulgaria and Greece signed on 22 December 1995 a bilateral agreement, by which they agree to open three new border crossing links: Kurdjali – Komotini, Gotse Deltsve - Drama, and Rudozem – Xanthi. This bilateral agreement has since been the basis for the previous development of the Bulgaria-Greece border region. Consequently, each country has undertaken to carry out the necessary feasibility and technical studies in order to ensure appropriate road links to the proposed crossing points.

During the previous years, Phare CBC programmes and INTERREG programmes have contributed to the implementation of this bilateral agreement, by financing the construction of the first border crossing road (Gotse Deltsve – Drama):

- Under CBC BG/GR 1998 – 9 MEUR for the Bulgarian access road to Ilinden (on the border between Gotse Deltsve and Drama)
- Under CBC BG/GR 1998 – 3 MEUR for the new Bulgarian check point at Ilinden
- Under CBC BG/GR 1998 – 11.82 MEUR for Rehabilitation of E85 road
- Under CBC BG/GR 1998 – 23.20 MEUR for Rehabilitation of E79 road
- Under INTERREG II – Greek access road to Ilinden
- Under CBC BG/GR 2000 – 17 MEUR for the construction of the 17.67 Km access road (Podkova-Makaza) to the new border crossing between Greece and Bulgaria (Makaza - Nimfe)
- Under CBC BG/GR 2000 – 3 MEUR for the construction of a Cut & Cover tunnel at Gotse Deltsve - Drama border crossing.
- Under CBC BG/GR 2001 – 7 MEUR for the new Bulgarian check point at Makaza

The following project is a logical step forward to the achievement of the programme objectives.
With the rehabilitation and partial reconstruction of the proposed section of road II-19, the upgrading of the transport corridor from Drama on the Greek side will be completed. This will benefit the increased traffic flow that is expected to use the new Border Crossing Check Point «Ilinden». That, in turn, will create new opportunities for the Greek population (especially those from the border region) to strengthen their business relations with their Bulgarian counterparts, as well as to integrate the attractive tourist destination to the mountains on the Bulgarian side in the joint marketing of the CBC region, at reduced travel time and cost, with commensurate benefit to the Bulgarian tourist industry.

The development of the road network of Razlog, Bansko and Gotse Delchev municipalities within the Blagoevgrad district is a key issue in the overall strategy for improvement of the infrastructure in the CBC regions of Bulgaria as part of the programmes for sustainable social and economic development.

Since the area has a very high potential for tourism, the prospect for developing the local economy will increase significantly with the upgrading of the infrastructure. Temporary employment in the construction industry field will be created which will contribute to the further stability in the local labour market.

The construction of the new road also will improve the safety and the comfort of the passengers due to improved ride quality and will facilitate the traffic from and to Central Bulgaria through the new BCCP «Ilinden». Road II-19 is the main road link for the South West Region of Bulgaria, being the only high class road serving the traffic from and to Central Bulgaria using road E-79 and providing a link with Gotse Delchev via Bansko.

The positive and beneficial effects of the construction of the new road «Gotse Delchev – Drama» (Phare funded project with a total budget of 10.85 MEUR) and the new BCCP «Ilinden» (Phare funded project with a total budget of nearly 5 MEUR) will be mitigated by the current poor condition of the road section between Razlog (Bansko) and Gotse Delchev. The poor ride characteristics of the road due to extensive potholes, rutting, and inadequately maintained structures are affecting not only the comfort but also on the safety of the passengers. When the necessary funding for rehabilitation of the road II-19 is provided in the year 2002 under the Phare CBC Bulgaria – Greece 2002 programme, the project will be completed just in time to serve the expected considerable increase in the traffic flow after the opening of BCCP «Ilinden».

The proposed project consists of rehabilitation and partial reconstruction of 58 km of the existing II class road (II-19).

The project is in compliance with the priorities and measures of the JPD agreed during the Joint Cooperation Committee (Athens, 20 November 2000) and the JPC (Athens, 23 July 2002) and especially with Axis 1: Cross Border Infrastructures, Measure 1.1: Transport Infrastructures.

The project is in full relevance with government regional policy to promote and support the population in the border regions and with relevant Legal Framework.

The PHARE contribution will finance up to 9.3 MEUR, the rest of the financing up to 12.4 MEUR will be financed by the Bulgarian State Budget. For the Bulgarian contribution an additional contract will be signed with the same awarding company by PHARE procedures.

The disbursement period of this project is set on November 2006 so as to take account of the difficulties of rehabilitation and construction works in a mountainous area (winter). Given the urgency to finalise the project in coordination with the opening of the Ilinden – Exohi border crossing, the tender procedures under the project will commence immediately after the positive opinion of the Phare Management Committee.
The rehabilitation, strengthening and improvement of 87 km of the main road to and from Greece, E-79 between Dupnitsa and Kulata were possible due to Phare funded service and work contracts. The works will be finalised by the end of year 2002. Within the road section between Daskalovo and Dupnitsa, a 22 km tract is under rehabilitation, and another 18 km tract is under new construction. With the construction of the proposed new tunnel structure the process of upgrading road E-79 will be fully completed and will provide the traffic to and from the Bulgarian – Greek Border with safe and comfortable road with ride characteristics that correspond to EU standards. That will further increase the volume of the traffic crossing the border in both directions, which will lead to economic, social and cultural development of the Bulgaria – Greece cross border cooperation region.

The construction of the proposed tunnel structure will not only complete the improvement of the infrastructure of Dupnitsa ring road, but will also create new temporary job opportunities in the South West Region. Considering the fact that construction activities have been going on in the area for the last few years, there is readily available qualified labour to be engaged in the project. That will contribute to the further stability in the local labour market.

The tunnel to be constructed is situated at km 327 on the northbound carriageway of the dual two-lane carriageway of the Dupnitsa by-pass. A single carriageway tunnel exists on the southbound carriageway and the proposed new tunnel tube shall be constructed in parallel to the existing one.

Construction of the northbound tunnel tube has previously been attempted – following the completion of the southbound tunnel. However, serious problems were encountered – particularly with water leaks and collapse of the excavations – which necessitated abandonment of the works due to the inappropriate construction methods that were employed. When construction was abandoned, some 20 m of excavation works had been completed at the northern end and some 30 m – at the southern end of the tube.

The possibility of re-commencing the construction of the second tunnel tube was envisaged during the rehabilitation works referred to above. Additional investigations (including geo-technical surveys and studies) and preparation of preliminary design were included in the scope of the Tender Documents for the Technical Assistance contract for rehabilitation works. Following the studies and the production of preliminary design and relevant cost estimates, it was subsequently decided to skip the tunnel construction from the rehabilitation contract, as the scope of the works was considered to be beyond the terms of reference for basic rehabilitation. Since then, additional geological surveys and investigations have been carried out and the detailed design has been revised, updated and completed.

The current situation with only one tunnel tube open for the whole traffic is a serious bottleneck, as the road on both sides of the tunnel is dual two-lane one with design speed of 80 km per hour, which by necessity is reduced to 60 km per hour through the single tunnel tube. This is a totally unsafe and unsatisfactory situation.

Under the rehabilitation contract, the existing tunnel tube on the southbound carriageway was improved by the repair to water leakage damage, accommodation to deal with future water ingress, tunnel height dimensions, and modernisation and replacement of the tunnel lighting system.

The proposed project consists of construction of 0.275 km of tunnel at least to the same standards of safety and ride quality as the rehabilitated existing tunnel tube.

The project is in compliance with the priorities and measures of the JPD agreed during the Joint Cooperation Committee (Athens, 20 November 2000) and the JPC (Athens, 23 July 2002) and especially with Axis 1: Cross Border Infrastructures, Measure 1.1: Transport Infrastructures.
The project is in full relevance with government regional policy to promote and support the population in the border regions and with relevant Legal Framework.

The PHARE contribution will finance up to 3.8 MEUR, the rest of the financing up to 5.1 MEUR will be financed by the Bulgarian State Budget. For the Bulgarian contribution an additional contract will be signed with the same awarding company by PHARE procedures.

Conditionality for Phare assistance is the approval of a derogation by the EC for the project **Dupnitsa tunnel on the road Sofia – Kulata**. The proposed project is on the territory of Kyustendil district that that is outside the eligible region for Phare CBC assistance. The reasons for this project to be proposed for co-financing under Financial Memorandum 2002 are as follows:

- With the rehabilitation of the road E-79 that will be completed by the end of 2002 the ride characteristics of the whole road E-79 to the Bulgarian-Greek border will correspond to EU standards;
- The only bottleneck that remained on the road at Dupnitsa, where the two lanes road enters the single tunnel tube, will be eliminated.

The disbursement period of this project is set on November 2006.

The proposed project **2002/000-624-02, Dupnitsa tunnel on the road Sofia – Kulata** has been supported by the Greek counterpart and the necessary procedures for approval by European Commission have been already launched.

### 2.3.2. Environment projects

**2002/000-624-03: Provision of waste water treatment plant for Razlog**

The Government of Bulgaria has proposed a number of measures to improve the water quality in the Maritza, Struma and Mesta Rivers, and is implementing the EC Directive No. 91/271 and 76/464, N2000 EEC and the convention of protection and use of transboundary water and international lakes, which was signed in 1992.

As a priority, in the National Program for priority construction of Municipal Waste Water Treatment Plants for settlements with populations in excess of 10,000 equivalent inhabitants, it is proposed to initiate over 36 wastewater treatment plants. Among these Razlog is considered as priority. According to the existing classification in Bulgaria, Razlog is a town of the 3rd functional type. Razlog is a small town in south-western Bulgaria, with a population of about 13,000. The present pollution control statistics demonstrate that there is a need to provide wastewater treatment. The projected wastewater increase will lead to a progressively worsening situation and therefore it is necessary to take positive measures to reduce the current level of pollution and to control the future pollution of the Mesta River. The EU Urban Wastewater Directive also requires treatment for wastewater discharges from agglomerations greater than 10,000 people.

This investment is justified by the anticipated benefits to the natural resources development in the Mesta River basin and to the health of the community, as well as to the improvement of agriculture, fishing and property values.

The overall objective of the project is to improve the water quality in Biala River (Mesta River tributary) and to improve the quality of life of Razlog population in respect of EC Directive N 91/271EEC concerning urban wastewater treatment; EC Directive 76/464 EEC on the pollution of waters with hazardous substances and its daughter directives; Directive 2000/EEC for establishing of
framework for Community action in the field of water policy; Convention on protection and use of the transboundary water currents and the international lakes signed on 92/13.03.1992 with a decision of the Council of Ministries.

The purpose of the projects is:
- To construct a WWTP in Razlog in compliance with the EU requirements in the field of wastewater treatment;
- To improve environmental status of water quality in the receiving body;
- To prevent the pollution of the trans-border watercourse of Mesta River and to contribute to the improvement of the water quality;
- To improve the quality of life of Razlog population

The project is in compliance with the priorities and measures of the JPD agreed during the Joint Cooperation Committee (Athens, 20 November 2000) and the JPC (Athens, 23 July 2002) and especially with Axis 3: Quality of life/ Environment/ Culture, Measure 3.2: Protection, promotion and management of the natural environment. It is also in accordance with the EU requirements in the field of wastewater treatment.

As a result of the constructed WWTP under this project pollution prevention of the trans-border watercourse of Mesta River, contribution to the improvement of the water quality and improvement of environmental status of Biala and Mesta Rivers will be achieved.

The PHARE contribution will finance up to 4.8 MEUR, the rest of the financing up to 6.4 MEUR will be financed by the Bulgarian State Budget. For the Bulgarian contribution an additional contract will be signed with the same awarding company by PHARE procedures.

2002/000-624-04: Integrated management of the waters of Mesta/ Nestos river basin

The objective of the project is to provide compliance with the EU requirements and the bilateral agreement between Bulgaria and Greece in the field of water management. Such an objective will be achieved through preparation of Study for Integrated Management of the Waters of Nestos / Mesta River Basin.

This project is fully in line with the priorities agreed within the Joint Programming Document (JPD) and the JPC (Athens, 23 July 2002) under Axis 3 -Quality of Life /Environment/ Culture and measures for the "protection, conservation and promotion of the environment" measure 3.2.

The project will include the production of a feasibility study. This study should be the basis of the Draft master plan preparation for integrated management of the waters of Nestos/Mesta River Basin. The fieldwork will be implemented from each side separately for the corresponding geographical /acquisition, evaluation and treatment of data/. The Bulgarian part of the study like the similar Greek part of the Study will be part of the Draft master plan for integrated management of the waters of Nestos/Mesta River Basin after adoption from the government (required from Bulgarian Water Act concerning River basins water management plans).

The studies included in this proposal should be in relevance and comply with the European Standards according to EC water directives including water Framework directive and the Helsinki Convention for transboundarying water countries.

The Phare contribution will cover the total sum of 0.4 MEUR.
2.3.3 Social Economic Development

2002/000-624-05: Small Projects

With a view to strengthen the local cross-border co-operation of the two border regions, Greece and Bulgaria decided during the Joint Cooperation Committee (JCC) meeting (Athens, 20 Nov. 2000) to start to implement a SPF. This scheme will finance “soft” projects: business co-operation, enterprise development, technology transfer and marketing for small and medium size enterprises, training, employment, measures for health and cultural exchanges, improvement of information flow and communications between border regions etc.

The Small Projects Fund (SPF) supports the key objectives of the Greek Interreg III Programme and Bulgarian Phare CBC Programme, namely to help the border regions to overcome specific development problems resulting from their relative isolation in the framework of national economies. It also supports 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 SPF plays a key part in the process of preparation of the Bulgaria for accession, in particular through the capacity building dimension of local/regional actors and creating "integration-minded" border regions. The project represents thus an important element in the preparation of Bulgaria for the adoption of Structural Funds. In addition, the project supports the social and economic integration and contributes to the removal of existing disparities between the border regions of the countries.

This project is fully in line with the priorities that are indicated in the Joint Programming Document (JPD, Athens, 20 Nov. 2000) and the JPC (Athens, 23 July 2002). The JPD and JPC constitute the general framework for the co-operation between the two countries and the SPF was agreed within the priorities included in the Axis 2 “Economic Development and Employment”.

The SPF Steering Committee will act as the decision making body for the Phare Small Project Fund. The SPF Steering Committee will be composed with representatives of the relevant Bulgarian and Greek border regions. Details of decision-making procedures which will be set for this type of action will be prepared according to the Phare requirements concerning Small Project Funds (Practical Guide for Phare, Ispa and Sapard contracting procedures – section 6 “Grant Schemes”).

The project will support the financing of the selected small-scale “people-to-people” projects (project located in the Bulgarian border region, or Bulgarian contribution to common Bulgarian-Greek projects) as well as the administrative costs for operating the fund.

The total cost of the project is estimated 0.945 MEUR, of which Phare contribution is earmarked for 0.850 MEUR. Concerning administrative support for operating the fund, up to 7% of the Phare contribution may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

Grant schemes for the SPF will be subject to verification and approval by the European Commission Delegation in conformity with relevant provisions of the 2002 Programming Guide.
2.3.4. Technical assistance

**2002/000-624-06: Project preparation facility**

The Project Preparation Facility (PPF) will support the preparation of projects within the 2003 and 2004 Cross-Border Co-operation Programme with Greece and will promote the key objectives of the multi annual perspective further detailed in the Joint Programming Document approved on 27 December 2001 by the European Union. In line with the Joint Programme Complement agreed by the Joint Monitoring Committee of the Cross-Border Programme INTERREG III A - PHARE-CBC Bulgaria – Greece on 23 July 2002 it will be focused on all programme axes and measures, therefore contributing to develop the co-operation with Greece and the accession preparation of the Republic of Bulgaria.

The purpose of the project is to strengthen the capacity to prepare adequate programmes and projects in the context of 2003 and 2004 Cross-Border Co-operation Programmes between Bulgaria and Greece.

Support the relevant authorities to prepare a pipeline of mature projects in all programme axes and measures that will be proposed for the future Phare CBC programme aims in particular:

- to provide technical assistance to the Implementing Agency for project preparation;
- to establish and develop of co-operative networks on both sides of the border.

4.4. Overall programme conditionalities

Before the Financing Memorandum between the Commission and the Government of Bulgaria is signed, the National Aid Coordinator will satisfy the Commission that it is taking adequate steps to staff and resource adequately the National Fund, CFCU, other Implementing Agencies and project management units involved in implementing this programme.

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

All projects involving the supply of equipment and works require national co-financing as shown in the relevant project fiche. If the total cost of such equipment or works turns out to be less than the amount envisaged in the fiche, the amount of Phare support will be reduced to maintain unchanged the relative proportions of Phare support and national co-financing shown in the fiche. If the total cost turns out to be greater than the amount envisaged in the fiche, the extra support required will be provided by additional national co-financing.

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

All investment projects which, according to the rules stipulated in Directive 85/337/CEE, as amended by Directive 97/11, require an Environmental Impact Assessment should be the subject of such an assessment. If the directive has not yet been fully transposed, the procedure should be similar to that established by the above-mentioned Directive.
All investment projects shall be carried out in compliance with the relevant Community environmental legislation. The Project Fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

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

3. BUDGET

The following table specifies the EU contribution as well as national co-finance to the programme.

<table>
<thead>
<tr>
<th>CRIS n°.</th>
<th>CAD Code</th>
<th>Priority / Project Title</th>
<th>PHARE 2002</th>
<th>National Co-financing in M€</th>
<th>Total in M€</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Institution Building</td>
<td>Investment</td>
<td>TOTAL</td>
</tr>
<tr>
<td>Transport infrastructure</td>
<td></td>
<td>Rehabilitation and Partial Reconstruction of Road II-19 “Razlog – Bansko – Gotse Delchev – Sadovo</td>
<td>0.9</td>
<td>8.4</td>
<td>9.3</td>
</tr>
<tr>
<td>Transport infrastructure</td>
<td>2002/000-624-02</td>
<td>21020</td>
<td>Construction of Second tube of the Tunnel at km 327 on road E-79 (Dupnitsa By-Pass)</td>
<td>0.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>2002/000-624-03</td>
<td>14020</td>
<td>Provision of waste water treatment plant for Razlog</td>
<td>0.63</td>
<td>4.17</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>2002/000-624-04</td>
<td>14010</td>
<td>Integrated management of the waters of Mesta/ Nestos river basin</td>
<td>0.4</td>
<td>0</td>
</tr>
<tr>
<td>Social Economic Development</td>
<td>2002/000-624-05</td>
<td>43020</td>
<td>Small Project Fund</td>
<td>0.0595</td>
<td>0.7905</td>
</tr>
<tr>
<td>Technical assistance</td>
<td>2002/000-624-06</td>
<td>33010</td>
<td>Project Preparation Facility</td>
<td>0.85</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>3.2395</td>
<td>16.7605</td>
<td>20.0</td>
</tr>
</tbody>
</table>

4. IMPLEMENTATION ARRANGEMENTS

a) Financial and Project Management by the Candidate Country

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures\(^1\).

The National Aid Co-ordinator (NAC) will have overall responsibility for programming, monitoring and implementation of Phare programmes. The National Authorising Officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the DIS Manual and other instructions of the Commission, and that all

---

\(^1\) taking into consideration the rules set down in the annex of Council Regulation 1266/1999

13
contracts are being prepared in accordance with the Practical Guide for PHARE, ISPA and SAPARD.\textsuperscript{2}

The NAC and the NAO shall be jointly responsible for co-ordination between PHARE (including PHARE CBC), ISPA and SAPARD. The National Fund (NF) in the Ministry of Finance, headed by the NAO, will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The NAO shall have overall responsibility for financial management of the PHARE funds. He shall ensure that the PHARE rules, regulations and procedures pertaining to procurement, reporting and financial management as well as Community state aid rules are respected, and that a reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The NAO shall have the full overall accountability for the PHARE funds of a programme until the closure of the programme.

b) Project size

All projects will be greater than 2 M€, except those in the following areas:

a) Integrated management of the waters of Mesta/ Nestos river basin

b) Joint Small Project Fund

c) Project Preparation Facility

where the Bulgarian Ministries concerned cannot utilise as much as 2M€.

c) Contracting and disbursement deadline

All contracts must be concluded by 30 November 2004. All disbursements must be made by 30 November 2005.

In the cases of the following projects, however, disbursements must be made by 30 November 2006. Justification is provided in the project fiches:

2002/000-624-01 Rehabilitation and Partial Reconstruction of Road II-19 "Razlog – Bansko – Gotse Delchev – Sadovo"

2002/000-624-02 Construction of Second tube of the Tunnel at km 327 on road E-79 (Dupnitsa By-Pass)

2002/000-624-03 Provision of waste water treatment plant for Razlog

These extensions of disbursement period are needed to take into account the duration of works (impossibility to work in winter during several months) and the Defect Liability Period of one year after the completion of works.

d) Recovery of Funds

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

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

\textsuperscript{2} The Practical Guide has replaced section F ("Procurement") of the DIS Manual
Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure for which the Commission’s approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

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

(a) reduce or cancel any advance;

(b) cancel all or part of the assistance granted to the measure.

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

Any funds not used by the expiry date of the programme will be recovered by the Commission. A final written declaration with supporting documentation shall be issued by the NAO just after the end of the disbursement period of the Financing Memorandum showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed.

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

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of notification. If the NAO does not repay the amount due to the Community, the beneficiary country shall refund this amount to the Commission. Interest on account of late payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

e) Financial Flows

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

a) Transfer of Funds to the National Fund

A payment of up to 20% of the funds to be managed locally* will be transferred to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IA) Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function will be carried out.

Two replenishments will be made of up to 30% of the funds to be managed locally* and the final payment of up to 20% or the full balance of the budget whichever is the lesser amount. The first

* excluding the amount foreseen for the Community programmes
replenishment will be triggered when 5% of the budget\(^*\) has been disbursed by the IAs and the CFCU. The second replenishment may be requested when 35% of the total budget\(^*\) in force has been disbursed. The final third replenishment will be paid when 70% of the total budget\(^*\) in force is disbursed. Exceptionally the NAO may request an advance payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no replenishment may be made if the trigger points mentioned above have not been respected.

\(b)\) Transfer of Funds to the Implementing Agencies

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

Each individual FA will be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU/IA there will be no transfer of funds from the NF to the CFCU/IA. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

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

The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

\(c)\) Interest

In principle, all bank accounts\(^3\) will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme.

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

The Implementing Agency of the CBC Phare programme of the Ministry of Regional Development and Public Works on the Bulgarian side will be responsible for all programmes and sub-programmes.

\(g)\) Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive\(^4\) 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

\(^{3}\) in particular, but not exclusively, accounts run by the NF, the CFCU and IAs

directive. If a project would fall within the scope of annex I or annex II of the EIA Directive, the
carrying out of the EIA-procedure must be documented\(^5\).
If a project is likely to affect sites of nature conservation importance, an appropriate assessment
according to Art. 6 of the Habitats-Directive\(^6\) must be documented\(^7\).
All investment projects shall be carried out in compliance with the relevant Community
environmental legislation. The Project Fiches will contain specific clauses on compliance with the
relevant EU-legislation in the field of the environment according to the type of activity carried out
under each investment project.

**h) Special rules for certain components for the programme**

The Joint Small Projects Fund will not include physical investments other than small infrastructure
not generating substantial net revenue.

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

**5. MONITORING AND EVALUATION**

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

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

The Commission services shall ensure that an ex-post evaluation is carried out after completion of
the Programme.

**6. AUDIT AND ANTI-FRAUD MEASURES**

**a) By the Candidate Countries**

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

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

\(^5\) in **Annex EIA** to the corresponding investment project fiche
\(^6\) DIR 92/43/EEC; OJ 206/7; 22.7.1992
\(^7\) in **Annex Nature Conservation** to the corresponding investment project fiche
Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

Irregularity shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

(i) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities,

(ii) non-disclosure of information in violation of a specific obligation, with the same effect,

(iii) the misapplication of such funds for purposes other than those for which they are originally granted.

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94\textsuperscript{11}.

In particular, all suspected and actual cases of fraud and irregularity as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud and irregularity to report, the beneficiary country shall inform the Commission of this fact at the end of each quarter.

b) By the Commission

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and audits by the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Candidate Country concerned and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96\textsuperscript{12}.

The accounts and operations of the National Fund, and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission's discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the "General Conditions relating to the Financing Memorandum" attached to the Framework Agreement.

7. VISIBILITY / PUBLICITY

The appropriate Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the European Commission Delegation. Further details are at the Annex 'Visibility/Publicity (Annex 3).

\textsuperscript{11} OJ L 178; 12.7.94; p. 43-46
\textsuperscript{12} OJ L 292; 15.11.1996; p. 2-5
8. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons, which are within the control 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 re-allocate unused funds for other purposes consistent with the objectives of the Phare Programme.

Almost all the appropriate structures for implementation and management have already been set up during the previous CBC programme, proving that parties involved are able to co-operate to fulfil the proposed objectives. A letter of commitment will accompany every project approved by JSC, stating the fact that local co-financing will be made available by the beneficiaries.

Each construction project will include adequate independent supervision of projects. Works will be tendered to pre-qualified contractors with relevant financial capacity, and technical and FIDIC experience.
ANNEX ON

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

1. Objective and scope

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

2. General principles

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

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

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


Specific provisions concerning ISPA are included in:


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

3. Information and publicity concerning Phare programmes

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

The costs of information and publicity relating to individual projects shall be met from the budget for those projects.
When Phare programmes are implemented, the measures set out at (a) and (b) below shall apply:

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

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

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

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

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

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

- measures to make potential beneficiaries and the general public aware of Phare, Ispa or Sapard assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.

- measures targeting applicants for public aids part-financed by Phare, ISPA or SAPARD in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Phare, ISPA or SAPARD Programmes in accordance with the provisions outlined above.

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

4.1 Business circles

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

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

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

Forms

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

4.3 The general public

The media

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

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

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

Information events

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

Information material

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

Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.
Such publications shall refer to the national and regional bodies responsible for informing interested parties.

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

5. **Special arrangements concerning billboards, commemorative plaques and posters**

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

**Billboards**

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

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

**Commemorative plaques**

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

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

6. **Final provisions**

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

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