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 Czech Republic, 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 of 6th August 1997 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: CZ9805
Title: Cross Border Cooperation 1998 Czech Republic - Austria
Duration: Until 31 December 2000

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 2.9 MECU 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 31 December 2000, 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 31 December 2001. All disbursements must be completed by this date. 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 to the Czech Republic
Pod Hradbami 17
160 00 PRAHA 6
Czech Republic

Fax: 00420/2/2431 2850

for THE RECIPIENT:

Ministry of Finance of the Czech Republic
National Co-ordinator of Foreign Assistance
Letenská 15
118 10 PRAHA 1
Czech Republic

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 Prague
Date

for THE RECIPIENT
Ivo Svoboda
The Minister of Finance
of the Czech Republic

Done at Prague
Date

for THE COMMUNITY
Hans Van Den Broek
Member of the European Commission

Annex 1 Framework Agreement (Annexes A & B)
Annex 2 Special Provisions (Annex C)

New orientations for Phare - Decentralised Implementation - First Discussion Draft
ANNEX C - SPECIAL PROVISIONS

1. Programme Objectives and Description

1.1 Programme Objectives

General Objectives

The general objective of the Phare cross border co-operation programme (Article 3, Commission Regulation No. 1826/94) is to promote co-operation between border regions of the European Union and adjacent regions of Central and East European Countries. The programme seeks to help these 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.

Specific Objectives

More specifically, as specified in the Multi-annual Indicative Programme, the objectives of the Phare Cross Border Co-operation Programme for the Czech Republic and Austria are:

- to support the Czech Republic’s transformation process and to facilitate the process of integrating the Czech Republic into the European Union;
- to support the further development of the economic potential of border regions by strengthening existing structures, increasing the competitiveness of Czech enterprises, and reviving the overall economy on both sides of the border;
- to overcome problems burdening the border areas, including pollution of the environment and inadequate infrastructure that has an impact on both sides of the border;
- to reduce the peripheral character of these areas, thereby improving the quality of life and creating a co-operative network on both sides of the border;
- to support and/or develop broad patterns of co-operation to secure sound relations between neighbours.

1.2 Programme Description

In accordance with economic and social evaluations of the border area, the MIP identifies a total of seven priority areas that reflect a high level of complementarity with the corresponding INTERREG II programmes for Lower and Upper Austria. The following priorities have been selected:

- Transport
- Technical Infrastructure
- Environment
- Socio-economic development
- Agriculture and Rural Development
- Human resources
- Programme management and technical assistance
In accordance with the MIP, the main focus of the programmes during 1995 to 1998 (I) was on measures/projects in the priority areas of transport, environment, technical infrastructure and socio-economic development, complemented by few projects in the areas of agriculture and rural development, human resources and small projects. The 1998 programme focuses on the establishment and support of funding mechanisms in such areas which have not been sufficiently covered under the previous programmes: rural development, and small projects funds (people-to-people actions). The setting-up of flexible funding schemes aims also at the acceleration of implementation of the CBC programme, based on the positive experience with the first year of the small projects funds.

The 1998 (II) programme includes allocations for two Funds, complemented by commitments for the Czech Republic’s participation in the framework of INTERREG II C and a small allocation for supporting the programme management. All projects to be supported under the funds will be cofinanced from Czech sources, primarily from resources of the communities in the Czech - Austrian border region and of the Czech Government. The Joint Programming and Monitoring Committee (JPMC) agreed on the programme composition on 17 April / 05 May 1998. The criteria for project selection will respect the criteria that are defined in the Multi-annual Indicative Programme (MIP). The criteria include, for example, the cross border impact of projects (including their complementarity with INTERREG II), methods of project co-financing, and project impact on the environment.

An initial screening has been carried out to assess the programme’s effect on Small and Medium Enterprises. As a result, a fuller assessment is not required. The implementation of the rural renewal fund and of the small projects fund will contribute directly and indirectly to the creation and growth of small and medium businesses.

The following projects have been approved by the Joint Programming and Monitoring Committee. The projects are summarised in fiché format in annex to this document and a summary table identifying all projects put forward for support during 1998 is also provided.

### 1.2.1 Programme for the Renewal of Rural Areas (PRRA)

The general objective of the Programme for the Renewal of Rural Areas is to support the further development of the economic potential of the border regions and to help to overcome problems in the border area and to reduce the peripheral character of these areas, thereby improving the quality of life and creating a cooperative network on both sides of the border. Specific objectives are the preservation and further development of local traditions and social life and enhancing the sense for responsibility for the immediate environment; the promotion of the local economies based on own resources and efforts; strengthen the self-help capacities; the rehabilitation and protection of the cultural characteristics of rural settlements; the improvement of the local infrastructure, of the local environment; maintenance, renewal and utilisation of the natural productive potential; and the renewal of local cooperation across the border with a view to improve jointly the common living conditions.

To this end, the programme will support the following types of measures:

1. Integrated projects of rural micro-regions: Grants will be provided for the preparation and implementation of projects integrating the restoration of public utilities and technical infrastructure with active employment policies, measures to support SME, policies aimed
at agribusiness development and landscaping. Such integrated projects will cover a number of municipalities (micro-region) which, for the purpose of the project, form an association and will be represented by one of the municipalities; at least 60% of the funds will be used for projects of rural micro-regions.

(2) Improvement of village infrastructure: The programme will support the maintenance and restoration of council housing and public utilities in rural areas such as: town halls; schools; kinder-gardens; sports facilities; cultural facilities; healthcare facilities; social services facilities; residential buildings; fire stations; fire reservoirs; religious buildings; cemeteries; public transport waiting rooms; small architectural projects; others. The complex improvement of public areas, the renewal or new establishment of green areas, the rehabilitation of local communications, of cycle and pedestrian trails, and the rehabilitation and construction of public lighting will also be eligible under the scheme; some 30% of the funds will be used for these actions.

(3) Grants for the elaboration of urban studies and land use plans which will be provided for research, analyses and concepts of land use plans or of urbanistic studies of the community area or of the micro-region; in respect of national heritage areas and zones located within rural area, up to one half of the costs will be covered under the programme provided that the grant shall be determined upon a rough calculation of costs connected with the elaboration of the documentation concerned.

(4) Training and technical assistance: eligible are community projects in the area of training and consultancy services within the scope of rural and village development. Support will be provided in particular for such training and advisory services that go beyond the boundaries of a particular village and have importance for the micro-region as a whole, for development cooperation of villages within the given district and/or with neighbouring villages from across the border; max. 10% of the funds will be used for actions under (3) and (4).

The Phare contribution for individual projects will not exceed 50.000 ECU or 49% of the total project cost; up to 30% of the project cost will be financed out of the Government programme, and at least 21% will be covered from the recipient’s own resources. Given the specific nature of the PRRA, the Czech public procurement rules will apply for the implementation of individual projects under the fund (see point 3).

At least 20% of the overall Phare contribution will be used for projects with a genuine cross-border character; the cross-border impact will be an important selection criterion for all projects. The Austrian border regions will be involved in the selection of individual projects.

1.2.2 Small Projects Fund (SPF)

The general aim of the SPF is the support of ‘people to people’ projects and non-investment projects within the Phare CBC programme. The purpose of the support of these projects is to broaden the field of activity of the CBC programme, to encourage local involvement and to facilitate the implementation of small-scale actions which may constitute the basis for larger cross-border cooperation projects. The SPF aims also at the building and developing of specialist resources of local and regional institutions involved in regional development, groundwork and implementation of cross-border projects in line with EU practice.
The specific SPF objectives in the Czech Republic are in accordance with regional priorities: the development of cultural and youth co-operation between neighbouring regions on both sides of the border; support for actions aimed at local and regional socio-economic development; the support of educational activities for institutions and individuals involved in local/regional development, in local government and in organisations of public interest.

Small Project Funds have been established in the three Czech-Austrian border regions Šumava, South Bohemia and South Moravia. On the basis of the Commission's General Guidelines for Small Projects Funds, issued in April 1997, the Ministry for Regional Development, in close cooperation with the border regions, developed specific Czech Guidelines for the operation of the SPF in the Czech Republic. These guidelines were approved by the Commission in July 1997. Subsequently, decentralised SPF's were established in all of the above border regions.

There have been two allocations to the SPF: 0.4 MECU under the CBC programme CZ 9605 (these funds have been fully committed during two rounds of applications end 1997/beginning of 1998) and 0.6 MECU under the CBC programme CZ 9801 (this amount will be largely committed until the end of 1998). The new allocation of 1.0 MECU proposed as part of the 1998 (II) programme will cover the needs from the beginning of the year 1999, some of the regions may even draw from the new budget already in 1998.

The following measures are eligible under the SPF: Cultural exchanges; measures in support of local democracy and municipal administration; human resources development; planning and development studies; economic development and tourism; environment. Infrastructure works and salaries of staff of beneficiary organisations are excluded from financing; equipment may be financed only up to 50% of the project's overall value.

The minimum co-financing contribution of the beneficiary to the project is 10%; the minimum contribution of the beneficiary to the administrative costs (Secretariat) is 5% of the project's value. The minimum Phare contribution per project is 1,000 ECU, the maximum contribution is 50,000 ECU. Within these limits, the regional Steering Committee may establish differing limits (in particular lowering the maximum contribution of Phare, keeping in view the overall amount available, and increase of the beneficiary's own contribution).

The SPF will be implemented in accordance with the General Guidelines of the Commission for Small Projects Funds and with the Czech Guideline for the SPF, endorsed by the Commission.

1.2.3 Institutional Support, Studies

The programme will support the further strengthening of the local and regional institutions and their development capacities. This has become particularly urgent after the adoption of the law on the creation of regions with self-government during the next two years. In addition, the government has adopted new principles of regional policies and decided that Regional Development Agencies should be established and - where already in existence - strengthened as a major tool to foster regional development, to implement government programmes and to facilitate decision-making and consensus building in the regions. The Ministry for Regional Development is currently undertaking a review of the needs and potentials of Regional Development Agencies and to prepare on this basis a concrete set of measures (technical assistance, training, networking with similar EU institutions.
equipment) to be implemented end 1998 and during 1999. Under the Programme, these measures will be supported for the institutions within the Czech-Austrian border regions. Eligible for support under this budget line are: (1) cofinancing of training measures for partners in the regions (investors, development agencies, personnel of other institutions relevant for the programme); (2) institution-building measures in the border regions in the context of regional development and strengthening cross-border partnership; (3) complementary measures to improve programme/project preparation and implementation (e.g. feasibility studies, local/regional development plans, programme reviews, audits, impact analysis, project evaluation); (4) institution-building measures in the context of preparation for EU Structural Funds.

The programme will also support the Czech participation in programmes and projects launched in the framework of INTERREG II C. The Ministry for Regional Development is responsible for spatial planning and also for transnational cooperation in this field. Working contacts with German and Austrian partners are already well advanced. Budget resources of the Ministry have been set aside for cofinancing the Czech part of common projects on large-scale spatial planning; these projects will concern in particular the elaboration of strategies and measures for developing complex areas alongside river basins (Labe, Odra, Danube, Morava).

1.2.4 Programme Management

Provision of financial support for the Implementing Agency (IA) is also proposed in order to assure the effective implementation and monitoring of the programme. This has become particularly important due to the growing number, scale, and complexity of supported projects. The funds under this budget line will be used for: (1) cofinancing contribution for covering the operational costs of the IA on a decreasing scale; (2) support of the IA through technical assistance, long-term and short-term; (3) contributions to other costs necessary for the effective functioning of the IA. The programme also includes an allocation for the checking of technical specifications, tender dossiers and contracts and for the participation in evaluation committees. The Ministry for Regional Development and the Commission have agreed on a Memorandum of Understanding, signed on 18 December 1997, concerning the cofinancing of the operational costs of the IA during the period 1998 - 2000. The rules and principles established in this Memorandum apply also for the programme management provision under this programme; in particular, the Ministry will cover all operational costs from its own resources as from the year 2001. In accordance with the above Memorandum of Understanding a breakdown of costs will be prepared allowing the funding to be provided.
2. **Budget**

The total financial commitment under the **Phare CBC Programme 1998 Czech Republic - Austria** in support of the Projects described in section 1 above amounts to **2.90 MECU**, as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-Programme/Projects</th>
<th>Total Cost (MECU)</th>
<th>Phare Allocation (MECU)</th>
<th>Indicative split between IB/Inv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Renewal of Rural Areas</td>
<td>3.06</td>
<td>1.50</td>
<td>0.15 1.35</td>
</tr>
<tr>
<td>02</td>
<td>Small Projects Fund</td>
<td>1.16</td>
<td>1.00</td>
<td>1.00 0.00</td>
</tr>
<tr>
<td>03</td>
<td>Institutional Building Support, Studies</td>
<td>0.45</td>
<td>0.34</td>
<td>0.34 0.00</td>
</tr>
<tr>
<td>03.1</td>
<td>Institution Building</td>
<td>0.25</td>
<td>0.19</td>
<td></td>
</tr>
<tr>
<td>03.2</td>
<td>INTERREG II C participation</td>
<td>0.20</td>
<td>0.15</td>
<td></td>
</tr>
<tr>
<td>04</td>
<td>Programme Management Support</td>
<td>0.12</td>
<td>0.06</td>
<td>0.06 0.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>Phare CBC Programme Czech Republic-Austria 1998 (II)</td>
<td>4.79</td>
<td>2.90</td>
<td>1.55 1.35</td>
</tr>
</tbody>
</table>

3. **Implementation Arrangements**

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures. The Government will appoint a National Aid Co-ordinator (NAC) to have overall responsibility for programming, monitoring and implementation of Phare Programmes.

A National Fund (NF) will be established in the Ministry of Finance, headed by the National Authorising Officer (NAO). The NF will supervise the financial management of the Programme, and will be responsible for financial reporting to the European Commission. Appropriate financial control shall be carried out by the competent National Financial Control Authority with respect to the implementation of the programme.

The EC will transfer funds to the NF in accordance with a Memorandum of Understanding to be signed between the EC and the Government of the Czech Republic. Funds will be transferred following requests from the NAO. A payment of up to **0.58 MECU** will be transferred by the EC to the NF following signature of the Financing Memorandum. Four replenishments will be made of up to 0.58 MECU or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 10% of the total budget has been disbursed by the Implementing Agency (IA). The second replenishment may be requested when 30% of the total budget in force has been disbursed. The trigger point for the third replenishment is 50%, and for the final fourth instalment when 70% is disbursed. Save for express prior authorisation from the Commission HQ, no replenishment request may be made if the aggregate of the funds deposited in the NF and the IA exceeds 10% of the total budget in force of the commitment. Exceptionally the NAO may request an advance payment of more than 20% in accordance with the procedures laid down in the aforesaid Memorandum of Understanding.

The Ministry for Regional Development in conjunction with its Centre for Regional Development will be the IA for the Programme.
The NF will transfer funds to the IA in accordance with the Financing Agreement (FA) signed between the NF and the IA. Each individual FA will be endorsed in advance by the EC. In cases where the NF is itself the paying agent for the IA there will be no transfer of funds from the NF to the IA. The IA will be headed by a Programme Authorising Officer (PAO) nominated by the Minister for Regional Development and appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the IA.

A separate interest bearing bank account, denominated in ECU will be opened and managed by the NF in a separate accounting system in a bank agreed in advance with the EC. Interest will be reported to the EC; if the EC so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures will apply to any funds transferred from the NF to the IA.

Taking into account the characteristics of the projects and their cofinancing nature, the tendering and contracting of the works for the projects as described under point 1.2.1 (PRRA) will be carried out by the recipient in accordance with the Czech Procurement Law together with the following additional conditions which must be observed:

(a) all contracts of an expected total value exceeding 50,000 ECU must be awarded following an open tendering procedure;

(b) every such open tender will be announced in the local press, including a publication in a European Union language newspaper issued in the Czech Republic;

(c) the Phare Programme rules of eligibility and origin must be complied with which means that companies must be registered in an European Union Member State or a Phare beneficiary country, and all goods supplied must have a certificate of origin to state that the goods were manufactured in an European Union Member State or a Phare beneficiary country.

For these projects the IA will issue an operational manual to be approved by the European Commission which will constitute the binding procedure to be followed by the Secretariats.

The projects as described under point 1.2.2 (SPF) will be implemented in accordance with the General Guidelines of the Commission for Small Projects Funds and with the Czech Guideline for the SPF, endorsed by the Commission.

The NAO and the PAOs will ensure that all contracts are prepared in accordance with the procedures set out in the DIS Manual if not otherwise stated in the Financing Memorandum.

All contracts must be concluded by 31 December 2000 at the latest, with disbursements concluded by 31 December 2001 at the latest.

Any funds not used by the expiry date of the programme will be recovered by the Commission.

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.

4. Monitoring and Assessment

A Joint Programming and Monitoring Committee (JPMC) has been established in accordance with the Commission Regulation No. 1628/94 of July 4, 1994, and with the Joint Declaration of Intent. It includes representatives of the Czech Government (i.a. the Czech Co-Chairman of the JPMC, the NAO, the NAC, and regional representatives), of the Austrian Government (i.a. the Austrian Co-Chairman of the JPMC, representatives of Upper and Lower Austria and of the border regions), and of the EC. The JPMC meets at least once a year to review all Czech-Austrian CBC Programmes in order to assess their progress towards meeting the objectives set out in Financing Memoranda and the Declaration of Intent. The JPMC may recommend a change of priorities and/or the re-allocation of Phare funds.

On the Czech side, the JPMC will be assisted by a Monitoring Sub-Committee (MSC) which will include the NAC, the PAO of the CBC Programmes and the EC. The MSC will review in detail the progress of each Programme, including its components and contracts, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultants (in accordance with the provisions of the DIS Manual), and will put forward recommendations on aspects of management and design, ensuring these are effected. The MSC will report to the JPMC, to which it will submit overall detailed reports on all Czech-Austrian CBC Programmes.

5. Audit, Monitoring and Evaluation

The accounts and operations of the NF, and, where applicable, the CFCU and all relevant IAs may be checked at the EC’s discretion by an outside auditor contracted by the EC without prejudice to the responsibilities of the EC 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.

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

6. Visibility/Publicity

The appropriate PAO 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 EC Delegation. Further details are at annex 5.

7. Special Conditions
In the event that agreed commitments are not met for reasons which are within the control of the Government of the Czech Republic, the EC may review the Programme with a view, at the EC’s discretion, to cancelling all or part of it and/or reallocating unused funds for other purposes consistent with the objectives of the Phare programme.
Annex on information for inclusion in Phare Financing Memoranda

INFORMATION AND PUBLICITY FOR THE EUROPEAN UNION’S PHARE PROGRAMME

1. Objective and scope

Information and publicity measures concerning assistance from the European Union’s 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 European Union’s 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 cooperation with the Commission’s 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 Commission’s 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;


Information and publicity measures must comply with the provisions of the Information Handbook for European Commission Delegations in Central Europe. The relevant sections of the Information Handbook will be annexed to all contracts related to works and supplies.

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 Commission’s 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, in accordance with the provisions of the Information Handbook.

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

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

- billboards erected on the sites, to be installed in accordance with the provisions of the Information Handbook

- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the Information Handbook.

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

- measures to make potential beneficiaries and the general public aware of Phare assistance, in accordance with the provisions of the Information Handbook;

- measures targeting applicants for public aids part-financed by Phare, 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 Programme, in accordance with the provisions of the Information Handbook.

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 cooperation 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 Programme, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Phare Programme. 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 in particular. Phare 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 Commission’s 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 Programme 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 Commission’s 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 should, on the title page, contain a clear indication of the EU’s 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 Phare’s 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 Programme, 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 ECU 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’s 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 Information Handbook.

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 provisions contained in the Information Handbook.

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’s part-financing together with a mention of the Phare Programme.

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 ECU 1 million, the EU’s and Phare’s 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 Commission’s 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.