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: CZ0013
Title: 2000 Phare Cross-Border Co-operation Programme for the Czech Republic-Poland
Duration: Until 30/11/2002

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 5 MEUR 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 30/11/2002 (Expiry Date for Contracting) subject to the provisions of his 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 30/11/2004 (Expiry Date for Disbursements). 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:

European Commission Delegation in the Czech Republic  
Pod Hradbami 17  
160 00 Praha 6  
Czech Republic  
Tel: +4202-2431 2835  
Fax: +4202-2431-2850

for THE RECIPIENT:

Ministry of Finance of the Czech Republic  
National Aid Co-ordinator,  
Letenska 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 18/11/01  
for THE RECIPIENT  
Jan Mladek

Done at Prague  
Date 29/12/00  
for THE COMMUNITY  
Ramiro Cibrian  
STEPHEN COLLINS  
CHARLÈ D’AFFAIRES, RC DELEGATION
The Deputy-Minister of Finance
Delegation of the Czech Republic
Encl.

1. Framework Agreement (Annexes A & B)
2. Special Provisions (Annex C)
ANNEX C – SPECIAL PROVISIONS

4. PROGRAMME OBJECTIVES AND DESCRIPTION

4.1 Programme Objectives

4.1.1 General Objectives

The general objective of the Phare cross border co-operation programme (Article 3, Commission Regulation No. 2760/98) is to promote co-operation of border regions in Central and East European Countries with adjacent regions in a neighbouring country. The programme seeks to help these regions to overcome specific development problems resulting, inter alia, from their relative isolation in the framework of national economics, in the interest of the local population and in a manner compatible with the protection of the environment. It also supports the establishment and development of co-operative networks on either side of the border and the creation of linkages between these networks and wider Community networks.

4.1.2 Specific Objectives

More specifically, the objectives of the 2000 Phare Cross Border Co-operation Programme for the Czech Republic and Poland are:

- To support the Czech Republic’s and Polish Republic’s transformation process and to facilitate the process of European integration;
- To support the further development of the economic potential of border regions by strengthening existing structures, increasing the competitiveness of 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.

4.2 Programme Description

In accordance with the Joint Programming Document, the 2000 programme for Polish-Czech cross-border cooperation identifies three priority areas for measures on both sides of the common border. The following priorities have been selected:

- Transport in an Economic Development context
- Small-scale social actions (people-to-people and institution building)

The preparation process for the 2000 programme, involved an overall review of the economic and social situation in the border regions and a programming workshop with the regional stakeholders, supported these priorities. The programme includes allocations for large infrastructure projects in the above priority areas (transport on both the Czech and on the Polish side) and for a Joint Small Projects Fund. All projects to be supported under the programme will be co-financed from Czech and Polish sources, primarily from resources of the communities in the Czech - Polish border region and of the respective Czech and Polish Governments. The Joint Co-operation Committee (JCC), established on 9th April, 1999, agreed on the programme composition at its meeting in
Prague on 26th April, 2000. The criteria for project selection include the cross border impact of projects, 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 investment projects and of the small projects fund will contribute indirectly to the creation and growth of small and medium businesses.

The JCC approved the following projects (the projects are summarised in fiche format in annex to this document and a summary table identifying all projects put forward for support during 2000 is also provided).

4.2.1 CZ - Reconstruction of Access Road II/311 to the Border Crossing Orlicke Zahori – Mostowice – CZ0013.01

The project consists of the reconstruction of Road II/311 to the border crossing at Orlicke Zahori - Mostowice. The total length of the road to be constructed is almost 20.191 km long. The Project is intended to solve problems that result from the poor condition of roads leading to the border crossing, which is to be re-opened. Currently the territory of Orlicke hory is experiencing deep economic recession and one potential way of reviving the economy is seen as tourism industry. In order to facilitate this, improved access to the region is essential including roads leading to the border crossing Orlicke Zahori – Mostowice. This will have a positive impact on the entire region and employment rates, as well as resulting in shorter commuting and delivery distances which will also reduce the impact of traffic on the environment.

There is the intention on the Polish side to reconstruct the road from the border crossing Orlicke Zahori - Mostowice to Bystrzyca Klodzka. This project is under preparation and is scheduled to be proposed for Phare CBC support in 2001.

4.2.2 CZ - Upgrading of Road II/476 Trinec - Horni Listna and Road II/468 – CZ0013.02

The project consist of the modernisation of the Road II/476 Trinec - Horni Lisna border crossing to Poland, and the Road II/468 in the Konska land registration district in Trinec. This project will go some way to improving the transport connections between Poland and the Czech Republic. Currently, Cesky Tesin town, the major border crossing point between the Czech Republic and Poland in the area, is heavily overloaded and congested with transit traffic which slows movement and causes significant environmental pollution and damage. The Horni Lisna – Leszna Gorna border crossing to Poland has the capacity to relieve the overloaded crossing in Cesky Tesin, but the current standards of the roads leading to the crossing are unsatisfactory. Upgrading of those roads, i.e. Road II/476 Trinec - Horni Lisna border crossing to Poland, and Road II/468 in the Konska land registration district in Trinec is of key importance for improving accessibility between the border regions and thus for expanding the cross-border cooperation. The Project is complementary to the Modernisation Programme of Roads leading to border crossings in Cieszyn region (road no. 04149 Leszna Gorna – Dziegielow; road no. 04148 Dziegielow – Cisownica) on the Polish side. The Polish Government has submitted this project for support under the Phare CBC programme 2000. In addition, the project is directly related to the Reconstruction of Underpass ”Mouse Hole” on the road II/468, Trinec. This project is being carried out within the Phare CBC 1999 Programme (Phare CBC contribution: 2,6 MEUR).
4.2.3 PL - Modernisation of Roads to border crossings in the Cieszyn region – PL0011.01

At the present time parts of the road network in Poland as on the Czech side are in a severe state of disrepair and many of the roads in the area close to the Poland – Czech Republic border are in a poor condition. This frequently leads to congestion, increased travel times to and from the border, increased maintenance costs and is a contributing factor to the high accident rate. This project has been developed to address the priority trouble spots by a series of actions: by-pass construction to relieve congestion; modernisation of street lighting; road and bridge reconstruction.

4.2.4 PL - Construction of the Prudnik town by-pass – PL0011.02

This project is for the construction of the Prudnik town by-pass on the Kłodzko – Gliwice national for a length of 3.5 km. During 1999, the Prudnik – Bartulovice border checkpoint received the status of the full-commodity border checkpoint which has increased traffic flow making a by-pass indispensable. Owing to the dense housing, the number of historic buildings as well as the limited clearance under the local railway viaduct, the transit traffic is proving very destructive. The North Prudnik by-pass together with the modernisation of the railway viaduct over the existing road will be the 1st stage of the development of the transport network in the border hinterland.

4.2.5 Joint Small Projects Fund (JSPF) – CZ0013.03 and PL0011.03

The Joint Small Projects Fund (JSPF) supports the key objectives of the Polish-Czech CBC Programme, namely to help the border regions to overcome specific development problems resulting from their relative isolation in the framework of national economics; the JSPF 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 purpose of the support of these projects is to encourage local involvement and to facilitate the implementation of small-scale actions which may constitute the basis for larger cross-border cooperation projects. Priority will be given to projects that are planned, selected and realised jointly by Czech and Polish partners and supported from both JSPFs on the Czech and on the Polish side. The JSPF aims also at the building and developing of specialist resources for local and regional institutions involved in regional development, groundwork and implementation of cross-border projects in line with EU practice.

The JSPF shall support local and regional development across the border through small-scale activities in the fields mentioned in Article 5.1 a) to n) of the Commission Regulation No. 2760/98 of 18 December 1998. Special attention will be given to measures with a strong cross-border cooperation character which are planned in close cooperation between the regional and local authorities in the border areas and which include the establishment or development of shared management structures intended to widen and deepen cross-border cooperation between public and para-public agencies as well as non-profit organisations. The specific JSPF objectives in Poland and the Czech Republic are in accordance with regional priorities as developed in the JPD: economic development through business cooperation, enterprise development and cooperation between institutions representing the business sector; development of tourism; improvement of basic technical infrastructures, which have posed significant problems to small municipalities or settlements in the border region; intensification of co-operation between the communities on either side of the border with a view to joint improvement of economic development, living conditions and on-going contact; encourage local involvement in the Phare CBC Programme and to support small-scale actions which may form the basis for larger cross-border co-operation projects; the
development of cultural co-operation between neighbouring regions on both sides of the border; cross-border youth activities.

The minimum co-financing contribution of the beneficiary to the project is 25%. As concerns the administrative support for operating JSPF, the Phare contribution may finance indirect (overhead) costs up to 7% of total amount eligible costs as defined in the DIS manual. This financial support is provided to the administrative structures running the JSPF, normally situated in the Euroregions.

The minimum Phare contribution per project is 1.000 EUR, the maximum contribution is 300.000 EUR. 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; differing limits may also be established with respect to the kind of projects).

The JSPF will be implemented in accordance with the Commission Regulation 2760/98, the General Guidelines of the Commission for Small Projects Funds, the Phare Guidelines and draw on the Czech Guideline for the SPF, endorsed by the Commission and in similar measure on the Polish Small Project facilities functioning within the context of the PL/D Euroregions since 1995. A Regional Steering Committee will be established for the whole Czech-Polish border region and will be the principle responsible institution for the operation of the JSPF, under the auspices of the relevant Implementing Agencies identified in Section 6. An operational Agreement will be signed between the two Implementing Agencies for the implementation of the JSPF.

Where applicable, an environmental impact assessment according to the EU Environmental Impact Assessment Directive (85/337/EEC as amended by 97/11/EC) will be carried out for all investment projects.

5. Budget

The total financial commitment under the **Phare CBC Programme 2000 Czech Republic - Poland** in support of the Projects described in section 4 above amounts to **10,0 M€**, as follows:

<table>
<thead>
<tr>
<th>Sub-Programme</th>
<th>Sub-programme number</th>
<th>Investment</th>
<th>IB</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-programme CZ</td>
<td>CZ0013</td>
<td>4.64</td>
<td>0.36</td>
<td>5</td>
</tr>
<tr>
<td>Sub-programme PL</td>
<td>PL0011</td>
<td>4.56</td>
<td>0.44</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>9.2</strong></td>
<td><strong>0.8</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

**List of projects:**

<table>
<thead>
<tr>
<th>Project number</th>
<th>Project Title</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-programme CZ00.13</strong></td>
<td></td>
</tr>
<tr>
<td>CZ0013.01</td>
<td>Reconstruction of Access Road II/311 to the Border Crossing Orl Zahori – Mostowice</td>
</tr>
<tr>
<td>CZ0013.02</td>
<td>Upgrading of Road II/476 Trinec - Horni Listna and Road II/468</td>
</tr>
<tr>
<td>CZ0013.03</td>
<td>Joint Small Projects Fund (JSPF)</td>
</tr>
<tr>
<td><strong>Sub-programme PL00.11</strong></td>
<td></td>
</tr>
<tr>
<td>PL0011.01</td>
<td>Modernisation of Roads to border crossings in the Cieszyn region</td>
</tr>
<tr>
<td>PL0011.02</td>
<td>Construction of the Prudnik town by-pass</td>
</tr>
<tr>
<td>PL0011.03</td>
<td>Joint Small Projects Fund (JSPF)</td>
</tr>
<tr>
<td>PL0011.04</td>
<td>Monitoring</td>
</tr>
</tbody>
</table>
As indicated above for the small projects 0.920 m€ are allocated to Poland and 1.0 m€ are allocated to the Czech Republic – each side being separately administered by each country.

6. IMPLEMENTATION ARRANGEMENTS

Czech Republic

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

A National Fund (NF) in the Ministry of Finance, headed by the National Authorising Officer (NAO), will supervise the financial management of the Programme, and will be responsible for 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 Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and the Government of the Czech Republic on 12 October 1998. Funds will be transferred following requests from the NAO. A payment of up to 20% of the funds to be managed locally will be transferred by the EC to the NF following signature of the Financing Memorandum and the Financing Agreement (FA) between the NF and the Implementing Agency (IA). 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 PAO and the description of the system put in place, highlighting the flow of information between the NF and the IA and the manner in which the payment function will be carried out.

Four replenishments will be made of up to 20% of the funds to be managed locally 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 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 – i.e. the two Czech investment projects and the Czech part of the JSPF.

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 European Commission. 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 bank account, denominated in EUR will be opened and managed by the NF in a separate accounting system in the Central Bank. In principle, all bank accounts 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. The same procedures will apply to any funds transferred to the IA.

The NAO and the PAO 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. The project as described under point 4.2.5 (JSPF-CZ0013.03) will be implemented in accordance with the General Guidelines of the Commission for Small Projects Funds and with the Czech Guidelines for the SPF endorsed by the Commission. The two investment projects will be implemented each through one tender followed by one contract with the selected contractor or consortium.

Taking into account the characteristics of the small-scale infrastructure projects and their cofinancing nature, the tendering and contracting of the works for these projects as described under point 4.2.5 will be carried out by the recipient in accordance with the Czech Procurement Law together with the following additional conditions which must be observed:

- All contracts of an expected total value exceeding 50,000 EUR must be awarded following an open tendering procedure;
- 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;
- 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.

All funds must be contracted by 30 November 2002. All disbursements must be made by 30 November 2004. Any funds not used by the expiry date of the programme will be recovered by the Commission.

The final deadline for signature of contracts is 30 November 2002. However, in order to ensure that projects are implemented as quickly as possible, all tender dossiers (or, where applicable, requests for services or contract dossiers) must be submitted to the Commission within 6 months of signature of the FM. Specifications will be reviewed by independent experts within the framework of twinning, where possible and appropriate. Any project for which the relevant documents are not submitted within the deadline specified will be cancelled and the money made available for reallocation. If funds are reallocated to a new project, the tender dossier (or other documents as applicable) must be submitted to the Commission within 3 months of the re-allocation decision or by 31 May 2002, whichever is the earlier. The legal duration of all projects will expire by 30 November 2004. 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.

**Poland**

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) Procedures. The National Aid Coordinator (NAC) will have overall responsibility for programming, monitoring and implementation of Phare programmes.

The National Fund (NF) in the Ministry of Finance, headed by the National Authorising Officer (NAO), will supervise the financial management of the Programme, and will be responsible for 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 Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Poland on 24 December 1998. Funds will be transferred following requests from the NAO. 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 Agency (IA). The Implementing Authority for the Phare Cross Border Co-operation Programme will be under the supervision of a Director within the Ministry of Internal Affairs and Administration; the final responsibility lies with the PAO. The Implementing Agency is the Implementing Authority.

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 PAO and a description of the system put in place, highlighting the flow of information between the NF and the IA and the manner in which the payment function will be carried out.

Four replenishments will be made of up to 20% of the funds to be managed locally or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 10% of the budget has been disbursed by the 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 IAs 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 National Fund will transfer funds to Implementing Agencies (IA) in accordance with Financing Agreements (FAs) signed between the NFs and the IA where applicable. Each individual FA will be endorsed in advance by the European Commission. The IA is to 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 IA.

A separate bank account, denominated in EUR will be opened and managed by the NF in a separate accounting system in the Central Bank. In principle, all bank accounts 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. The same procedures will apply to any funds transferred to an IA.

The NAO and the PAOs will ensure that all contracts are prepared in accordance with the procedures set out in the DIS Manual, except for the Joint Small Project Fund for which separate measures have been defined by the Commission.

All funds must be contracted by 30 November 2002. All disbursements must be made by 30 November 2004. All projects must be greater than 2 million EUR unless otherwise agreed by the Commission.

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.

7. MONITORING AND ASSESSMENT

A Joint Co-operation Committee (JCC) has been established in accordance with the Commission Regulation No. 2760/98 of December 18, 1998. It includes representatives of the Czech Government (i.a. the Czech Co-Chairman of the JCC, the NAO, the NAC, and regional representatives), representatives of the Polish Government (i.a. the Polish Co-Chairman of the JCC, the NAO, the NAC, and regional representatives), and the Commission. The JCC will meet at least once a year to review all Czech-Polish CBC programmes in order to assess their progress towards meeting the objectives set out in Financing Memoranda and the Accession Partnership. The JCC may recommend a change of priorities and/or the re-allocation of Phare funds.

The JCC will be assisted on both sides by Monitoring Sub-Committees (MSC) which will include the NAC, the PAO of the CBC Programmes and the Commission Services. 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 JCC, to which it will submit overall detailed reports on all Czech-Polish CBC programmes.

8. 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 Commission’s discretion by an outside auditor contracted by the EC 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.

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

9. 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 Commission Delegation. Further details are at the Annex III "Visibility/Publicity".

10. SPECIAL CONDITIONS

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


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.