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 I 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 I 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: CZ01.12
Title: 2001 Phare Cross-border Co-operation Programme for the Czech Republic-Germany
Duration: Until 31/10/2003

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 10 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 31/10/2003 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 31/10/2005. 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 13-12-2001

for THE RECIPIENT
Tomas Potmesil
The Deputy-Minister of Finance of the Czech Republic

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

for THE COMMUNITY
Ramiro Cibrian
Head of the Commission Delegation

Done at Prague
Date 13-12-2001
ANNEX C – SPECIAL PROVISIONS

4. OBJECTIVES, DESCRIPTION AND CONDITIONALITY

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 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 2001 Czech-German Phare CBC Programme 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 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 draft Joint Programming Document, projects addressing the following priorities have been selected:

- Cross-border infrastructure
- Environmental and Spatial Development
- Human resources and networks (people-to-people and institution building)

The 2001 programme includes allocations for five large infrastructure projects addressing the cross-border infrastructure and environmental and spatial development priorities, and a Joint Small Projects Fund. These six projects were selected by the JCC as priority projects from a larger number of suitable proposals. All projects will be co-financed from Czech sources. The Joint Co-operation Committee discussed and agreed on the programme in May 2001. The criteria for project selection include the cross-border impact of projects (including their complementarity with INTERREG III A), methods of project co-financing, project impact on the environment and minimum project size. 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 Joint Small Projects Fund will contribute indirectly to the creation and growth of small and medium sized businesses. Also the improvement of basic municipal infrastructure – as a prerequisite for the
establishment of new or the expansion of existing businesses – supports economic development including the growth of SMEs. The projects are attached in fiche format in annex to this document.

4.2.1 Straz n. N. – Bily Kostel – Improvement of Road I/13 (I/35) – CZ01.12.01

The aim of the project is to contribute to the construction of transport corridor I/10 and I/35 between Prague, Turnov, Liberec and the state border with the Federal Republic of Germany. The construction of a dual-carriage road should increase the road capacity of section I/13(I/35) stretching from the railway underpass CD Liberec-Frydland to the grade-separated junction Bily Kostel, for a total length of 6.84 km. The road should be reconstructed from the category of a two-lane road (S11.5/80) to the category of a dual carriage road (S22.5/80). Included in the implementation of the project should be the construction of 11 bridges and one grade-separated junction. Implementation of the project includes all construction works necessary to increase the capacity of the existing road described above, including the bridges.

4.2.2 Krimov-Hora Sv. Sebestiana – Re-laying of Road I/7 – CZ01.12.02

The aim of the project is to improve traffic access to the border crossing of Reitzehnhein-Hora Sv. Sebestiana. More specifically, the project should improve the traffic flow and safety of road I/7 between Krimov and Hora sv. Sebestiana and improve access to the important industrial zones around Chomutov and Klasterec nad Ohri, which are currently under development. The project should result in the re-laying of road 1/7 between Krimov and Hora Sv. Šebestíaňa for a length of 5.68 km, turning it into a dual carriageway of the S11.5/70 category. The construction of 6 bridges should be included in the project. Project implementation includes all construction work related to the re-laying of the existing road, as described in the relevant fiche.

4.2.3 Železna Ruda District – Improvement of Transport Infrastructure – CZ01.12.03

The aim of the project is to improve the transport infrastructure in the district of Klatovy, close to the border with the Federal Republic of Germany. Transport infrastructure in the area is not suited to an increasing volume of cross-border travelers, and in need of major upgrading. The project would provide for the up-grading of the transport infrastructure, including repairs of the railway and road crossings, reconstruction of the railway bridges on the route Klatovy-Železná Ruda, and modernisation of the structures serving the railway station, including the access roads and supply branches. This project is part of sustained investment by the Czech authorities aimed to develop the area, which has benefited from Phare support over the last few years. Phare has already contributed to the building of a new sewage system at Železná Ruda, small-scale infrastructure leading from the border crossing Alžbetín to Železná Ruda and to the refurbishment of railway station buildings at Špicák and Železná Ruda – Alžbetín.

The cross-border impact of the three above projects under the JPD priority of Cross-border Infrastructure has been confirmed explicitly by the German side. In addition, the projects will be co-financed by the Czech authorities and have been confirmed as ready for implementation. The Phare contribution to project CZ01.12.03 will amount to 1 € million. The project therefore constitutes an application of the flexibility clause in terms of the minimum project size rule provided for in the Phare Guidelines.
4.2.4 Litomerice – Sewage System in a Micro-region – CZ01.12.04

The aim of the project is to reduce pollution of the Elbe river in the border area and improve conditions in the protected ground water catchment area of the North Bohemian Cretaceous System. The project is targeted at the completion of sewage networks in the municipalities in the Litomerice microregion listed below and connected to the current WWTP at Litomerice and Zahorany. Implementation of the project should include the completion of all the necessary construction works and supplies of technology required for the reduction in surface and ground water pollution. More specifically, the project should ensure the following:

- Litomerice - a new gravity sewage system in Žernosecká and Na Mýte streets and the Mirejovická strán town quarter connected to the existing municipal sewage system and WWTP at Litomerice (about 2250 equivalent units connected).
- Malé Žernoseky - a new sewage system in a part of the municipality connected to the existing WWTP at Litomerice (about 700 equivalent units connected).
- Mílokojedy - a new gravity sewage system in the village connected to the existing WWTP at Litomerice (about 308 equivalent units connected).
- Přístany - a new gravity sewage system in the village connected to the existing WWTP at Litomerice (302 equivalent units connected).
- Trnovany - a new gravity sewage system connected to the existing network and WWTP at Litomerice (about 386 equivalent units connected).
- Velké Žernoseky - a new sewage system in a part of the village and modification of the existing sewage system – both connected to the WWTP at Litomerice (about 513 equivalent units connected).
- Vchynice - a new municipal sewage system connected WWTP at Litomerice. (about 373 equivalent units connected)
- Žalhostice - a new municipal gravity sewage system connected to the WWTP at Litomerice (about 638 equivalent units connected).
- Krešice - a new depression sewage system connected to the existing WWTP at Zahorany (about 1097 equivalent units connected).

The works should include the construction of pump stations, excavations, demolitions and reconstruction of the relevant roads, culverts, repairs of sidewalks and low-voltage service lines.

4.2.5 As – Upgrading of the WWTP, Sewage System – CZ01.12.05

The aim of the project is to reduce pollution of the Bílý Halštrov (Weisse Elster) border stream and improve the protection of ground water springs used for medical cures in Bad Elster, situated in the Saxon part of the border region. Project implementation should provide for an upgraded combined mechanical and biological WWTP at As and the construction of sewage systems in the municipalities of Podhradí and Krasna, ensuring full compliance with relevant EU standards. It should include the completion of all necessary construction works and technology supplies linked to the upgrading of the WWTP at As, and the construction of sewage systems in the adjacent municipalities.
The cross-border impact of both these projects under the JPD priority of Environmental and Spatial Development have been confirmed explicitly by the German side. In addition, both projects will be co-financed by the Czech authorities and have been confirmed as ready for implementation.

4.2.6 Joint Small Projects Fund (JSPF) – CZ01. 12.06

The Joint Small Projects Fund (JSPF) supports the key objectives of the Czech-German CBC Programme, namely to help the Czech-German border regions to establish and strengthen joint and sustainable structures for the social and economic development and for the improvement of living conditions in the common border region as a whole. The JSPF supports also the development of cooperative networks on both sides of the border between people, organisations and institutions, and the creation of linkages between these networks and wider European Union networks. 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 co-operation projects. The JSPF 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 projects under the JSPF shall support local and regional development across the border through small-scale activities in the fields mentioned in Article 5.1 j) 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. Only non-profit making entities are eligible.

Joint projects, especially where cofinanced with Interreg III, will be particularly prioritised. Thus the JSPF will become an important complementary instrument to pursue the full range of objectives and priorities established by the JPD, in particular of those that cannot be achieved by large investment measures.

The maximum grant per project is 50,000 Euro (Phare contribution), the minimum grant is 1,000 EUR and the beneficiary’s co-financing contribution to the project is min. 10% of the budgeted project cost.

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

Up to to 7% of the Phare contribution may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

The JSPF will be implemented in accordance with Commission Regulation 2760/98, article 5.1 and 2; the Practical Guide to Phare, ISPA and SAPARD contract procedures, Section 6; the Phare 2000 Review communication, section 5.1.5, para 6, in conjunction with section 5.1.4; and the Phare Programming Guide 2001, in particular sections 8.2.3 f), 9 and 9.1, and its annex 4 (grant schemes checklist). Implementation of the JSPF is conditional on prior verification and approval of the scheme by the Delegation.
The JSPF should operate under joint Czech-German project selection and monitoring structures; financial administration and project management remain separate. People-to-people and other soft projects up to 15,000 Euro Phare CBC contribution should be selected by five joint regional Steering Committees on the basis of Euroregions (Nisa, Labe/Elbe, Krusne Hory, Egrensis, and Sumava). These committees should also decide on small people-to-people Interreg projects under the Saxon Interreg III programme. All soft projects with a Phare CBC contribution exceeding 15,000 Euro should be selected by the two Joint Czech-Bavarian and Czech-Saxon Regional Committees that will also function as the Steering Committees for the corresponding Bavarian and Saxon Interreg III A programmes. The overall responsibility for the implementation of the JSPF will be retained by the Implementing Agency identified in Section 6.

All investment projects to be financed under this programme, 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 an Environmental Impact 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.
5. **Budget**

The total financial commitment under the **Phare CBC Programme 2001 Czech Republic - Germany** in support of the projects described in section 4 above amounts to **10 MEUR**, as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Priorities</th>
<th>Total Cost (M€)</th>
<th>Phare Allocation (M€)</th>
<th>CZ co-financing Allocation (M€)</th>
<th>Indicative Split Between IB / Inv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CZ01.12.01</td>
<td>Cross-border Infrastructure</td>
<td>30,437</td>
<td>5,000</td>
<td>25,437</td>
<td>30,437</td>
</tr>
<tr>
<td>CZ01.12.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CZ01.12.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CZ01.12.04</td>
<td>Environmental and Spatial Development</td>
<td>6,571</td>
<td>4,000</td>
<td>2,571</td>
<td>6,571</td>
</tr>
<tr>
<td>CZ01.12.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CZ01.12.06</td>
<td>Human Resources and Networks (JSPF)</td>
<td>1,150</td>
<td>1,000</td>
<td>0,150</td>
<td>1,150</td>
</tr>
<tr>
<td>TOTAL</td>
<td>38,158</td>
<td>10,000</td>
<td>28,158</td>
<td>1,150</td>
<td>37,008</td>
</tr>
</tbody>
</table>

6. **IMPLEMENTATION ARRANGEMENTS**

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. The National Aid Co-ordinator and the National Authorising Officer shall be jointly responsible for co-ordination between Phare (including Phare CBC), ISPA and SAPARD.

A National Fund (NF) in the Ministry of Finance, headed by the National Authorising Officer (NAO), will supervise the financial management of the Programme. The National Authorising Officer 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 proper reporting and project information system is functioning. The National Authorising Officer shall have the full overall accountability for the PHARE funds of a programme until the closure of the programme.

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
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 entire 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 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 4.2.3 (JSPF - CZ01.12.06) 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.

All funds must be contracted by 31 October 2003. All disbursements must be made by 31 October 2005. 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 31 October 2003. 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. 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 2003, whichever is the earlier. The legal duration of all projects will expire by 31 October 2005. Any funds not used by the expiry date of the programme will be recovered by the Commission.

All tender dossiers (or other documents as applicable) must be accompanied by a logframe matrix, in order to demonstrate the relevance, feasibility and sustainability of the final project design.

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 Monitoring Committee (JMC) will be established. It will include the NAO, the NAC and the Commission. 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.

The JMC will be assisted 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 JMC, to which it will submit overall detailed reports on all Phare financed programmes.

8. **ANTI-FRAUD MEASURES, AUDIT AND EVALUATION**

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 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 can conduct check-ups and inspections on site in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96 dated from November 11, 1996, concerning on-the-spot
checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

The procedures foreseen in Art. 15 para 3 of Commission Regulation No. 2222/2000 dated from June 7, 2000, on the communication in case of irregularities and the putting in place of a system to administrate the information in this field shall apply.

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.

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 of the Government of the Czech Republic, 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.
ANNEX D – VISIBILITY/PUBLICITY

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:


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 Delegation, 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.