FINANCING MEMORANDUM

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

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

HAVE AGREED AS FOLLOWS:

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

ARTICLE 1 - NATURE AND SUBJECT

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

Programme number: HU 0109
Title: 2001 Cross-Border Co-operation Programme between Hungary and Slovakia
Duration: Until 30 November 2003

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

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

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 30 November 2003 subject to the provisions of this Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 30 November 2004. 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:

Mr. Jürgen Köppen  
Head of Delegation of the European Commission to Hungary  
Berc U. 23  
H 1016 Budapest

for THE RECIPIENT:

Dr. Imre Boros  
Minister without Portfolio  
Office of the Prime Minister  
Pozsonyi ut, 56  
H 1133 Budapest

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.

Encl.  
Annex 1  Framework Agreement  
Annex 2  Special Provisions  
Annex 3  Visibility and Publicity
ANNEX II – SPECIAL PROVISIONS

1. OBJECTIVES, DESCRIPTION AND CONDITIONALITY

1.1. Wider objectives

The general objective of the Hungary-Slovakia Phare CBC Programme is to promote co-operation in the border regions of the two countries. Cross-border co-operation is regarded as a means of stimulating economic activities in these regions and to assist them in overcoming specific development problems, which arise from their peripheral position within national economy. In addition, the Phare CBC Programme aims at promoting the creation and further development of networks on both sides of the border.

1.2. Immediate Objectives and Programme Results

In the frame of the 2001 programming exercise, both countries have identified the same priority and measure of the JPD and notably the first priority: “Accessibility”, measure “Improvement of cross border transport and telecommunication infrastructure”.

Both projects, “Development of the road connection between the Hungarian city of Balassagyarmat and the Slovak border” and “Upgrading of II/587 Plešivec road – Slovak/Hungarian State Border” will help to improve the traffic flow conditions in the border area with improvement of the environmental conditions and with high valuable benefit for the population living in the cross border area.

A Joint Small Projects Fund, with the same allocation in both countries, will facilitate and further strengthen contacts between people living in the border region. It may also support the preparation of feasibility studies, plans etc. in the light of future programming exercises.

1.3. Programme description

A Joint Programming Document (JPD) covering the period 2000-2006 (with an interim revision in 2003) has been prepared and agreed unanimously by the JCC. The projects selected for support in the 2001 CBC Hungary-Slovak Republic Programme are in accordance with the priorities identified by the JPD.

The JCC approved the following projects:

**Project HU0109.01: Development of the road connection between the city of Balassagyarmat and the Slovakian border**

Since similar problems occurred on both sides of the Hungarian-Slovak border, similar ideas arose to solve these problems in the development plans of both countries. In accordance with these, from the global objectives and the priorities defined in general, both countries are especially supporting the developments of the regional transport infrastructure (roads, railway connections, waterways etc.) of the cross-border region within the framework of the 2001 programme. The project proposal is in line with the development concepts of the given region and has been developed jointly with the Slovak partners.

Improvement of the traffic conditions at the border town of Balassagyarmat promotes the integration of these highly undeveloped regions into national and international economy.
Improvement of relations between Hungary and Slovakia at the level of small regions and development of economic relations and co-operation is expected. The prosperity of the economy results in the increase of the employment from both sides of the border. The road section with new route between Hétvezér Street and Mikszáth street and the parking area for trucks beside road Number 2204 result in the improvement of living conditions in Balassagyarmat. As a cross border impact it is expected the increase the accessibility of both sides of the border and in general to develop the economical co-operation and the tourist traffic between Hungary and Slovakia.

After the completion of the project, intensity and standards of passenger services by the road, furthermore travelling comfort and safety are expected to improve and the probability of road accidents will diminish. A substantial decrease of the air and noise pollution in the centre is expected.

The project respects the NPAA and Accession Partnership for Hungarian priorities and is in accordance with the provisions of the National Development Plan.

**Beneficiary:** National Road Management Public Corporations  
**Project registration number:** HU0109.01  
**Total project cost:** 2,400,000 EUR  
**Phare CBC contribution:** 1,800,000 EUR  
**National co-financing:** 600,000 EUR  
**Slovak mirror project:** SR0102.01  

**Project SR0102.01: II/587 Plešivec – Slovak/Hungarian State Border**

The reconstruction and upgrading of the access road leading to the state border will increase the capacity of existing border crossing point and create comparable conditions on both sides of the Slovak/Hungarian border.

This project will also create favourable conditions for further economic growth on both sides of the border while respecting the strict environmental protection legislation. The connection between the regional centres of Rožnava (in Slovakia) and Miskolc (in Hungary) will intensify the cross-border co-operation between these regions through the development of tourism and the co-ordination of touristic sites located in protected landscape areas and rich of karstic formations (common caves in Domica (SR)/Aggtelek (Hungary): the "Protected Landscape Area of Slovenský Kras (Slovak Karst)" and the "National Nature Monument – the cave Ardošská jaskyna" on the Slovak side and the area of "Natural Park" (Aggteleki Nemzeti Park) with curative-spas and tourist centres on the Hungarian side of the border.

In addition, in Slovakia one can find the “Protected Landscape Area of Slovenský Kras” whose caves are part of "UNESCO World Natural Heritage" and the "National Park Slovenský Raj (Slovak Paradise)" with a famous ice cave.

This project is in line with the priority "Accessibility" as defined in the JPD. In addition, it is based on priorities selected by the "Concept of the Road Network Development in the SR" (Slovak Road Administration - Bratislava) as well as on those specified in the "Measures to Support Social and Economic Growth in the District of Rožnava" (Slovak Government). The project is also in line with the "Binding Part of Development plan of the Region of Košice", approved by Decree of the Government of the SR No.281/98, Collection.
The reconstruction and upgrading of the most critical 3.8 km. long section of road II/587 will eliminate the existing bottlenecks. The current situation in vertical alignment – gradient above 12%; road width – 4.5 to 5 m and improper horizontal alignment of the road, restrains during most of the year the capacity of access road leading to the state border.

The implementation of this project will have a positive environmental impact as the pollution will decrease while traffic safety will improve.

The Hungarian Ministry of Transport will be the co-operation partner and the "Miskolci Közüti Igazgatóság" its regional partner. The Hungarian authorities plan the reconstruction and widening of the road within the border zone in a section of 300 m long.

**Beneficiary:** Slovak Road Administration (SRA), Bratislava
(Regional Investment Organisation, Košice)

**Project registration number:** SR0102.01
**Total project cost:** 4,150,000 EUR
**Phare CBC contribution:** 1,800,000 EUR
**National co-financing:** 2,350,000 EUR
**Hungarian mirror project:** HU0109.01

**HU0109.02 - SR0102.02: Joint Small Projects Fund**

This JSPF aims at supporting the further development of the economic potential of the border regions by strengthening existing structures and reducing the peripheral character of these areas, thereby improving the quality of life and creating a co-operative network on both sides of the border. In pursuing these objectives, the JSPF provides a flexible approach to funding smaller-scale actions, which are defined on the basis of local/regional needs, and which have a cross-border impact.

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

The Joint Small Projects Fund (JSPF) supports projects with a Phare support request of maximum 50,000 EUR and a project implementation period of 1 year. Applicants are invited by announcing a call for proposals and then selected by the Joint Evaluation Committee following the Joint Specific Guidelines on the operation of the JSPF. The JSPF Guidelines elaborated by the two IAs are actually under final development and should be approved by the Delegations of the European Commission in the two countries.

The JSPF is designed to make available a total Phare contribution of 200,000 EUR for each country. Up to 7% of the PHARE contribution (maximum 14 000 EUR for each country) may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

**Project registration number:** HU0109.02
**Total project cost:** 220,000 EUR
**Phare CBC contribution:** 200,000 EUR
**National co-financing:** min. 20,000 EUR
**Slovak mirror project:** SR.0102.02  *Joint Small Projects Fund*
1.4.  Conditionality

- At least 25% of the investment projects will be co-financed from Hungarian and Slovak resources. Both Governments will ensure that appropriate co-financing in accordance with the details included in the project fiches will be available in time. Unless otherwise specified in the project fiche, co-financing for service, supply and works contracts should be intended as joint and the ratio between the Phare and the National amount has to be applied to the final contract price.

- All investment projects, which, according to the rules stipulated in Directive 85/337/CEE, as amended by Directive 97/11, require an Environmental Impact Assessment, should be the subject of an Environmental Impact Assessment.

- In the case of a project coming under Annex II of the Directive 85/337/EEC, as amended by Directive 97/11/EC for which an EIA is not required, the authorities should assess if the project is likely to affect an environmentally sensitive area\(^1\). If so, a declaration from the responsible authorities for nature conservation should be included stating that their conclusion is that the zone's environmental potential will not be directly affected by the project.

2.  BUDGET

The contracting period of the programme will expire on 30\(^{th}\) November 2003. The disbursement period of the programme will expire on 30\(^{th}\) November 2004. The following table specifies the EU contribution as well as the national co-finance of the programme.

<table>
<thead>
<tr>
<th>No</th>
<th>Project Title</th>
<th>(MEUR)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>IB</td>
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<td>HU0109.01</td>
<td>Development of the road connection between the city of Balassagyarmat and the Slovak border</td>
<td>0</td>
</tr>
<tr>
<td>SR0102.01</td>
<td>II/587 Plesivec – Slovak/ Hungarian State Border</td>
<td>0</td>
</tr>
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<td>HU0109.02</td>
<td>Joint Small Projects Fund</td>
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</tr>
<tr>
<td>SR0102.02</td>
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<td>0.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>0.4</td>
</tr>
</tbody>
</table>

\(^1\) Definition of environmentally sensitive areas:-

a) areas protected by national legislation;
b) internationally important wetlands (sites fulfilling RAMSAR Convection ornithological criteria) and other sites meeting the criteria which would require designation as Special Protected Areas under Directive 79/409/EEC;
c) areas to which the Bern Convention on the conservation of European wildlife and natural habitats (article 4) apples, in particular site meeting the criteria of the Emerald network;
3. IMPLEMENTATION ARRANGEMENTS

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures. The National Aid Co-ordinator (NAC), who is the Minister Responsible for the Co-ordination of the Phare Programme, will have overall responsibility for programming, monitoring and implementing Phare programmes respectively in Hungary and in Slovakia. 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.

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. 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 will be carried out by the competent National Control Authority with respect to the implementation of the programme in both partner countries.

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Hungary on 17 December 1998 and between the Commission and Slovakia on 10th December 1998 respectively. 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 Agencies (IAs). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA 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 IAs. 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 HQs, 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.

IAs will be responsible for sub-programmes as follows:
In Hungary, the Ministry of Agriculture and Regional Development will be the Implementing Authority responsible for all sub-programmes. The National Agency for Regional Development (NARD) is the Implementing Agency of the programme.
In Slovakia, the overall responsibility for the Slovak-Hungarian Phare CBC Programme will rest with the Ministry of Construction and Regional Development, as the Implementing Agency of all sub-programmes of the Programme.

The National Fund will transfer funds to IAs, in accordance with Financing Agreements (FAs) signed between the NFs and the IAs where applicable. 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 IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant IA.

A separate bank account, denominated in EUR will be opened and managed by the NF in a separate accounting system in a Bank agreed in advance with the Commission, respectively in Hungary and in Slovakia. 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 or the CFCU.

The NAO and the PAOs will ensure that all contracts are being prepared in accordance with the procedures set out in the DIS Manual\(^2\). Grant schemes, should also be implemented according to the procedures described in the Practical Guide for Phare, ISPA and SAPARD contract procedures.

Following a verification exercise, the Commission considers that the implementation system proposed for the Joint Small Project Fund project gives a reasonable assurance that the projects can be implemented in line with the principles of sound financial management. On that basis, for Grants where the Phare contribution is below 300,000 €, the PAO will be responsible for ensuring that the rules described in the Practical Guide for Phare, ISPA and SAPARD contract procedures are properly followed by the grant recipients. The Delegation will not exercise ex-ante control on tendering and contracting procedures for the procurement.

All contracts must be concluded by 30 November 2003.
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.

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.

\(^2\) Please note that as of 01/01/2001 the Practical Guide for Phare, Ispa and Sapard has replaced the procurement section of the DIS Manual.
3.1. The Institutional Structure of the Programme

In Hungary, the overall responsibility for the Hungary–Slovakia Phare CBC Programme will rest with the Hungarian Ministry of Agriculture and Regional Development as the Implementing Authority of all sub-programmes of the Programme. The Ministry has nominated National Agency for Regional Development (NARD) as the Implementation Agency of the 2001 Hungary-Slovakia Phare CBC Programme.

In Slovakia, the overall responsibility for the Slovak-Hungarian Phare CBC Programme will rest with the Ministry of Construction and Regional Development, as the IA of all sub-programmes of the Programme.

The Phare CBC Slovakia–Hungary 2001 Programme is based on the resolution of the JCC and also on the Joint Programming Document for the years 2000-2006.

3.2. The Joint Programming and Monitoring Committee

Based on the EC Regulation Nr. 2760/98 a bilateral Joint Co-operation Committee (JCC) has been set as the main joint body of the organisational structure of cross-border activities. JCC meetings are being chaired jointly by the heads of the Hungarian and Slovak delegations.

4. MONITORING AND ASSESSMENT

A Joint Monitoring Committee (JMC) in each partner country will be established for the programme including 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) and will include the NAC, the PAO of each IA 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 that these are effected. The MSC will report to the JMC, to which it will submit overall detailed reports on all Phare financed programmes.

5. 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 both respective the National Funds 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.

6. VISIBILITY AND PUBLICITY

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

7. SPECIAL CONDITIONS

The Hungarian and Slovak Governments will carry the legal liability to implement the projects specified under the programme to a satisfactory outcome and shall carry out by its own means any work on which contractors default. In the measures specified under this programme, in which the European Union grant contributes to the financing of revenue generating activities, the Commission shall determine, in consultation with the Implementing Authority, specific arrangements for financing which could include co-financing by the project revenues or reimbursement of the initial grant.

The European Union's financial contribution is limited to 2 MEUR per country (in total 4 MEUR). This contribution will not cover any additional costs, cost increases or extensions, which must therefore be catered for by the implementing and contracting authorities.

In the event that agreed commitments are not met for reasons which are within the control of the Governments of Hungary and Slovakia respectively, the Commission may review the programme with a view, at the Commission’s discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Phare programme.
ANNEX III – 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 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.