1. Basic Information
1.1 CRIS Number: 2003/004-575-01
1.2 Title: CBC Transport Infrastructure Networks (Grant Scheme)
1.3 Sector: 
1.4 Location: Western Transdanubian Region in Hungary and Burgenland, Vienna, Niederösterreich-Süd, Wien-Umland Süd in Austria

2. Objectives
2.1 Overall Objective
Improved social and economic integration of the Hungarian-Austrian cross-border area

2.2 Project purpose
Faster, improved, and safer transportation links between both sides of the border

2.3 Accession Partnership and NPAA priority
The objectives of the project are in line with the short- and medium-term objectives of the Accession Partnership, chapter 3.2 on balanced harmonisation of transport development. The same applies to the relation of the project to the NPAA, which covers the transport development objectives in its chapter 4.5.

2.4 Contribution to National Development Plan
The objectives of the project are consistent with the revised PNDP (2001) which is based on the regional development strategies. The project reflects Priority 3 “Regional Development” Measure 1 “Accessibility – to develop traffic infrastructure” (PNDP 2001, Section 5.5.6, Priority 3, Measure 1).

2.5 Cross Border Impact
This project is consistent with priorities defined by the Joint Programming Document (JPD) Austria-Hungary 2000-2006 for Interreg IIIA-Phare CBC. It belongs to priority P2 “Accessibility”, measure M1 “Improvement of cross-border transport and telecommunications infrastructure”.

This grant scheme is designed to implement the common transport infrastructure strategies defined in chapter 5.3.2 of the JPD, namely: Recent estimates predict a significant increase of cross-border traffic in the event of enlargement; regionally induced traffic will only account for a small portion of this increase. In view of this fact, the present Grant Scheme is designed to provide support-planning activities for integrating the cross-border region into the TEN expansion. On the other hand, internal cross-border accessibility has to be improved (e.g., re-establishing former connections or making them more attractive, extending or improving border points). The grant scheme will support the improvement of infrastructural preconditions to reach the overall goal of the Austria Hungary Interreg IIIA Phare CBC programme (development of a common living and economic environment).

3. Description
3.1 Background and justification
The purpose of the present Grant Scheme – the support of transport infrastructure – is consistent with the relevant regional and national strategies. To raise the potential of the target areas for development
as well as the diversification into tourism and other new economic activities requires sufficient infra-
structure systems on this field. The fulfilment of these goals will be ensured by well-prepared projects
in the above-mentioned area, being available in a large number in the target region. Their realisation will
support the internal and external cohesion and connectivity in the cross-border area with a large cata-
lytic impact.

The Euregio West-Pannonia that is constituted of Burgenland and Western-Transdanubia has agreed
in the framework of its Regional Development, Spatial Planning, Transport and Information Sciences
Working Group on a long-term transport development strategy that each side presents towards the na-
tional governments and towards the European level as a joint proposal. This contains the development
of a north-south axis on the Hungarian side as well as strengthening the cross-border network linking
this axis with the Austrian A2 motorway.

The connection to the national and international transport routes is a basic interest of the Western-
Transdanubian region and of the whole cross-border area. The Trans-European transport corridors
cross Western Transdanubia (No. V in the very south and No. IV at the most northern border crossing
near the city of Gyor). The most characteristic feature of the region’s transport infrastructure is the lack
of a satisfactory internal North-South axis that would connect the two corridors. The Third Pan Euro-
pean Transport Conference has approved – among others – the corridor VI along Gdansk – Poznan/Lodz – Žilina/Katowice – Ostrava, connecting to the V/A along Bratislava – Žilina/Kosice – Uzgorod. The connection between the North Sea and the Adriatic Sea may either lead to Trieste from Bratislava through Vienna and Graz, or it can reach the corridor V in the area of Nagykanizsa/Zalaegerszeg through the north-south axis of the Western Transdanubian region and
lead further through Slovenia to its destination. Therefore, it is essential to create the satisfactory
transport infrastructure on the Hungarian side in order to link the region’s economy to the European
economic space. Projects contributing to the creation of a North-South axis within the region cost
much more than 2 million euros, this topic is therefore not to be supported under the current Grant
Scheme.

The other main characteristic feature of the region’s transport is that the northern parts of the cross-
border area (the Vienna-Gyor area) are well connected to each other with motorway, while the link be-
tween the central and the southern parts is worse and, at the same time, local cross-border road con-
nections are poor even on the northern part (in the area around Sopron) as well. The cross-border links
between road No 86., crossing the Hungarian side in North-South direction and the almost parallel
motorway No A2 at the Austrian side are not satisfactory. Therefore the preparation (or re-
establishment) of sufficient number and quality of east-west links between these two main roads is
necessary in view of Hungary’s accession, when the national boundaries will not be a barrier any more.
This need of road development also appears in the Hungarian study part of the international
INTERREG IIC SUSTRAIN project, and during negotiations no comments have been raised in connec-
tion with it.

The historically coherent areas in the vicinity of the border may enter, after accession, into closer eco-
nomic-social and personal relationships again. In the past, these relationships were supported by di-
rect road links. The road segments formerly linking smaller Austrian and Hungarian settlements that are
mostly part of the subordinate road network have, through decades of non-use, have fallen into disr-
pair or have been intentionally abolished (as a consequence of the presence of the Iron Curtain, and in
the 90s, the lack of small border crossings at these spots). At present, 12 such, formerly living road
connections can be identified on the Austrian-Hungarian border that are not even used as border-
crossings at present and a need for their restoration may arise immediately after accession. The road
sections indicated would decrease the load on other frequented border crossing stations – even
though only to a small extent – and by distributing traffic more evenly they reduce the environmental
effects of road traffic. In the long run, they may enable the start of local-range public transport with
small traffic. Where direct links across the border can not be re-established, accessibility among set-
lements on both sides should be improved by the reconstruction of local roads connecting to roads
leading directly to the border.

These roads will also be suitable for providing the sufficient local transport infrastructure for tourism.
On the Hungarian side, there is an evident shortage of safe and good quality roads for leisure or trav-
elleling purposes, in contrast with the opportunities on the Austrian side, although the characteristics of
the landscape and the environment offer common opportunities for nature- and active tourism. In the
border area, the small traffic load of the local road network makes it possible that bicycle and other traf-
fic appear on the same road surface and make use of the less-frequented roads without separation. In the interest of traffic safety, on such local roads, regardless of traffic load, the minimal road width, the quality of the pavement and the placement of the necessary road signs must be ensured. The wider spreading of nature- and active tourism in the region opens up the availability of supplementary sources of income for the local population in the shape of services related to bicycle traffic.

Although the improvement of the north-south axis – according to the above considerations – is inevitable, the scope of the present grant scheme does not allow substantial contribution to this in the form of building new transport routes (neither road nor rail) along the axis. On the other hand, the upgrading of east-west links (mainly 3-4 digit roads) will create an added value even in this respect, by allowing the access to the north-south road network along the border in Austria. The improvement of the cross-border public road network across the border in east-west direction, connecting the bigger cities and the centres of micro-regions on both sides of the border and being able to conduct the increased traffic will also contribute to improve the business environment in the cross-border area by creating decreasing transportation costs between commercial and industrial sites on both sides. Improving safety and travel convenience as well as decreasing travel time would also lift quality of life and social cohesion of the cross-border region.

3.2 Linked activities

Important projects have been implemented in connection with transport infrastructure development on the border region such as following:

• 1st phase of Szombathely-Zanat by-pass road 325,150 Phare contribution (1995-96)
• 2nd phase of Szombathely-Zanat by-pass road (1999)
• 2nd phase of GYOR-PÉR AIRFIELD rehabilitation (2000)
• 1st phase of road No 89. between Bucsu and Szombathely (2000)
• Bicycle path along the Danube (Győr-Moson-Sopron county) (1996)
• Bicycle path around Lake Ferto (1995-97)
• Bicycle path along the border (Vas-Zala county) (1995-97)
• Thermal Bicycle Path, Bükk (1996)

3.3 Results

The following quantifiable results will be achieved:

3.3.1. Plans, studies and other services:

• Plans, needs and impact assessments, feasibility studies and other studies for the preparation of transport infrastructure development actions
• Improved traffic related services on the roads leading to the border

3.3.2. Investment in the development of transport infrastructure:

• New and improved quality roads related to cross-border links.
• Extended cross border bicycle path links and networks
• Increased transport safety

3.4 Activities

3.4.1 Window 1. Plans, studies and other services:

This window shall provide grants in an amount of € 10 000 – € 200 000 (Phare and National co-financing) for the procurement of services. Eligible activities are the following:

• Preparation of studies covering preparatory project development documents for cross-border projects on road, railway and water as well as on small scale inter-modal facilities (impact assessments, need assessment, feasibility studies).
• Traffic related services and supplies (information services about the traffic conditions on the roads leading to the border, internet services, electronic sign posts along the road, public transport coordination measures especially related to improving intermodality, etc.).
3.4.2 Window 2. Investment in the development of transport infrastructure

This window shall provide grants in an amount of € 500 000 – € 2 000 000 (Phare and National co-financing) for the procurement of works. Eligible activities are the following:

- Road construction and reconstruction works related to roads leading directly to the border. The development of transport related technology – e.g. installation of traffic lights, sign-posts and information boards, etc. is also eligible.
- Construction and reconstruction works related to creation and extension of the cross border network of local (3, 4, 5 digit and municipality) roads, including roads connecting to roads leading directly to the border. The development of transport related technology – e.g. installation of traffic lights, sign-posts and information boards, etc. is also eligible.
- Construction works related to transport safety (e.g. over- and under-crossings, roundabouts, etc.).

Projects for support will be selected according to the following criteria1 (Indicative selection criteria, in accordance with the evaluation grid of the PRAG):

Organisations eligible for support will be non-profit and non governmental organisations; municipalities, alliances with a legal entity, organisations owned or managed by municipalities, professional bodies and chambers, educational institutions, foundations, associations, public administration, local, county and regional authorities, transport and road network operators of public interest, other infrastructure operators of public interest from the target region. Business organisations and producers’ cooperatives are not eligible independent of their legal form.

The applicant organisations must be registered in the Western-Transdanubian Region. Profit oriented organisations are not eligible.

General criteria of eligibility
- CBC impact: all supported projects have to be justified by decreasing access time and increasing transport safety between Hungarian settlement(s) and Austrian ones. Co-operation with an Austrian partner in one of the stages of planning, implementation, and use after completion is required.
- Results of the proposal are in line with the objectives of the grant scheme.
- Compliance with projects financed by other international aid schemes (e.g. ISPA, Sapard), the technical content of the project proposal does not overlap with other internationally financed projects.

Documentation required for applications in window 2:
- Statement on the availability of the co-financing.
- Availability of studies justifying the rationality of the investment (feasibility study, cost-benefit analysis, environmental impact study if required).
- Availability of effective construction plans, valid permissions of authorities (e.g. construction permit, water construction permit, environmental permit).
- Certification of settled ownership conditions.

General selection criteria:

Relevance:
- Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the HU-AU CBC-Interreg programme).
- Clear definition and strategic choice of the target area.
- Relevance of the project to the needs of the target area.
- Coherent, appropriate and practical character of the activities proposed (including the CBC activities).
- Specific elements of added value in the project, such as innovative approaches, and models for good practice.

Methodology:
- The preparedness and elaboration of the project proposal (including preparedness for evaluation).

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1 The selection criteria will be developed with the preparation of the call for proposals.
• Involvement and activity of the cross-border partners in the elaboration and implementation of the project proposal.
• The realistic implementation of the time-schedule and action plan of the project proposal.
• Definition of objectively verifiable indicators.

Sustainability:
• Guaranteed (financial and institutional) sustainability of the developments implemented through the grant scheme.
• Beneficial social, economic and environmental impacts of the project results.
• Possible multiplier effects of the project results (including possibilities for extension of project outcomes).

Budget and cost effectiveness:
• Detailed and clear budget.
• Justification of the proposed expenditures in view to the implementation of the project.

Management capacity and expertise:
• Availability of the necessary personal and organisational capacity and expertise for the project management (including the previous experience in similar projects).
• Availability of the necessary personal and organisational capacity and expertise for the technical realisation of the proposal (i.e. knowledge of issues to be addressed).

3.5 Lessons learned

This programme is the second Austrian-Hungarian PHARE CBC programme to be implemented in the form of a grant scheme, therefore during the preparation of this project fiche the experiences of previous PHARE CBC programmes, especially in the field of transport infrastructure (see 3.2 Linked activities), just as the experiences gained in the preparation of the grant schemes for 2002 were considered. The recommendations of the 2001 OMAS Report Final Assessment (e.g. concerning the necessity of verifiable indicators) were also taken into account during the programming phase and will be carefully watched in course of the implementation of the programme.

The outcomes of the assessment of CBC projects, regarding especially the Hungary-Austria Phare CBC programmes (HU-9913, HU-0015, HU-0108.01) carried out by the EMS has been also taken into consideration. With reference to chapter 4.1 (Recommendations) of the EMS report, all applicants shall specify baseline and targets in terms of results and impacts of their projects in harmony with the log-frame matrix of the current project fiche. The baseline date for result and impact indicators should be January 2003, in relation to which all project related improvements will be measured. The indicators specified for each project shall be part of the support contract; the fulfilment of these indicators will be monitored during implementation and after project completion.

4. Institutional Framework

• IA (Implementing Agency): Retains full responsibility for programme implementation
• PAO (Programme Authorising Officer): Professional leader of the Implementing Agency, responsible for the programme implementation.
• Intermediary: The West Pannon Regional Development Agency (RDA), to be contracted by the IA. Undertakes the task of day-to-day technical management of implementation of projects and monitoring activities under the authority of the IA. The relationship between the IA and the Intermediary shall be defined in a Cooperation Agreement, which will reflect the institutional framework given in this fiche. The EC Delegation should be able to comment on the Co-operation Agreement between the IA and the RDA.
• Rules, procedures and formats: As described in the Rules of Procedures of the Monitoring and Steering Committees of the Austria-Hungary Interreg IIIA Phare CBC programme, the selection of projects within Grant Schemes will strictly follow the Grant Section of the Commission Practical Guide and will be approved by the EC Delegation.
• Monitoring Committee: The MC is constituted on the Austrian side of the representatives of Federal Chancellery, the relevant federal ministries, chambers and the regional governments, on the Hungarian side of the representatives of relevant line ministries, the county development councils and the Regional Development Council, as well as the EC Delegation. The MC defines a common set of Phare CBC projects (SPF and Grant Schemes) once a year.
• **Steering Committee:** The SC is constituted on the Austrian side of the representatives of the Federal Chancellery, the relevant federal ministries and the regional governments, on the Hungarian side of the representatives of relevant line ministries, the county development councils, and the EC Delegation. In terms of Grant Schemes financed by Phare CBC, the Steering Committee endorses the Guidelines and timetables for implementation, which is subject to approval by the EC Delegation.

• **Inter-ministerial Co-ordination:** Experts from the Ministry for Economy and Transport will be consulted for the final definition of the selection criteria and will participate to the technical Evaluation Committees, which will give the final recommendations on the projects selection.

5. **Detailed Budget (€ Million)**

<table>
<thead>
<tr>
<th></th>
<th>Phare Support</th>
<th></th>
<th>National Co-financing*</th>
<th>IFT*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
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<tr>
<td>Plans, studies and other services</td>
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<td>–</td>
<td>0.75</td>
<td>0.25</td>
<td>–</td>
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<tr>
<td>Investment in the development of transport infrastructure</td>
<td>5.25</td>
<td>–</td>
<td>5.25</td>
<td>1.75</td>
<td>–</td>
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<tr>
<td>Total</td>
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<td>–</td>
<td>6.0</td>
<td>2.0</td>
<td>–</td>
</tr>
</tbody>
</table>

**National co-financing:**
The Grant Scheme will be jointly co-financed between Phare and government resources to be provided by the Prime Minister’s Office and the Ministry of Economy and Transport. The rate of Phare support within the total funding will be 75%, while the Hungarian government will contribute 25%. The ratio between the Phare and the national amount is binding and has to be applied to the “final contract price”.

The rate of the generally available maximum support (Phare and national co-financing) is 90% of the total cost of the projects to be supported, and at least 10% has to be provided as own resources by the beneficiaries in cash.

The national co-financing included in the above budget table indicates the governmental co-financing amount of the project.

6. **Implementation Arrangements**

6.1 **Implementing Agency**
The Prime Minister’s Office has been defined as the Implementing Authority for all measures to be implemented on the Hungarian side of the border in the framework of the JPD. In Phare terms, the National Agency for Regional Development (NARD) of the Prime Minister’s Office with its Sopron Regional Phare Office will be the Implementing Agency of the grant scheme. It will have the overall responsibility for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

**Implementing Agency:** National Agency for Regional Development of the Prime Minister’s Office

**PAO:** Tamás Lunk, Government Commissioner

**Address:** 1016 Budapest, Gellérthegy u. 30-32.

**Phone:** +36 1 4887171

**Fax:** +36 1 4887188

6.2 **Twinning**

Not applicable.
6.3 Non-standard aspects

The relevant Commission standards for the management of Grant Schemes described in the Practical Guide to PHARE, ISPA & SAPARD contract procedures (PRAG) manual will apply during the implementation of the Grant Scheme.

6.4 Contracts

The Grant Scheme with two windows will be implemented through an open call for project proposals according to the stipulations of the PRAG on Grant Schemes. Beneficiaries will sign Grant Contracts with the PAO laying down the rules of the project implementation based on the list of supported projects approved by the IA and endorsed by the EC Delegation in case of the Phare co-financed projects. Tendering and contracting of the required services and supplies will follow the PRAG manual.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Financing Memorandum</th>
<th>Publication of call for proposals</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
</table>

8. Equal Opportunity

The implementation of the programme does not support discrimination based on gender or any other kind. Women’s participation is encouraged. The results of the projects must be available for everybody, evidence for which must be provided in the application. Participation of women in the training programmes will be measured through the reports of the projects.

9. Environment

Only projects complying with the environmental regulations of the EU will be eligible. In the case of investments projects where an environmental impact assessment is to be carried out the provisions of Government Decree no. 20/2001 (II.14.) on Environmental Impact Assessment should be taken into account. In the field of environmental impact assessment the Hungarian legislation is in full conformity with related EC legislation (Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment as amended by Council Directive 97/11/EC). Only investment project already having all necessary permits and authorisations are eligible for support under the grant scheme.

10. Rates of return

The individual project applications submitted to the IA for grants shall determine the rate of return of individual investments in the form of indicators.

11. Investment criteria

11.1 Catalytic effect

The Phare funding will contribute to the development of cross border transport in terms of access, quality and safety, thus increasing the general quality of life in the region and fostering the social and economic integration of the Hungarian-Austrian cross border area.

11.2 Co-financing

The grant scheme will be jointly co-financed between Phare and government resources to be provided by the Prime Minister’s Office and the Ministry of Economy and Transport. The rate of Phare support within the total support will be 75%, while the Hungarian government will contribute a maximum with 25%. The ratio between the Phare and the national amount is binding and has to be applied to the “final contract price”.

7
The rate of the generally available maximum support (Phare and national co-financing) is 90% of the total cost of the projects to be supported, and at least 10% has to be provided as own resources by the beneficiaries in cash.

11.3 Additionality

Financial support to be provided by Phare will not displace any other funding.

11.4 Project readiness and Size

A draft of the Co-operation Agreement, Call for Proposal, Application form, Guidelines for applicants and Grant Contracts will be elaborated by all concerned organisations by the time of signing the Financing Memorandum. All documents shall be prepared according to the PRAG template and submitted to the Delegation for endorsement prior to the launch of the Call for proposals.

The Fund will provide grants to projects in an amount €10,000 – €200,000 (Window 1), €500,000 – €2,000,000 (Window 2) (Phare and National co-financing) (in line with the Phare Programming Guide 2003 issued by the Commission). The Phare contribution to the Grant Scheme is €6 million and meets the minimum project size requirements.

11.5 Sustainability

All infrastructures built through the grant scheme will be operated by the beneficiaries. The beneficiaries will be responsible for the sustainability of the project and will provide the administrative staff and the necessary funds for the operational costs. The ability of the applicant to finance the long-term operation and maintenance of the infrastructural instalments shall be proved in the application and checked at the project selection phase, and it will be one of the evaluation criteria for the projects (the Evaluation Grid will be part of the Guidelines for Applicants).

11.6 Compliance with state aids provisions

All actions financed by Phare will respect the state aid and competition provisions of the Europe Agreement.

11.7 Contribution to National Development Plan

According to the revised PNDP (2001), based on the regional development strategies, the project reflects to Priority 3 “Regional Development” Measure 1 “Accessibility – to develop traffic infrastructure” (PNDP 2001, Section 5.5.6, Priority 3, Measure 1).

12. Conditionality and sequencing

No conditionalities are foreseen. The implementation will follow the implementation schedule.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Cumulative contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Reference to feasibility/pre-feasibility studies
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
7. Minutes of the second regular meeting of the Hungarian-Austrian Joint Cross-Border Committee
8. Template for the institutional framework/implementaion arrangements in case of grant schemes
### LOGFRAME PLANNING MATRIX FOR

**CBC Transport Infrastructure Networks (Grant Scheme)**

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Total budget: € 8 million</th>
<th>Phare budget: € 6 million</th>
</tr>
</thead>
</table>

#### Overall objective

**Improved social and economic integration of the Hungarian-Austrian cross-border area**

- Income growth in the project areas exceed Hungarian averages
- Growth of conductive contacts across the border involving social, cultural, and business relations

**Sources of Verification**

- Reports and statistics of the Central Statistical Office, county and local authorities, chambers of commerce

#### Project purpose

**Faster, improved, and safer transport links between both sides of the border**

- Increased ESS between Hungarian settlement(s) and Austrian ones;
- Decreased access time between Hungarian settlement(s) and Austrian ones (journey time x freight/passengers volume);
- Number of cyclists using safe and good quality bicycle roads;
- Number of accidents decreasing on the affected tracks

**Sources of Verification**

- Reports and statistics of the Central Statistical Office, county and local authorities
- Surveys
- Company registry
- Reports of relevant ministries

**Assumptions**

- Current projections of transport development are relevant in the middle and long term

#### Results

**Objectively verifiable indicators**

- Number of plans and studies related to the development of transport infrastructure
- Kilometres of improved quality or new roads and bicycle paths
- Number of new transport safety installations on the affected tracks

**Sources of Verification**

- Project monitoring reports
- Progress report of the National Agency for Regional Development
- Central Statistical Office
- Local government statistics
- Company registry
- Reports of relevant ministries

**Assumptions**

- Information on the new transport routes is made available on maps and traffic signs
- New and improved transport routes realised according to the highest standards and to up-to-date requirements

#### Activities

**Means**

**Assumptions**

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2 The baseline date result and impact indicators must be January 2003
- Preparation of studies covering preparatory project development documents for cross border projects on road, railway and water as well as on small scale inter-modal facilities (impact assessments, need assessment, feasibility studies).
- Traffic related services and supplies (Information services about the traffic conditions on the roads leading to the border, internet services, electronic sign posts along the road, public transport co-ordination measures especially related to improving intermodality, etc.).
- Road construction and reconstruction works related to roads leading directly to the border. The development of transport related technology – e.g. installation of traffic lights, sign posts and information boards, etc. is also eligible.
- Construction and reconstruction works related to the creation and extension of cross-border networks of local (3, 4, 5 digit and municipality) roads, including roads connecting to roads leading directly to the border. The development of transport related technology – e.g. the installation of traffic lights, sign-posts and information boards, etc. is also eligible.
- Construction works related to transport safety (e.g. over- and under-crossings, roundabouts, etc.).

<table>
<thead>
<tr>
<th>Preconditions</th>
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<tr>
<td>- Institutional structure to implement and operate the project is in place</td>
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</table>

| Implementation of the grant scheme in line with the provisions of the PRAG and the Vademecum on Grant Management; |
| - € 6 million as Phare contribution supplemented by € 2 million national co-financing and € 0.89 million as contribution form the beneficiaries. |

<table>
<thead>
<tr>
<th>Preconditions</th>
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<tbody>
<tr>
<td>- Sufficient number of good quality project proposals</td>
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<td>- High quality project management</td>
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<td>- Co-finance contributions available when required</td>
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ANNEX 2
CROSS BORDER TRANSPORT INFRASTRUCTURE NETWORKS
Detailed implementation chart

<table>
<thead>
<tr>
<th>Component</th>
<th>2003</th>
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<th>2005</th>
<th>2006</th>
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<tr>
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<td>MJ JS ON JD FM AM MJ JS ON</td>
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</table>

- **Call for Proposals**
- **Project evaluation and selection**
- **Contracting**
- **Implementation and disbursement**
**ANNEX 3**

**CROSS BORDER TRANSPORT INFRASTRUCTURE NETWORKS**

Cumulative contracting and disbursement schedule (€ Million)

<table>
<thead>
<tr>
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</tbody>
</table>
ANNEX 4
CROSS BORDER TRANSPORT INFRASTRUCTURE NETWORKS
Reference to feasibility/pre-feasibility studies

- Sustainable Transport Infrastructure and Intermodal Transport Concepts for Northern Central Europe SUSTRAIN 2000.
ANNEX 5
CROSS BORDER TRANSPORT INFRASTRUCTURE NETWORKS
List of relevant Laws and Regulations

- Act XXI/1996 on Regional Development and Physical Planning;
- Act no. CLVI of 1997 on public benefit organisations
- Decree no. 15/2000 (XI.16.) of the Ministry of Transport and Water Management on the licensing of road construction, opening and closure
- Act no. LXXVIII. of 1997 on the formulation and protection of the built environment
- Act LXXV/1998. on Transport on Public Road Network
ANNEX 6
CROSS BORDER TRANSPORT INFRASTRUCTURE NETWORKS
Reference to relevant Government Strategic plans and studies

- Preliminary Development Plan (version April 2001)
- Regional Development Plan of Western Transdanubia
- Regional Development Programme for Economic and Transport Lines of West-Transdanubian Region
- Expected Regional and Economic Development Impacts of the M8 Highway
- Transport Network Development Programme of the Western and Middle Transdanubian Region
- Development plans concerning the public road network of the Ministry of Transport and Water Management prepared in 1997.
ANNEX 7
CROSS BORDER TRANSPORT INFRASTRUCTURE NETWORKS
Minutes of the second regular meeting
of the Hungarian-Austrian Joint Cross-Border Committee

The Hungarian-Austrian Joint Cross-Border Committee held its second regular meeting on 15-16 May 2002.

The Hungarian delegation was headed by Mrs. Zanathyné dr. Györgyi Martin Ambassador from the Ministry of Foreign Affairs of the Republic of Hungary (Co-chair: János Kendernay, Head of Department of the EU Co-ordination Department for Internal Affairs and Justice at the Integration Division of the Ministry of Foreign Affairs). The Austrian delegation was headed by Dr. Christian Berlakovits, Ambassador (Austrian Ministry of Foreign Affairs).

A list of the members and consultants of the Joint Committee is set forth in Annex 1.

The Joint Committee adopted the following resolution:

Agenda of Meeting

1. General assessment and terms of reference specification for bi-lateral cross-border co-operation
2. Co-operation between border control authorities
3. Public road and railway transport infrastructure issues in cross-border regions
4. Border crossing points:
   a) Pinkamindszent – Heiligenbrunn
   b) Szentgotthárd Industry Park
   c) Rábafüzes – Heiligenkreuz
   d) Szentpéterfa – Eberau
   e) Írottó – Nature Park Geschriebenstein
   f) Zsira – Lutzmannsburg
   g) Sopron – Klingenbach
   h) Fertorákos port facility
   i) Fertorákos – Möbisch bicycle road
   j) Picknickplatz – PANEUROPA
   k) Fertod – Pamhagen
   l) Jánossomorja – Andau
   m) Hegyeshalom – Nickelsdorf
5. Proposal for the 3rd meeting.

1. General assessment and terms of reference specification for bi-lateral cross-border co-operation

The parties informed each other about the latest developments in cross-border traffic and exchanged border-crossing statistical information (Annex 2.). These information reveal a positive growth in cross-border traffic in the last year as well.

The Joint Committee was pleased to establish the success of certain efforts made to improve co-operation by opening three new border crossing points (Lutzmannsburg – Zsira, Möbisch – Fertorákos, Fertorákos water crossing point). The Committee expressed its satisfaction with the final resolution of certain issues this year that have been on the agenda for long.

The Joint Committee was also pleased to acknowledge that a new EU-Phare Twinning Project has been started on 1st April 2002 with prestigious plans to significantly improve conditions of border control along the European Union’s future external borders and strengthen cross-border co-operation along future internal EU borders. In relation to the
EU-Phare Horizontal Project, the Hungarian party expressed its satisfaction and gratefulness to the Austrian party for the successful co-operation in the area of visa policy, migration and border control.

The Austrian party was pleased to note the significant efforts made by Hungary in harmonization with the European Union and in being the first of applicant countries to have closed negotiations over Chapter 24. As it was announced at the meeting, Austria was asked to delegate a border control and migration expert to participate in the work of the forthcoming pre-review mission. The Austrian delegation expressed its commitment to take all efforts as may be required to effectively support Hungary’s diverse activities in the subject matter.

The Hungarian delegation proposed to conclude additional agreements for cross-border co-operation especially in relation to the Orség National Park, which should be connected with the relevant Austrian and Slovene projects.

The Joint Committee took acknowledgement of the 46th Meeting of the Austrian-Hungarian Standard Border Committee from 22nd to 25th April 2002.

The Joint Committee expressed its satisfaction with the signing on 8th April in Budapest of the new amendment and modification of the Amendment signed between the People’s Republic of Hungary and the Republic of Austria on 29th April 1987 of the Contract between People’s Republic of Hungary and the Republic of Austria on 31st October 1964, in relation to the transparency of the common border of the Austrian Republic and the Republic of Hungary. Confirmation documents may be exchanged between the parties still this year.

2. Co-operation between border control authorities

The Committee noted with satisfaction that the co-operation of the organisations with competence in border control on a local, regional and national scale is excellent and has shown positive improvement lately. Co-operation in border control at joint border crossing points is particularly good. The Hungarian delegation explained how Hungarian organisations were able to take use of the positive experience gained on the Austrian-Hungarian borders at other border sections. In view of the coming tourist season and the need to increase border throughput, the Hungarian delegation forwarded a proposal for the improvement of task and service co-ordination in full consideration of expected traffic peaks throughout the year.

In this respect, the parties agreed to organise a meeting by 30th June 2002 at the latest with the participation of the National Border Guards Directorate and the National Customs and Finance Directorate from the Hungarian side, and the Federal Ministry of Interior and the Federal Ministry of Finance from the Austrian side, with the involvement of regional and local organisations. The Chairman of the Joint Committee shall be notified of the results of the meeting.

The Hungarian delegation expressed its interest in strengthening information exchange in relation to tobacco and alcohol traffic control on external EU borders.

The Contact Service Point established at the Nickelsdorf – Hegyeshalom border crossing point was also a very positive experience. Both parties expressed hope for the completion of negotiations for the co-operation of police forces in the two countries as soon as possible in order to extend the Contact Service Point network and deepen cross-border co-operation of law and order forces.

3. Public road and railway transport infrastructure issues in cross-border regions

Transport experts of the Joint Committee informed the participants about mid and long-term public road development concepts.

3a Public road infrastructure issues in cross-border regions

The construction of the following first-class public road sections was contracted to ASFINAG (these sections should be suitable for utility vehicle toll collection as well):

Austrian plans and concepts:
1. **The A3 Motorway section between Eisenstadt and the national border**

The A3 Motorway and the Klingenbach – Sopron border crossing point will be connected by a new motorway section. This plan is related to the plan to bypass the city of Sopron and to eliminate the 20 tons weight limit on the Hungarian side. These two sections should be constructed parallel on the Austrian and the Hungarian side at the same time. The Austrian government is planning to implement the project by 2009, and preparatory works on the new route will be started on 2003. Construction of the road section connecting the two border control facilities at the existing Klingenbach crossing point has already been started. Additional truck lanes will be constructed for both entry and exit. Related construction works will be completed by end of June 2002. This will significantly improve border control at this point.

2. **The Burgerland S31 Motor-road section from Oberpullendorf to the national border**

The current public road leading to Koszeg will be reconstructed into a double lane modern road. Construction of the double lane section has been started and will be completed by the end of 2002. Competent Hungarian organisations have been contacted concerning the border crossing road section north of Koszeg, but the decision still has to be adopted by the relevant authorities. The Austrian delegation asked for expedite decision by the Hungarian party to ensure completion of the preparatory works on the Austrian side for the said section. Completion date for the full road section is scheduled for the year 2008.

3. **The Fürstendfeld S7 Motor-road section from Ilz/Fürstenfeld to the national border at Heiligenkreuz**

This road section is a vital axis connecting the A2 Motorway with Corridor V. The current plan is related to the upgrading of the road section to a double lane facility now, and maybe to four lanes later. Currently, preparatory works on the road sections connecting the A2 Motorway with Heiligenkreuz via Fürstenfeld and Rudersdorf are under way. The section will have to be fully constructed by the year 2011. A border crossing point south of Heiligenkreuz/Rábafüzes will also needs to be defined. A reconciliatory meeting between the Austrian and the Hungarian partners will be organised in the autumn of 2002.

All issues related to the construction of the public road section between border crossing points of Felsoör/Grosspetersdorf and Schachendorf/Bucsu (known as the B63 Steinamangerer Strasse) were allocated to the Burgerland Road Maintenance Authority on 1st April 2002. The road between Grosspetersdorf and Dürnbach is subject to reconstruction. The section bypassing Dürnbach and Schachendorf and leading to the Dürnbach border crossing point is currently in the planning phase, subject to completion by the end of 2002. A double-lane upgrade is scheduled for completion by 2008.

**Hungarian plans and concepts:**

1. There is a plan to construct double (2x2) lanes for the section on Road 84 in Sopron connecting the city with the national border (1.5 km), to be implemented in the years 2002 to 2004.

2. The continuation of the Eisenstadt – Oberpullendorf Schnellstrasse north of Koszeg is under construction. Joint planning for the new border crossing road section via Koszeg has started. Construction of Road 89 for the section connecting Szombathely and the national border – partly financed from PHARE sources – is on the agenda.

<table>
<thead>
<tr>
<th>Timing</th>
<th>Date</th>
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<tbody>
<tr>
<td>Bucsu to the border crossing point (2.4 km)</td>
<td>2003-2004</td>
</tr>
<tr>
<td>Szomathely to Bucsu (5.3 km)</td>
<td>2004-2007</td>
</tr>
</tbody>
</table>

3. Discussions on the construction of a new section in the region of Rábafüzes (M8 and the Heiligenkreutz - Fürstenfeld motorway) have not yet started. In accordance with local country-planning concepts and the M8 impact study the routes on both sides of the border will meet between the current crossing point and the Lahn flow.

4. Note that a joint plan for the development of road transport for the West Trans-Danubian Region and Burgerland is required for cross-border integration.

The Joint Committee is on the opinion that a workshop should be established involving transport experts which would review from a technological, transport techniques, legal, ecological, financial, timing and other aspects the entire future internal border section to identify those cross-border roads that should be upgraded in the future. The
Hungarian partner is to deliver a list of relevant cross-border sections (Annex 3.). This workshop will submit a proposal on the availability of EU support for the implementation of the above projects.

3.b  Railway infrastructure issues in cross-border regions

The Committee noted with satisfaction the deepening regular meetings between the two Ministries of Transport of the two countries to explore further possibilities of co-operation and elaborate concrete plans for future implementation.

As a positive example, the border crossing point at Hegyeshalom as implemented by the Austrian Federal Railways (ÖBB) was mentioned, where co-ordinated technical and planning efforts resulted in reducing waiting time for fast express trains to 3 minutes maximum at the border crossing point.

Hungarian Railways (MÁV) is planning to purchase 10 new electric carriers by the end of 2004 that can also travel on the fast Austrian electric railway sections. Using these engines will further reduce waiting time at the borders.

The Hungarian delegation noted with satisfaction the development performed by the Austrian partner on the railway section between Hegyeshalom and Vienna, and the significant efforts taken by the Hungarian side to develop the railway section between Budapest and the Hegyeshalom border crossing point. Significant developments are expected on this section in the future.

The Austrian delegation informed the participants about the conceptual work done on the electric upgrading of the railway sections between Wr.Neustadt – Sopron and Wulkaprodersdorf Neusiedel am See. The railway infrastructure between Feloor and Rechnitz has been reviewed to analyse reconstruction needs for the entire section upto Szombathely.

In accordance with the general transport plan for the year 2002, the construction of the Wampensdorf – Eisenstadt – Sopron section will be implemented step-by-step, while no work on the Graz – Szengotthárd section will be started in the next 5 years to come.

The Hungarian delegation expressed its commitment to the development of the section between Sopron and Szombathely. Upgrading of the security equipment and the electric network of the relevant railway section is planned for the following years. A feasibility plan is to be prepared and put at the Hungarian-Austrian railway development workshop’s disposal by late autumn this year.

The Joint Committee noted however that this issues should be discussed by the relevant bilateral committees consisting of the experts of the Ministries of Transport and the railway corporations of the two countries.

The Joint Committee took note of the low priority of the electric upgrading of the railway section between Graz and Szombathely and that GYESEV has taken over operation of the former MÁV section between Sopron and Szombathely in the autumn of 2001.

4. Border crossing points:

a) Pinkamindszent – Heilingenbrunn

The Austrian delegation informed the participants that in accordance with the contract, specification of the technical and legal terms was continued and internal preparations on the Austrian side will be soon completed. Austria will then deliver a concrete project proposal to the Hungarian party. Implementation on the Austrian side is scheduled for the year 2003.

In this respect the Hungarian delegation requested the Austrian partner to propose amendment of Section 6, Article 1. of the Agreement concluded on 5th April 1991 between by the Austrian Federal Republic and the Republic of Hungary on the establishment of new border crossing points on the common national border to specify the exact location of the new border crossing point, its traffic, opening hours and method of border control (possible joint control on
the Austrian side) to ensure that the project is included in the Border Development Plan of the Hungarian partner for the years 2003 and 2004.

Financial resource planning should be undertaken with the launching of the project for the establishment of the joint border crossing point.

The Hungarian delegation noted that the relocation of the border crossing point from C58 to C62 has been initiated by the Austrian party and that this requires the construction of a new road section on the Hungarian side to the C62 point.

b) Szentgotthárd – Heiligenkreuth Industry Park

Both parties expressed their satisfaction for the successful conclusion of the negotiations for the establishment of this border crossing point. The Austrian delegation noted that construction works can be completed by 1st September 2002. The Austrian party promised to notify the Hungarian partner in time on the establishment of all technical conditions to ensure custom clearance on the first day of the following month.

The relevant Agreement makes it possible to extend railway connection between the two industry parks, and the Hungarian party is waiting for the relevant Austrian proposal. The Joint Committee established that no position paper from the management of the two industry parks has so far been received by the Chairmen of the Joint Committee relevant to the railway connection. Work on elaboration of the legal terms can start only when this position paper is received.

c) Rábafüzes – Heiligenkreuz

The Austrian partner informed the participants that final public administrative reconciliation is required before start of the construction. Once all approvals are obtained, the Austrian partner will come forward with a date proposal for start of the expert discussions.

d) Szentpéterfa – Eberau

The Austrian delegation informed the participants about an increasing public request for the extension of the opening hours from the current 6 a.m. to 10 p.m. to 6 a.m. to 12 p.m. This is justified in view of the increasing cross-border traffic. The Austrian side is investigating the matter and will contact the Hungarian partner with a new proposal later if necessary.

The Hungarian delegation took acknowledgement of the issue.

e) Írottka – Geschriebenstein Nature Park

The parties expressed their satisfaction with the successful conclusion of the discussions on the establishment of this border crossing point. The Agreement took force on 1st May 2002. The parties agreed to expedite preparatory works for the relevant construction and agreed to closely monitor implementation of the project to prevent eventual abuse or wrongdoings.

The parties agreed that their experts will submit a co-ordinated report on the status of the project for the next meeting.

f) Zsira – Lutzmannsburg

The parties noted with consent that discussions on the establishment of this border crossing point were successful concluded and the border crossing point was opened to traffic. Notable increase in local tourism was experienced as a result.
g) Sopron – Klingenbach

The Austrian delegation informed the parties that construction works in accordance with the agreement were commenced on time and will be completed in time (by 30th June 2002) to ensure that the required control and traffic capacity is available by the start of the summer season. The Hungarian party took note of the issue and thanked the Austrian partner for the efforts taken.

h) Fertorákos water crossing point and port facility

The parties expressed their satisfaction with the successful conclusion of the discussions on the establishment of this border crossing point. The Agreement took force on 1st May 2002 and the port can be opened on time (11th May 2002) as scheduled.

The Austrian party is planning to contact the Hungarian party to initiate the establishment of a permanent border control point to ensure that the current interim situation is resolved and durable facilities are opened to cross-border traffic.

The Hungarian party will take every action required to finalise construction of a permanent water border crossing point by 1st May 2003 and promised to keep the Austrian partner informed about the status of the project.

i) Fertorákos – Mörbisch bicycle road

The parties expressed their satisfaction with the successful conclusion of the discussions on the establishment of this border crossing point. The Agreement took force on 1st May 2002.

The Austrian delegation thanked the Hungarian party for the efforts taken to provide temporary solution for joint border control until the permanent border crossing point is fully constructed. The Austrian delegation promised to take every action necessary to install the proposed container office facility by the Hungarian partner, and will inform the Hungarian partner of the status of the project.

The Hungarian delegation asked to speed up the construction to resolve the transition situation as soon as possible and deliver permanent border crossing facilities to the traffic at the earliest.

j) Pan-European Picknickplatz

The parties noted with satisfaction the progress made in the discussions and agreed to conclude the negotiations on the opening of the Park possible by the end of January next year.

The Hungarian delegation will submit the relevant proposal in the issue to the Austrian partner.

k) Fertod – Pamhagen

l) Jánossomorja – Andau

The parties noted with satisfaction the conclusion of the discussions on the extension of opening hours. The Hungarian partner is looking forward to the Austrian reaction to the documents delivered.

m) Hegyeshalom – Nickelsdorf

In relation to the development of this essential border crossing point, the Joint Committee identified the following key objectives:
• Improve border control infrastructure, especially bus and passenger vehicle control areas (construction of control booth and a bus terminal, among others). The parties agreed that the representatives of the operators on both sides (Customs and Finance National Directorate, Ministries of Finance) should meet by 30th June 2002 and take actions as necessary.
• Conclude agreement on the construction of a service road. The Austrian partner promised to react to the Hungarian partner’s draft proposal for the service road and will submit a proposal for the use of the CD lane as well.
• Old border crossing station. The Austrian partner will forward a proposal for the establishment of a joint border control point and send the relevant draft agreement to the Hungarian party.
• Stone delivery station. The Austrian partner promised to react to the Hungarian proposal previously delivered.

5. Proposal for the 3rd meeting.

The Joint Committee agreed to hold the 3rd meeting in 2003 in the Hungarian Republic.

Established in Vienna on 16th May 2002 in two original copies in both German and Hungarian language, both versions considered authentic.

Chair of the Hungarian delegation
Mrs. Zanathyné dr. Györgyi Martin
Ambassador

Chair of the Austrian delegation
Mr. Christian B. M. Berlakovits
Ambassador
List of cross-border road sections

1. Deutsch Jahrndorf – Rajka
2. Halbturn – Albertkázmérszta
3. Andau – Jánossomorja (reclassification of existing bicycle road to public road)
4. Mörbisch – Fertorákos (reclassification of existing bicycle road to public road)
5. Sankt Margarethen – Sopron (“picnic road”)
6. Loipersbach – Ágfalva
7. Ritzing – Brennbergbánya
8. Neckenarkt – Harka
9. Deutschkreuth – Nagycenk
10. Nikitsch – Sopronkövesd
11. Nikitsch – Und
12. Lutzmansburg – Zsíra
13. Klostermarienberg – Ólmod
14. Deutsch Schützen – Pornóapáti
15. Oberbildein – Pornóapáti
16. Moschendorf – Szentpéterfa
17. Moschendorf – Pinkamindszent
18. Deutsch Bieling – Csákánydoroszló
19. Reinersdorf – Nemesmedves
20. Inzenhof – Rönök
21. Szentgotthárd – Hasendorf
22. Neumarkt an der Raab – Alsószőlnök
CROSS BORDER TRANSPORT INFRASTRUCTURE NETWORKS
Institutional Framework

ANNEX 8

1. PREPARATION OF THE PACKAGE OF CALL FOR PROPOSAL, GUIDELINES FOR APPLICANTS AND APPLICATION FORM ACCORDING TO THE PRACTICAL GUIDE

- IA drafts the call for proposal, the guidelines, the guidelines for applicants and the application form in consultation with the entities concerned in the given field (at national – e.g. Ministries – and regional level).
- IA submits the final version of the documents to EC for approval.
- EC Delegation endorses the documents.

2. PUBLICATION OF THE CALL FOR PROPOSAL

The IA takes all appropriate measures to ensure that the nationally and regionally publicised call for proposal reaches the target groups in line with the requirements of the Practical Guide.

3. PROJECT SELECTION PROCESS

- The RDA collects and registers incoming project proposals
- The IA (PAO) selects (in agreement with the co-financing ministry/ies involved, if relevant) and approves the assessor team for the assessment of administrative compliance, eligibility and assessment of technical and financial quality of proposals.
- The IA (PAO) nominates the Evaluation Committee (non-voting chairman and secretary, and voting members) with the co-financing ministry/ies involved, if relevant. Austrian experts can also be nominated as voting members in the Evaluation Committee.
- The IA (PAO) nominates the members of the assessment team and Evaluation Committee exclusively on the basis of technical and professional competence in the relevant area of development. In addition to technical and professional expertise a clear balance between regional-specific, local knowledge and independent non-targeted region expertise shall be ensured in the selection of the assessors and the members of the Evaluation Committee in order to guarantee the objectivity of the process.
- The EC Delegation endorses the team of assessors and the composition of the Evaluation Committee. The Delegation nominates an observer to follow all or part of the proceedings of the Evaluation Committee. Prior approval is needed from the Delegation for the participation of other observers.
- The Steering Committee (SC) shall give strategic guidance to the evaluation committee and shall identify projects with high cross-border effect within the Grant Scheme. The SC will ensure full transparency and fairness towards all potential applicants. Its conclusions concerning the recommendation of projects for support under Phare CBC grant schemes will remain indicative and shall not bind the decision of the Evaluation Committee.
- The Evaluation Committee draws up its recommendations and decisions according to the assessor team’s written assessment of each proposal on the basis of the published evaluation grid and can take into account the recommendation of the Steering Committee as concerns the CBC impact.
- The PAO approves the evaluation report prepared by the evaluation committee and forwards the evaluation report and any award proposals to the Delegation.
- The Delegation endorses (ex-ante) the evaluation report on the selection process and the final list of grants to be awarded.
- The IA notifies each applicant in writing of the result of the selection process.

4. CONTRACTING (PAO DESIGNATED IN THE RESPONSIBLE IMPLEMENTING AGENCY)

- The format of the grant contract is drafted according to the Practical Guide using the standard grant contract format and its annexes.
• The format of the grant contract is to be approved by the Delegation (in cases where the call for proposals results in the award of a large number of grants which all have the same grant contract conditions).

• The PAO signs the grant contracts with the selected beneficiaries based on the final list of grants approved by the Delegation. The language of the grant contract is English and the official Hungarian translation of the contract is attached to the signed English language contract.

• Copy of the signed grant contract is sent to the Delegation.

5. **IMPLEMENTATION OF THE SELECTED PROJECTS BY THE BENEFICIARIES**

• Beneficiaries subcontract suppliers of goods, services or works, in line with Phare procurement regulations annexed to the Grant Contract and under the Practical Guide.

6. **FINANCIAL MANAGEMENT OF THE SELECTED PROJECTS**

The IA with the technical assistance of the RDA receives and verifies the invoices and requests payment by the National Fund.

7. **MONITORING OF THE PROJECTS IMPLEMENTED BY THE BENEFICIARIES**

Standard Phare monitoring instruments will be used for monitoring purposes. Attention is drawn to the special duty of the RDA with regard to the day-to-day monitoring of the selected projects.

In case the conditions of Article 12 of the Council Regulation (EC) No. 1266/99 of 21 June 1999 on co-ordinating aid to the applicant countries in the framework of the pre-accession strategy concerning the co-ordination of the pre-accession instruments are met, new procedures may be introduced in due time, providing for a delegation of the selection of projects and approval of funding for PHARE-CBC in agreement with the Commission.