II

(Acts whose publication is not obligatory)

COUNCIL


of 29 June 2001

adopting the terms and conditions for the participation of the Republic of Hungary in the Culture 2000 programme

(2002/118/EC)

THE ASSOCIATION COUNCIL,

Having regard to the Additional Protocol to the Europe Agreement establishing an Association between the European Communities and their Member States, of the one part, and the Republic of Hungary, of the other (1), concerning Hungary’s participation in Community programmes, and in particular Articles 1 and 2 thereof,

Whereas:

(1) According to Article 1 of the Additional Protocol, Hungary may participate in Community framework programmes, specific programmes, projects or other actions in particular in the field of culture.

(2) According to Article 2 of the said Protocol, the terms and conditions for the participation of Hungary in this area are to be decided by the Association Council,

HAS DECIDED AS FOLLOWS:

Article 1

Hungary shall participate in the Culture 2000 programme according to the terms and conditions set out in Annexes I and II which shall form an integral part to this Decision.

Article 2

This Decision shall enter into force on the first day of the month following its adoption.

It shall apply for the duration of the Culture 2000 programme, starting from 1 January 2001.


For the Association Council

The President

J. MARTONYI

ANNEX I

Terms and conditions for the participation of the Republic of Hungary in the Culture 2000 programme

1. Hungary will participate in the activities of the Culture 2000 programme (hereinafter called 'the programme') in conformity, unless otherwise provided for in this Decision, with the objectives, criteria, procedures and deadlines as defined in Decision No 508/2000/EC of the European Parliament and of the Council of 14 February 2000 establishing the Culture 2000 programme (1).

2. To participate in the programme, Hungary will pay each year a contribution to the general budget of the European Union according to the detailed arrangements described in Annex II. If necessary in order to take into account programme developments, or the evolution of Hungary's absorption capacity, the Association Committee is entitled to adapt this contribution, so as to avoid a budgetary imbalance in the implementation of the programme.

3. The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Hungary will be the same as those applicable to eligible institutions, organisations and individuals of the Community. Hungarian experts may be taken into consideration by the Commission when appointing independent experts according to the relevant provisions of the decision establishing the programme to assist it in the project evaluation.

4. With a view to ensuring the Community dimension of the programme, in order to be eligible for Community financial support, projects and activities will have to include at least a partner from one of the Member States of the Community.

5. The maximum amount of financial support for the activities of the cultural contact points will not exceed 50 % of the total budget for its activities.

6. Without prejudice to the responsibilities of the Commission of the European Communities and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of the programme pursuant to Article 8 of Decision No 508/2000/EC, the participation of Hungary in the programme will be continuously monitored on a partnership basis involving the Commission of the European Communities and Hungary. Hungary will submit to the Commission relevant reports and take part in other specific activities set out by the Community in that context.

7. In conformity with the Community's Financial Regulations, contractual arrangements concluded with, or by, entities of Hungary shall provide for controls and audits to be carried out by, or under the authority of, the Commission and the Court of Auditors. As far as financial audits are concerned, they may be carried out for the purpose of controlling such entities' income and expenditure, related to the contractual obligations towards the Community. In a spirit of cooperation and mutual interest, the relevant authorities of Hungary shall provide any reasonable and feasible assistance as may be necessary or helpful under the circumstances to perform such controls and audits.

8. Without prejudice to the procedures referred to in Article 5 of Decision No 508/2000/EC, representatives of Hungary will participate as observers in the Management Committee for the points which concern them. This committee shall meet without the presence of representatives of Hungary for the rest of the points, as well as at the time of voting.

9. The language to be used in all sorts of contacts with the Commission, as regards the application process, contracts, reports to be submitted and other administrative arrangements for the programme, will be one of the official languages of the Community.

10. The Community and Hungary may terminate activities under this Decision at any time upon 12 months' notice in writing. Projects and activities in progress at the time of termination shall continue until their completion under the conditions laid down in this Decision.

ANNEX II

Financial contribution of the Republic of Hungary to Culture 2000

1. The financial contribution to be paid by Hungary to the general budget of the European Union to participate in the programme will be the following:

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<th>Year 2001</th>
<th>Year 2002</th>
<th>Year 2003</th>
<th>Year 2004</th>
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<td>488 271</td>
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2. Hungary will pay the contribution mentioned above, partly from the Hungarian national budget, and partly from Hungary's PHARE national programme. Subject to a PHARE separate programming procedure, the requested PHARE funds will be transferred to Hungary by means of a separate Financing Memorandum. Together with the part coming from Hungary's State budget, these funds will constitute Hungary's national contribution, out of which it will make payments in response to annual calls for funds from the Commission.

3. PHARE funds will be requested according to the following schedule:

<table>
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<tr>
<th>Year 2001</th>
<th>Year 2002</th>
<th>Year 2003</th>
<th>Year 2004</th>
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The remaining part of the contribution of Hungary will come from the Hungarian State budget.

4. The Financial Regulation applicable to the general budget of the European Communities will apply, in particular to the management of the contribution of Hungary.

Travel costs and subsistence costs incurred by representatives and experts of Hungary for the purposes of taking part as observers in the work of the committee referred to in Annex I(8) or other meetings related to the implementation of the programme shall be reimbursed by the Commission on the same basis as and in accordance with the procedures currently in force for non-governmental experts of the Member States of the European Union.

5. After the entry into force of this Decision and at the beginning of each following year, the Commission will send to Hungary a call for funds corresponding to its contribution to the budget of the programme under this Decision. This contribution shall be expressed in euro and paid into a euro bank account of the Commission.

Hungary will pay its contribution according to the call for funds:
- by 1 May for the part financed from its national budget, provided that the call for funds is sent by the Commission before 1 April, or at the latest one month after the call for funds is sent if later,
- by 1 May for the part financed from PHARE, provided that the corresponding amounts have been sent to Hungary by this time, or at the latest within a period of 30 days after these funds have been sent to Hungary.

Any delay in the payment of the contribution shall give rise to the payment of interest by Hungary on the outstanding amount from the due date. The interest rate corresponds to the rate applied by the European Central Bank, on the due date, for its operations in euro, increased by 1.5 percentage points.