FINANCING AGREEMENT

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 Romania, hereinafter referred to as "THE RECIPIENT"
on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 12 March 1991 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, described in detail in Annex C:

Programme number: 2005/017-553.06
Title: 2005 Phare National Programme for Romania:
        Sub-programme 6: Community programmes and agencies and end-user support
Duration: Until 30 November 2007

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of €24.61M, 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 2007 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 execution of contracts of THE EC GRANT is 30 November 2008. Execution of all contracts must end by the deadline for execution of contracts. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the contract execution period, should this be requested in due time and properly justified by THE RECIPIENT.

This Memorandum shall expire at the expiry date for the execution of contracts of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.

for signature

LB
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 RECIPIENT:
Mr Istvan Jakab
Secretary of State and National Aid Coordinator
Ministry of Public Finance
Government of Romania
Blvd. Mircea Voda, no. 44
Sector 3 - Bucharest
Romania
Fax: 00 40 21 3025232

for the COMMUNITY:
Mr. Jonathan Scheele
Head of Delegation of the European Commission in Bucharest
St. Jules Michelet 18-20
010463 Bucharest
Romania
Fax: 00 40 1 212 88 08

ARTICLE 5 - NUMBER OF ORIGINALS
This Memorandum is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE
This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.
The Annexes shall be deemed an integral part of this Memorandum.

Done at Bucharest
Date 28 April 2006
for THE RECIPIENT

Mr. Sebastian Vladescu
Minister of Public Finance

Done at Bucharest
Date 28 April 2006
for THE COMMUNITY

Mr. Jonathan Scheele
Head of Delegation of the European Commission in Romania

2. Special Provisions (Annex C)
3. Visibility/Publicity (Annex D)
Annex C

PHARE Programme 2005/017-553

Sub-programme 6

Participation in Community Programmes and Agencies and End-user support
1. **Objectives and Priorities**

The 2005 Phare national programme continues to provide assistance to Romania for its accession to the European Union. The programme has been defined taking into account the detailed Roadmap for Romania endorsed by the Copenhagen European Council of December 2002. It covers the measures that need to be initiated or implemented in the period up to accession and during the first years of membership. These measures shall support furnishing Romania with the necessary institutions and infrastructure, which a Member State needs to fully benefit from the EU membership, and which assure the EU that Romania meets the obligations as set out in the acquis communautaire.

This chapter describes the Sub-programme 6, **Participation in Community Programmes and Agencies and End-user support**, envisaged for the budgetary year 2005 under Phare, providing support to Romania for its participation in specific Community activities prior to membership.

**06.01 Community Programmes and Agencies**

Phare funds required: €21.11 Million

On the basis of Association Council decisions and Agreements, Candidate Countries may participate in certain European Community programmes and agencies. The Phare national programme will co-finance part of the contribution costs of participating in those programmes and agencies. As from 2001, these funds are made available each year as part of the Phare national programme.

The programme supports Romania to participate in the following European Community programmes keeping a reserve for participation in other programmes or in European agencies:

<table>
<thead>
<tr>
<th>Programme Name</th>
<th>Programme Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Protection Mechanism</td>
<td>Combating Discrimination</td>
</tr>
<tr>
<td>Combating Social Exclusion</td>
<td>Community Action in support of consumer policy</td>
</tr>
<tr>
<td>Community Action in the field of Public Health</td>
<td>Culture 2000</td>
</tr>
<tr>
<td>Customs</td>
<td>E-Ten</td>
</tr>
<tr>
<td>Fiscalis</td>
<td>FP 6 for RTD and Euratom</td>
</tr>
<tr>
<td>Combating Discrimination</td>
<td>Intelligent Energy</td>
</tr>
<tr>
<td>Incentive measures in the field of employment</td>
<td>Leonardo da Vinci II</td>
</tr>
<tr>
<td>Socrates II</td>
<td>Youth</td>
</tr>
<tr>
<td>Promoting active European Citizenship</td>
<td>Enterprise and Entrepreneurship</td>
</tr>
<tr>
<td>Marco Polo</td>
<td>Reserve</td>
</tr>
</tbody>
</table>

**06.02 End user support**

Phare funds required: €3.50M

Phare will facilitate the access of Romanian university students and teachers, pre-university teachers and decision makers in education to the Community programmes concerning mobility schemes (such as Socrates II, Erasmus, Comenius 2.2 C, Arion Actions).
2. **INDICATIVE BUDGET**

2.1. **Budget Table**

**Indicative budget distribution of funds**

The distribution of figures between the proposed measures is indicative within the limits of Art. 5 MoU on the National Fund. The figures are given in Million €.

The 2005 Phare funds for sub-programme 6 will be allocated as follows

<table>
<thead>
<tr>
<th>Phare 2005-017-553</th>
<th>PHARE contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measure</strong></td>
<td>INV</td>
</tr>
<tr>
<td>.06 COMMUNITY PROGRAMMES</td>
<td>0.00</td>
</tr>
<tr>
<td>.01 CPs and Agencies</td>
<td>0.00</td>
</tr>
<tr>
<td>.02 End-user Support</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>0.00</td>
</tr>
</tbody>
</table>

2.2. **Principle of Co-Financing**

**Subprogramme 06.01 Community funds:** The contribution from the national budget covers the difference between the total financial contribution of Romania to the programmes as indicated in the Association Council Decision or Memorandum of Understanding establishing the terms and conditions for participation in the Community programmes concerned and the Phare support.

3. **IMPLEMENTATION**

3.1. **Implementing Agencies**

Implementing Agencies will be responsible for sub-programmes as follows.

<table>
<thead>
<tr>
<th>Implementing agency</th>
<th>Sub-programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Fund at the Ministry of Finance</td>
<td>6/Community Programmes and Agencies, - project 06.01</td>
</tr>
<tr>
<td>National Agency for Community Programmes on Educational &amp; Professional Training</td>
<td>6/ End User support – project 06.02</td>
</tr>
</tbody>
</table>

Simultaneously with the signature of the Financing Agreement, the NAC will provide the necessary details about these Implementing Agencies (addresses, communication contacts, Phare Authorising Officers, affiliation in the government etc).
4. IMPLEMENTATION ARRANGEMENTS

4.1. Method of Implementation

Implementation of this programme will follow Art. 53 (1) b (second alternative) of the Financial Regulation¹. The Beneficiary Country will continue to ensure that the conditions laid down in Art. 164 (1) (a) - (e) of the Financial Regulation are respected at all times.

Each measure is either contained in a sector programme or a project, which the National Aid Co-ordinator proposes to the Commission in compliance with this Financing Memorandum. Once jointly agreed these sector programmes or projects are implemented by means of procurement contracts for investment and/or services, twinnings, or grant schemes, managed by the Romanian authorities. Each such sector programme or project is supervised by one or several Implementing Authority(ies) and technically implemented by one Implementing Agency.

Prior to the accreditation of Implementing Agencies foreseen by Art. 12 (2) of Regulation 1266/1999² project selection, tendering and contracting by the Beneficiary Country will be subject to ex-ante approval by the Commission.

4.2. General rules for Procurement

Procurement shall follow the provisions of Part 2, Title IV of the Financial Regulation and Chapter 3 of Part 2, Title III of its Implementing Rules³, as well as the Commission Decision SEC (2003) 387/2⁴.

The Contracting Authorities shall also use the procedural guidelines and standard templates and models facilitating the application of the above rules provided for in the “Practical Guide to contract procedures financed from the general EC budget in the context of external actions” (“Practical Guide”) as published on the EuropeAid website⁵ at the date of the initiation of the procurement or grant award procedure.

4.3. Grant Schemes

For grant schemes the precise implementation arrangements will be specified in the relevant project fiches in line with the following principles:

The procedures and formats to be used in the implementation of the schemes and award of the grants will follow the procurement rules for External Actions. In particular, due care will be given to the selection process of the projects. Grants will be awarded in conformity with the provisions of chapter 6 of the Practical Guide, and following the principles of Phare decentralised management. Prior to EDIS accreditation, the ex-ante approval of the Commission Delegation in Bucharest will be required.

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⁵ current address: http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm
The competent PAO for the programme under which the grant scheme is financed has to retain his/her contractual and financial responsibility for the implementation of the schemes. In particular, the PAO has to formally approve the call for proposals, application forms, evaluation criteria, as well as the selection process and results. The PAO also has to sign the grant agreements with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.

The implementation of selected projects through provision of works, supplies and services, which are sub-contracted by the final beneficiaries of the individual grants shall be subject to the procurement rules at the time of implementation. Following a positive assessment of the Implementing Agency’s capacity to operationally and financially manage the schemes in a sound and efficient manner, the Commission Delegation may decide to waive its ex-ante approval of sub-contracting carried out by the final beneficiaries of the individual grants. The detailed provisions governing the role of the Delegation in the above-mentioned sub-contracting phase will be specified, as appropriate, in the Exchange of Letters between the Delegation and the national authorities following the above-mentioned assessment exercise.

Grant schemes will not involve projects for which the Phare/ pre-accession instrument contribution is below € 50,000 or above € 2 million. This lower limit may be waived as a result of the above-mentioned assessment of the Implementing Agency’s capacity of giving assurance of sound financial management. The lower limit is not applicable in the case of NGOs.

The financial commitments in Phare/ pre-accession instrument terms will be effected at the date of signature of the grant agreements by the competent PAO. The projects should be fully implemented before the expiry date for contract execution of the corresponding Financing Agreement.

5. MANAGEMENT OF ASSISTANCE

5.1. Project Management

5.1.1. Responsibilities

The National Aid Co-ordinator (NAC) will have overall responsibility for programming and monitoring of Phare/ pre-accession instrument programmes.

The National Authorising Officer (NAO) and the NAC shall be jointly responsible for the co-ordination between Phare/ pre-accession instrument (including Phare CBC), ISPA and SAPARD, as well as the Structural and Cohesion Funds.

The NAO and the Project Authorising Officer (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the instructions of the Commission. They will also ensure that all contracts required to implement the Financing Agreement are awarded using the procedures and standard documents for External Actions in force at the time of implementation, and that EU state aid rules are respected.

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6 see section 11 and Annex 4 of the 2005 Phare Programming Guide
5.1.2. **Deadline for contracting and execution of contracts, programming deadline**

(1) All contracts must be concluded by no later than November 30, 2007.

(3) Under DIS, a complete tender dossier must be submitted to the Delegation for approval by no later than 8 months after the signature of the Financial Agreement. In case of non-compliance, the Beneficiary Country will inform the JMC, which may recommend reallocation of funds in accordance with Art. 5 of the MoU on the National Fund.

5.2. Financial Management

5.2.1. **Principles and Responsibilities**

The National Fund in the Ministry of Public Finance, headed by the NAO, will supervise the financial management of the programme, and will be responsible for reporting to the European Commission. The NAO shall have the overall responsibility for financial management of the Phare/pre-accession instrument funds, and the full accountability for the Phare/pre-accession instrument funds of a programme until the closure of that programme.

The NAO shall ensure that the Phare rules, regulations and procedures pertaining to reporting and financial management are respected, and that a reporting and project information system is functioning.

The Commission will make payments to the NF in accordance with the Memorandum of Understanding signed between the Commission and Romania in 1998.

Payments will be made following requests from the NAO onto a separate bank account, denominated in €, which will be opened and managed by the National Fund in a bank agreed in advance with the Commission. In principle, all bank accounts will be interest bearing.

According to Articles 3 & 4 of the implementing rules of the Financial Regulation accrued interest is the property of the Beneficiary Country. The NAO must however ensure that the accrued interest is actually registered in its entirety as revenue in the national budget. Furthermore the NAO will ensure a regular reporting of the interest via Perseus.

5.2.2. **Payments to the National Fund for Participation in Community Programmes and Agencies and end-user support**

A single payment to the National Fund will be made, covering the full amount of the Phare/pre-accession instrument part of the financial contribution for participation in Community programmes and agencies. This payment will be made following signature of the Financing Agreement and upon request from the National Fund.

This payment is separate from the payments made for the rest of the programme. The Phare/pre-accession instrument contribution for each programme will, however, only be transferred when the Association Council Decision or Memorandum of Understanding establishing the terms and conditions for participation in that programme is in force.

If there is a delay in the entry into force of some of the Memoranda of Understanding, the payment to the National Fund may be divided into two or more installments, so that 100% of the funds necessary for the programmes in force can be paid immediately. The National Fund is responsible
for transferring the funds back to the Commission, following the call for funds of the Commission service responsible for the programmes concerned and within the deadlines requested.

### 5.2.3. Payments from the National Fund to the Implementing Agency

The National Fund will make payments to IA in accordance with Implementing Agreements signed between the NF and the IA. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency in charge of financial management of the sub-programme in line with Art. 13 of the MoU on the National Fund.

As long as implementation follows DIS, the Implementing Agreement must be endorsed in advance by the European Commission. The IA 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 operations carried out by the relevant IA.

### 5.2.4. Closure of Expenditure and Clearance of Accounts

No later than 16 months after the end of the execution of contracts, the NF will submit a final declaration of expenditure covering both PHARE support and co-financing and an attestation regarding the regularity, accuracy and veracity of the accounts transmitted. The final certified expenditure should at this point equal the original value of the contracts minus any deductions and savings agreed with contractors in the course of implementation. This should also equal payments made plus any sums outstanding on account of contractual retention.

If the payments received from the Commission exceed the final certified expenditure, the NF shall return the excess to the Commission at the time of submitting the final declaration. If there are any outstanding payments (with the exception of contractual retention funds), the NF should provide an explanation and a forecast when payment will be finalised. The NF shall report on progress on contractual retention funds and outstanding payments on a quarterly basis. If they are not paid to the contractor, they shall be returned to the Commission.

After evaluation of the final declaration, the Commission will state its view on any expenditure to be excluded from Community funding, where it finds that expenditure has not been executed in compliance with Community rules.

The results of the Commission’s checks and its conclusions to exclude expenditure from financing will be notified in writing to the NF, which shall be given one month to transmit its reply in writing.

If no agreement is reached within one month of receipt of the NF’s written reply, the Commission shall decide and establish the amounts to be excluded, having regard in particular to the degree of non-compliance found, the nature and gravity of the infringement as well as the financial loss suffered by the Community.

Following the decision about amounts to be excluded, all ineligible expenditure will be recovered without prejudice to the treatment of irregularities and subsequent financial corrections stipulated below.

The funds will be recovered either by direct reimbursement from the NF or by compensation in accordance with Community rules.
6. **MONITORING AND EVALUATION**

Project implementation will be monitored through the Joint Monitoring Committee (JMC). It includes the NAO, the NAC and the Commission services. The JMC will meet at least once a year to review all Phare/ pre-accession instrument funded programmes in order to assess their progress towards meeting the objectives set out in the Financing Agreements and the Accession Partnership. The JMC may recommend a change of priorities and/or reallocation of Phare/ pre-accession instrument funds. Furthermore, the JMC will review the progress of all pre-accession EC-funded assistance programmes once a year (Phare/ pre-accession instrument, ISPA, SAPARD).

For the Phare/ pre-accession instrument programme, the JMC will be assisted by Sectoral Monitoring Sub-Committees (SMSC), which will include the NAC, the PAO of each Implementing Agency (and the CFCU where applicable) and the Commission Services. The SMSC will review in detail the progress of each programme, including its components and contracts, assembled by the JMC into suitable monitoring sectors. Each sector will be supervised by one SMSC on the basis of regular monitoring reports produced by the Implementing Agency, and interim evaluations undertaken by independent evaluators. The SMSC will put forward recommendations on aspects of management and design, ensuring that these are effected. The SMSC will report to the JMC, to which it will submit overall detailed opinions on all Phare/ pre-accession instrument financed programmes in its sector.

The Commission services shall ensure that this programme will be subject to interim (either centralised or decentralised) and/or ex post evaluations.

7. **AUDIT, FINANCIAL CONTROL, ANTI-FRAUD MEASURES, PREVENTIVE AND CORRECTIVE ACTIONS**

7.1. **Supervision and Financial Control by the Commission and the European Court of Auditors**

All Financing Agreements as well as all resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-Fraud Office) and audits by the European Court of Auditors. As long as EDIS is not yet applicable to the Implementing Agencies in the Beneficiary Country, this includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Beneficiary Country.

In order to ensure the efficient protection of the financial interests of the Community, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96.

The controls and audits described above are applicable to all contractors and subcontractors who have received Community funds.

Without prejudice to the responsibilities of the Commission and the European Court of Auditors, the accounts and operations of the National Fund and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission’s discretion by the Commission itself or by an outside auditor contracted by the Commission.

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8  as referred to in the General Conditions relating to the Financing Memorandum” attached to the Framework Agreement
7.2. Obligations of the Beneficiary Country

7.2.1. Audit and Financial Control

In order to ensure sound financial management of the Phare/ pre-accession instrument funds, the Beneficiary Country must have a system for management and control of assistance in accordance with generally accepted principles and standards in place. This system shall fulfill the requirements set out in Art. 164 of the Financial Regulation, and in particular provide adequate assurance of the correctness, regularity and eligibility of claims on Community assistance.

The Beneficiary Country’s management and control systems shall provide a sufficient audit trail, as defined in Art. 7 (2) of Commission Regulation 438/2001.9

The competent national financial control authority shall carry out appropriate financial controls of all actors involved in the implementation of the programme.

Each year an audit plan and a summary of the findings and main recommendations of the audits carried out and an outline of the follow-up given to past audit recommendations shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

7.2.2. Preventive Measures

The Beneficiary Country shall take any appropriate measure to prevent and counter active and passive corruption10 practices at any stage of the procurement procedure or grant award procedure, as well as during the implementation of corresponding contracts.

The authorities of the beneficiary country, including the personnel responsible for the implementation of the programme, shall also undertake to take whatever precautions are necessary to avoid any risk of conflict of interest, and shall inform the Commission immediately of any such conflict of interest or any situation likely to give rise to any such conflict.

7.2.3. Anti-Fraud Measures and Corrective Actions

Beneficiary Countries shall, in the first instance, bear the responsibility to ensure investigation and satisfactory treatment of suspected or actual cases of fraud and irregularities following national or Community controls.

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94.11

In particular, all suspected or actual cases of fraud12 and irregularity13 as well as all measures related thereto taken by the national authority must be reported to the Commission services without

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10 Active corruption is defined as the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official for himself or for a third party for him to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Communities’ financial interests.

Passive corruption is defined as the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or a third party, or accepts a promise of such advantage, to act or to refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties in a way which damages or is likely to damage the European Communities’ financial interests.


12 Fraud shall mean any intentional act or omission relating to: the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds

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delay. Should there be no suspected or actual cases of fraud or irregularity to report, the Beneficiary Country shall inform the Commission of this fact within two months following the end of each quarter.

In case of irregularity or fraud, the Beneficiary Country shall make the necessary financial corrections required in connection with the individual irregularity. The corrections made by the Beneficiary Country shall consist in canceling all or part of the Community contribution. The Community funds released in this way may be re-used by the NF for the purpose of the programme, in compliance with Art. 5 of the MoU on the National Fund.

7.3. Recovery of Funds in Case of Irregularity or Fraud

Any proven irregularity or fraud discovered at any time during the implementation of the programme or as the result of an audit will lead to the recovery of funds by the Commission.

If, after completing the necessary verifications, the Commission concludes that:

(a) the Beneficiary Country has not complied with the obligations to prevent, detect, and correct irregularities or
(b) the implementation of a project appears not to justify either part or the whole of the assistance allocated or
(c) there are serious failings in the management or control systems which could lead to irregularities,

the Commission may suspend further financing of the programme in question, and, stating its reasons, request that the Beneficiary Country submit comments and, where appropriate, carry out any corrections within a specified period of time.

If no agreement is reached by the end of the period set by the Commission and if the required corrections have not been made, the Commission may – taking into account any comments made by the Beneficiary Country – decide within three months to:

(a) reduce or cancel any payment for the programme in question, or
(b) make the financial corrections required by canceling all or part of the assistance granted to the programme concerned.

The Commission shall, when deciding on the amount of a correction, take into account the principle of proportionality, the type of irregularity and the extent and financial implications of the shortcomings found in the management and control system of the Beneficiary Country.

In the absence of a decision to do either (a) or (b), further financing of the programme shall immediately resume.

from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities; non disclosure of information in violation of a specific obligation with the same effect; the misapplication of such funds for purposes other than those for which they are originally granted.

Irregularity shall mean any infringement of a provision of national or Community law, this Financing Memorandum or ensuing contracts, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, by an unjustified item of expenditure. The term “Community law” in this context shall be defined as the entirety of Community rules applicable between the Parties of the Financing Memorandum (e.g. the Europe Agreements, Framework Agreements, the MoU on the Establishment of the National Fund etc.)

see definition above

see definition above
The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of the notification. If the NAO does not repay the amount due to the Community, the Beneficiary Country shall refund this amount to the Commission.

Interest on account of late payment shall be charged on sums not repaid by applying the rules specified in the Financial Regulation.

8. **VISIBILITY AND PUBLICITY**

The PAO in charge 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. Further details are set down in the Annex on Visibility and Publicity.

9. **SPECIAL CONDITIONS**

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