ADDENDUM TO FINANCING MEMORANDUM
SR0113

CROSS-BORDER CO-OPERATION PROGRAMME BETWEEN THE
SLOVAK REPUBLIC AND AUSTRIA IN 2001

Within the Framework of Phare assistance to the Slovak Republic, the
Addendum outlined below has been made under the 2001 Phare Budget of
the Cross-Border Co-operation programme for the Slovak Republic.

Article 1 – Nature and Subject

The Financing Memorandum SR0113 signed on 25th January 2002, is
modified as follows:

The text concerning grant schemes under heading 3 (Implementation
Arrangements) of annex 2 (Special Provisions) should read as follows:

"For grant schemes, whose procedures and formats are not covered by the
current Practical Guide, 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 provisions of the Practical
  Guide. In particular, due care will be given to the selection process of the
  beneficiary projects, which has to be done at technical level through
  selection committees composed of experts appointed by the authorities
  which are co-financing the schemes as well as by the relevant
  administrations and interest groups involved in the schemes.
- 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 has also to sign the
  grant contracts with the beneficiaries and to ensure adequate monitoring
  and financial control under his/her authority and responsibility. With this
  reservation, the management of the schemes can be decentralised from
  the PAO to the appropriate bodies at sectoral or regional level.
- The ex ante approval of the Commission (Delegation in Bratislava) will be
  required for the call for proposals, application forms, evaluation criteria, the
  selection procedures (including the composition of the committees) and
  results (list of projects to be funded). The grant contracts signed by the
  PAO will be subject to the ex post control of the EC Delegation.
- The implementation of the selected projects through the provision of
  works, supplies and services sub-contracted by the final beneficiaries of
  the individual grants shall be subject to the procurement regulations in the
Practical Guide. The decentralised system established for CBC small projects is to be applied to all such contracts below 300,000 EUR (or any increased threshold to be fixed by EC Headquarters for small project funds under CBC programme). Tenders and contracts above this threshold resulting from this will be presented to the EC Delegation for ex ante approval if they are above 300,000 €. 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 such sub-contracting. The financial commitments in Phare terms will be effected at the date of signature of the grant contracts by the competent PAO. Project implementation and all Phare disbursements are to be done before the expiry date of the relevant financing memorandum."

Article 2

All other Terms and Conditions of the original Financing Memorandum SR0113 remain unchanged.

Article 3

The addendum to this Financing Memorandum is drawn up in duplicate in the English language.

Article 4 – Entry into force

The addendum to the Financing Memorandum SR0113 shall enter into force on the date of signature by both parties.

Done at Bratislava
Date: 25. NOV. 2003
For the Recipient

Done at Bratislava
Date: 22 -10- 2003
For the Community

Eric van der Linden
Head of Delegation