COMMISSION REGULATION (EC) No 1628/94

of 4 July 1994

concerning the implementation of a programme for cross-border cooperation between countries in central and eastern Europe and Member States of the Community in the framework of the Phare programme

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3906/89 of 18 December 1989 on economic aid to certain countries of central and eastern Europe [1], as last amended by Council Regulation (EEC) No 1764/93 [2], and in particular Article 8 thereof,

Whereas the Council has repeatedly stressed the need to reinforce cooperation and stimulate integration of the countries of central and eastern Europe and the European Community;

Whereas the European Council, meeting in Copenhagen in June 1993, agreed that the associated countries of central and eastern Europe that so desire, shall become members of the European Union as soon as they are able to assume the obligations of membership by satisfying the economic and political conditions required;

Whereas the closer cooperation between border regions can contribute to the transformation process in countries of central and eastern Europe and stimulate economic activities in peripheral regions, contributing to the general economic development of the countries concerned;

Whereas such cooperation can also contribute to the integration process started under the Europe Agreements and to the implementation of new possibilities of cooperation provided under the trade and cooperation agreements;

Whereas the cross-border cooperation between the Community and countries of central and eastern Europe can also contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructure;

Whereas it is important that these local cross-border actions are fully integrated in the national development policy in the respective countries;

Whereas Council Regulation (EEC) No 4253/88 [3], as modified by Council Regulation (EEC) No 2082/93 [4], and Article 3 (2) of Council Regulation (EEC) No 4254/88 [5], as modified by Council Regulation (EEC) No 2083/93 [6], defines the procedures for the approval of Community initiatives, (in particular Interreg) financed by the Structural Funds within the European Community;

Whereas Regulation (EEC) No 3906/89 lays down rules and conditions for the granting of economic aid to certain countries of central and eastern Europe and this framework can be used to accommodate the implementation of a cross border cooperation programme;

Whereas the initiatives formulated by the respective local authorities and other economic agents of the regions on either side of the border between the Community and countries of central and eastern Europe have to be taken into account and special efforts should be made to stimulate the identification and formulation of joint programmes;

Whereas the present Regulation is in accordance with the opinion of the Committee for Economic Restructuring in certain countries of central and eastern Europe,

HAS ADOPTED THIS REGULATION:

Article 1

Within the overall framework of the Phare Programme as defined by Regulation (EEC) No 3906/89, the following rules shall apply for financing actions of a structural nature in border regions of countries of central and eastern Europe sharing a common border with the Community.

These actions will be implemented taking into account the Community structural policies, and Interreg II in particular.

Article 2

1. The countries in central and eastern Europe to which these actions refer, are all Phare beneficiaries which have a common border with a Member State of the European Union.

2. The border regions concerned will be fixed by each country concerned in agreement with the Commission, bearing in mind the need of coherence with Interreg II.

[1] OJ No L 375, 23. 12. 1989, p. 11.
[2] OJ No L 162, 3. 7. 1993, p. 1.
[3] OJ No L 374, 31. 12. 1988, p. 1.
[4] OJ No L 193, 31. 7. 1993, p. 24.
[5] OJ No L 374, 31. 12. 1988, p. 15.
[6] OJ No L 193, 31. 7. 1993, p. 34.

Article 3

Community grants under this programme will primarily finance the participation of the country of central and eastern Europe concerned in joint projects with a Member State with which it shares a border.

The aims of these projects are :

(i) to promote cooperation of European Union border regions with adjacent regions in central and eastern Europe and thus to help the border regions in central and eastern Europe to overcome the specific development problems which may arise *inter alia* from their position within the national economies, in the interest of the local population and in a manner compatible with the protection of the environment;

(ii) to promote the creation and the development of cooperation networks on either side of the border, and the establishment of links between these networks and wider Community networks.

Article 4

1. In the border regions selected according to Article 2, the projects to be included in the cross border cooperation programme can take the form of :

(i) projects linked with measures that are supported by Interreg II ;

(ii) projects agreed by the countries concerned, that have a crossborder impact, contribute to the development of structures in border regions and facilitate cooperation between the countries of central and eastern Europe and the Community as a whole, and for which the level of the co-financing that can be provided under Interreg II is not sufficient.

2. This programme can also include projects, which accompany other measures financed by the Structural Funds such as Ecos and Ouverture. The modest support available is applicable to all countries eligible for Phare-assistance and is not limited to border regions.

3. Special attention will be given to projects, in relation to which co-financing by, or on behalf of, the local authorities or economic operators in the countries of central and eastern Europe is provided.

4. Financing may include resources from other Member States of the European Union and countries of central and eastern Europe, from International Financial Institutions, and from other private and public sources.

Article 5

1. The actions that can be financed under this programme, could include :

— alleviation of the administrative and institutional obstacles to the free flow of persons, products or services across the border,

— improving infrastructures in particular communication facilities and the provision of local water, gas and electricity supplies, providing benefits across border areas,

— waste management, environmental management and pollution prevention dealing with problems exacerbated by the proximity to external borders,

— the promotion of tourism,

— agricultural and rural development measures with particular attention for facilitating cross border cooperation projects,

— measures to promote cooperation in health, particularly the sharing of resources and facilities on a cross-border basis,

— measures in the fields of energy, telecommunications and transport, aimed at complementing the development of trans-European networks in accordance with the orientations adopted by the Commission,

— the development or establishment of facilities and resources to improve the flow of information and communications between border regions including support for cross-border radio, television, newspapers and other media.

Moreover, to the extent that they strictly concern cross-border cooperation, the following actions could also be financed under this programme :

— promotion of business cooperation, enterprise development, financial cooperation and cooperation between institutions representing the business sector (e.g. chambers of commerce),

— aid to investment and provision of supporting services and facilities in particular for technology transfer and for marketing for small and medium-sized enterprises,

— training and employment measures.

2. Special attention will be given to measures which are planned in close cooperation with the regional and local authorities in border areas and which include the establishment or development of shared management structures intended to widen and deepen cross border cooperation between public and para-public agencies as well as non-profit making organizations.

3. The establishment of plans for the development of border regions, project identification and programme formulation, feasibility studies, assistance for the implementation of the programmes and monitoring and/or evaluation studies, may also be financed.

Article 6

1. The Community contribution is provided, in principle, as a grant. However, whenever the Community grant contributes to the financing of revenue generating activities, the Commission shall determine, in consultation with the authorities involved, the rules for financing which may include co-financing by the project's revenues, or reimbursement of the initial grants.

2. The aid may cover expenditures on imports and local expenditure needed to carry out the projects and programmes.

Tax duties and charges and the purchase of property shall be excluded from the Community financing.

3. Costs covered may include, technical assistance, studies, training and other institution building measures; supply programmes for essential equipment or inputs; investment operations, including work programmes.

4. Maintenance and operating costs in central and east European countries may be covered in the start up phase and in a degressive manner.

Article 7

For each of the border regions between the Community and countries of central and eastern Europe concerned, a Joint Programming and Monitoring Committee will be set up consisting of representatives of the countries concerned, which may include regional or local representatives in order to define a common set of projects. Recommendations for projects will be transmitted to the Commission by the Government of the country of central and eastern Europe concerned on the basis of the proposals submitted by the relevant authorities.

Article 8

1. The Commission will formulate a programme proposal per border on the basis of the recommendations of the Joint Programming and Monitoring Committee as transmitted by the Government of the central and eastern European country concerned.

2. The grant constituting the, full or partial, contribution of the country of central and eastern Europe to the joint project, will be approved following the procedure defined in Article 9 of Regulation (EEC) No 3906/89 and agreed with the recipient country concerned by means of a financing memorandum.

Article 9

1. The Commission shall administer this assistance in accordance with the normal practice applied to the assistance to central and eastern Europe, as defined in Regulation (EEC) No 3906/89.

2. Wherever possible, joint management structures should be set up to facilitate the implementation of the programmes.

Article 10

In implementing the objectives referred to pursuant to Article 3, the Commission shall ensure coordination and consistency between assistance from Phare and assistance provided by the Structural Funds.

Article 11

The Commission shall draw up each year a report on the implementation of cross border cooperation measures between the Community and countries of central and eastern Europe during the preceeding year. The report shall be sent to the European Parliament, the Council, the Economic and Social Committee, the Committee of the Regions, and the Phare Management Committee.

Article 12

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities.*

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 4 July 1994.

For the Commission

Leon BRITTAN

Member of the Commission