DECISION No 1/2001 OF THE EU-HUNGARY ASSOCIATION COUNCIL

of 19 January 2001

adopting the terms and conditions for the participation of the Republic of Hungary in the Financial Instrument for the environment (LIFE)

(2001/133/EC)

THE ASSOCIATION COUNCIL,

Having regard 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 part [1], signed in Brussels on 16 December 1991, and in particular, Articles 1 and 2 of the additional Protocol thereto [2],

Whereas:

(1) According to Article 1 of the said additional Protocol, Hungary may participate in Community framework programmes, specific programmes, projects or other actions notably in the field of environment.

(2) According to Article 2 thereof, the terms and conditions for the participation of Hungary in these activities are to be decided by the Association Council,

HAS DECIDED AS FOLLOWS:

Article 1

As from 1 January 2001, Hungary shall participate in the Financial Instrument for the environment (hereinafter called LIFE) according to the terms and conditions set out in Annexes I and II which shall form an integral part of this Decision.

Article 2

This Decision shall apply for the duration of the LIFE third phase, starting from 1 January 2001.

Article 3

Proposals submitted to the Commission by Hungary before 31 October 2000 for LIFE 'Nature' and before 30 November 2000 for LIFE 'Environment' shall be eligible for evaluation.

Article 4

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

Done at Brussels, 19 January 2001.

For the Association Council

The President

J. MARTONYI

[1] OJ L 347, 31.12.1993, p. 2.
[2] OJ L 317, 30.12.1995, p. 30.

ANNEX I

Terms and conditions for the participation of Hungary in the Financial Instrument for the environment (LIFE)

1. Hungary will participate in all actions of LIFE in accordance with the objectives, criteria, procedures and deadlines laid down in Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the environment (LIFE) [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 procedures outlined in Annex II.

   If necessary in order to take into account LIFE developments, or the evolution of Hungary's absorption capacity, the Association Committee is entitled to adapt this contribution, so as to avoid budgetary imbalance in the implementation of LIFE.

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.

   The Commission may take Hungarian experts into consideration when appointing independent experts according to the relevant provisions of the Decision establishing the programme to assist it in the project evaluation.

4. To reflect the Community dimension of LIFE, transnational projects and activities proposed by Hungary should, whenever relevant, include at least a partner from one of the Member States of the Community.

5. The Member States of the Community and Hungary will make every effort, within the framework of existing provisions, to facilitate the free movement and residence of experts and other eligible persons moving between Hungary and the Member States of the Community for the purpose of participating in activities covered by this Decision.

6. Activities covered by this Decision shall be exempt from imposition by Hungary of indirect taxes, customs duties, prohibitions and restrictions on imports and exports in respect of goods and services intended for use under such activities.

7. 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 9 of Regulation (EC) No 1655/2000, the participation of Hungary in the programme will be continuously monitored on a partnership basis involving the Commission and Hungary. Hungary will take part in any other specific activities set out by the Community in that context.

8. In conformity with the Community's Financial Regulations, contractual arrangements concluded with 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. Financial audits may be carried out with 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.

9. Without prejudice to the procedures referred to in Article 3(7) and in Article 11 of Regulation (EC) No 1655/2000, representatives of Hungary will, for the points which concern them, participate as observers in the relevant committees. These committees shall meet without the presence of representatives of Hungary for the rest of the points, as well as when voting takes place.

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

11. 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 the appropriate agreements.

[1] OJ L 192, 28.7.2000, p. 1.

ANNEX II

Financial contribution of Hungary to LIFE

1. The financial contribution to be paid by Hungary to the general budget of the European Union to participate in LIFE will be EUR 2 280 000 for each of the first two budgetary years. Supplementary costs of administrative nature are included in the abovementioned amount.

   The contribution to be paid by Hungary for the following period will be decided by the Association Council in the course of the year 2002.

2. Hungary will pay the contribution mentioned in point 1, partly from the Hungarian national budget and partly from Hungary's PHARE national programme. Subject to a separate PHARE 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:

   — EUR 1 045 000 for the contribution to LIFE for the first year, 2001,

   — EUR 1 045 000 for the second year.

   The remaining part of the contribution of Hungary will be covered from the Hungarian State budget.

4. The Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities [1] will apply, notably 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 relevant committees referred to in point 9 of Annex I or other meetings related to the implementation of LIFE 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 LIFE 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 April for the part financed from its national budget, provided that the call for funds is sent by the Commission before 1 March, or at the latest one month after the call for funds is sent if later,

   — by 1 April for the part financed from PHARE, provided that the corresponding amounts have been sent to Hungary by this time, or at the latest in 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.

[1] OJ L 356, 31.12.1977, p. 1. Regulation as last amended by Regulation (EC) No 2673/1999 (OJ L 326, 18.12.1999, p. 1).