II

(Acts whose publication is not obligatory)

COUNCIL

DECISION No 2/2000 OF THE EU-HUNGARY ASSOCIATION COUNCIL of 24 July 2000 adopting the terms and conditions for the participation of the Republic of Hungary in Community programmes in the fields of training and education

(2000/559/EC)

THE ASSOCIATION COUNCIL,

Having regard to the Additional Protocol in the Europe Agreement establishing an association between the European Comunities and their Member States, of the one part, and the Republic of Hungary, of the other part, concerning Hungary's participation in Community programmes [1], 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 notably in the fields of training and education.

(2) According to Article 2 of the Additional Protocol, the terms and conditions for the participation of Hungary in these activities shall be decided by the Association Council.

(3) Following Decision No 1/97 of the Association Council between the European Communities and their Member States, of the one part, and the Republic of Hungary, of the other part, of 4 August 1997 adopting the terms and conditions for the participation of Hungary in Community programmes in the fields of training, youth and education [2], Hungary has been participating in the first phase of the Leonardo da Vinci [3] and Socrates [4] Programmes since 1 September 1997, and has expressed the wish to participate in the second phase of the programme,

HAS DECIDED AS FOLLOWS:

Article 1

Hungary shall, participate in the second phase of the European Community programmes Leonardo da Vinci and Socrates set out respectively in Council Decision 1999/382/EC of 26 April 1999 establishing the second phase of the Community vocational training action programme 'Leonardo da Vinci' [5] and Decision No 253/2000/EC of the European Parliament and of the Council of 24 January 2000 establishing the second phase of the Community action programme in the field of education 'Socrates' [6] (hereinafter referred to as 'Leonardo da Vinci II' and 'Socrates II') 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 Leonardo da Vinci II and Socrates II Programmes, starting from 1 January 2000.

Article 3

This Decision shall enter into force on the day of its adoption by the Association Council.

Done at Brussels, 24 July 2000.

For the Association Council

The President

H. VÉDRINE

---

[1] OJ L 317, 30.12.1995, p. 30.
[2] OJ L 260, 23.9.1997, p. 23.
[3] OJ L 340, 29.12.1994, p. 8.
[4] OJ L 87, 20.4.1995, p. 10. Decision as amended by Decision No 576/98/EC (OJ L 77, 14.3.1998, p. 1).
[5] OJ L 146, 11.6.1999, p. 33.
[6] OJ L 28, 3.2.2000, p. 1.

ANNEX I

TERMS AND CONDITIONS FOR THE PARTICIPATION OF THE REPUBLIC OF HUNGARY IN THE LEONARDO DA VINCI II, AND SOCRATES II PROGRAMMES

1. Hungary will participate in the activities of the Leonardo da Vinci II and Socrates II programmes (hereinafter referred to as 'the Programmes') in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and deadlines as defined in Council Decision 1999/382/EC and Decision No 253/2000/EC of the European Parliament and of the Council establishing these Community action programmes.

2. In conformity with the terms of the Articles 5 of the Decisions on Leonardo da Vinci II and Socrates II and with the provisions relating to the responsabilities of the Member State and of the Commission concerning the Leonardo da Vinci and Socrates National Agencies adopted by the Commission, Hungary will establish the appropriate structures for the coordinated management of the implementation of the programme actions at national level, and will take the measures needed to ensure the adequate funding of these Agencies which will receive programme grants for their activities. Hungary will take all other necessary steps for the efficient running of the Programmes at national level.

3. To participate in the Programmes, Hungary will pay each year a contribution to the general budget of the European Union according to the arrangements set out in Annex II.

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

4. 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 decisions establishing the programmes to assist it in project evaluation.

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

6. For the mobility activities referred to in Annex I, section III.1 of the Leonardo da Vinci II decision, and for the Socrates decentralised actions, as well as for financial support to the activities of the national agencies set up in accordance with point 2 above, funds will be allocated to Hungary on the basis of the annual programme budget breakdown decided at Community level and the Hungary's contribution to the programme. The maximal amount of financial support to the activities of the national agencies will not exceed 50 % of the budget for the national agencies' work programmes.

7. 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 students, teachers, trainees, trainers, unviersity administrators, young people and other eligible persons moving between Hungary and the Member States of the Community for the purpose of participating in activites covered by this Decision.

8. Activities covered by this Decision will 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.

9. Without prejudice to the responsabilities 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 programmes pursuant to the Decisions on Leonardo da Vinci II and Socrates II (Articles 13 and 14 respectively), the participation of Hungary in the Programmes 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.

10. 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 with the purpose of controlling such entities' income and expenditures, 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.

    The provisions relating to the responsibilities of the Member States and of the Commission concerning the Leonardo da Vinci and the Socrates national agencies adopted by the Commission will apply to the relations between Hungary, the Commission and the Hungarian national agencies. In the event of irregularity, negligence or fraud imputable to the Hungarian national agencies, the Hungarian authorities shall be responsible for the funds not recovered.

11. Without prejudice to the procedures referred to in Articles 74 of the Decision on Leonardo da Vinci II and Article 8 of the Decision on Socrates II, representatives of Hungary will participate as observers in the Programme Committees, for the points which concern them. These committees shall meet without the presence of representatives of Hungary for the rest of the points, as well as, at the time of voting.

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

13. The Community and Hungary may terminate activities under this Decision at any time upon twelve 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 LEONARDO DA VINCI II AND SOCRATES II

1. **Leonardo da Vinci**

The financial contribution to be paid by Hungary to the budget of the European Union to participate in the Leonardo da Vinci II Programme will be the following (in euro):

2000	2001	2002	2003	2004	2005	2006
2 558 000	2 629 000	2 806 000	2 930 000	3 054 000	3 214 000	3 338 000

2. **Socrates**

The financial contribution to be paid by Hungary to the budget of the European Union to participate in the Socrates II Programme in 2000 will be EUR 4 818 000.

The contribution to be paid by Hungary for the following years of the programme will be decided by the Association Council in the course of the year 2000.

3. 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.

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

— EUR 2 384 000 for the contribution to the Socrates II Programme in 2000,

— for the contribution to the Leonardo da Vinci II Programme, the following yearly amounts (in euro)

2000	2001	2002	2003	2004	2005	2006
1 267 000	1 303 000	1 391 000	Amount to be specified later	Amount to be specified later	Amount to be specified later	Amount to be specified later

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

5. The Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities [1] will apply, notably as regards the management of the contribution of Hungary.

Travel costs and subsistance costs incurred by representatives and experts of Hungary for the purposes of taking part as observers in the work of the committees referred to in Annex I, Point 11 or other meetings related to the implementation of the Programmes 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.

6. 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 each of the respective programmes under this Decision.

This contribution shall be espressed in euro and paid into an 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 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. Financial Regulation as last amended by Regulation (EC, ECSC, Euratom) No 2673/1999 (OJ L 326, 18.12.1999, p. 1).