

DECISION No 2/98 OF THE ASSOCIATION COUNCIL,
association between the European Communities and their Member States, of the one part, and
Romania, of the other part
of 14 December 1998
adopting the terms and conditions for the participation of Romania in the Community
programme in the field of small and medium-sized enterprises
(1999/107/EC)

THE ASSOCIATION COUNCIL,

HAS DECIDED AS FOLLOWS:

Having regard to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Romania, of the other part⁽¹⁾,

Having regard to the Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Romania, of the other part⁽²⁾, concerning Romania's participation in Community programmes, and in particular Articles 1 and 2 thereof,

Whereas according to Article 1 of the said Additional Protocol Romania may participate in Community framework programmes, specific programmes, projects or other Community actions, notably in the field of small and medium-sized enterprises;

Whereas according to Article 2 of the said Additional Protocol the terms and conditions for the participation of Romania in the activities referred to in Article 1 are to be decided by the Association Council,

Article 1

Romania shall participate in the third multiannual programme for small and medium-sized enterprises (SMEs) in the European Union (1997 to 2000) 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 programme.

Article 3

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

Done at Brussels, 14 December 1998.

For the Association Council

The President

A. G. PLESU

⁽¹⁾ OJ L 357, 31.12.1994, p. 2.

⁽²⁾ OJ L 317, 30.12.1995, p. 40.

ANNEX I

TERMS AND CONDITIONS FOR THE PARTICIPATION OF ROMANIA IN THE THIRD MULTIANNUAL PROGRAMME FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) IN THE EUROPEAN UNION (1997 TO 2000)

1. Romania will participate in all activities of the third multiannual programme for small and medium-sized enterprises (SMEs) in the European Union (1997 to 2000) (hereinafter called 'the programme'), except distributive trade, crafts and small enterprises, and the organisation of IBEX events, in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and time limits laid down in Council Decision 97/15/EC of 9 December 1996 on a third multiannual programme for small and medium-sized enterprises (SMEs) in the European Union (1997 to 2000)⁽¹⁾, and in particular Article 7(1) thereof.
2. The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Romania will be the same as those applicable to eligible institutions, organisations and individuals of the Community.
3. Where appropriate, in order to ensure the Community dimension of the programme, transnational projects and activities proposed by Romania will be required to include a minimum number of partners from the Member States of the Community. This minimum number will be decided in the framework of the implementation of the programme, taking into account the nature of the various activities, the number of partners in a given project and the number of countries participating in the programme.
4. Romania will pay each year a contribution to the general budget of the European Communities to cover the costs resulting from its participation in the programme (see Annex II). The Association Committee is entitled to adapt this contribution whenever necessary.
5. The Member States of the Community and Romania will make every effort, within the framework of the existing provisions, to facilitate the free movement and residence of all eligible persons to the programme moving between Romania and the Member States of the Community for the purpose of participating in activities covered by the Decision.
6. Without prejudice to the responsibilities of the Commission and the Court of Auditors of the European Community in relation to the evaluation of the programme according to the Decision on a third multiannual programme for small and medium-sized enterprises (SMEs) in the European Union (Article 6), the participation of Romania in the programme will be continuously evaluated on a partnership basis involving Romania and the Commission of the European Communities. Romania will submit the necessary reports to the Commission and take part in other specific activities set out by the Community in that context.
7. Without prejudice to the procedures referred to in Article 4 of the Decision on a third multiannual programme for small and medium-sized enterprises (SMEs) in the European Union, Romania will be invited to coordination meetings on any question concerning the implementation of this Decision prior to regular meetings of the Programme Committee. The Commission will inform Romania about the results of such regular meetings.
8. The language to be used as regards the application process, contracts, reports to be submitted and other administrative arrangements for the programme will be one of the official languages of the Community.

⁽¹⁾ OJ L 6, 10.1.1997, p. 25.

ANNEX II

**FINANCIAL CONTRIBUTION OF ROMANIA TO THE THIRD MULTIANNUAL PROGRAMME
FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) IN THE EUROPEAN UNION
(1997 TO 2000)**

1. The financial contribution of Romania will cover:
 - financial support from the programme to the participation of Romanian entities in activities as defined in Annex I.1,
 - supplementary costs of an administrative nature related to the management of the programme by the Commission stemming from Romania's participation.
2. For every financial year, the aggregated amount of subsidies or any other financial support received from the programme by the Romanian beneficiaries will not exceed the contribution paid by Romania, after deduction of the supplementary administrative costs.

Should the contribution paid by Romania to the general budget of the European Communities, after deduction of the supplementary administrative costs, be higher than the aggregated amount of subsidies or other financial support received by the Romanian beneficiaries from the programme, the Commission will transfer the balance to the next budgetary exercise, and it will be deducted from the following year's contribution. Should such a balance be left when the programme comes to an end, the corresponding amount will be reimbursed to Romania.

3. Romania's annual contribution will be ECU 419 440 from 1998. From this sum an amount of ECU 27 440 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Romania's participation.
4. The financial regulations applicable to the general budget of the European Communities will apply, notably to the management of the contribution of Romania.

Upon entry into force of this Decision and at the beginning of each following year, the Commission will send to Romania a call for funds corresponding to its contribution to the costs under this Decision.

This contribution will be expressed in ecus and paid into an ecu bank account of the Commission.

Romania will pay its contribution to the annual costs under this Decision according to the call for funds and at the latest three months after the call for funds is sent. Any delay in the payment of the contribution will give rise to the payment of interest by Romania on the outstanding amount from the due date. The interest rate corresponds to the rate applied by the European Monetary Cooperation Fund, for the month of the due date, for its operations in ecus, increased by 1,5 %.

5. Romania will pay the supplementary administrative costs referred to in paragraph 3 from its national budget.
6. Romania will pay 50 % of the remaining costs of its participation in the programme from its national budget.

Subject to regular PHARE programming procedures, the remaining 50 % will be paid from Romania's annual PHARE allocation.
