

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.03.1995
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94/0065 (SYN)

Amended proposal for a

COUNCIL REGULATION (EC)

laying down general rules for the procedure
for the granting of Community financial aid
in the field of trans-European networks

(presented by the Commission pursuant to Article 189 A (2)
of the EC-Treaty)

EXPLANATORY MEMORANDUM

I.

1. In order to implement Title XII of the Treaty as regards the establishment of trans-European networks, the Commission on 2.3.1994 transmitted to the Council and the European Parliament a Proposal for a Regulation laying down the general rules for the granting of Community financial aid in the field of trans-European networks¹ [COM(94)62].
2. The European Parliament gave its opinion² in the plenary session of 30.11.94, where it adopted 31 amendments.
3. Of the 31 amendments made by the Parliament, the Commission accepted 17 entirely and 9 partially. Some are of an editorial nature; others are more substantive. The Commission accepted any European Parliament amendments that did not alter the intent or structure of the original Proposal and which improved upon it. In addition, the Commission has initiated some minor changes, either to refine the text of the European Parliament amendments or to edit its original text.

The changes are summarised below, followed by a summary of those amendments which the Commission did not accept.

II.

Title of the Regulation (EP Amendment N° 1)

"...Regulation laying down the general rules" becomes "...laying down general rules for the procedure...". The change reflects a stronger emphasis on the procedural aspects of the Regulation.

New Recital 3 (EP Amendment N° 2)

The recital emphasises joining island, landlocked and peripheral regions to the central areas of the Community and thus reflects one of the priorities laid out in Article 129b of the Treaty.

Recital 4 (EP Amendment N° 3)

The addition points out that Article 129c concerns the establishment of the Guidelines.

Recital 6 (EP Amendment N° 4)

Removed from the recital is the provision that eligible projects must be "financed by the Member States", in order to correspond to the amended Article 2.2 of the Regulation.

¹OJ N° C89, 26 March 1994, p. 8.

²OJ....

Recital 8 (EP Amendment N°6)

Added to the recital is a reference to the decisions of the Council and the European Parliament in connection with the Guidelines. It reinforces the original text and adds the European Parliament to the Council as the partner in the co-decision procedure.

The amendment removes reference to the priority projects, which avoids repetition because these projects are already introduced in Recital 7.

New Recital 9 (EP Amendment N°7)

This recital supports the participation of private capital in financing networks, which emphasises an important political goal.

Recital 10 (EP Amendment N°8)

The phrase "take the form of" has been replaced by "relate to" and "aid from the EIB and the EIF" has become "financial support", in order to make precise that these institutions do not provide aid per se. The phrase "in exceptional cases" is changed to "in certain cases" concerning direct co-financing, which adds flexibility.

Recital 11 (EP Amendment N°9)

In connection with the granting of loan guarantee premiums in cases where the guarantee comes from a body other than the EIF, the phrase "where appropriate" is suppressed, adding flexibility.

Recital 13 (EP Amendment N°11)

The amendment defines the content of cost/benefit analysis, enumerating the taking into account of sustainability, regional planning, appraisals of job creation, study of the capacity of existing infrastructure and the socio-economic advantages particularly for the regions concerned.

Recital 14 (EP Amendment N°12)

The addition of the Common Transport Policy, energy and telecommunications completes the enumeration of "Community policies".

New Recital 15 (EP Amendment N°13)

This recital concerns the necessity for the Regulation to clarify the respective powers and responsibilities of the Member States and the Commission with regard to financial control, corresponding directly to amended Article 15 of the Regulation.

Recital 16 (EP Amendment N°14)

To the coordination effort, "particularly TEN resources, the Structural and Cohesion Funds, the EIF and the EIB" are added, which enumerates the Community financial instruments concerning the financing of networks.

Recital 18 (EP Amendment N° 15)

"Transparency" is added to "information and publicity", which reflects openness regarding the activities financed.

Article 1, Definition and Scope

Reference to IDA is suppressed, as this budget line is covered under separate legislation [see COM(93)69].

Article 2, Eligibility (EP Amendment N° 16)

Paragraph 1 removes reference to the requirement that projects be "financed by the Member States." This question is resolved in paragraph 2.

Paragraph 2 extends the possibility to assist projects which are also financed by bodies other than the Member States. This addition explains that projects financed by regional or local authorities or bodies working within a framework which makes them similar to public entities, including enterprises that carry out public services, are eligible. This addition clarifies the original proposal and extends the potential to assist projects which are financed by public or private bodies other than the Member State.

Paragraph 3 adds the European Parliament in regard to co-decision on the Guidelines and expands reference to Article 129b of the Treaty, which corrects and elaborates the original text (see Recital 8).

Paragraph 4 adds feasibility studies to the stages of a project, which highlights the importance of the feasibility study phase in project realization.

Article 3, Forms of Aid (EP Amendment N° 17)

Subparagraph (a) lists technical studies with feasibility studies, which completes the definition of feasibility studies in Article 129C I, third indent, of the Treaty.

Subparagraph (d) adds "in specific cases" to replace "where by way of exception" in connection to direct co-financing, which adds flexibility.

To subparagraph (d) is also added "or any other form of financial support which is appropriate to meet the objectives;" which creates the possibility for future forms of financing, for example, reimbursable grants.

Article 5, Financial Participation (EP Amendment N° 18)

Paragraph 1 is rephrased and reference is given to the amended Article 2.2.

Paragraph 3 replaces "similar financial organizations" with "other public or private financial organizations", which adds precision.

Paragraph 4 sees a change in wording, suppressing "by way of exception" and replacing "within the meaning of" with "following the provisions of" 3(d) in connection to direct co-financing. This change reflects the rephrasing of Article 3(d).

Article 6, Common project selection criteria (EP Amendment N°19)

Paragraph 1 adds to the criteria the impact of "interoperability of trans-European networks", which is one of the central aims of trans-European networks set forth in Treaty Article 129b.

Moved to paragraph 1 are the criteria of economic and social cohesion and the smooth running of the internal market, now placed before the technical and economic criteria. Thus the structure of paragraph 1 now follows more closely that of Article 129b.

Also added to paragraph 1 are the criteria of "contributions of a trans-frontier character" and "filling missing links", which reflects the Treaty's emphasis on interconnection of networks (c.f., Article 129b II).

Paragraph 2

The order of (b)-(c) have been rearranged for editorial reasons; (d) has changed "Community regional planning" to "regional planning in the Community".

Paragraph 3 adds that in the context of the definition of potential economic viability, account is to be taken of a project's socio-economic profitability.

Article 7, Selection criteria concerning transport (EP Amendment N°21)

The criterion of high safety standards is added; priority is given to the less environmentally damaging projects. These new elements are politically important and must be taken on.

Article 8, Selection criteria concerning telecommunications

Criterion (a) adds interoperability of services and applications, complementing the original text.

Article 9, Selection criteria concerning energy

Subparagraph (d) elaborates upon the original text by adding "...and of facilities for reception and storage of LNG (liquefied natural gas)".

Article 10, Compatibility (EP Amendment N°23)

This article sees two minor editorial changes: "comply with" is replaced by "respect"; "in particular those relating to the Common Transport Policy, energy and telecommunications" is added, completing the enumeration of Community policies (see Recital 14).

Article 11, Submission of applications for financial aid

The rephrasing follows the reformulation of Article 2.2. The change clarifies that prior agreement of the Member State is necessary if an application is submitted by a body other than the Member State, which corresponds to Article 129d of the Treaty which stipulates that projects of Community interest relating to the territory of a Member State shall require its approval. In the case of another body submitting the application, it must be the body or authority referred to in Article 2.2.

Article 12, Information required for the assessment and identification of applications (EP Amendment N°25)

Economic and social viability are enumerated as components of financial viability analysis.

Article 13, Taking the decision (EP Amendment N°26)

Two provisions are added:

The Commission shall endeavour to deliver a decision within six months of receipt of the application, which shall give the applicant security in planning. Secondly, the essential features of the decisions will be published in the Official Journal, which contributes to transparency.

Article 14, Financial provisions (EP Amendment N°27)

In order to elaborate the payment procedure, a new paragraph 4, adopted from the Cohesion Fund Regulation, is added confirming that the commitment appropriations entered into the budget shall be granted on the basis of Commission decisions.

Paragraph 5 clarifies that payment shall be in three stages.

A new paragraph 6 takes account of the fact that payments may be executed over several years, to correspond to the long realization phase of infrastructure projects.

Article 15, Financial control (EP Amendment N°28)

A new paragraph 3 is added, clarifying the procedures for on-the-spot checks. This provision, taken verbatim from the Structural Funds Regulation, explains standard procedures.

Article 16, Coordination (EP Amendment N°29)

The addition spells out the Community financial instruments which may apply to the projects in question (see Recital 16).

Article 17, Evaluation

Reference to defining indicators has been rephrased and moved to paragraph 1, to form part of the systematic evaluation.

III.

The main amendments which the Commission did not accept concern:

- Changes to recital 3 and Articles 3 and 6 which would accord priority to the Structural Fund-eligible regions, as such a provision does not correspond to the Treaty, which sets economic and social cohesion as one priority equal in weight to others, such as the functioning of the internal market;
- Deletion of the recital which introduces the priority projects in connection to this Regulation, because the European Councils of Brussels, Corfu and Essen have emphasised the importance of developing networks, the role of networks in the Community's economic growth and the Community's contribution to this development;
- The enumeration of "preparatory and technical studies" with feasibility studies in recital 10 and Articles 2 and 12, because it would limit the wider meaning of the term "feasibility studies";
- Provision for the European Investment Bank to play an advisory role in the financial structuring and evaluation of projects, in recital 12, because the Bank is involved only in those projects for which it has granted loans;
- Adding to Article 3(d) that co-financing may involve the organizing, by the Community, of loans on the capital markets, as this provision has no legal basis in the Treaty;
- Adding "environmental profitability" to the definition of potential economic viability, because the concept of environmental profitability is not a common standard or a component of economic viability;
- Introducing to Article 8 a new criterion (c) "integration of telecommunications and transport networks" because this criterion would more appropriately fall under the heading of transport and is already included in the Guidelines concerning the trans-European transport network;
- Adding to Compatibility, "taking into account the EIA and habitat directives, sustainable transport, fair competition between the various modes of transport, and the transparent, verifiable award of public contracts," because this enumeration is unnecessary and repeats only part of what is implicit in "Community policies";

- Allowing applications for financial aid to be submitted by third parties because such a provision would not comport with Article 129d of the Treaty (see Article 11 in part II above);
- Limiting the first payment to 50% or less of the first annual tranche of the appropriations committed and restricting subsequent payments to the condition that at least two thirds of the expenditure relating to the previous payment has been made, because neither of these provisions are applicable to all forms of intervention (guarantee premiums, interest subsidies);
- Creating a consultative Committee for each sector, procedure Ia, because this type of committee and procedure would be difficult to reconcile with Article 129d of the Treaty which states that "[P]rojects of common interest which relate to the territory of a Member State shall require the approval of the Member State concerned.

Amended proposal for a
COUNCIL REGULATION (EC)
laying down general rules for the procedure
for the granting of Community financial aid
in the field of trans-European networks

Original Proposal

Title of the Regulation:

Proposal for a Council Regulation (EC)
laying down general rules for the granting
of Community financial aid in the field of
trans-European networks

Whereas Article 129c provides that the
Community may support the financial
efforts of the Member States to establish
trans-European networks;

Recital 6

Whereas under Article 129c Community
aid should be granted to projects of
common interest financed by the Member
States which are identified in the
framework of the guidelines;

Modified Proposal

Title of the Regulation:

Proposal for a Council Regulation (EC)
laying down general rules for the
procedure for the granting of Community
financial aid in the field of trans-European
networks

Recital 3

Whereas Article 129b(2) of the Treaty
establishing the European Community
establishes as a priority for Community
action the setting up of links between
the island, landlocked and peripheral
regions of the Community and the
central regions;

Recital 4

Whereas Article 129c provides that the
Community **shall establish a series of
guidelines covering the objectives,
priorities and broad lines of measures
envisaged in the sphere of trans-
European networks** and whereas the
Community may support the financial
efforts of the Member States to establish
trans-European networks;

Recital 6

Whereas under Article 129c Community
aid should be granted to projects of
common interest which are identified in
the framework of the guidelines;

Original Proposal

Whereas, pending the adoption of all the guidelines referred to in Article 129c of the Treaty, it is necessary to be able to support priority projects of this kind, since they help to achieve the objectives of Article 129b of the Treaty;

Whereas Community aid may take the shape in particular of feasibility studies, loan guarantees or interest rate subsidies; whereas these subsidies and guarantees take the form in particular of aid from the EIB, the other Community loan instruments and the EIF; whereas in certain cases investment projects may be co-financed;

Whereas loan guarantees will be granted by the European Investment Fund on a commercial basis or, where appropriate, by other financial organizations; whereas Community financial aid may cover all or part of the premiums paid by the beneficiaries of these guarantees;

Modified Proposal

Recital 8

Whereas, **until such time as the guidelines referred to in Article 129c of the Treaty have been decided upon by the Council and the European Parliament, infrastructure projects which contribute to the achievement of the objectives of Article 129b of the Treaty concerning the establishment and development of trans-European networks may be supported;**

Recital 9

Whereas involvement of private capital in funding trans-European networks should be increased and the partnership between the public and private sectors extended;

Recital 10

Whereas Community aid may take the shape in particular of feasibility studies, loan guarantees or interest rate subsidies; whereas these subsidies and guarantees **relate** in particular **to financial support** from the EIB, the other Community loan instruments and the EIF; whereas in certain cases investment projects may be co-financed;

Recital 11

Whereas loan guarantees will be granted by the European Investment Fund on a commercial basis or by other financial organizations; whereas Community financial aid may cover all or part of the premiums paid by the beneficiaries of these guarantees;

Original Proposal

Whereas Community action must take account of the potential economic viability of the projects, as evaluated with the help of cost/benefit analysis and other appropriate criteria;

Whereas, with an eye to profitability, a detailed evaluation should be undertaken before Community resources are committed so as to guarantee that the resources mobilized generate the desired socio-economic benefits;

Whereas Community financial support under Article 129c(1) of the Treaty must be compatible with Community policies, in particular as regards environmental protection, competition and the award of public contracts; whereas environmental protection includes an environmental impact assessment;

Modified Proposal

Recital 13

Whereas Community action must take account of the **sustainability and** potential economic viability of the projects, as evaluated with the help of **regional planning**, cost/benefit analyses, **appraisals of the amount of investment in relation to the number of jobs created**, assessment of any remaining **capacity of existing infrastructures** and other appropriate criteria; whereas, with an eye to profitability, a detailed evaluation should be undertaken before Community resources are committed so as to guarantee that the resources mobilised generate the desired **integral** socio-economic benefits, **particularly for the regions concerned**;

Recital 14

Whereas Community financial support under Article 129c(1) of the Treaty must be compatible with Community policies, in particular as regards **energy, a sustainable Common Transport Policy, telecommunications**, environmental protection, competition and the award of public contracts; whereas environmental protection includes an environmental impact assessment **of projects**;

Recital 15

Whereas it is necessary to clarify the respective powers and responsibilities of **Member States and the Commission with regard to financial control**;

Original Proposal

Whereas the Commission must ensure proper coordination of all Community activities affecting trans-European networks;

Whereas there should be suitable information and publicity regarding the activities financed;

Article 1: Definition and Scope

This regulation defines the conditions and procedures for granting Community aid to projects of common interest in the field of trans-European networks for transport, energy and telecommunications infrastructures under Article 129c, paragraph 1, of the Treaty¹.

Modified Proposal

Recital 16

Whereas the Commission must ensure proper coordination of all Community activities, **especially TEN resources, the Structural and Cohesion Funds, the EIF and the EIB**, affecting trans-European networks;

Recital 18

Whereas there should be suitable information, publicity **and transparency** regarding the activities financed;

HAS ADOPTED THIS REGULATION.

Article 1: Definition and Scope

This regulation defines the conditions and procedures for granting Community aid to projects of common interest in the field of trans-European networks for transport, energy and telecommunications infrastructures under Article 129c, paragraph 1, of the Treaty.
(footnote deleted)

¹Proposal for a Council Decision on a series of guidelines for trans-European data communications networks between administrations (IDA) COM(93)69 f. OJEC C 105, 16.04.93, p. 10.

Original Proposal

Article 2: Eligibility

1. The Community aid granted in accordance with this Regulation shall concern projects of common interest financed by the Member States and identified within the framework of the guidelines referred to in Article 129c of the Treaty.
2. Projects financed by organizations working within an administrative or legal framework which makes them similar to public organizations shall also be eligible.
3. Where the guidelines referred to in Article 129c, as proposed by the Commission, have not yet been adopted by the Council other infrastructure projects which contribute to the achievement of the objectives set out in Article 129b of the Treaty may be eligible.
4. Within the meaning of this Regulation the concept of "project" shall include all the technically and financially separate stages of projects which form a whole designed to fulfil an economic and technical function.

Modified Proposal

Article 2: Eligibility

1. The Community aid granted in accordance with this Regulation shall concern projects of common interest identified within the framework of the guidelines referred to in Article 129c of the Treaty.
2. Projects **financed by the Member States or by regional or local authorities or by bodies** working within an administrative or legal framework which makes them similar to public entities, **in particular enterprises which hold franchises to run public services or which are entrusted with the operation of services of public interest**, shall be eligible.
3. Where the guidelines referred to in Article 129c, as proposed by the Commission, have not yet been adopted by the Council **and the European Parliament** other infrastructure projects which contribute to the achievement of the objectives set out in Article 129b of the Treaty **concerning the establishment and development of trans-European networks** may be eligible.
4. Within the meaning of this Regulation the concept of "project" shall include all the technically and financially separate stages of projects which form a whole designed to fulfil an economic and technical function, **including feasibility studies**.

Original Proposal

Modified Proposal

Article 3: Forms of Aid

Community aid may take one or several of the following forms:

- (a) co-financing of feasibility studies, including preparatory studies, evaluation studies and other technical support measures;
- (b) contribution to the premiums of loan guarantees;
- (c) interest rate subsidies;
- (d) where by way of exception these forms of financial aid provided for above are inappropriate, co-financing of investment projects.

Article 3: Forms of Aid

Community aid may take one or several of the following forms:

- (a) co-financing of feasibility studies, including preparatory studies, evaluation studies, **technical studies** and other technical support measures;
- (b) contribution to the premiums of loan guarantees;
- (c) interest rate subsidies;
- (d) where **in specific cases** these forms of financial aid provided for above are inappropriate, co-financing of investment projects **or any other form of financial support which is appropriate to meet the objectives.**

Original Proposal

Modified Proposal

Article 5: Financial participation

Article 5: Financial participation

1. In general, Community aid to feasibility studies shall be subject to a substantial contribution from the public authorities.

1. In general, **in the case of feasibility studies, the participation of the authorities or bodies referred to in Article 2, paragraph 2, shall be substantial.**

....

....

2. The maximum amount of the interest-rate subsidy may not exceed 10% of the total cost of the investment in net grant equivalent.

2. The maximum amount of the interest-rate subsidy **must** not exceed 10% of the total cost of the investment in net grant equivalent.

....

....

3. Community financial support may cover all or part of the loan guarantee premiums granted by the European Investment Fund or, where appropriate, by other organizations.

3. Community financial support may cover all or part of the loan guarantee premiums granted by the European Investment Fund or, where appropriate, by other **public or private** financial organizations.

4. Where the aid takes the form of a direct subsidy within the meaning of Article 3.1(d), the Commission shall make the level of that subsidy such that it is sufficient to mobilise the requisite financial resources.

4. Where the aid takes the form of a direct subsidy **following the provisions** of Article 3(d), the Commission shall make the level of that subsidy such that it is sufficient to mobilise the requisite financial resources.

Original Proposal

Article 6: Common project selection criteria

1. The projects shall be of sufficient dimension to have a significant impact on the establishment and development of networks.

Community aid shall be granted on a priority basis to projects according to their degree of contribution

- (a) to the establishment of trans-European networks;
- (b) to the harmonization of technical standards;
- (c) to the interconnection and interoperability of national networks;
- (d) to the improvement of access to the networks;
- (e) to the integration of the various networks;
- (f) to the reliability and safety of the networks.

Modified Proposal

Article 6: Common project selection criteria

1. The projects presented shall have a significant impact on the establishment, development and interoperability of trans-European networks.

Community aid shall be granted on a priority basis to projects according to their degree of contribution

- to the smooth running of the internal market;
- to the Community's economic and social cohesion, with particular regard to the need to connect island, landlocked and peripheral regions with the central areas of the Community;

The selection of the projects shall take account of the degree of contribution

- (a) to the establishment of trans-European networks, in particular where the projects are of a transfrontier nature and complete 'missing links';

Original Proposal

2. Projects shall also be selected as a function of:
- (a) their contribution -- to the smooth running of the internal market;
 - to the Community's economic and social cohesion, with particular regard to the need to connect island, landlocked and peripheral regions with the central areas of the Community;
 - (b) their importance to the development of trade at European level;
 - (c) their contribution to increasing the competitiveness of the European economy;
 - (d) their compliance with environmental considerations;
 - (e) their consistency with Community regional planning.
3. Account shall be taken of:
- (a) their potential economic viability: extent of financial and socio-economic profitability, including direct or indirect effects on employment;
 - (b) their readiness;
 - (c) the soundness of the financial package;

Modified Proposal

- (b) **to the harmonization of technical standards;**
 - (c) **to the interconnection and interoperability of national networks;**
 - (d) to the improvement of access to the networks;
 - (e) to the integration of the various networks;
 - (f) to the reliability and safety of the networks.
2. Projects shall be selected as a function of:
- (a) their importance to the development of trade at European level;
 - (b) their contribution to increasing the competitiveness of the European economy;
 - (c) their compliance with environmental considerations;
 - (d) their consistency with regional planning **in the Community.**
3. Account shall be taken of:
- (a) their potential economic viability: extent of **socio-economic and financial** profitability, including direct or indirect effects on employment;
 - (b) their readiness;
 - (c) the **solidity** of the financial package;

Original Proposal

Article 7: Selection criteria concerning transport

Without prejudice to the common criteria referred to in Article 6, Community financial aid in the transport sector shall be granted on a priority basis according to the contribution of the projects:

- (b) to sustainable development, in particular of traffic at European level, notably
 - transfrontier and long distance traffic, given its present and potential importance, within the Community and in neighbouring third countries

Article 8: Selection criteria concerning telecommunications

Without prejudice to the common criteria referred to in Article 6, Community financial aid in the telecommunications sector shall be granted on a priority basis to projects according to their contribution:

- a) to the establishment of trans European networks, notably
 - transfrontier interconnection between physical networks
 - interoperability of services;

Modified Proposal

Article 7: Selection criteria concerning transport

Without prejudice to the common criteria referred to in Article 6, Community financial aid in the transport sector shall be granted on a priority basis according to the contribution of the projects:

- (b) to sustainable development, in particular of traffic at European level, notably
 - transfrontier and long distance traffic, given its present and potential importance, within the Community and **with** neighbouring third countries
- (c) to **guaranteeing high safety standards for all means of transport.**
- (d) **Priority shall be given to the less environmentally damaging infrastructure projects.**

Article 8: Selection criteria concerning telecommunications

Without prejudice to the common criteria referred to in Article 6, Community financial aid in the telecommunications sector shall be granted on a priority basis to projects according to their contribution:

- a) to the establishment of trans European networks, notably
 - transfrontier interconnection between physical networks
 - interoperability of services **and applications.**

Original Proposal

Article 9: Selection criteria concerning energy

- (d) to increased transport capacity of natural gas supply, inlet and storage pipelines.

Article 10: Compatibility

The projects financed under this Regulation shall comply with the provisions of the Treaties, with the acts adopted on the basis thereof and Community policies, environmental protection, competition and the award of public contracts.

Article 11: Submission of applications for financial aid

Applications for financial aid shall be submitted to the Commission through the intermediary of the Member State concerned or by the body directly concerned with the agreement of the Member State.

Modified Proposal

Article 9: Selection criteria concerning energy

- (d) to increased capacity of natural gas supply and pipelines, **and of facilities for reception and storage of LNG (liquified natural gas).**

Article 10: Compatibility

The projects financed under this Regulation shall **respect** the provisions of the Treaty, with the acts adopted on the basis thereof and Community policies, **in particular those relating to the Common Transport Policy, energy, telecommunications**, environmental protection, competition and the award of public contracts.

Article 11: Submission of applications for financial aid

Applications for financial aid shall be submitted to the Commission by the Member State concerned **or, with the prior agreement of the Member State, by the authorities or bodies referred to in Article 2, paragraph 2.**

Original Proposal

Article 12: Information required for the assessment and identification of applications

1. In addition to the information specified in Article 6, and, where appropriate, Articles 7, 8 and 9 above, each application for financial aid shall include the following information to identify the project and to enable the Commission to assess the application:
 - (a) the body responsible for carrying out the project;
 - (b) the type of assistance envisaged and a description of the project concerned;
 - (d) If the application relates to a project:
 - the results of the cost/benefit analyses, including the results of the financial viability analysis;

Article 13: Taking the decision

The Commission shall decide to grant financial aid under this Regulation according to its assessment of the applications, in accordance with the selection criteria and the procedure specified in Article 19(2). It shall notify its decision directly to the beneficiaries and the Member State concerned.

Modified Proposal

Article 12: Information required for the assessment and identification of applications

1. In addition to the information specified in Article 6, and, where appropriate, Articles 7, 8 and 9 above, each application for financial aid shall include the following information to identify the project and to enable the Commission to assess the application:
 - (a) the **entity** responsible for carrying out the project;
 - (b) **a description of the project concerned and the type of assistance envisaged;**
 - (d) If the application relates to a project:
 - the results of the cost/benefit analyses, including the results of the financial, **economic and social** viability analysis;

Article 13: Taking the decision

The Commission shall **take a decision on the application for financial aid** under this Regulation according to its assessment of the applications, **following** the selection criteria and the procedure specified in Article 19(2) **below, to the extent possible, within six months of receipt of the application submitted.** It shall **directly notify** the beneficiaries and the Member States concerned **of its decision.**

The essential features of the Commission's decisions shall be published in the Official Journal of the European Communities.

Original Proposal

Article 14: Financial provisions

...

2. Aid may not be granted in respect of expenditure before the date on which the Commission received the application for financial aid.

4. As a general rule, payments shall be made in the form of advances and a final payment. The first advance shall be paid once the application for aid has been approved. Subsequent payments shall be made on the basis of requests for payment, taking account of the progress made in implementing the project.

5. The Commission shall make the final payment after approval of the report on the project or study submitted by the beneficiary and itemizing all the expenditure actually incurred.

6. With regard to interest-rate subsidies and guarantee premium subsidies, the Commission shall determine the procedures and timetable for payments.

Modified Proposal

Article 14: Financial provisions

...

2. Aid may not be granted in respect of expenditure **incurred** before the date on which the Commission received the application for financial aid.

4. **The commitment appropriations entered in the budget shall be granted on the basis of the decisions approving the measures concerned.**

5. Payments shall be made in the form of advances, **intermediate payments** and a final payment. The first advance shall be paid once the application for aid has been approved. Subsequent payments shall be made on the basis of requests for payment, taking into account, **in a rigorous and transparent manner**, the progress made in implementing the project.

6. **The payments must take account of the fact that the infrastructure projects will be implemented over a period of years and that provision must therefore be made for multiannual financing.**

7. The Commission shall make the final payment after approval of the report on the project or study submitted by the beneficiary and itemizing all the expenditure actually incurred.

8. With regard to interest-rate subsidies and guarantee premium subsidies, the Commission shall determine the procedures and timetable for payments.

Original Proposal

Article 15: Financial Control

2. Without prejudice to any control measures carried out by the Member States in accordance with national laws, regulations and administrative provisions and without prejudice to the provisions of Article 188a of the Treaty and control measures carried out in accordance with Article 209c of the Treaty, Commission officials or staff may carry out spot checks on projects financed.

Modified Proposal

Article 15: Financial Control

2. Without prejudice to any control measures carried out by the Member States in accordance with national laws, regulations and administrative provisions and without prejudice to the provisions of Article 188a of the Treaty and control measures carried out in accordance with Article 209c of the Treaty, Commission officials or staff may carry out **on-the-spot** checks on projects financed.

Original Proposal

Modified Proposal

3. **Before carrying out an on-the-spot check, the Commission shall give notice to the Member State concerned with a view to obtaining all the assistance necessary. On-the-spot checks carried out by the Commission without notice shall be subject to agreements reached in accordance with the Financial Regulation. Officials of the Member State concerned may take part in checks.**

The Commission may require the Member State concerned to carry out an on-the-spot check to verify the correctness of payment applications. Commission staff may take part in such checks, and must do so if the Member State concerned so requests.

The responsible body and authorities shall keep available for the Commission all the supporting documents regarding expenditure on any project for a period of three years following the last payment in respect of the project.

Original Proposal

Article 16: Coordination

1. The Commission shall be responsible for coordination between the projects undertaken under this Regulation and projects undertaken with the help of contributions from the Community budget, the European Investment Bank and other Community financial instruments, and for ensuring they are compatible.

Article 17: Evaluation

1. In order to ensure that Community aid is used efficiently, the Commission and the Member States concerned shall systematically evaluate progress with projects, if necessary with the cooperation of the European Investment Bank. To this end, Member States shall inform the Commission each year on the progress of projects approved.
2. Before the end of 1997, the Commission shall verify the results achieved with Community assistance in the different fields of application in terms of the original objectives.

This will entail defining appropriate indicators as a means of measuring the extent to which the original objectives have been achieved.

Modified Proposal

Article 16: Coordination

1. The Commission shall be responsible for coordination between the projects undertaken under this Regulation and projects undertaken with the help of contributions from the Community budget (such as TEN resources, the Structural and Cohesion Funds, etc.), the European Investment Fund, the European Investment Bank and other Community financial instruments, and for ensuring they are coherent.

Article 17: Evaluation

1. In order to ensure that Community aid is used efficiently, the Commission and the Member States concerned shall systematically evaluate progress with projects, if necessary with the cooperation of the European Investment Bank. To this end, Member States shall inform the Commission each year on the progress of projects approved.

This will entail defining indicators, to the extent possible, as a means of measuring the extent to which the original objectives have been achieved.

2. Before the end of 1997, the Commission shall verify the results achieved with Community assistance in the different fields of application in terms of the original objectives.

Original Proposal

Modified Proposal

Article 19, Committees

Article 19, Committees

1. In implementing this Regulation, the Commission shall be assisted, depending on the sector concerned...

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...

...

The decision required by this Regulation shall be taken in accordance with the procedure set out in paragraph 2 of this Article.

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