



COMMISSION OF THE EUROPEAN COMMUNITIES

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2001/0226 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. After more than five years of implementation of Council Regulation (EC) No 2236/95 of 18 September 1995 laying down general rules for the granting of Community financial aid in the field of trans-European networks, amended by Regulation (EC) No 1655/1999 of the European Parliament and of the Council of 19 July 1999, it is now necessary to carry out a technical modification of its provisions in order to reflect current policy priorities in the area of the trans-European Transport Network (TEN-T).
2. Trans-European Network policy in the mid 1990s required appropriate financial instruments to allow the Community to support the projects with the highest trans-European added value. Regulation (EC) No 2236/95 allowed support of up to 50% of the total cost of studies and up to 10% of total investment cost. During the period 1995-1999, most of the TEN-T projects were at an early implementation phase. In that context, the Community support in the framework of the TEN-T mainly focused on studies relating to those projects. At the end of the period, the nature of the TEN-T supported projects changed. As most of the projects reached sufficient maturity for implementation, the emphasis then shifted to implementation of projects. At that stage, the Regulation manifested its limits, in particular regarding the co-financing of works.
3. This Regulation contained a revision clause stating that "The Council should decide, before the end of 1999, if the actions provided for by this Regulation should be maintained." The Commission considered in 1998 that it was appropriate to launch the revision of the Regulation, as the five-year initial financial period was coming to an end and, further to that, because some adjustments and improvements, based on experience, were deemed necessary. The revision was scheduled to be part of the Commission's Agenda 2000 package for the seven-year financial period 2000-2006, irrespectively of the date of accession of the new Member States.
4. The Commission therefore proposed some new features such as support to risk-capital funds for TEN projects, the possibility of setting up indicative multi-annual programmes for transport TEN and *the possibility of increasing the maximum level of support from 10% to 20% of total investment costs, for transport projects relating to more than one Member State or projects contributing strongly to the broader trans-European interest, including those having an important environmental dimension*. The increase of the maximum support of a project's total investment costs from 10 to 20 percent was intended to cover only projects with demonstrable broader trans-European interest, such as cross-border missing links or projects with an important environmental dimension.
5. However, the Regulation adopted by the European Parliament and the Council on 19 July 1999 as part of Agenda 2000 (Regulation (EC) No 1655/1999 amending Regulation (EC) No 2236/95) includes the possibility of increasing the level of Community support from 10% to 20% but only for projects concerning satellite positioning and navigation systems and only from 1 January 2003.
6. The traffic growth of the past decade – in particular heavy lorry traffic – led to increased congestion and pollution all over the Community territory, while the current capacity of the road and the rail infrastructure as well as the inland waterways is far from being optimal.

In the implementation of the trans-European transport network projects, experience however has continuously shown that the major delays concern cross-border rail projects located in areas characterised by natural barriers since these projects require the construction of expensive infrastructure such as tunnels or bridges of significant length. Delays are also detected in the construction of cross-border projects aiming at eliminating bottlenecks at borders with candidate countries. The White Paper on Common Transport Policy¹ clearly foresees a significant traffic increase between the Western and the Eastern part of Europe in the course of the current decade. This additional traffic would lead to severe congestion and safety problems on the main corridors connecting the Union with the candidate countries.

Since the last proposal for revision of the financial regulation in 1998, the railway package and the Commission's White Paper on European Transport Policy for 2010 have been adopted. According to the White Paper, the Community contribution to trans-European transport projects should be raised to 20% for "critical" projects with a high added value for the trans-European network but a low financial return. This will concern cross-border rail projects crossing natural barriers, such as mountain ranges or stretches of water, requiring *de facto* major civil engineering works such as long tunnels or bridges.

7. As stated in the Commission's communication on the impact of enlargement on regions bordering candidate countries², cross-border projects with these countries may prove difficult to be implemented due to financial constraints. In that context, those projects with the aim of eliminating clearly identified bottlenecks at borders with candidate countries will also be eligible for the 20% rate. Priority will be given to cross-border rail infrastructure projects with candidate countries and to other projects where the added value is particularly high in terms of safety improvement and congestion reduction.
8. The Commission therefore considers that the maximum support for trans-European transport network projects which fall into the category of cross-border rail projects crossing natural barriers or aiming at eliminating clearly identified bottlenecks at borders with candidate countries should be increased from 10% to 20%, in order to have a leverage effect and to attract private investors in particular.
9. One of the priorities of the indicative multiannual programme (MIP) established between Member States and the Commission for the funding of TEN projects is the development of cross-border projects. Of particular importance in this respect are cross-border projects with candidate countries, in particular those which are supported by ISPA in the acceding countries. In this context, to complement the ISPA support, an additional financial assistance of EUR 100 million in the period 2003-2006 assigned to the TEN budget line could also be allocated to the Member States to be used towards the most urgently needed improvements related to cross-border transport infrastructure with candidate countries. Therefore the financial framework (as indicated in Article 18 of Regulation (EC) No 1655/1999) will be increased accordingly within the 2000-2006 financial perspectives. As indicated in its Communication on border regions (COM(2001) 437), the Commission will reallocate EUR 50 million – within the current TEN-T budget – in favour of the same

¹ COM(2001) 370.

² COM(2001) 437.

cross-border projects. This could be done, *inter alia*, through the revision of the Indicative Multiannual Programme.

The opportunity should also be taken to modify the committee procedure set out in the Regulation to comply with the 1999 Council Decision on Comitology³. In particular, it seems appropriate to change the current comitology procedure into the management procedure as defined in Article 4 of the abovementioned Decision.

³ Decision 1999/468/EC of 28 June 1999, OJ L 184, 17.7.1999.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the first paragraph of Article 156 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the Economic and Social Committee²,

Having regard to the opinion of the Committee of the Regions³,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁴,

Whereas:

- (1) Traffic growth over the past decade – in particular heavy lorry traffic – has led to increased congestion and pollution throughout the territory of the Community. The current capacity of the road network as well as of the rail infrastructure is far from optimal and the weakest points are the cross-border sections. The major delays in implementation of the trans-European transport network relate to cross-border rail projects requiring the construction of infrastructure such as tunnels or bridges of significant length. Owing to these constraints, the financial viability of such projects is often extremely low.
- (2) Provision should be made for an increased level of support of up to 20% of total investment cost for projects concerning cross-border bottlenecks and projects at borders with candidate countries which contribute strongly to the improvement of the Trans-European network as established by Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network⁵.

¹ OJ C

² OJ C

³ OJ C

⁴ OJ C

⁵ OJ L 228, 9.9.1996, p. 1; Decision as amended by Decision No 1346/2001/EC (OJ L 185, 6.7.2001, p. 1).

- (3) Since costly cross-border projects with candidate countries may prove difficult to implement due to financial constraints, additional funding should be made available for the most urgently needed improvements related to transport infrastructure at borders with candidate countries. The potential economic viability of the projects should be assessed. The funds devoted to these specific projects should cover the whole financing period 2003-2006 irrespective of the date of accession of the new Member States.
- (4) The provisions of Council Regulation (EC) No 2236/95 of 18 September 1995 laying down general rules for the granting of Community financial aid in the field of trans-European networks⁶ should be adapted to take account of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁷.
- (5) The financial framework for the implementation of Regulation (EC) No 2236/95 should be increased in order to fund the most urgently needed improvements related to transport infrastructure at borders with candidate countries.
- (6) Regulation (EC) No 2236/95 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2236/95 is amended as follows:

- (1) In Article 5, paragraph 3 is replaced by the following:
 - "3. Regardless of the form of intervention chosen, the total amount of Community aid under this Regulation shall not exceed 10% of the total investment cost.

However, the total amount of Community aid may, as from 1 January 2003, exceptionally reach 20% of the total investment cost in the following cases:
 - (a) projects which concern cross-border rail bottlenecks and/or missing links located in areas where natural barriers represent obstacles to the free circulation of goods and passengers and which strongly contribute to the reduction of imbalance between modes of transport and to the improvement of rail transport within the trans-European transport network as established by Decision No 1692/96/EC of the European Parliament and of the Council* ;
 - (b) other projects which concern bottlenecks at borders with candidate countries where added value is particularly high in terms of safety improvement and congestion reduction; and
 - (c) projects concerning satellite positioning and navigation systems as provided for in Article 17 of Decision No 1692/96/EC.

⁶ OJ L 228, 23.9.1995, p. 1. Regulation as amended by Regulation (EC) No 1655/1999 of the European Parliament and of the Council (OJ L 197, 29.7.1999, p. 1).

⁷ OJ L 184, 17.7.1999, p. 23.

* OJ L 228 , 9.9.1996, p. 1."

(2) Article 17 is replaced by the following:

"Article 17

Committee

1. The Commission shall be assisted by a committee composed of representatives of the Member States and chaired by the representative of the Commission.
2. Where reference is made to the procedure specified in this Article, the management procedure laid down in Article 4 of Council Decision 1999/468/EC* shall apply, in compliance with Article 7 and Article 8 thereof.
3. The period provided for in Article 4(3) of Decision 1999/468/EC shall be two months.

* OJ L 184, 17.7.1999, p. 23."

(3) In Article 18, the first paragraph is replaced by the following:

"The financial framework for the implementation of this Regulation for the period 2000 to 2006 shall be EUR 4 700 million."

Article 2

This Regulation shall enter into force on the twentieth day following that of 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,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): Transport

Activit(y/ies): Trans-European Transport Network

TITLE OF ACTION: FINANCIAL SUPPORT FOR PROJECTS OF COMMON INTEREST IN THE TRANS-EUROPEAN TRANSPORT NETWORK

(This action accompanies the proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks)

1. BUDGET LINE(S) + HEADING(S)

B5-700: Financial support for projects of common interest in the Trans-European Transport Network

2. OVERALL FIGURES

2.1 Total allocation for action (Part B):

An additional EUR 100 million in commitment appropriations (CA), thus bringing the financial framework for the implementation of the present TEN Regulation for the period 2000-2006 from EUR 4 600 million to EUR 4 700 million.

To this must be added an amount of EUR 50 million to be reallocated within the current TEN-T envelope, as indicated in the Communication from the Commission on cross-border regions (COM(2001) 437).

2.2 Period of application:

2003-2006

2.3 Overall multiannual estimate of expenditure:

Schedule of commitment appropriations/payment appropriations (financial intervention)

EUR million (to three decimal places)

	2001	2002	2003	2004	2005	2006	2006+	Total
Additional commitment appropriations			35	15	25	25		100
Reallocated commitment appropriations			15	25	5	5		50
Total (CA)			50	40	30	30		150
Additional payment appropriations (PA)			15	15	20	25	25	100

2.4 Compatibility with financial programming and financial perspective

[X] This proposal will entail reprogramming of the relevant heading in the financial perspective.

The following facts must be recalled:

- (1) The overall multiannual TEN financial envelope for the period 2000-2006 is EUR 4 600 million for the three sectors (Transport, Energy and Telecommunications).
- (2) Within this envelope, an amount of EUR 4 170 million is allocated to TEN Transport and EUR 430 million to TEN Energy and Telecoms.
- (3) The multiannual programming for 2003-2006 established by the Commission for the TEN Transport is (in EUR million):

2003	2004	2005	2006
594	605	605	622

- (4) Adopting the action proposed for the period 2003-2006 would thus lead to the following multiannual TEN-Transport programming:

2003	2004	2005	2006
629	620	630	647

- (5) This measure will be financed within the ceiling of heading 3 of the financial perspective.

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
Non-comp.	Diff.		NO	NO	No 3 INTERNAL POLICIES

4. LEGAL BASIS

Council Regulation (EC) No 2236/95 of 18 September 1995 laying down general rules for the granting of Community financial aid in the field of trans-European networks, amended by Regulation (EC) No 1655/1999 of the European Parliament and of the Council of 19 July 1999.

Decision No 1692/96/EC of the European Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network, amended by Decision No 1346/2001/EC of the European Parliament and of the Council of 22 May 2001 amending Decision No 1692/96/EC as regards seaports, inland ports and intermodal terminals as well as project No 8 in Annex III.

5. DESCRIPTION AND GROUNDS

5.1 Need for Community intervention

The need for Community intervention is justified by the obligation to contribute to the establishment and development of a trans-European transport network, regarded as an essential policy for the proper functioning of the internal market and for economic and social cohesion (Articles 154 to 156). This contribution takes the form of co-financing projects of common interest identified in the Community guidelines for the development of the trans-European transport network (Decision No 1692/96/EC of 23 July 1996).

When implementing trans-European transport network projects, experience has shown that significant delays concern projects aimed at eliminating bottlenecks at the borders with candidate countries. The White Paper on the common transport policy¹ predicts a significant increase in traffic between the western and eastern parts of Europe during this decade. This growth in traffic could increase problems connected with congestion and the safety of users on the major corridors linking the Union with the candidate countries.

¹ COM(2001) 370 White Paper – European transport policy for 2010: time to decide.

It should be noted that this Community intervention is accompanying the proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks. In this proposal, the Commission considers that the maximum support for trans-European network projects belonging to the category of cross-border railway projects aimed at overcoming natural barriers or projects aimed at the elimination of bottlenecks that have been well identified at border points with the candidate countries ought to be increased by 10 to 20% in order to have a leverage effect and, in particular, to attract private investors.

The Communication from the Commission of 25 July 2001 on the impact of enlargement on regions bordering candidate countries – Community action for border regions², is proposing to raise the current maximum level of support from 10% to 20% for cross-border TEN transport projects whose added value for the participating countries is particularly high. The Commission is also proposing that additional financial assistance of EUR 150 million be awarded in the period 2003-2006 (of which EUR 50 million in the context of reallocating resources from the existing TEN budget, including, *inter alia*, from the Indicative Multiannual Programme (IMP). This revision is already provided for in the framework decision on the Indicative Multiannual Programme³. It is planned that these commitments will be greater in the first half of the period 2003-2006. The commitments profile therefore reflects a concentration in the years 2003 and 2004. This complementary funding will be allocated to carrying out urgent improvements to cross-border transport infrastructures.

As indicated in the Communication from the Commission on the impact of enlargement on regions bordering candidate countries, cross-border projects with these countries could be difficult to implement for financial reasons.

Where the TEN projects are concerned, there is a need to review the TEN Regulation to permit a Community intervention of EUR 100 million (from the total amount of EUR 150 million mentioned in the Communication) of additional appropriations for the period 2003-2006. These funds will be committed as from 2003, as part of the revision of the IMP.

Cross-border projects with candidate countries take on a particular importance in this respect, particularly those which benefit – in these countries – from financial support through the LISF. In this context, and with a view to synergy between the efforts deployed by the candidate countries and by the Member States in cross-border regions, an additional financial envelope of EUR 100 million for the TEN budget line for the period 2003-2006 could be taken up by Member States for the most urgent interventions on cross-border infrastructures with the candidate countries. Priority will be given to cross-border railway projects with candidate countries and other projects whose value added in terms of improvement to users' safety or the reduction of congestion is particularly significant.

² COM(2001) 437 Communication of the Commission of 25 July 2001 on the impact of enlargement on regions bordering candidate countries – Community action for border regions.

³ Commission Decision No C(2001) 2654 final of 19.9.2001.

The objectives pursued have the following aims:

- to improve traffic flow and reduce waiting time at cross-border connections for the benefit of users and companies;
- to speed up the completion by Member States of cross-border projects of common interest in the trans-European transport network in cross-border areas with the candidate countries;
- to overcome financial obstacles which could arise during the start-up phase of these projects, in particular through feasibility studies, and to ensure the best possible financial backing for the projects, minimising recourse to public funds thanks to flexible intervention procedures;
- to incite private investors to finance projects and to encourage partnerships between the public and private sectors.

5.2 Actions envisaged and budget intervention arrangements

Target population

National and regional transport authorities, companies and consortia which carry out projects, technical institutes and foundations, economic groups of European interest and transport infrastructure users. According to the TEN financial rules, applications for funds are submitted to the Commission by the public or private enterprises or bodies that are directly concerned.

Choice of concrete measures

As already stated, the Commission considers that the maximum support for trans-European network projects belonging to the category of cross-border railway projects aimed at overcoming natural barriers or projects aimed at eliminating clearly identified bottlenecks at border points with candidate countries ought to be increased from 10% to 20% in order to have a leverage effect and, in particular, to attract private investors.

The concrete measures adopted for the specific projects depends primarily on the status and degree of maturity of each project.

Feasibility studies are an appropriate measure ensuring projects are clearly defined from their conception to their launching.

Other types of intervention, such as **interest subsidies, or contributions towards fees for guarantees for loans** are selected in order to ensure that the type of financing chosen is the most appropriate for the development of the project in question. This is also valid for **grants** in cases where, through additionality, they could speed up projects rendered impossible up to that time through a lack of funds or for which the financial profitability is deemed insufficient for projects that are economically viable.

In cases where public funding is limited, the leverage effect of Community financial instruments (especially with the LISF) must be stepped up, recourse also being had to public/private partnerships.

Precise information is provided by the Member States or promoters according to the indications given in the application forms for financial aid for studies and for eligible projects, that is to say estimated eligible costs. The financial plan is also drawn up by the Member States or the promoters using the table "Breakdown of costs and financial plan" which can be found in the application form for financial aid. They must also state that they have checked the possibility of using other sources of financing, particularly private sources.

The TEN guidelines comprise a series of projects of common interest, including projects linking the Member States to the candidate countries and which require Community financial assistance. The majority of these projects concern the elimination of bottlenecks, the reduction of congestion and the improvement of safety conditions for users. The revision of the guidelines adopted by the Commission has incorporated new connections in the run-up to accession. These connections will also be able to benefit from this additional funding.

A preliminary list of potential projects concerning cross-border regions with the countries applying for accession has been proposed by the Member States concerned. More than 80 projects involving all modes of transport and whose value added is significant for matters such as the elimination of bottlenecks, reduction of congestion and improving the safety conditions for users, have been identified. An initial assessment of the information forwarded by the Member States permits us to consider that a number of these projects comply with the objectives linked to trans-European transport networks.

According to the TEN Regulation, applications for financial aid are submitted by the Member States or promoters to the Commission. The applications are examined in detail in order to check that all projects, including cross-border projects, are consistent with the funds allocated. The following factors are taken into account in agreement with the Regulation:

- (a) the extent to which the specific project contributes to the objectives set out in the Treaty and to the objectives and priorities covered by the Community guidelines for the development of the TEN;
- (b) potential economic viability;
- (c) insufficient financial profitability;
- (d) maturity of the project (including earlier budget implementation);
- (e) stimulatory effect of Community intervention on "public/private" financing;
- (f) direct or indirect socio-economic effects, especially on employment;
- (g) environmental consequences;
- (h) coordination over a period of time of the different parts of the projects (particularly for cross-border projects); coordination of Community financing, particularly with the LISF.

5.3 Methods of implementation

Direct management by the Commission using only regular or outside staff.

6. FINANCIAL IMPACT

6.1 Total financial impact on Part B (over the entire programming period)

Commitment (in EUR million to three decimal places)

INDICATIVE Breakdown	Legal basis code	2001	2002	2003	2004	2005	2006
Specific objective 1: Studies and works to carry out TEN-T cross-border projects at frontiers with candidate countries	Regulations (EC) Nos 2236/95 and 1655/1999			35	15	25	25
Total	100⁴			35	15	25	25

6.2 Calculation of costs by measure envisaged in Part B (over the entire programming period)⁵

Breakdown	Type of outputs (projects, files)	Number of outputs	Average unit cost	Total cost
	1	2	3	4 = (2 x 3)
Specific objective 1: Studies and works to carry out TEN-T cross-border projects at frontiers with candidate countries	Technical, environmental, economic and financial studies	+/- 50	*	150
	Works			
TOTAL COST				150

* Given the very different nature and forms of actions financed in the field of TEN-Transport (e.g. geographical and technical data, multiannual or one-off actions), it is not possible to measure them in terms of unit costs.

⁴ To which must be added a sum of EUR 50 million to be reallocated within the current TEN envelope, as indicated in the Communication from the Commission on cross-border regions (COM(2001) 437) – see Table 2.3 subparagraph (a) of this sheet.

⁵ For further information, see separate explanatory note.

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1 Impact on human resources

Type of posts		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts	Number of temporary posts		
Officials or temporary staff	A	1A		1A	<i>If necessary, a fuller description of the tasks may be annexed</i>
	B				
	C				
Other human resources					
Total		1A		1A	

8. FOLLOW-UP AND EVALUATION

8.1 Follow-up arrangements

Article 15 of Regulation (EC) No 1655/1999 establishes the requirement that every project must be monitored and evaluated. Provision is made for Commission decisions to include, where necessary, physical indicators established in agreement with the Member States.

Furthermore, according to the terms of the Commission standard decisions, beneficiaries have to provide information every year on the progress of projects for the analyses permitting joint evaluation with the Member States over the procedures for executing these projects.

Studies for which indicators cannot be drawn up shall be evaluated jointly with the Member States in accordance with the objectives pursued.

Article 16(1) of the Regulation provides for an annual activity report, to be addressed to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions. The report is to contain an evaluation of the results achieved with Community aid.

According to the logic of the generic cycle of infrastructure projects, it is clear that the priority output indicators (basis for monitoring) are as follows:

- the attainment of major physical targets according to the objectives of each project;
- the number of kilometres of road or railway increased, electrified, etc.;
- the number of signalling, traffic management, etc. installations;
- the completion of economic, geotechnical, environmental studies in time;
- the amortisation of loans by executing authorities;
- the way in which the budget has been implemented.

8.2 Arrangements and schedule for evaluation

Impact indicators according to the objectives pursued

The impact and results of the various specific projects will be evaluated as far as possible according to the following effects derived from them:

- increase in capacity and efficiency of infrastructures in cross-border areas;
- transport safety (passengers, dangerous cargo, etc.) and reduction of the number of accidents;
- socio-economic indicator trend compared with ex-ante forecasts;
- reduction of pollution;
- qualitative evaluation performed by network users;
- economic advantages engendered through Community aid (including the justification of the choice of financial instrument, whether interest subsidies, direct grants, guarantee fees, etc.).

These indicators will be quantified according to the types of project evaluated and after discussion with the Member States.

Ad hoc assessment: for a limited number of projects, it is possible to carry out more traditional mid-term and ex-post impact assessments given that one can quantify more easily achieving the results in a short or medium term.

9. ANTI-FRAUD MEASURES

Anti-fraud measures (monitoring, submission of reports, follow-up, evaluation, etc.) feature in Regulation (EC) No 1655/1999 governing the award of Community aid, particularly in its Articles 12 and 15, and are included in all the Commission decisions and in the contracts concluded between the Commission and project promoters.

Verification of expenditure and the execution of projects financed under Regulation (EC) No 1655/1999 is normally carried out by the Member States in accordance with Article 12(1) and, where applicable, by the Commission, taking account of its contractual obligations and the principles of economy and sound financial management.

Inspections are regularly performed by Commission staff at the sites where the projects are being carried out in accordance with Articles 12(4) and 12(5) of the Regulation.