

## II

(Preparatory Acts)

## COMMISSION

**Proposal for a Council Decision concerning the Community contribution to the International Fund  
'Clearance of the Fairway of the Danube'**

(2001/C 120 E/01)

COM(2000) 317 final — 2000/0125(CNS)

(Submitted by the Commission on 26 May 2000)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

- (1) The debris of bridges over the Danube, destroyed during the Kosovo conflict, as well as the risk of unexploded ordnance, is blocking navigation between km 1 253 and 1 258 of the Danube river; the consequent interruption of navigation on the Danube has had serious economic and environmental consequences throughout the region, and in particular on all riparian States.
- (2) The Danube Commission, as an inter-governmental institution established by the 1948 Belgrade Convention, is responsible for navigation on the Danube; Member States of the Danube Commission, at their extraordinary session in Budapest on 25 January 2000, adopted a project proposal 'Clearance of the Fairway of the Danube' which the Danube Commission then presented to the Commission for consideration; this project proposal covers the restoration of a navigation channel by means of removal of debris and unexploded ordnance, followed by the restoration of the river bed of the Danube in the related area.
- (3) For the purpose of implementing this project, an 'International Fund for the Clearance of the Fairway of the Danube' has been established in Vienna by the Danube Commission; this will be administered by the Danube Commission in accordance with the purpose of the Fund as stated in its Rules and in full compliance with the Community's relevant financial and procurement policies, as well as the sanctions regime applicable against the Federal Republic of Yugoslavia.

(4) The European Community agrees to make a contribution of up to 85 % of the total estimated cost of the project, to a maximum of EUR 22 million, the remainder to be met by the Danube Commission and its member States.

(5) The Community contribution will be paid into the international fund; The Community contribution to the international fund shall be administered by the Danube Commission in accordance with the principles of sound and efficient management.

(6) The Treaty does not provide, for the action concerned, powers other than those laid down in Article 308,

HAS DECIDED AS FOLLOWS:

*Article 1*

1. The Community shall contribute to the International Fund to be established by the Danube Commission for the Clearance of the Fairway of the Danube, in accordance with the Rules of this Fund, an amount of up to a maximum of EUR 22 million, covering up to 85 % of the total estimated cost of the project, to be paid during 2000, for the implementation of the project 'Clearance of the Fairway of the Danube'.
2. This contribution to the Fund, to be made by means of an Exchange of Letters between the European Commission and the Danube Commission, shall be administered in accordance with the Financial Regulation<sup>(1)</sup> of 21 December 1977 applicable to the general budget of the European Communities, with particular regard for the principles of sound and efficient management.
3. The Community contribution is subject to the condition that the Danube Commission, in managing this Fund and implementing the project referred to in paragraph 1 above, fully complies with the Community's procurement rules and the Community's sanctions regime as applicable to the Federal Republic of Yugoslavia.

<sup>(1)</sup> Financial Regulation of 21 December 1977 applicable to the general budget of the European Community, as last amended by Council Regulation (EC, ECSC, Euratom) No 2548 of 23 November 1998.

4. The Procurement Policies and Rules shall provide for participation in invitations to tender and contracts, open on equal terms to all natural and legal persons in the EU Member States and in the beneficiary States of the Community's Obnova and Phare Regulations as well as Moldova, Russia and Ukraine. Without prejudice to paragraph 5, the Legal Representative of the Fund may, in exceptional circumstances, where the goods and services required cannot be procured in these States on economically favourable terms, allow, on a case by case basis, participation in invitations to tender by, and conclude contracts with, nationals and companies of third countries.

5. The operation of the Fund and the implementation of the project shall comply with the Community's sanctions regime in respect of the Federal Republic of Yugoslavia, and in particular with the prohibition against making funds available to the Governments of the Federal Republic of Yugoslavia and of the Republic of Serbia, as defined in Council Regulation (EC) No 1294/1999, as last amended by Regulation (EC) No 723/2000 <sup>(1)</sup>, as amended from time to time.

#### *Article 2*

1. The Commission will forward all relevant information to the Court of Auditors and will request from the Danube Commission any supplementary information that the Court

of Auditors may wish to receive as regards the financial operation of the international fund.

2. Insofar as contributions by the European Community are concerned, all financing agreements or contracts concluded under the International Fund will provide for the European Commission, OLAF, and the European Court of Auditors to conduct on-the-spot checks according to the usual procedures laid down by the European Commission under the rules in force, and in particular those of the Financial Regulation applicable to the general budget of the European Community.

3. In addition, insofar as contributions to the International Fund by the European Community are concerned, the European Commission may carry out on-the-spot checks and inspections in order to protect the European Community financial interest against fraud and irregularities in conformity with Regulation (Euratom, EC) No 2185/96 of 11 November 1996 and Regulation (EC, Euratom) No 2988/95 of 18 December 1995.

#### *Article 3*

The Commission shall submit an annual progress report on the implementation of the international fund to the European Parliament and the Council.

---

<sup>(1)</sup> OJ L 86, 7.4.2000, p. 1.