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II

(Acts whose publication is not obligatory)

COUNCIL

DECISION No 1/98 OF THE ASSOCIATION COUNCIL,

association between the European Communities and their Member States, of the one part, and
Romania, of the other part

of 15 September 1998

adopting the terms and conditions for the participation of Romania in the financial instrument
of the Community in the field of environment

(1999/106/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⁾,

Article 1
Romania shall participate in the European Community financial instrument for environment LIFE according to the terms and conditions set out in Annexes I and II, which shall form an integral part of this Decision.

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, concerning Romania's participation in Community programmes, and in particular Articles 1 and 2 thereof⁽²⁾,

Article 2
This Decision shall apply for the duration of the financial instrument for the environment LIFE.

Whereas according to Article 1 of the said Additional Protocol, Romania may participate in Community framework programmes, specific programmes, projects or other actions, notably in the field of environment;

Article 3
This Decision shall enter into force on the first day of the month following its adoption.

Done at Brussels, 15 September 1998.

Whereas, according to Article 2 of the said Additional Protocol, the Association Council shall decide the terms and conditions for the participation of Romania in the activities referred to in Article 1 thereof,

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 LIFE

1. Romania will participate in all actions of the Community financial instrument for the environment (hereinafter called 'LIFE') in accordance with the objectives, criteria, procedures and time limits laid down in Council Regulation (EC) No 1404/96 of 15 July 1996 amending Regulation (EEC) No 1973/92 establishing a financial instrument for the environment (LIFE) (hereinafter called 'the Regulation on LIFE')⁽¹⁾.

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.

Language preparation and training activities concern the official languages of the Community. In exceptional circumstances, other languages could be accepted if the implementation of LIFE so requires.

3. To reflect the Community dimension of LIFE, transnational projects and activities proposed by Romania should, whenever relevant, include partners from the Member States of the Community.

4. In conformity with the terms of the relevant provisions of the Regulation on LIFE, Romania will provide the appropriate structures and mechanisms at national level and will take all other necessary steps to ensure national coordination and organisation of the implementation of the LIFE programme.

5. Romania will pay each year a contribution to the general budget of the European Communities to cover the costs resulting from its participation in LIFE (see Annex II).

The Association Committee is entitled to adapt this contribution whenever necessary.

6. Within the framework of existing provisions, the Member States of the Community and Romania will make every effort to facilitate the free movement of eligible persons between Romania and the Community in activities covered by this Decision.

7. Without prejudice to the responsibilities of the Commission and the Court of Auditors of the European Communities in relation to the control and monitoring of LIFE pursuant to Articles 10, 11 and 12 of the Regulation on LIFE, the participation of Romania in LIFE will be continuously monitored on a partnership basis involving the Commission and Romania. Romania will submit to the Commission relevant reports and take part in other specific activities undertaken by the Community to this end.

8. Without prejudice to the procedures referred to in Article 13 of the Regulation on LIFE, Romania will be invited to coordination meetings on any question concerning the implementation of this Decision prior to the regular meetings of the Association Committee. The Commission will inform Romania of the results of such regular meetings.

9. The language to be used as regards the application process, decisions, reports to be submitted and other administrative arrangements for LIFE, will be one of the official languages of the Community.

⁽¹⁾ OJ L 181, 20.7.1996, p. 1.

ANNEX II

FINANCIAL CONTRIBUTION OF ROMANIA TO LIFE

1. The financial contribution of Romania will cover:
 - subsidies or any other financial support from LIFE to Romanian participants,
 - supplementary administrative costs related to the management of LIFE 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 LIFE by 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 the subsidies or other financial support received by the Romanian beneficiaries from LIFE, 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 LIFE comes to an end, the corresponding amount will be reimbursed to Romania.

3. Romania's annual contribution will be of ECU 2 200 000 per annum for both 1998 and 1999. From this sum, an annual amount of ECU 110 000 will cover supplementary administrative costs related to the management of LIFE 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 the following year, the Commission will send to Romania a call for funds corresponding to its contribution to the costs under the 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 will correspond to the rate applied by the European Monetary Cooperation Fund, for the month of the due date, for its operations in ecus⁽¹⁾, increased by 1,5 %.

5. Romania will pay the supplementary administrative costs referred to in paragraph 3, from its national budget.
6. Of the remaining costs of its participation in LIFE, Romania will pay ECU 832 857 in 1998 and ECU 1 251 905 in 1999 from its national budget.
7. Subject to regular PHARE programming procedures, ECU 1 257 143 will be paid from Romania's PHARE National Programme in 1998 and ECU 838 095 in 1999.

⁽¹⁾ Rate published monthly in the *Official Journal of the European Communities* — C series.

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.

DECISION No 3/98 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
programmes in the field of culture
(1999/108/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 culture;

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 European Community programmes Kaleidoscope, Ariane and Raphael 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 programmes.

Article 3

This Decision shall enter into force on the first day of the month following the day of 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 PROGRAMMES
KALEIDOSCOPE, ARIANE AND RAPHAEL

1. Romania will participate in all activities of the programmes Kaleidoscope, Ariane and Raphael (hereinafter called 'the programmes') in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and time limits laid down in Decision No 719/96/EC of the European Parliament and of the Council of 29 March 1996 establishing a programme to support artistic and cultural activities having a European dimension⁽¹⁾ (hereinafter called 'Kaleidoscope'), Decision No 2085/97/EC of the European Parliament and of the Council of 6 October 1997 establishing a programme of support, including translation, in the field of books and reading⁽²⁾ (hereinafter called 'Ariane') and Decision No 2228/97/EC of the European Parliament and of the Council of 13 October 1997 establishing a Community action programme in the field of cultural heritage⁽³⁾ (hereinafter called 'Raphael').
2. The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Romania shall be the same as those applicable to eligible institutions, organisations and individuals of the Community.
3. To ensure the Community dimension of the programmes, 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 programmes, 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 programmes.
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 programmes (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 programmes 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 Communities in relation to the monitoring and evaluation of the programmes pursuant to the Decisions concerning Kaleidoscope, Ariane and Raphael (Articles 8, 8 and 10 respectively), the participation of Romania in the programmes will be continuously monitored 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 5 of the Decision on Kaleidoscope, Article 5 of the Decision on Ariane and Article 7 of the Decision on Raphael, Romania will be invited to any coordination meetings on questions concerning the implementation of this Decision prior to the regular meetings of the programme committees. 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 programmes will be one of the official languages of the Community.

⁽¹⁾ OJ L 99, 20.4.1996, p. 20.

⁽²⁾ OJ L 291, 24.10.1997, p. 26.

⁽³⁾ OJ L 305, 8.11.1997, p. 31.

ANNEX II

FINANCIAL CONTRIBUTION OF ROMANIA TO KALEIDOSCOPE, ARIANE AND RAPHAEL

1. The financial contribution of Romania will cover:
 - financial support from the programmes to Romanian participants,
 - supplementary costs of an administrative nature related to the management of the programmes 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 programmes by the Romanian beneficiaries will not exceed the contribution paid by Romania, after deduction of the supplementary costs of an administrative nature.

Should the contribution paid by Romania to the general budget of the European Communities, after deduction of the supplementary costs of an administrative nature, be higher than the aggregated amount of subsidies or other financial support received by the Romanian beneficiaries from the programmes, 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 programmes comes to an end, the corresponding amount will be reimbursed to Romania.

3. **Kaleidoscope**

Romania's annual contribution will be of ECU 129 188 from 1998. From this sum, an amount of ECU 8 452 will cover supplementary costs of an administrative nature related to the management of the programme by the Commission stemming from Romania's participation.

4. **Ariane**

Romania's annual contribution will be of ECU 36 701 from 1998. From this sum, an amount of ECU 2 401 will cover supplementary costs of an administrative nature related to the management of the programme by the Commission stemming from Romania's participation.

5. **Raphael**

Romania's annual contribution will be of ECU 158 548 from 1998. From this sum, an amount of ECU 10 372 will cover supplementary costs of an administrative nature related to the management of the programme by the Commission stemming from Romania's participation.

6. The financial regulations applicable to the general budget of the Community 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 %.

7. Romania will pay the supplementary costs of an administrative nature referred to in paragraphs 3, 4 and 5 from its national budget.

8. Romania will pay the remaining costs of its participation as follows:

- 8.1. *Ariane*

In 1998, ECU 17 150 from its national budget and ECU 17 150 from its PHARE allocation.

- 8.2. *Kaleidoscope*

In 1998, ECU 60 368 from its national budget and ECU 60 368 from its PHARE allocation.

8.3. *Raphael*

In 1998, ECU 59 270 from its national budget and ECU 88 906 from its PHARE allocation.

In 1999, ECU 73 908 from its national budget and ECU 73 908 from its PHARE allocation.

In 2000, ECU 88 906 from its national budget and ECU 59 270 from its PHARE allocation.

8.4. The PHARE contribution is subject to regular PHARE programming procedures.

DECISION No 4/98 OF THE ASSOCIATION COUNCIL,

association between the European Communities and their Member States, of the one part, and
Romania, of the other part

of 21 December 1998

amending Protocol 4 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

(1999/109/EC)

THE ASSOCIATION COUNCIL,

HAS DECIDED AS FOLLOWS:

Having regard of 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⁾, signed in Brussels on 1 February 1993, and in particular Article 38 of Protocol 4⁽²⁾ thereof,

Whereas the definition of the term 'originating products' in Protocol 4 needs to be amended to ensure the proper operation of the extended system of cumulation which permits the use of materials originating in the European Community, Poland, Hungary, the Czech Republic, the Slovak Republic, Bulgaria, Romania, Latvia, Lithuania, Estonia, Slovenia, the European Economic Area (hereinafter referred to as 'the EEA'), Iceland, Norway and Switzerland;

Whereas it would seem advisable to maintain in operation until 31 December 2000 the system of flat rate charges provided for in Article 15 of Protocol 4 in connection with the prohibition of drawback and exemption from customs duty;

Whereas, in view of the particular arrangements on industrial products obtaining between the Community and Turkey, it would also be appropriate to extend the cumulation system to such products originating in Turkey;

Whereas to facilitate trade and simplify administrative tasks it is desirable to amend the wording of Articles 3, 4 and 12 of Protocol 4;

Whereas, to take account of changes in processing techniques and shortages of certain raw materials, some corrections must be made to the list of working and processing requirements which non-originating materials have to fulfil to qualify for originating status,

Article 1

Protocol 4 concerning the definition of the concept 'originating products' and methods of administrative cooperation is hereby amended as follows:

1. Article 1 (i) shall be replaced by:

'(i) 'added value' shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries referred to in Articles 3 and 4 or, where the customs value is not known or cannot be ascertained, the first price verifiably paid for the products in the Community or Romania.';

2. Articles 3 and 4 shall be replaced by the following:

*'Article 3***Cumulation in the European Community**

1. Without prejudice to the provisions of Article 2(1) products shall be considered as originating in the Community if such products are obtained there, incorporating materials originating in the Community, Bulgaria, Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Lithuania, Latvia, Estonia, Slovenia, Iceland, Norway, Switzerland (including Liechtenstein^(*)) or Turkey^(**) in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between the Community and each of these countries, provided that the working or processing carried out in the Community goes beyond that referred to in Article 7 of this Protocol. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in the Community does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the Community only where the value added there is greater than the value

⁽¹⁾ OJ L 357, 31.12.1994, p. 2.

⁽²⁾ Protocol 4 was replaced by Association Council Decision No 1/97 (OJ L 54, 24.2.1997, p. 1).

of the materials used originating in any one of the other countries referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the Community.

3. Products, originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in the Community, retain their origin if exported into one of these countries.

4. The cumulation provided for in this Article may only be applied to materials and products which have acquired originating status by an application of rules of origin identical to those given in this Protocol.

The Community shall provide Romania, through the Commission of the European Communities, with details of the Agreements and their corresponding rules of origin, which are applied with the other countries referred to in paragraph 1. The Commission of the European Communities shall publish in the *Official Journal of the European Communities* (C series) the date on which the cumulation, provided for in this Article may be applied by those countries listed in paragraph 1 which have fulfilled the necessary requirements.

Article 4

Cumulation in Romania

1. Without prejudice to the provision of Article 2(2), products shall be considered as originating in Romania if such products are obtained there, incorporating materials originating in the Community, Bulgaria, Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Lithuania, Latvia, Estonia, Slovenia, Iceland, Norway, Switzerland (including Liechtenstein^(*)) or Turkey^(**) in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between Romania and each of these countries, provided that the working or processing carried out in Romania goes beyond that referred to in Article 7 of this Protocol. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in Romania does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in Romania only where the value added there is greater than the value of the materials used originating in any one of the other countries referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in Romania.

3. Products, originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in Romania, retain their origin if exported into one of these countries.

4. The cumulation provided for in this Article may only be applied to materials and products which have acquired originating status by an application of rules of origin identical to those given in this Protocol.

Romania shall provide the Community, through the Commission of the European Communities, with details of the Agreements and their corresponding rules of origin, which are applied with the other countries referred to in paragraph 1. The Commission of the European Communities shall publish in the *Official Journal of the European Communities* (C series) the date on which the cumulation, provided for in this Article, may be applied by those countries listed in paragraph 1 which have fulfilled the necessary requirements.

(*) The Principality of Liechtenstein has a customs union with Switzerland, and is a Contracting Party to the Agreement on the European Economic Area.

(**) Cumulation as provided for in this Article does not apply to materials originating in Turkey which are mentioned in the list at Annex V to this Protocol.;

3. Article 12 shall be replaced by the following:

'Article 12

Principle of territoriality

1. Except as provided for in Article 2(1)(c), Articles 3 and 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must continue to be fulfilled at all times in the Community or Romania.

2. Except as provided for in Articles 3 and 4, where originating goods exported from the Community or Romania to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the returning goods are the same as those that were exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside the Community or Romania on materials exported from the Community or Romania and subsequently reimported there, provided:

- (a) the said materials are wholly obtained in the Community or Romania or have undergone working or processing beyond the insufficient operations listed in Article 7 prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the reimported goods have been obtained by working or processing the exported materials;
 - (ii) the total added value acquired outside the Community or Romania by applying the provisions of this Article does not exceed 10 % of the ex-works price of the end product for which originating status is claimed.

4. For the purpose of paragraph 3, the conditions for acquiring originating status set out in Title II shall not apply to working or processing done outside the Community or Romania. But where, in the list in Annex II, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end product, the total value of the non-originating materials incorporated in the territory of the party concerned, taken together with the total added value acquired outside the Community or Romania by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of applying the provisions of paragraphs 3 and 4, 'total added value' shall be taken to mean all costs arising outside the Community or Romania, including the value of the materials incorporated there.

6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Annex II or which can be considered sufficiently worked or processed only if the general values fixed in Article 6(2) are applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products coming under Chapters 50 to 63 of the Harmonised System.

8. Any working or processing of the kind covered by the provisions of this Article and done outside the Community or Romania shall be done under the outward processing arrangements, or similar arrangements.';

4. in Articles 13, 14, 15, 17, 21, 27, 30 and 32, the phrase 'referred to in Article 4' shall be replaced 'referred to in Articles 3 and 4';

5. in the last paragraph of Article 15(6), the date '31 December 1998' shall be replaced by '31 December 2000';

6. in Article 26(1), the terms 'C2/CP3' shall be replaced by 'CN22/CN23';

7. in Annex I, note 5.2:

(a) between the indents:

— artificial man-made filaments' and

— synthetic man-made staple fibres of polypropylene'

the following shall be inserted:

— current conducting filaments';

(b) the fifth example ('A carpet with tufts ... are met.') shall be deleted;

8. Annex II shall be amended as follows:

(a) the following shall be inserted between the entries for HS heading Nos 2202 and 2208:

'HS-heading No	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher; ethyl alcohol and other spirits, denatured, of any strength	Manufacture: — using materials not classified in heading Nos 2207 or 2208'	

(b) the entry for Chapter 57 shall be replaced by:

'Chapter 57	Carpets and other textile floor coverings	— of needleloom felt Manufacture from⁽¹⁾: — natural fibres or — chemical materials or textile pulp However: — polypropylene filament of heading No 5402, — polypropylene fibres of heading Nos 5503 or 5506, — polypropylene filament tow of heading No 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used provided their value does not exceed 40 % of the ex-works price of the product — jute fabric may be used as backing — of other felt Manufacture from⁽¹⁾: — natural fibres not carded or combed or otherwise processed for spinning, or — chemical materials or textile pulp — other Manufacture from⁽¹⁾: — coir or jute yarn^(a), — synthetic or artificial filament yarn, — natural fibres, or — man-made staple fibres not carded or combed or otherwise processed for spinning — jute fabric may be used as backing	
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⁽¹⁾ For special conditions relating to products made of a mixture of textile materials, see introductory note 5.

^(a) The use of jute yarn is authorised from 1 July 2000.'

(c) the entry for HS heading No 7006 shall be replaced by:

'7006	Glass of heading Nos 7003, 7004 or 7005, bent, edgeworked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials: — glass plate substrate coated with dielectric thin film, semi-conductor grade, in accordance with SEMII standards⁽¹⁾ — other	Manufacture from non-coated glass plate substrate of heading No 7006 Manufacture from materials of heading No 7001	
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⁽¹⁾ SEMII — Semiconductor Equipment and Materials Institute Incorporated.'

(d) the rule for HS heading No 7601 shall be replaced by:

'7601	Unwrought aluminium	Manufacture in which: — all the materials used are classified within a heading other than that of the product; and — the value of all the materials used does not exceed 50 % of the ex-works price of the product or Manufacture by thermal or electrolytic treatment from unalloyed aluminium or waste and scrap of aluminium'	
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9. the following Annex shall be added:

'ANNEX V

List of products originating in Turkey to which the provisions of Articles 3 and 4 do not apply, listed in the order of HS Chapters and Headings

Chapter 1 Chapter 2 Chapter 3 0401 and 0402 ex 0403 0404 to 0410 0504 0511 Chapter 6 0701 to 0709 ex 0710 ex 0711 0712 to 0714 Chapter 8 ex Chapter 9 Chapter 10 Chapter 11 Chapter 12 ex 1302 1501 to 1514 ex 1515	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter Vegetables, except sweetcorn of heading No 0710 40 00 (uncooked or cooked by steaming or boiling in water), frozen Vegetables, except sweetcorn of heading No 0711 90 30, provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption Coffee, tea and spices, excluding maté of heading No 0903 Pectic substances, pectinates and pectates Other fixed vegetable fats and oils (excluding jojoba oil and its fractions) and their fractions, whether or not refined, but not chemically modified
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ex 1516	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared, excluding hydrogenated castor oil known as "opal-wax"
ex 1517 and ex 1518	Margarines, imitation lard and other prepared edible fats
ex 1522	Residues resulting from the treatment of fatty substances or animal or vegetable waxes, excluding degreas
Chapter 16	
1701	
ex 1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey, caramel excluding that of heading Nos 1702 11 00, 1702 30 51, 1702 30 59, 1702 50 00 and 1702 90 10
1703	
1801 and 1802	
ex 1902	Pasta, stuffed, containing more than 20 % by weight of fish, crustaceans, molluscs or other aquatic invertebrates, sausages and the like or meat and meat offal of any kind, including fats of all kinds
ex 2001	Cucumbers and gherkins, onions, mango chutney, fruit of the genus <i>Capsicum</i> other than sweet peppers or pimentos, mushrooms and olives, prepared or preserved by vinegar or acetic acid
2002 and 2003	
ex 2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading No 2006, excluding potatoes in the form of flour, meal or flakes, and sweetcorn
ex 2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading No 2006, excluding potatoes in the form of flour, meal or flakes, and sweetcorn
2006 and 2007	
ex 2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included, excluding peanut butter, palm hearts, maize, yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight of starch, vine leaves, hop shoots and other similar edible parts of plants
2009	
ex 2106	Flavoured and coloured sugar, syrups
2204	
2206	
ex 2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher obtained from agricultural produce listed here
ex 2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol obtained from agricultural produce listed here
2209	
Chapter 23	
2401	
4501	
5301 and 5302	

Article 2

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

It shall apply as from 1 January 1999.

Done at Brussels, 21 December 1998.

For the Association Council

The President

A. G. PLESU

DECISION No 6/98 OF THE ASSOCIATION COUNCIL,
association between the European Communities and their Member States, of the one part, and
Romania, of the other part
of 30 December 1998
adopting the terms and conditions for the participation of Romania in the Community
programmes in the fields of health and social policy
(1999/110/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 fields of health and social policy;

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 European Community programmes Health promotion, Combating cancer, Prevention of AIDS and other communicable diseases, Drug dependence and Equal opportunities for men and women, 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 until 31 December 2000.

Article 3

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

Done at Brussels, 30 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 PROGRAMMES HEALTH PROMOTION, COMBATING CANCER, PREVENTION OF AIDS AND OTHER COMMUNICABLE DISEASES, DRUG DEPENDENCE AND EQUAL OPPORTUNITIES FOR MEN AND WOMEN

1. Romania will participate in all activities of the programmes Health promotion, Combating cancer and Prevention of AIDS and other communicable diseases, Drug dependence and Equal opportunities for men and women (hereinafter called 'the programmes') in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and time limits laid down in Decision No 645/96/EC of the European Parliament and of the Council of 29 March 1996 adopting a programme of Community action on health promotion, information, education and training within the framework for action in public health (1996 to 2000)⁽¹⁾, and in particular Article 6(2) thereof, Decision No 646/96/EC of the European Parliament and of the Council of 29 March 1996 adopting an action plan to combat cancer within the framework for action in the field of public health (1996 to 2000)⁽²⁾ and in particular Article 6(2) thereof, Decision No 647/96/EC of the European Parliament and of the Council of 29 March 1996 adopting a programme of Community action on the prevention of AIDS and certain other communicable diseases within the framework for action in the field of public health (1996 to 2000)⁽³⁾, and in particular Article 6(2) thereof, Decision No 102/97/EC of the European Parliament and of the Council of 16 December 1996 adopting a programme of Community action on the prevention of drug dependence within the framework for action in the field of public health (1996 to 2000)⁽⁴⁾, and in particular Article 6(2) thereof, and Council Decision 95/593/EC of 22 December 1995 on a medium-term Community action programme on equal opportunities for men and women (1996 to 2000)⁽⁵⁾, and in particular Article 6(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 as far as possible in conformity with those prevailing in the Member States of the Community.
3. To ensure the Community dimension of the programmes, 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 programmes, 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 programmes.
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 programmes (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 programmes 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 Communities in relation to the monitoring and evaluation of the programmes pursuant to the Decisions concerning Health Promotion, Combating cancer, Prevention of AIDS and other communicable diseases, Drug dependence and Equal opportunities for men and women (Articles 7, 7, 7, 7 and 11 respectively), the participation of Romania in the programmes will be continuously monitored 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 5 of the Decision on Health promotion, Article 5 of the Decision on Combating cancer, Article 5 of the Decision on Prevention of AIDS and other communicable diseases, Article 5 of the Decision on Drug dependence and Article 9 of the

⁽¹⁾ OJ L 95, 16.4.1996, p. 1.

⁽²⁾ OJ L 95, 16.4.1996, p. 9.

⁽³⁾ OJ L 95, 16.4.1996, p. 16.

⁽⁴⁾ OJ L 19, 22.1.1997, p. 25.

⁽⁵⁾ OJ L 335, 30.12.1995, p. 37.

Decision on Equal opportunities for men and women, Romania will be invited to any coordination meeting on any question concerning the implementation of this Decision prior to the regular meetings of the programme committees. 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 programmes will be one of the official languages of the Community.
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ANNEX II

FINANCIAL CONTRIBUTION OF ROMANIA TO HEALTH PROMOTION, COMBATING CANCER, PREVENTION OF AIDS AND OTHER COMMUNICABLE DISEASES, DRUG DEPENDENCE AND EQUAL OPPORTUNITIES FOR MEN AND WOMEN

1. The financial contribution of Romania will cover:
 - financial support from the programmes to Romanian participants,
 - supplementary costs of an administrative nature related to the management of the programmes 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 programmes 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 programmes, 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 programmes come to an end, the corresponding amount will be reimbursed to Romania.

3. **Health promotion**

Romania's annual contribution will be of ECU 65 645 from 1998. From this sum, an amount of ECU 4 295 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Romania's participation.

4. **Combating cancer**

Romania's annual contribution will be of ECU 113 783 from 1998. From this sum, an amount of ECU 7 444 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Romania's participation.

5. **Prevention of AIDS and other communicable diseases**

Romania's annual contribution will be of ECU 87 526 from 1998. From this sum, an amount of ECU 5 726 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Romania's participation.

6. **Drug dependence**

Romania's annual contribution will be of ECU 43 763 from 1998. From this sum, an amount of ECU 2 863 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Romania's participation.

7. **Equal opportunities for men and women**

Romania's annual contribution will be of ECU 157 454 from 1998. From this sum, an amount of ECU 10 301 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Romania's participation.

8. The financial regulations applicable to the general budget of the Community 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 shall 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 %.

9. Romania will pay the supplementary costs of an administrative nature referred to in paragraphs 3, 4, 5, 6 and 7 from its national budget.
 10. Romania will pay the remaining cost of its participation as follows:
 - 10.1. *Health promotion*

In 1998, 23 540 from its national budget and 37 810 from its PHARE allocation.
In 1999, 30 675 from its national budget and 30 675 from its PHARE allocation.
In 2000, 37 810 from its national budget and 23 540 from its PHARE allocation.
 - 10.2. *Combating cancer*

In 1998, 42 535 from its national budget and 63 804 from its PHARE allocation.
In 1999, 53 170 from its national budget and 53 169 from its PHARE allocation.
In 2000, 63 804 from its national budget and 42 535 from its PHARE allocation.
 - 10.3. *Prevention of AIDS and other communicable diseases*

In 1998, 32 720 from its national budget and 49 080 from its PHARE allocation.
In 1999, 40 900 from its national budget and 40 900 from its PHARE allocation.
In 2000, 49 080 from its national budget and 32 720 from its PHARE allocation.
 - 10.4. *Drug dependence*

In 1998, 16 360 from its national budget and 24 540 from its PHARE allocation.
In 1999, 20 450 from its national budget and 20 450 from its PHARE allocation.
In 2000, 24 540 from its national budget and 16 360 from its PHARE allocation.
 - 10.5. *Equal opportunities*

In 1998, 58 861 from its national budget and 88 292 from its PHARE allocation.
In 1999, 73 576 from its national budget and 73 577 from its PHARE allocation.
In 2000, 88 292 from its national budget and 58 861 from its PHARE allocation.
 - 10.6. The PHARE contribution is subject to regular PHARE programming procedures.
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DECISION No 4/98 OF THE ASSOCIATION COUNCIL,
association between the European Communities and their Member States, of the one part, and
the Republic of Bulgaria, of the other part
of 23 November 1998
adopting the terms and conditions for the participation of Bulgaria in the Community
programme in the field of small and medium-sized enterprises
(1999/111/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 the Republic of Bulgaria, 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 the Republic of Bulgaria, of the other part⁽²⁾, concerning Bulgaria's participation in Community programmes, and in particular Articles 1 and 2 thereof,

Whereas according to Article 1 of the said Additional Protocol Bulgaria 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 Bulgaria in the activities referred to in Article 1 are to be decided by the Association Council,

Article 1

Bulgaria 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, 23 November 1998.

For the Association Council
The President
N. MIHAILOVA

⁽¹⁾ OJ L 358, 31.12.1994, p. 2.

⁽²⁾ OJ L 317, 30.12.1995, p. 25.

ANNEX I

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

1. Bulgaria 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 for the organisation of IBEX events in 1998 and 1999, 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 Bulgaria 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 Bulgaria 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. Bulgaria 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 Bulgaria 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 Bulgaria 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 Bulgaria in the programme will be continuously evaluated on a partnership basis involving Bulgaria and the Commission of the European Communities. Bulgaria 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, Bulgaria 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 Bulgaria 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 BULGARIA TO THE THIRD MULTIANNUAL PROGRAMME
FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) IN THE EUROPEAN UNION
(1997 TO 2000)**

1. The financial contribution of Bulgaria will cover:
 - financial support from the programme to the participation of Bulgarian 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 Bulgaria's participation.

2. For every financial year, the aggregated amount of subsidies or any other financial support received from the programme by the Bulgarian beneficiaries will not exceed the contribution paid by Bulgaria, after deduction of the supplementary administrative costs.

Should the contribution paid by Bulgaria 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 Bulgarian 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 Bulgaria.

3. Bulgaria's annual contribution will be ECU 726 102 in 1998 and 1999 and ECU 833 102 in 2000. From these sums, an amount of ECU 47 502 in 1998 and 1999 and ECU 54 502 in 2000 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Bulgaria'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 Bulgaria.

Upon entry into force of this Decision and at the beginning of each following year, the Commission will send to Bulgaria 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.

Bulgaria 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 shall give rise to the payment of interest by Bulgaria 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. Bulgaria will pay the supplementary administrative costs referred to in paragraph 3 from its national budget.
6. Of the remaining costs of its participation in the programme, Bulgaria will pay ECU 0 in 1998, ECU 97 719 in 1999 and ECU 278 739 in 2000 from its national budget.

Subject to regular PHARE programming procedures, the remaining ECU 678 600 in 1998, ECU 580 881 in 1999 and ECU 499 861 in 2000 will be paid from Bulgaria's annual PHARE allocation.

DECISION No 5/98 OF THE ASSOCIATION COUNCIL,
association between the European Communities and their Member States, of the one part, and
the Republic of Bulgaria, of the other part
of 23 November 1998
adopting the terms and conditions for the participation of the Republic of Bulgaria in
Community programmes in the fields of health and social policy
(1999/112/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 the Republic of Bulgaria, 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 the Republic of Bulgaria, of the other part, concerning Bulgaria's participation in Community programmes⁽²⁾, and in particular Articles 1 and 2 thereof,

Whereas, according to Article 1 of the said Additional Protocol, Bulgaria may participate in Community framework programmes, specific programmes, projects or other Community actions notably in the fields of health and social policy;

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

Article 1

Bulgaria shall participate in the European Community programmes combating cancer and prevention of AIDS and other communicable diseases 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 until 31 December 2000.

Article 3

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

Done at Brussels, 23 November 1998.

For the Association Council

The President

N. MIHAILOVA

⁽¹⁾ OJ L 358, 31.12.1994, p. 2.

⁽²⁾ OJ L 317, 30.12.1995, p. 25.

ANNEX I

TERMS AND CONDITIONS FOR THE PARTICIPATION OF THE REPUBLIC OF BULGARIA IN THE PROGRAMMES COMBATING CANCER AND PREVENTION OF AIDS AND OTHER COMMUNICABLE DISEASES

1. Bulgaria will participate in all activities of the programmes combating cancer and prevention of AIDS and other communicable diseases (hereinafter called 'the programmes') in conformity, unless otherwise provided in the Decision, with the objectives, criteria, procedures and deadlines as defined in Decision No 646/96/EC of the European Parliament and of the Council of 29 March 1996 adopting an action plan to combat cancer within the framework for action in the field of public health (1996 to 2000)⁽¹⁾, and in particular Article 6(2) thereof and Decision No 647/96/EC of the European Parliament and of the Council of 29 March 1996 adopting a programme of Community action on the prevention of AIDS and certain other communicable diseases within the framework for action in the field of public health (1996 to 2000)⁽²⁾, and in particular Article 6(2) thereof.
2. The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Bulgaria will be as far as possible in conformity with those prevailing in the Member States of the Community.
3. To ensure the Community dimension of the programmes, transnational projects and activities proposed by Bulgaria 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 programmes, 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 programmes.
4. Bulgaria will pay each year a contribution to the general budget of the European Communities to cover the costs resulting from its participation in the programmes (see Annex II). The Association Committee is entitled to adapt this contribution whenever necessary.
5. The Member States of the Community and Bulgaria will make every effort, within the framework of the existing provisions, to facilitate the free movement and residence of all eligible persons to the programmes moving between Bulgaria 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 Communities in relation to the monitoring and evaluation of the programmes pursuant to the Decisions concerning combating cancer and prevention of AIDS and other communicable diseases, (Articles 7 and 7 respectively), the participation of Bulgaria in the programmes will be continuously monitored on a partnership basis involving Bulgaria and the Commission of the European Communities. Bulgaria 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 5 of the Decision on combating cancer and Article 5 of the Decision on prevention of AIDS and other communicable diseases, Bulgaria will be invited to any coordination meeting on any question concerning the implementation of this Decision prior to the regular meetings of the programme committees. The Commission will inform Bulgaria 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 programmes will be one of the official languages of the Community.

⁽¹⁾ OJ L 95, 16.4.1996, p. 9.

⁽²⁾ OJ L 95, 16.4.1996, p. 16.

ANNEX II

FINANCIAL CONTRIBUTION OF THE REPUBLIC OF BULGARIA TO COMBATING CANCER AND PREVENTION OF AIDS AND OTHER COMMUNICABLE DISEASES

1. The financial contribution of Bulgaria will cover:
 - financial support from the programmes to Bulgarian participants,
 - supplementary costs of an administrative nature related to the management of the programmes by the Commission stemming from Bulgaria's participation.
2. For every financial year, the aggregated amount of subsidies or any other financial support received from the programmes by the Bulgarian beneficiaries will not exceed the contribution paid by Bulgaria, after deduction of the supplementary administrative costs.

Should the contribution paid by Bulgaria 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 Bulgarian beneficiaries from the programmes, 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 programmes come to an end, the corresponding amount will be reimbursed to Bulgaria.

3. **Combating cancer**

Bulgaria's annual contribution will be of ECU 71 914 from 1998. From this sum, an amount of ECU 4 704 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Bulgaria's participation.

4. **Prevention of AIDS and other communicable diseases**

Bulgaria's annual contribution will be of ECU 55 319 from 1998. From this sum, an amount of ECU 3 619 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Bulgaria's participation.

5. The financial regulations applicable to the general budget of the Community will apply, notably to the management of the contribution of Bulgaria.

Upon entry into force of this Decision and at the beginning of each following year, the Commission will send to Bulgaria 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.

Bulgaria 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 shall give rise to the payment of interest by Bulgaria 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 %.

6. Bulgaria will pay the supplementary costs of an administrative nature referred to in paragraphs 3 and 4 from its national budget.
7. For the programme 'Combating cancer', Bulgaria will pay 20 % (ECU 13 442) in 1998, 40 % (ECU 26 884) in 1999 and 60 % (ECU 40 326) in 2000 of the remaining cost of its participation from its national budget.

Subject to regular PHARE programming procedures, the remaining 80 % (ECU 53 768) in 1998, 60 % (ECU 40 326) in 1999 and 40 % (ECU 26 884) in 2000 will be paid from Bulgaria's annual PHARE allocation.

For the programme 'Prevention of AIDS and other communicable diseases', Bulgaria will pay 20 % (ECU 10 340) in 1998, 40 % (ECU 20 680) in 1999 and 60 % (ECU 31 020) in 2000 of the remaining cost of its participation from its national budget.

Subject to regular PHARE programming procedures, the remaining 80 % (ECU 41 360) in 1998, 60 % (ECU 31 020) in 1999 and 40 % (ECU 20 680) in 2000 will be paid from Bulgaria's annual PHARE allocation.

DECISION No 6/98 OF THE ASSOCIATION COUNCIL,
association between the European Communities and their Member States, of the one part, and
the Republic of Bulgaria, of the other part
of 11 December 1998
adopting the terms and conditions for the participation of Bulgaria in the Community
programme for energy efficiency, SAVE II
(1999/113/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 the Republic of Bulgaria, 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 the Republic of Bulgaria, of the other part, concerning Bulgaria's participation in Community programmes⁽²⁾, and in particular Articles 1 and 2 thereof,

Whereas, according to Article 1 of the said additional Protocol, Bulgaria may participate in Community framework programmes, specific programmes, projects or other actions, including those in the field of energy;

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

Article 1

Bulgaria shall participate in the European Community programme SAVE 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 SAVE II programme.

Article 3

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

Done at Brussels, 11 December 1998.

For the Association Council
The Chairman
N. MIHAILOVA

⁽¹⁾ OJ L 358, 31.12.1994, p. 2.

⁽²⁾ OJ L 317, 30.12.1995, p. 25.

ANNEX I

TERMS AND CONDITIONS FOR THE PARTICIPATION OF THE REPUBLIC OF BULGARIA IN THE MULTIANNUAL COMMUNITY PROGRAMME FOR ENERGY EFFICIENCY, SAVE II

1. Bulgaria will participate in all actions of the multiannual Community programme for energy efficiency, SAVE II (hereinafter called 'SAVE II') in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and time limits laid down in Council Decision 96/737/EC of 16 December 1996 concerning a multiannual programme for the promotion of energy efficiency in the Community — SAVE II⁽¹⁾ establishing a five-year programme for the preparation and implementation of measures and actions in a cost-effective manner in order to promote energy efficiency within the Community.
2. The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Bulgaria will be the same as those applicable to eligible institutions, organisations and individuals of the Community, set within the limits of the financial contribution of Bulgaria less administrative costs as provided in Annex II.
3. Where applicable, to ensure the Community dimension of SAVE II, transnational projects and activities proposed by Bulgaria 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 SAVE II, 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 activity.
4. Bulgaria will take all necessary steps to ensure national coordination and organisation of participation in SAVE II.
5. Bulgaria will pay each year a contribution to the general budget of the European Communities to cover the costs resulting from its participation in SAVE II (see Annex II).

The Association Committee is entitled to adapt this contribution whenever necessary.
6. The Member States of the Community and Bulgaria will make every effort, within the framework of existing provisions, to facilitate the free movement and residence of persons moving between Bulgaria and the Member States of the Community for the purpose of participating in activities covered by this Decision.
7. Without prejudice to the responsibilities of the Commission and the Court of Auditors of the European Communities in relation to the monitoring and evaluation of SAVE II pursuant to Article 5 of Decision 96/737/EC, the participation of Bulgaria in the programme will be continuously monitored on a partnership basis involving Bulgaria and the Commission of the European Communities. Bulgaria will submit the necessary reports to the Commission and take part in other specific activities set out by the Community in that context.
8. Without prejudice to the procedures referred to in Articles 4 and 5 of Decision 96/737/EC, Bulgaria will be invited to coordination meetings on any question concerning the implementation of this Decision prior to the regular meetings of the SAVE Committee. The Commission will inform Bulgaria about the results of such regular meetings.
9. The language to be used as regards the application process, contracts, reports to be submitted and other administrative arrangements for the SAVE II programme will be one of the official languages of the Community.

⁽¹⁾ OJ L 335, 24.12.1996, p. 50.

ANNEX II

FINANCIAL CONTRIBUTION OF BULGARIA TO SAVE II

1. The financial contribution of Bulgaria will cover:
 - subsidies or any other financial support from the programme to Bulgarian participants,
 - supplementary administrative costs related to the management of the programme by the Commission of the European Communities stemming from the Republic of Bulgaria's participation.
2. For every financial year, the aggregated amount of subsidies or any other financial support received from the programme by Bulgarian beneficiaries will not exceed the contribution paid by Bulgaria, after deduction of the supplementary administrative costs.

Should the contribution paid by Bulgaria to the general budget of the European Communities, after deduction of the supplementary administrative costs, be higher than the aggregated amount of the subsidies or other financial support received by the Bulgarian 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 Bulgaria.

3. Bulgaria's annual contribution will be ECU 231 768 from 1998. From this sum, an amount of ECU 15 768 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from Bulgaria's participation.
4. The Financial Regulation applicable to the general budget of the European Communities will apply, notably to the management of the contribution of Bulgaria.

Upon the entry into force of this Decision and at the beginning of each year, the Commission will send to Bulgaria 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.

Bulgaria 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 Bulgaria 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⁽¹⁾, increased by 1,5%.

5. Bulgaria will pay the supplementary administrative costs referred to in paragraph 3 from its national budget.
6. Subject to regular PHARE programming procedures, the remaining costs of ECU 216 000 for each of the years 1998, 1999 and 2000 will be paid from Bulgaria's annual PHARE allocations.

⁽¹⁾ Rate published monthly in the *Official Journal of the European Communities* — C series.

DECISION No 6/98 OF THE ASSOCIATION COUNCIL,

association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part

of 21 December 1998

amending Protocol 4 to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part

(1999/114/EC)

THE ASSOCIATION COUNCIL,

HAS DECIDED AS FOLLOWS:

Having regard of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Czech Republic, of the other part⁽¹⁾, signed in Brussels on 4 October 1993, and in particular Article 38 of Protocol 4⁽²⁾ thereof,

Whereas the definition of the term 'originating products' in Protocol 4 needs to be amended to ensure the proper operation of the extended system of cumulation which permits the use of materials originating in the European Community, Poland, Hungary, the Czech Republic, the Slovak Republic, Bulgaria, Romania, Latvia, Lithuania, Estonia, Slovenia, the European Economic Area (hereinafter referred to as 'the EEA'), Iceland, Norway and Switzerland;

Whereas it would seem advisable to maintain in operation until 31 December 2000 the system of flat rate charges provided for in Article 15 of Protocol 4 in connection with the prohibition of drawback and exemption from customs duty;

Whereas, in view of the particular arrangements on industrial products obtaining between the Community and Turkey, it would also be appropriate to extend the cumulation system to such products originating in Turkey;

Whereas to facilitate trade and simplify administrative tasks it is desirable to amend the wording of Articles 3, 4 and 12 of Protocol 4;

Whereas, to take account of changes in processing techniques and shortages of certain raw materials, some corrections must be made to the list of working and processing requirements which non-originating materials have to fulfil to qualify for originating status,

Article 1

Protocol 4 concerning the definition of the concept 'originating products' and methods of administrative cooperation is hereby amended as follows:

1. Article 1 (i) shall be replaced by:

'(i) 'added value' shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries referred to in Articles 3 and 4 or, where the customs value is not known or cannot be ascertained, the first price verifiably paid for the products in the Community or the Czech Republic.';

2. Articles 3 and 4 shall be replaced by the following:

'Article 3

Cumulation in the European Community

1. Without prejudice to the provisions of Article 2(1) products shall be considered as originating in the Community if such products are obtained there, incorporating materials originating in the Community, Bulgaria, Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Lithuania, Latvia, Estonia, Slovenia, Iceland, Norway, Switzerland (including Liechtenstein^(*)) or Turkey^(**) in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between the Community and each of these countries, provided that the working or processing carried out in the Community goes beyond that referred to in Article 7 of this Protocol. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in the Community does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the Community only where the value added there is greater than the value

⁽¹⁾ OJ L 360, 31.12.1994, p. 2.

⁽²⁾ Protocol 4 was replaced by Association Council Decision No 3/96 (OJ L 343, 31.12.1996, p. 1).

of the materials used originating in any one of the other countries referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the Community.

3. Products, originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in the Community, retain their origin if exported into one of these countries.

4. The cumulation provided for in this Article may only be applied to materials and products which have acquired originating status by an application of rules of origin identical to those given in this Protocol.

The Community shall provide the Czech Republic, through the Commission of the European Communities, with details of the Agreements and their corresponding rules of origin, which are applied with the other countries referred to in paragraph 1. The Commission of the European Communities shall publish in the *Official Journal of the European Communities* (C series) the date on which the cumulation, provided for in this Article may be applied by those countries listed in paragraph 1 which have fulfilled the necessary requirements.

Article 4

Cumulation in the Czech Republic

1. Without prejudice to the provision of Article 2(2), products shall be considered as originating in the Czech Republic if such products are obtained there, incorporating materials originating in the Community, Bulgaria, Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Lithuania, Latvia, Estonia, Slovenia, Iceland, Norway Switzerland (including Liechtenstein^(*)) or Turkey^(**) in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between the Czech Republic and each of these countries, provided that the working or processing carried out in the Czech Republic goes beyond that referred to in Article 7 of this Protocol. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in the Czech Republic does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the Czech Republic only where the value added there is greater than the value of the materials used originating in any one of the other countries referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the Czech Republic.

3. Products, originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in the Czech Republic, retain their origin if exported into one of these countries.

4. The cumulation provided for in this Article may only be applied to materials and products which have acquired originating status by an application of rules of origin identical to those given in this Protocol.

The Czech Republic shall provide the Community, through the Commission of the European Communities, with details of the Agreements and their corresponding rules of origin, which are applied with the other countries referred to in paragraph 1. The Commission of the European Communities shall publish in the *Official Journal of the European Communities* (C series) the date on which the cumulation, provided for in this Article, may be applied by those countries listed in paragraph 1 which have fulfilled the necessary requirements.

(*) The Principality of Liechtenstein has a customs union with Switzerland, and is a Contracting Party to the Agreement on the European Economic Area.

(**) Cumulation as provided for in this Article does not apply to materials originating in Turkey which are mentioned in the list at Annex V to this Protocol.;

3. Article 12 shall be replaced by the following:

'Article 12

Principle of territoriality

1. Except as provided for in Article 2(1)(c), Articles 3 and 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must continue to be fulfilled at all times in the Community or the Czech Republic.

2. Except as provided for in Articles 3 and 4, where originating goods exported from the Community or the Czech Republic to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the returning goods are the same as those that were exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside the Community or the Czech Republic on materials exported from the Community or the Czech Republic and subsequently reimported there, provided:

- (a) the said materials are wholly obtained in the Community or the Czech Republic or have undergone working or processing beyond the insufficient operations listed in Article 7 prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the reimported goods have been obtained by working or processing the exported materials;
 - (ii) the total added value acquired outside the Community or the Czech Republic by applying the provisions of this Article does not exceed 10 % of the ex-works price of the end product for which originating status is claimed.

4. For the purpose of paragraph 3, the conditions for acquiring originating status set out in Title II shall not apply to working or processing done outside the Community or the Czech Republic. But where, in the list in Annex II, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end product, the total value of the non-originating materials incorporated in the territory of the party concerned, taken together with the total added value acquired outside the Community or the Czech Republic by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of applying the provisions of paragraphs 3 and 4, 'total added value' shall be taken to mean all costs arising outside the Community or the Czech Republic, including the value of the materials incorporated there.

6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Annex II or which can be considered sufficiently worked or processed only if the general values fixed in Article 6(2) are applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products coming under Chapters 50 to 63 of the Harmonised System.

8. Any working or processing of the kind covered by the provisions of this Article and done outside the Community or the Czech Republic shall be done under the outward processing arrangements, or similar arrangements.';

4. in Articles 13, 14, 15, 17, 21, 27, 30 and 32, the phrase 'referred to in Article 4' shall be replaced 'referred to in Articles 3 and 4';

5. in the last paragraph of Article 15(6), the date '31 December 1998' shall be replaced by '31 December 2000';

6. in Article 26(1), the terms 'C2/CP3' shall be replaced by 'CN22/CN23';

7. in Annex I, note 5.2:

(a) between the indents:

— artificial man-made filaments' and

— synthetic man-made staple fibres of polypropylene'

the following shall be inserted:

— current conducting filaments';

(b) the fifth example ('A carpet with tufts ... are met.') shall be deleted;

8. Annex II shall be amended as follows:

(a) the following shall be inserted between the entries for HS heading Nos 2202 and 2208:

'HS-heading No	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher; ethyl alcohol and other spirits, denatured, of any strength	Manufacture: — using materials not classified in heading Nos 2207 or 2208'	

(b) the entry for Chapter 57 shall be replaced by:

Chapter 57	Carpets and other textile floor coverings	— of needleloom felt Manufacture from⁽¹⁾: — natural fibres or — chemical materials or textile pulp However: — polypropylene filament of heading No 5402, — polypropylene fibres of heading Nos 5503 or 5506, — polypropylene filament tow of heading No 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used provided their value does not exceed 40 % of the ex-works price of the product — jute fabric may be used as backing — of other felt Manufacture from⁽¹⁾: — natural fibres not carded or combed or otherwise processed for spinning, or — chemical materials or textile pulp — other Manufacture from⁽¹⁾: — coir or jute yarn^(a), — synthetic or artificial filament yarn, — natural fibres, or — man-made staple fibres not carded or combed or otherwise processed for spinning — jute fabric may be used as backing
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⁽¹⁾ For special conditions relating to products made of a mixture of textile materials, see introductory note 5.

^(a) The use of jute yarn is authorised from 1 July 2000.

(c) the entry for HS heading No 7006 shall be replaced by:

7006	Glass of heading Nos 7003, 7004 or 7005, bent, edgeworked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials: — glass plate substrate coated with dielectric thin film, semi-conductor grade, in accordance with SEMII standards⁽¹⁾ — other	Manufacture from non-coated glass plate substrate of heading No 7006 Manufacture from materials of heading No 7001
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⁽¹⁾ SEMII — Semiconductor Equipment and Materials Institute Incorporated.

(d) the rule for HS heading No 7601 shall be replaced by:

'7601	Unwrought aluminium	Manufacture in which: — all the materials used are classified within a heading other than that of the product; and — the value of all the materials used does not exceed 50 % of the ex-works price of the product or Manufacture by thermal or electrolytic treatment from unalloyed aluminium or waste and scrap of aluminium'	
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9. the following Annex shall be added:

'ANNEX V

List of products originating in Turkey to which the provisions of Articles 3 and 4 do not apply, listed in the order of HS Chapters and Headings

Chapter 1 Chapter 2 Chapter 3 0401 and 0402 ex 0403 0404 to 0410 0504 0511 Chapter 6 0701 to 0709 ex 0710 ex 0711 0712 to 0714 Chapter 8 ex Chapter 9 Chapter 10 Chapter 11 Chapter 12 ex 1302 1501 to 1514 ex 1515	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter Vegetables, except sweetcorn of heading No 0710 40 00 (uncooked or cooked by steaming or boiling in water), frozen Vegetables, except sweetcorn of heading No 0711 90 30, provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption Coffee, tea and spices, excluding maté of heading No 0903 Pectic substances, pectinates and pectates Other fixed vegetable fats and oils (excluding jojoba oil and its fractions) and their fractions, whether or not refined, but not chemically modified
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ex 1516	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared, excluding hydrogenated castor oil known as "opal-wax"
ex 1517 and ex 1518	Margarines, imitation lard and other prepared edible fats
ex 1522	Residues resulting from the treatment of fatty substances or animal or vegetable waxes, excluding degreas
Chapter 16	
1701	
ex 1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey, caramel excluding that of heading Nos 1702 11 00, 1702 30 51, 1702 30 59, 1702 50 00 and 1702 90 10
1703	
1801 and 1802	
ex 1902	Pasta, stuffed, containing more than 20 % by weight of fish, crustaceans, molluscs or other aquatic invertebrates, sausages and the like or meat and meat offal of any kind, including fats of all kinds
ex 2001	Cucumbers and gherkins, onions, mango chutney, fruit of the genus <i>Capsicum</i> other than sweet peppers or pimentos, mushrooms and olives, prepared or preserved by vinegar or acetic acid
2002 and 2003	
ex 2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading No 2006, excluding potatoes in the form of flour, meal or flakes, and sweetcorn
ex 2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading No 2006, excluding potatoes in the form of flour, meal or flakes, and sweetcorn
2006 and 2007	
ex 2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included, excluding peanut butter, palm hearts, maize, yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight of starch, vine leaves, hop shoots and other similar edible parts of plants
2009	
ex 2106	Flavoured and coloured sugar, syrups
2204	
2206	
ex 2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher obtained from agricultural produce listed here
ex 2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol obtained from agricultural produce listed here
2209	
Chapter 23	
2401	
4501	
5301 and 5302	

Article 2

This Decision shall enter into force on 1 January 1999.

Done at Brussels, 21 December 1998.

For the Association Council

The President

J. KAVAN

DECISION No 3/98 OF THE ASSOCIATION COUNCIL,
association between the European Communities and their Member States, of the one part, and
the Slovak Republic, of the other part
of 4 November 1998
adopting the terms and conditions for the participation of the Slovak Republic in the
Community programme in the field of small and medium-sized enterprises
(1999/115/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 the Slovak Republic, 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 the Slovak Republic, of the other part⁽²⁾, concerning the Slovak Republic's participation in Community programmes, and in particular Articles 1 and 2 thereof,

Whereas according to Article 1 of the said Additional Protocol the Slovak Republic 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 the Slovak Republic in the activities referred to in Article 1 are to be decided by the Association Council,

Article 1

The Slovak Republic 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, 4 November 1998.

For the Association Council
The President
E. KUKAN

⁽¹⁾ OJ L 359, 31.12.1994, p. 2.

⁽²⁾ OJ L 115, 9.5.1996, p. 43.

ANNEX I

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

1. The Slovak Republic 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, 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 the Slovak Republic 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 the Slovak Republic 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. The Slovak Republic 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 the Slovak Republic 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 the Slovak Republic 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 the Slovak Republic in the programme will be continuously evaluated on a partnership basis involving the Slovak Republic and the Commission of the European Communities. The Slovak Republic 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, the Slovak Republic 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 the Slovak Republic 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 THE SLOVAK REPUBLIC TO THE THIRD MULTIANNUAL PROGRAMME FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) IN THE EUROPEAN UNION (1997 TO 2000)

1. The financial contribution of the Slovak Republic will cover:
 - financial support from the programme to the participation of Slovak 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 the Slovak Republic's participation.

2. For every financial year, the aggregated amount of subsidies or any other financial support received from the programme by the Slovak beneficiaries will not exceed the contribution paid by the Slovak Republic, after deduction of the supplementary administrative costs.

Should the contribution paid by the Slovak Republic 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 Slovak 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 the Slovak Republic.

3. The Slovak Republic's annual contribution will be ECU 288 900 from 1998. From this sum, an amount of ECU 18 900 will cover supplementary administrative costs related to the management of the programme by the Commission stemming from the Slovak Republic'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 the Slovak Republic.

Upon entry into force of this Decision and at the beginning of each following year, the Commission will send to the Slovak Republic 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.

The Slovak Republic 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 shall give rise to the payment of interest by the Slovak Republic 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. The Slovak Republic will pay the supplementary administrative costs referred to in paragraph 3 from its national budget.
6. The Slovak Republic 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 the Slovak Republic's annual PHARE allocation.

DECISION No 4/98 OF THE ASSOCIATION COUNCIL,
association between the European Communities and their Member States, of the one part, and
the Republic of Lithuania, of the other part
of 22 December 1998
adopting the terms and conditions for the participation of Lithuania in the Community
programmes in the field of culture
(1999/116/EC)

THE ASSOCIATION COUNCIL,

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

Whereas, according to Article 110 of the said Europe Agreement, Lithuania may participate in Community framework programmes, specific programmes, projects or other Community actions notably in the field of culture and the terms and conditions for the participation of Lithuania in the activities referred to in Article 110 are to be decided by the Association Council,

HAS DECIDED AS FOLLOWS:

Article 1

Lithuania shall participate in the European Community programmes Kaleidoscope and Raphael 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 programmes.

Article 3

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

Done at Brussels, 22 December 1998.

For the Association Council

The President

W. SCHÜSSEL

⁽¹⁾ OJ L 51, 20.2.1998, p. 3.

ANNEX I

TERMS AND CONDITIONS FOR THE PARTICIPATION OF THE REPUBLIC OF LITHUANIA IN
THE PROGRAMMES KALEIDOSCOPE AND RAPHAEL

1. Lithuania will participate in all activities of the programmes Kaleidoscope and Raphael (hereinafter called 'the programmes') in conformity, unless otherwise provided in this Decision, with the objectives, criteria, procedures and time limits laid down in Decision No 719/96/EC of the European Parliament and of the Council of 29 March 1996 establishing a programme to support artistic and cultural activities having a European dimension⁽¹⁾, (hereinafter called 'Kaleidoscope') and Decision No 2228/97/EC of the European Parliament and of the Council of 13 October 1997 establishing a Community action programme in the field of cultural heritage⁽²⁾ (hereinafter called 'Raphael').
2. The terms and conditions for the submission, assessment and selection of applications related to eligible institutions, organisations and individuals of Lithuania shall be the same as those applicable to eligible institutions, organisations and individuals of the Community.
3. To ensure the Community dimension of the programmes, transnational projects and activities proposed by Lithuania 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 programmes, 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 programmes.
4. Lithuania will pay each year a contribution to the general budget of the European Communities to cover the costs resulting from its participation in the programmes (see Annex II). The Association Committee is entitled to adapt this contribution whenever necessary.
5. The Member States of the Community and Lithuania 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 Lithuania 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 Communities in relation to the monitoring and evaluation of the programmes pursuant to the Decisions concerning Kaleidoscope and Raphael (Articles 8 and 10 respectively), the participation of Lithuania in the programmes will be continuously monitored on a partnership basis involving Lithuania and the Commission of the European Communities. Lithuania 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 5 of the Decision on Kaleidoscope and Article 7 of the Decision on Raphael, Lithuania will be invited to any coordination meetings on questions concerning the implementation of this Decision prior to the regular meetings of the Programme Committee. The Commission will inform Lithuania 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 programmes will be one of the official languages of the Community.

⁽¹⁾ OJ L 99, 20.4.1996, p. 20.

⁽²⁾ OJ L 305, 8.11.1997, p. 31.

ANNEX II

FINANCIAL CONTRIBUTION OF THE REPUBLIC OF LITHUANIA TO KALEIDOSCOPE AND RAPHAEL

1. The financial contribution of Lithuania will cover:
 - financial support from the programmes to Lithuanian participants,
 - supplementary costs of an administrative nature related to the management of the programmes by the Commission stemming from Lithuania's participation.
2. For every financial year, the aggregated amount of subsidies or any other financial support received from the programmes by the Lithuanian beneficiaries will not exceed the contribution paid by Lithuania, after deduction of the supplementary costs of an administrative nature.

Should the contribution paid by Lithuania to the general budget of the European Communities, after deduction of supplementary costs of an administrative nature, be higher than the aggregated amount of subsidies or other financial support received by the Lithuanian beneficiaries from the programmes, 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 programmes come to an end, the corresponding amount will be reimbursed to Lithuania.

3. **Kaleidoscope**

Lithuania's annual contribution will be of ECU 20 056 from 1998. From this sum, an amount of ECU 1 312 will cover supplementary costs of an administrative nature related to the management of the programme by the Commission stemming from Lithuania's participation.

4. **Raphael**

Lithuania's annual contribution will be of ECU 24 614 from 1998. From this sum, an amount of ECU 1 610 will cover supplementary costs of an administrative nature related to the management of the programme by the Commission stemming from Lithuania's participation.

5. The financial regulations applicable to the general budget of the Community will apply, notably to the management of the contribution of Lithuania.

Upon entry into force of this Decision and at the beginning of each following year, the Commission will send to Lithuania 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.

Lithuania 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 shall give rise to the payment of interest by Lithuania 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 %.

6. Lithuania will pay the supplementary costs of an administrative nature referred to in paragraphs 3 and 4 from its national budget.
7. Lithuania will pay 10, 30 and 50 % of the remaining cost of its participation from its national budget of 1998, 1999 and 2000 respectively.

Subject to regular PHARE programming procedures, the remaining 90, 70 and 50 % will be paid from Lithuania's annual PHARE allocations of 1998, 1999 and 2000 — subject to the availability of the relevant budgetary appropriations.

DECISION No 1/1999 OF THE EC-TURKEY ASSOCIATION COUNCIL

of 5 January 1999

on the introduction of common outward processing arrangements for textiles and clothing

(1999/117/EC)

THE EC-TURKEY ASSOCIATION COUNCIL,

Having regard to the Agreement establishing an Association between the European Economic Community and Turkey ⁽¹⁾,

Having regard to Decision No 1/95 of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the customs union ⁽²⁾,

Whereas, pursuant to the eighth indent of Article 12(1) of Decision No 1/95, Turkey has applied provisions to introduce outward processing arrangements for textiles and clothing, hereinafter referred to as 'economic outward processing arrangements'; whereas such arrangements may apply on the Community side where goods in free circulation of Community origin are exported temporarily to a third country to be reimported into the Community in the form of compensating products and, on the Turkish side, where goods in free circulation of Turkish origin are exported temporarily to a third country to be reimported into Turkey in the form of compensating products;

Whereas measures should be adopted to allow compensating products to be reimported into a part of the customs union other than that from which the goods were exported for processing in a third country under the economic outward processing arrangements, and to enable goods in free circulation originating in one part of the customs union which are to be processed in a third country to be placed under the economic outward processing arrangements in the other part of the customs union; whereas these measures must be based on the economic outward processing arrangements already applying in both parts of the customs union;

Whereas an evaluation should be undertaken two years after this Decision enters into force to establish how the economic outward processing arrangements are working; whereas such arrangements will have to be adjusted if any cases of fraud or disruption of the textile market are detected;

Whereas the measures in question should preferably anticipate any future needs regarding economic outward processing arrangements; whereas they should therefore be global in nature,

HAS DECIDED AS FOLLOWS:

Article 1

1. The purpose of this Decision is to adopt measures providing for economic outward processing operations which concern both parts of the customs union. The operations in question are those undertaken under economic outward processing arrangements based on the following legal instruments:

- for the Community, Council Regulation (EEC) No 3030/93 of 12 October 1993 on common rules for imports of certain textile products from third countries ⁽³⁾, Council Regulation (EC) No 517/94 of 7 March 1994 on common rules for imports of textile products from certain third countries not covered by bilateral agreements, protocols or other arrangements, or by other specific Community import rules ⁽⁴⁾ and Council Regulation (EC) No 3036/94 of 8 December 1994 establishing economic outward processing arrangements applicable to certain textiles and clothing products reimported into the Community after working or processing in certain third countries ⁽⁵⁾,
- for Turkey, Decree No 95/6815 of 30 April 1995 on surveillance and safeguard measures for imports of certain textile products, Decree No 95/6816 of 30 April 1995 on the surveillance and safeguard measures for imports of textile products originating

⁽¹⁾ OJ 217, 29.12.1964, p. 3687/64.

⁽²⁾ OJ L 35, 13.2.1996, p. 1.

⁽³⁾ OJ L 275, 8.11.1993, p. 1. Regulation as last amended by Regulation (EC) No 1053/98 (OJ L 151, 21.5.1998, p. 10).

⁽⁴⁾ OJ L 67, 10.3.1994, p. 1. Regulation as last amended by Regulation (EC) No 1457/97 (OJ L 199, 26.7.1997, p. 6).

⁽⁵⁾ OJ L 322, 15.12.1994, p. 1.

in certain countries not covered by bilateral agreements, protocols and other arrangements, Decree No 96/8703 of 27 September 1996 on economic outward processing arrangements applicable to certain textiles and clothing products reimported into Turkey after processing in certain third countries.

2. For the purposes of this Decision:

- ‘part of the customs union’ means the European Community or Turkey as the case may be,
- other terms are defined, *mutatis mutandis*, in the legal instruments referred to in paragraph 1.

Article 2

1. Where, on the basis of the legal instruments referred to in Article 1(1) economic outward processing arrangements are applied in one part of the customs union, compensating products may be imported into the other part of the customs union in accordance with the terms of these arrangements.

2. The goods for which economic outward processing arrangements are authorised in one part of the customs union on the basis of the legal instruments referred to in Article 1(1) shall originate in a part of the customs union, without prejudice to the derogations allowed pursuant to Regulation (EC) No 3036/94 and the corresponding Turkish legislative act.

Article 3

Every two years as from the entry into force of this Decision, the EC-Turkey Association Council shall, on the basis of a report by the EC-Turkish Customs Cooperation Committee set up by Decision No 2/69 of the EC-Turkey Association Council, undertake an evaluation of the economic outward processing arrangements established by this Decision and shall if necessary take measures to correct any problems.

Article 4

The EC-Turkish Customs Cooperation Committee shall lay down the appropriate measures to implement this Decision.

Article 5

This Decision shall enter into force on 1 January 1999.

Done at Brussels, 5 January 1999.

For the EC-Turkey Association Council

The President

J. FISCHER
