

Message from Jacques Delors

An undivided Europe



Jacques Delors: "...we are building an ever-closer European Union"

May 9, 1994 marked the 44th anniversary of Robert Schumann's declaration launching the European integration process. The occasion serves as a timely reminder that the project we now know as the European Union was, from the very outset, imbued with a political commitment to the common destiny shared by our peoples.

In spite of the tensions and rifts that still afflict our continent, two major developments, symbolized by the dates 1992 and 1989, have in the recent past given fresh impetus to the "ever-closer union" envisaged in the Treaty of Rome.

With the completion of a border-free economic and social area embracing the twelve European Community Member States in 1992, we passed an important milestone on our march toward a shared acceptance that the new realities of the world economy require us to act as one.

(continued on page 2)

In this issue

Case studies

Land registration	2
Poland - rural telecoms	4
Romania - energy efficiency	4

Indicative Programmes

Special report : Albania

Building a new economy	6
Albania and Phare	6

News

Romania: investment	9
Czech Republic: sports goods	9
Poland: further telecom funding	10
Nuclear safety	10
Slovak SMEs	11
Cross-border links	11
A new look for Phare	12

Special report: Albania

Since the fall of communism, the new Albanian government has had the formidable task of building a market economy and democratic system from a closed totalitarian society which maintained virtually no contact with the outside world for 45 years. Today, experts agree that Albania is on the road to success: democratic reform, privatisation and agricultural reform are moving forward.



This report gives an overview of Albania's progress towards a market economy, and shows how the Albanian economy has made use of the Phare Programme to help speed the process of reform

(continued on page 6)

The land registration challenge

(continued from page 1: An undivided Europe)

As for the other key date, it is now clear that the peaceful revolutions of 1989 have added a deeper, more momentous dimension to that same process, re-infusing us with our original sense of purpose and direction.

Now that Europe is once again undivided, we must address the need for our continent as a whole to face the future.

The immediate priority is economic. Schumann himself said that Europe, like Rome, would not be built in a day. Rather, he envisaged a painstaking construction process based on practical achievements that would foster a de facto solidarity among Europe's peoples and countries.

What better way to describe the association programmes we have created with each of our neighbours in central and eastern Europe?

Another major concern is security. We must come together to find new ways of securing the triumph of freedom, tolerance, democracy and solidarity throughout Europe. This too is the legacy of the founding fathers.

Our other main goal is political. There can be no better guarantee for those wishing to lead free and democratic lives, as masters of their own destiny, than full membership of the group of nations that founded the European Union on precisely those values. The European Council, meeting in Copenhagen in June 1993, asserted the right of the associated countries of central and eastern Europe to become members of the Union if they so wished. The aim was to instill a sense of purpose by confirming that the ultimate objective of cooperation with the associated countries was accession.

The challenges ahead are monumental, but you will not be cheated of your goal. For we have taken your desire to be part of this shared adventure and made it our own.

Efficient land registration involves more than managing a mountain of paperwork. Phare funding is helping to create high-tech land information structures which combine computer networks, administrative systems and digital cartography.

The registration of every parcel of land in central and eastern European countries is a complicated and painstaking process, and one of the key aspects of the privatisation of these fledgling market economies.

Outside observers may see land registration as a largely administrative task of matching former owners with land parcels, and privatising the land owned by governments under these post-war command economies. In reality, the challenge is far more complex.

The registration process requires a partnership of experts in fields such as aerial photography, digital (computerised) cartography, creation and management of land deeds, and skilled administrative support.

Establishing such a structure with limited resources has been difficult for many of Europe's new market economies. But support from the Phare Programme has given land registration offices in several countries access to the technology and expertise needed to improve their registration efforts.

Typically, land registration in these countries has followed a common pattern. In the 1990-1991 period, citizens were invited to enter their claims to land lost under the previous regime. Some requested the right to inherit lands previously owned by the family. Others applied for compensation as their land cannot be reclaimed due to industrial or agricultural development.

Today, registration is done through a central office which collects data from its network of several hundred regional bureaux. A national land registration network can have several hundred local offices.

With their limited funds and small-scale telecommunication facilities, many partner countries cannot implement a complete land registration system today. But through technical facilities and know-how, through European Union Member State cartographic systems and aerial photography, a strong land registration base is being established across central and eastern European countries.

Phare support for land registration

Phare funding and expertise is helping the land registration process in central and eastern European countries. Some examples are

▣ Hungary

Support in automating the land registration infrastructure with intermediate technology, to increase the land information system's reliability and efficiency. Creation of local area computer networks in 114 district offices and regional centres across Hungary. Today, data is exchanged by sending diskettes through the post. When the Hungarian telecommunications infrastructure is upgraded over the coming five years, the existing local networks can be linked to a national land information network with few modifications. The budget for this programme is ECU 8 million.

▣ Poland

Modernisation of the Polish land information system, including aerial photography of the entire country (312,000 square km), generation of a large-scale digital (computerised) map of the country, establishment of data communication links between the Surveyor General in Warsaw and 373 regional offices across the country. The whole programme will cost ECU 5 million.

▣ Romania

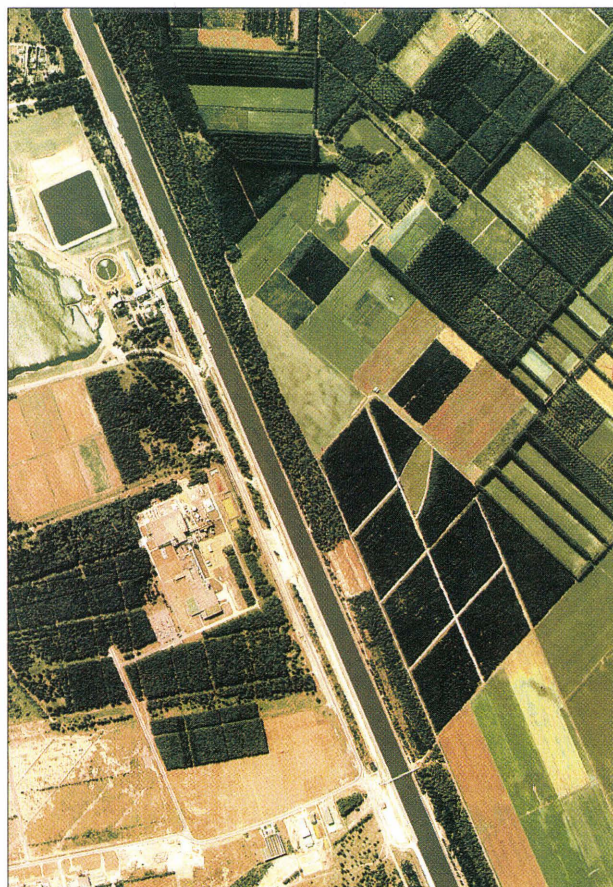
Consultancy and studies for the establishment of a nationwide land information system, including strategic planning for land registry, modernising land evaluation and training of the staff's evaluation expertise, an impact study on the progress of land reform, legal advice to improve land registration legislation.

Training in the areas of database management, electronic field survey, computer programming and land registry methods in other European countries.

The purchase of computer systems and specific land registration and plotting equipment. The total programme cost is estimated at ECU 10 million.

▣ Slovak Republic

The ECU 2.2 million programme aims to provide support for the processing of land ownership claims, registration of land sales, and improvements in cartographic and land information systems.



Aerial photography of the Polish countryside is the first step in documenting land ownership and creating digital maps of the entire country. Phare is helping in this crucial area.

Rural telecommunications for the heart of Poland

A local approach to rural telephony

Faced with limited funding and sparse rural telephone coverage, the Polish Ministry of Post and Telecommunications has introduced a programme aimed at bringing telephones into the homes of more rural residents.

Funding estimated to be of the order of \$10 billion will be required to bring the connection levels of the overall Polish network up to a target of 30 lines per 100 inhabitants, still somewhat short of the western European average of 40 lines per 100 inhabitants. Today, on average, the rural inhabitants in Poland are served by four lines per 100 people, whereas their urban counterparts enjoy a figure that is now 25 per 100 and growing steadily. Some 2,500 Polish rural communes have no telephone service at present.

Backed by Phare funding, the Polish Ministry of Telecommunications has introduced a scheme to improve rural telecommunications in Poland, providing support for the creation of independent local operating companies serving rural areas. The objective of the approach, say Polish officials, is to create a local infrastructure which has the potential to attract investment, some of it local, to generate profits locally and to facilitate employment in rural areas across the country.

The rural networks will be structured as independent profit centres, responsible for all local telephone services, and will be connected to the rest of Poland and the international community through the Polish national network.

Telephony Opalenica, in a rural area west of Posnan, began operations in March 1994, initially serving 2,500 users in a

widely-distributed network. A second independent rural network, serving the Sokolow-Podlaski area east of Warsaw, is being developed, but is not yet operational.

Phare funding has helped to establish the development centre for rural telecommunications, whose role is to manage the selection and installation of equipment, and the training of management and technical staff for each site.

Each independent operating company is locally owned, except for the Phare-funded shares, which are intended as start-up equity in the local company and can be moved to a new start up once the existing operation is functioning well enough for shares to be replaced from alternative financing sources.



Discussing telecoms: Director of EC Directorate XIII A, Nicholas Argyris (left) with Stanislaw Popiolek, Polish Deputy Minister of Telecommunications

Romania

Improving energy efficiency

Greater energy efficiency is a key to Romania's economic development. A Phare-funded energy study is helping to identify the country's needs.

Inefficient use of energy and over-consumption by key industries is one of the major hidden factors which can hinder economic development in Europe's emerging market economies. Low energy efficiency translates into higher costs for industrial production, increased environmental pollution and higher costs for the consumer.

In Romania, while energy is not a high-visibility economic indicator, the less-than-efficient use of this resource has a profound impact on many aspects of the national economy. Romanian industry pays a high price for its present energy situation, as it must import considerable amounts of energy from abroad, and pay for it in hard currency.

Probably the biggest drawback of Romania's present energy situation is the limitations it places on the progress to a market economy. *(continued on page 9)*

Indicative Programmes

Slovenia and Phare define 1994-1995 funding

■ Specific focus on private sector

The third Indicative Programme signed between the European Union and Slovenia pledges ECU 15 million, through the Phare Programme, to Slovenia in 1994.

Some 60 per cent of the total funding will be applied to Slovenia's private sector. This will include assistance to the privatisation agency, the preparation of restructuring plans, reform of the banking system, and help in drafting relevant legislation and training.

Other priority areas for this funding, as defined by the Slovene government, are the harmonisation of Slovene laws with European Union legislation development of the transport and telecommunications sectors and institutional reform of the research establishment and human resources development.

Despite the war and the disappearance of the Yugoslav market, Slovenia stayed abreast of its counterparts in central and eastern Europe. Its rampant 247 per cent inflation rate was reduced to 23 per cent in 1993. Its fall in GNP was arrested, and the Slovene economy is expected to grow by 2.5 per cent in 1994. Fiscal policy is admirably tight. Budget surpluses were achieved in 1991 and 1992 and the deficit in 1993 is forecast to be roughly 1.7 per cent.

Three priorities for Hungary

■ Private sector, infrastructure and human resources

The fifth Indicative Programme recently signed between the European Union and Hungary outlines three main areas for support from the Phare Programme: development of the private sector, infrastructure and human resources. Phare will commit ECU 85 million to this programme in 1994.

Outlines of specific actions under this programme are already available. To develop the private sector, Phare will concentrate on restructuring state-owned enterprises, on promoting trade and investment, and on further financial sector reforms. Infrastructure projects will concentrate on transport, environmental audit systems, energy and border crossings. Human resources will be developed through a variety of educational reform programmes, including TEMPUS.



Alan Mayhew, Phare Programme Principal Adviser and Dr Laszlo Bogar, Hungarian State Secretary of the Ministry for International Economic Relations, sign the 5th Phare Indicative Programme.

These priorities build on the achievements of previous Phare funding, to help maintain both economic stability and social equality within Hungary. This Indicative Programme also promotes the objectives of the recently ratified Europe Agreement and reflects the emphasis of the Copenhagen Council's decisions on trans-European infrastructure projects.

Czech Republic, Estonia and Lithuania

Three more partner countries recently defined their priorities through Indicative Programmes. The Czech Republic's was signed on 17 May. It identifies enterprise restructuring, the development of the private sector, the development of human resources, infrastructure, the social sector, institutional development and programme design as key features. Phare will support these priorities with ECU 60 million, including ECU 25 million for cross-border cooperation projects. Estonia's Indicative Programme, signed on 18 May, identifies economic reform, infrastructure development and institutional and human resources development as key priorities for 1994. These will be supported with ECU 14 million of Phare funding. Lithuania's Indicative Programme, signed on 23 May, identifies economic reform, infrastructure development and human resources development as key areas. ECU 30 million will be provided by Phare to support these activities.

Albania

(continued from page 1)

Building a new economy

Compared with the other new democracies of central and eastern European countries, Albania faces quite a different set of challenges.

Until 1990, Albania was virtually cut off from the rest of Europe, maintaining trade or political links with no countries except for China. The fall of communism in 1989 brought on near-total economic collapse.

From this rather bleak beginning four years ago, the new Albanian government has brought the economy back to life, and is now encouraging reform at all levels through forward-looking government policies and a new breed of young entrepreneurs who have embraced the market economy.

Over the past four years, the Albanian government has progressed steadily away from a condition of severe economic, social and administrative dislocation, which was further complicated by substantial fiscal and external imbalances.



The mining of metals such as chromium and copper are one of Albania's economic strengths

Today, the Albanian economy has been stabilised, and is showing small but steady improvement. According to data recently published by the Economist Intelligence Unit (EIU), the country's gross domestic product grew by 5% in 1993, and is expected to increase by a further 6% in 1994. Industrial output, which fell by 30% in 1991, is forecast to grow by 12%

in 1994. Agricultural output, which fell by 25% in 1994, will show a growth rate of 10% in 1994.

Hand-in-hand with economic growth in some key sectors, the Albanian government has introduced a tough fiscal policy to reduce the budget deficit from 50% of GDP in 1991 to 12% last year.

The 1993-1996 medium-term plans defined by the Albanian government are to maintain economic stability, continue structural reform, and accelerate economic growth through public investment.

Albania and Phare

Progress to date

While the Phare Programme officially began providing support across the broad base of the Albanian economy in 1992, a series of Phare-supported humanitarian aid actions began in 1991, and ran until 1993.

This humanitarian intervention was aimed at addressing urgent situations caused by the near-total collapse of Albania's economy after the fall of the communist regime. Support included agricultural aid, food distribution, engineering support and the shipment of industrial spare parts.

In effect, the provision of humanitarian aid also helped to introduce the Albanian population to the principles of a market economy. A European Commission task manager explains: "In the process of receiving our initial support, the Albanian people with whom we worked quickly learned the basics of a market economy. Through their cooperation with European Union experts on the various Phare humanitarian aid projects, the local population was introduced to concepts such as pricing, service, contracts and customer relationships with western business - the basic concepts of supply and demand."

By 1992, the Albanian government began to move away from crisis management and focus more on policy, and medium-term planning. Phare funding and professional assistance was applied in four main sectors; agriculture, transport, private sector development, and higher education reform. The total Phare funding for these programmes was ECU 25 million.

In 1993, the Albanian government identified two additional areas where Phare support should be applied - health sector reform and environmental support. Total Phare funding for these and the four original priority sectors was ECU 30 million for this period.

The government's medium-term economic strategy (1993-1996) and the recently adopted Public Investment

Programme (1994-1996) will provide the basis for Phare assistance over this period.

Following discussions with the Albanian authorities, the priorities detailed in the Phare 1994-1996 Indicative Programme signed in May show that Phare assistance will continue to be directed at the priority sectors of agriculture, private sector development, health, environment, public administration, and higher education, through TEMPUS.

A further ECU 20 million is specified under the cross-border cooperation budget. This involves support for the transport sector, particularly on the improvement of the road infrastructure and border crossings in the east-west corridor linking Albania to Greece.



The Phare urban transport programme brings buses to Tirana

Programme overview

With the support of the Phare Programme, the Albanian government has promoted change through much of the country's economy, and created the basis for steady institutional and economic reform. The following examples give an overview of some Phare involvement.

Agricultural development

With 50 per cent of its workforce employed in agriculture and related activities, reform in this sector is a key focus for the government, and it is the area which receives the most Phare support.

In the 1992-1993 period, Phare focused on the agricultural sector by assisting institutional reform and providing access and funding for equipment.

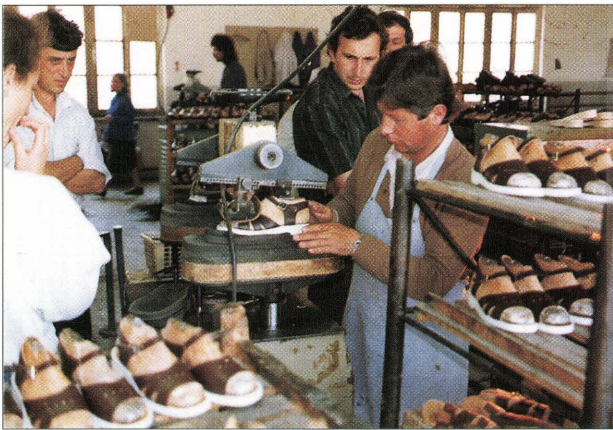
On the institutional side, Phare gave support to the Ministry of Agriculture, and helped initiate the reform of the Rural Commercial Bank, by providing advice and loan-financing to farmers for the purchase of machinery. Strengthening of the land registration process and privatisation of agro-industry are other priorities.

Under Phare in 1992, seed and pesticides were provided, as were well as some 174 tractors, (continued on page 8)

(continued from page 7)

21 combine harvesters and 440 pieces of agricultural equipment which were imported and sold against credit in Albania. Two fully-equipped workshops were formed to service this equipment. The 1993 programme established credit lines for investment in mechanisation and irrigation.

Business and financial know-how and support are being given to some 500 small and medium-sized agro-processing companies following their privatisation.



Phare is helping modernise many Albanian production facilities to create a vibrant private sector.

Future priorities for agriculture are mapping, registration and the finalising of ownership rights for Albania's land. Phare will provide training and equipment for three map production institutions responsible for the survey, mapping and registration of over 1.8 million land parcels.

Humanitarian and food aid programme

This programme addressed urgent transitional needs specified by the Albanian government such as the supply of food, transport and certain raw materials and spare parts to help the country's key food, petrol, and glass industries to recover.

A social dimension to this action included the provision of shelter, drugs, training, housing, counselling, emergency medical care and special support to enable the reinsertion into society of several thousand ex-political prisoners.

Industrial programme

The initiative has helped rebuild or create key industries. In several cases, joint ventures were established between Albanian and western European companies and export opportunities have been created.

Some examples are the provision of a radio system for the State Railways to allow night trains to run for the first time;

the strengthening of three cement factories, two of which have started joint ventures; funding for improvements in the Albapetrol/Balish refinery; support to enable production increases at the country's carbon production plant; support for the Albanian chrome/copper industries; support for the Berat battery factory, which produces batteries for the transport industry; support for Propharma, which produces some 130 pharmaceutical and cosmetic products; and support for the development of the local brewing industry.

Private sector development

Actions backed by Phare in private sector development cover SMEs, banking, privatisation and tourism. Some initiatives include:

SMEs

Support to the government in elaborating a strategy for the development of the SME sector and help in creating the SME Foundation. The foundation provides support to regional business agencies which provide advice, assistance and training for SMEs; credit lines for SME creation and promotion. To-date, this initiative has provided financial assistance to 152 SMEs, resulting in the creation of 1,000 jobs.

Banking

Training and support to the Central Bank's foreign department and human resources development in commercial banks. Assistance to the Albanian Savings Bank for the management of SME credit lines, and credit analysis for bank management and branch management.

Privatisation

Assistance and advice in preparing the country's privatisation strategy.

Tourism

Support of the government's efforts to develop small-scale rural tourism projects within the government's regional development strategy. Preparatory work to offer credit lines to local tourism companies and for tourist promotion.

Health care

Phare involvement in the health sector reform process covers several areas, namely the development of primary health care services, hospital reform through management training and "twinning" exchanges with hospitals in three European Union Member States. Support to the pharmaceutical sector involves the creation of an infusion-fluid production line, the improvement of inspection practices, and the strengthening of the country's drug control centre. Assistance in designing the legislative framework for health care is also being provided.

(continued from page 4: Romania - improving energy efficiency)

A less efficient energy infrastructure will not fully accommodate the energy requirement created by growing industrial production, the increased use of new technologies in offices and companies, and of electrical appliances in homes across the country.

But all this is set to change. With the completion of its first national energy efficiency study, Romania has taken its first step toward building a sustainable and efficient energy infrastructure.

The study on industrial energy efficiency was done by the Romanian Agency for Energy Conservation, in collaboration with a group of experts coordinated by the French Agency for Environment and Energy Management. Funding for this project was provided through the Phare Programme.

The data gathered during the study have helped Romanian officials identify areas for improvement in the country's most energy-intensive sectors. These are metallurgy, chemicals, textiles, oil processing and nuclear fuel treatment.

The study analyses the country's current situation and defines the basis for a strategy which will bring energy usage figures within the European Union average. Today, Romania

consumes twice as much energy and 1.5 times as much electricity as its European Union counterparts per unit of GDP.

The main recommendations of the Romanian energy efficiency study are to establish

- legislation which defines efficiency standards and sets institutional responsibility
- an energy efficiency law which sets out the country's principles and objectives in this area, with specific decrees governing the main energy-consuming sectors of the economy
- a system to ensure that energy regulations are met
- an energy efficiency fund
- a permanent group to monitor and forecast energy supply/demand
- an evaluation of options for renewable energy resources

At present, ARCE has submitted several proposals to the European Commission for future cooperation. The Commission has agreed to launch projects which focus on specific sectors of the Romanian economy and demonstrate the benefits of energy efficiency.

■ News

Romania

Investment led privatisation project

On 7 July 1994, a consortium led by the investment bankers Creditanstalt won a tender worth ECU 960,000 to undertake the investment-led privatisation project which will be financed by the Phare programme and managed by the European Bank for Reconstruction and Development. For 18 months the consortium will provide a range of services to the State Ownership Fund to privatise a number of state-owned enterprises through the involvement of foreign investors. This project will be instrumental to the efforts of the State Ownership Fund to accelerate privatisation of state owned companies in Romania. In addition to Creditanstalt, the consortium includes the auditing firm KPMG, international lawyers Watson Farley and Williams, and consultants SSG St. Gallen Consulting.

Czech Republic

New life for sports goods producer

Phare-funded study guides new strategic focus

A new forward-looking management team, a smart restructuring approach and a strategic alliance with a western European company have combined to position Czech sports goods company, Gala, as a new player in the European market.

Once a national pride, this company's success declined rapidly after the Velvet Revolution, as it had trouble adapting its heavy structures to vigorous international competition.

A turning point in Gala's revitalisation, according to Managing Director Karel Schmied, is the Phare-funded strategic study (continued on page 10)

(continued from page 9)

which helped to redefine the company's market orientation by identifying the company's key strengths.

The study, done by a leading European consulting firm, recommended that Gala concentrate on high-end markets for sports balls, bags and rucksacks. To achieve this, Gala underwent a complete revision of its production process and

retraining of all management. Today the company's new approach is centred around quality goods and a strong customer service culture.

Gala now focuses 60 per cent of its production capacity on export markets, and has built up a strategic alliance with Berghaus, the internationally recognised sports goods producer.

Nuclear safety: Bulgaria... and beyond

Creating an east/west nuclear specialist team

Teams of east and west European nuclear experts are advising and helping to monitor and service the Russian-made VVER 440-230 reactors operating across Russia and in some Phare partner countries.

The team and its expertise are the result of cooperation between French, British, Bulgarian and Russian nuclear safety specialists, in the Phare-supported Bulgarian nuclear safety improvement programme at the Kozloduy nuclear power plant.

The programme - defined in 1991 and implemented through 1993 - provides general housekeeping and on-site assistance from an international team of nuclear specialists, as well as a "twinning" programme with the Bugey nuclear power station in France.

The on-site assistance team - a partnership of western and Bulgarian experts - prepared a programme of studies and recommendations for the Kozloduy site.

The twinning programme provided for Bulgarian staff to visit and work with their counterparts at the Bugey power station, to see how this French site is operated and maintained. In

return, the Bugey staff demonstrated their expertise in the operation of Kozloduy.

Phare also awarded a separate contract to a consortium of western European nuclear safety authorities who advised and assisted with further safety improvement of the Kozloduy facility.

Project managers confirm that the experience gained during this work puts the contractors in a prime position to do related nuclear work in Russia and Slovak Republic, where the same type of Russian VVER 440-230 reactors are in use.

This initiative was defined by the World Association of Nuclear Operators (WANO), financed by the Phare Programme and the European Bank for Reconstruction and Development, and implemented by contractors from east and western Europe. Funding from Phare has totalled ECU 25 million to date.

Poland

Further telecom funding

Some ECU 7 million have been made available to the Polish Ministry of Post and Telecommunications through the Phare Programme for the restructuring of the postal and telecommunications service in Poland. This contract is a continuation of the programmes in this sector launched under Phare in 1990 and 1991.

Funding from this programme will focus specifically on

- restructuring of the postal service and integration of an electronic data interchange postal tracking system
- advice to the Polish Ministry of Post and Telecommunica-

tions on regulatory, legal, and technological issues related to the transformation of this sector. Also help in researching, analysing and recommending solutions for rural telecommunications services, and for the institutional development of the national telephone company

- to provide support to modernise Poland's national radio communications services and bring these in line with the European Unions's norm.

The ultimate objective of Phare funding in this area is to bring Polish telecommunications services to the level of western Europe by the year 2000.

The Slovak Republic

Creating a vibrant SME sector

The National Agency for Development of Small and Medium Enterprises was established as a result of a joint initiative of the Phare Programme and the government of the Slovak Republic. The agency's aim is to initiate the development and growth of existing and newly established SMEs in the Slovak Republic. The agency provides for the coordination of all activities supporting SMEs in the Slovak Republic on an international, national, regional and local level.

The agency's three main areas of activity are

- recommending to the government the necessary policy and strategy for the development of the SME sector
- providing activity services and support for SMEs and start-ups through a network of regional advisory and information centres and business innovation centres
- improvement of SME access to appropriate funding. The

agency uses four tools to achieve this

- transfer of know-how to banks on how to deal with SMEs
- a loan scheme
- a guarantee scheme
- a seed capital fund

All three financial schemes above are complementary.

The agency is also involved in many other SME-related initiatives, including

- establishing a Euro-Info Centre. This is a one-stop shop for information on the European Union, and the various programmes managed by the European Commission
- creating a subcontracting exchange
- promoting spin-off activity from large Slovak industries.

Better cross-border links

A winning Phare and Structural Funds combination

Phare and Europe's Structural Funds have combined to improve links between border regions in the European Union and adjoining Phare countries.

The recent launch of the cross-border cooperation programme opens a new chapter for Phare. This initiative is being co-financed by the European Union's Structural Funds, particularly the intra-Union Interreg II, creating a powerful instrument for further European integration.

The initiative allocates ECU 150 million in 1994 to projects which promote cross-border cooperation between regions in the Phare countries and adjacent regions in the Union. These funds will be spent in the Phare countries.

The cross-border funding approach has several precedents. For example, the Czech authorities are using funds from the 1992 transport programme to upgrade roads leading to the German border and 1993 funds totalling ECU 14 million are being used to improve border crossings between Germany and Poland, Germany and the Czech Republic, and Albania and Greece.

With the exception of Hungary, Romania and the Slovak Republic, which do not share a border with the European Union, all Phare countries are eligible for support from this cross-border fund. Each eligible government selects, together with the Commission, which of its border regions should benefit, bearing in mind the synergies to be achieved with Interreg II. Certain European Union regional initiatives, such as ECOS and Ouverture may also qualify for support.

A wealth of different projects can be financed through the new cross-border approach. These may include: the upgrading of border crossings, roads or other infrastructures; business cooperation, investment aid or the promotion of tourism, environmental management or sharing of health care resources.

Although this funding comes from a new budget line, these projects will be managed according to Phare's standard decentralised management practices. Typically, all Phare projects are demand-driven, where partner countries propose projects and run those that are approved.

The bulk of the projects up to ECU 130 million received firm financial commitment by July 1994.



The Phare cross-border initiative strengthens regional links between Phare partners and their EU neighbours. Upgrading of roads and customs facilities are two key responsibilities.

A new look for Phare

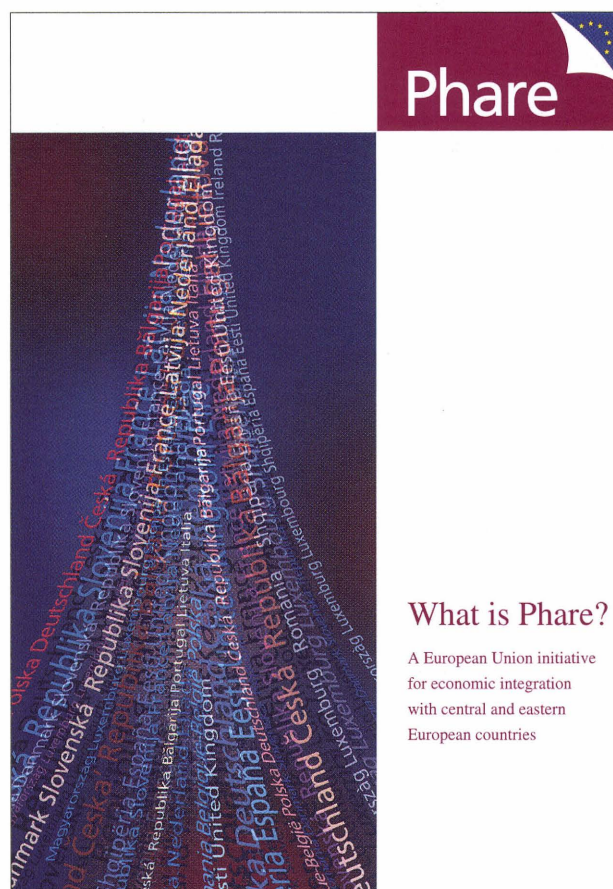
The Phare Programme has introduced a new corporate identity, shown for the first time in the new design of this newsletter. The new identity has been designed to establish a consistent look for all Phare publications and is part of a wider initiative to expand Phare's communications activities.

A new identity has also been produced for the Tacis Programme. Tacis, like Phare, provides grant finance to support the process of transformation to market economies, but it covers the new Independent States and Mongolia.

The new identities have been designed to reflect the similarities of both Programmes and the fact that they have a common heritage. However, they are both sufficiently distinct, reflecting the different methods and the different political and economic circumstances within which the Programmes operate.

Phare has already produced one new publication in the new design style. This is called 'What is Phare?' and it presents basic information on what Phare does, why it does it and explains how the Programme works.

A similar publication has been produced for Tacis. Both these publications are available from the Phare and Tacis information offices.



The 'What is Phare?' brochure, available from the Phare Information Office

Forthcoming events

Date	Organiser	Place	Subject
11 July	European Commission, DG XVI	Brussels	ECOS/Ouverture

Erratum

In the last issue of Infophare, a map of the Balkan customs corridors which included the Former Yugoslav Republic of Macedonia was amended at the last minute to read 'FYROM'. These amendments were carried out by hand, and, in some cases, the 'M' was effaced. This was entirely unintended, and in no way reflects upon the country in question or the Commission's attitude towards it.



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