

TECHNICAL ASSISTANCE TO DEVELOPING COUNTRIES

Statement by the European Communities at the Meeting of 14-15 March 2001

In order to enhance transparency and better knowledge of its activities in the management of external assistance to developing countries, the European Commission wishes to provide the SPS Members with some preliminary information about the following issues:

- Reform of the EU Management of External Assistance: The EuropeAid Co-operation Office
- External Assistance to ACP countries: Existing EDF (European Development Fund) procedures
- Technical Assistance to developing countries on SPS matters: Indicative List of Projects

For further information please contact the European Commission Delegation in your respective country or the European Commission SPS Enquiry Point.

Reform of the EU Management of External Assistance: The EuropeAid Co-operation Office

1. External assistance programmes managed by the European Commission have tripled over the last 10 years to reach 12.3 billion EUR in 2000. The European Commission currently delivers more than 10 per cent of total official development assistance world-wide. External aid programmes are managed by it directly and constitute 62 per cent of all its accounts. EC grant aid exceeds concessional loans granted by the World Bank.

2. To respond to the increasing aid volumes, improving the management of EU external assistance programmes becomes a vital and visible part of the European Commission reform with a direct impact on the international standing of the EU. The aim is to reshape the external relations services of the European Commission to equip them to meet the challenge of directly managing one of the largest and rapidly increasing chapters of EU expenditure.

3. On 16 May 2000, the European Commission adopted the Communication on the Reform of the Management of External Assistance. The Communication identifies an ambitious programme of measures to make significant improvements in the quality and timely delivery of projects while ensuring robust financial management and increased impact of EU external assistance.

4. The Communication identifies four broad areas where major changes are envisaged:

- A radical overhaul of programming of assistance
- Reunification of the project cycle

- Creation of the *EuropeAid Co-operation Office*
- Extensive devolution to EC delegations all over the world and, where possible, to partner countries delegations.

5. The **EuropeAid Co-operation Office**, is a new office for the management of most of the external assistance of the European Commission. Starting from 1 January 2001, EuropeAid Co-operation Office manages 80 per cent of the EU's external assistance, amounting to more than €9 billion annually in aid projects around the world.

6. Building on the existing Common Service for External Relations (SCR), EuropeAid Co-operation Office is responsible for the management of the project cycle. This means the managing of external assistance projects, under a single administrative structure, from identification of projects to monitoring of their implementation and to evaluation.

7. The new approach applies to most of the EU external aid programmes (such as TACIS and MEDA) and the European Development Fund (covering the ACP (Africa, Caribbean and Pacific) group of countries). Pluriannual programming will remain the responsibility of the Directorates General for External Relations and Development.

8. EuropeAid Co-operation Office operates under a Management Board chaired by Commissioner Chris Patten with Commissioner Poul Nielson as its Chief Executive Officer. Commissioners Günter Verheugen, Pascal Lamy and Pedro Solbes Mira are members of this Board.

9. As previously said, an essential feature of the structure is devolution of significant responsibilities to the field. New responsibilities will be given to the 128 Commission Delegations around the world (deconcentration) and/or to beneficiary states, when possible (decentralization). This process will start with 23 delegations in 2001 (FRY, Croatia, Russia, Egypt, Morocco, Gaza Strip/West Bank, Tunisia, Turkey, Indonesia, Thailand, India, China, Nicaragua, Bolivia, Argentina, Mexico, South Africa, Senegal, Ivory Coast, Kenya, Mali, Dominican Republic, Brazil).

10. By the end of 2003, all delegations should manage the External Assistance Programmes in the countries they are responsible for. It will ensure that Commission assistance is more responsive to the needs of beneficiaries, that it leads to an improvement in quality and speed of delivery of external assistance, and that it is properly co-ordinated in the field with other donors.

11. EuropeAid Co-operation Office will have a total staff of about 1200 by the end of 2001. When the process is completed, about half of the number should be serving abroad. It is accompanied by the dissolution of the Technical Assistance Offices.

12. The benefits of the implementation of this new policy start to be a reality. Some areas as transparency and standardization, the financial backlog for old commitments and payments, have already improved. Procurement operations are now published on the Internet. The EuropeAid Co-operation Office web site receives around 600,000 monthly hits, most of them to the tendering sub-site. Only eight tendering procedures exist now, instead of forty-six as they were. A new and single manual of procedures has been adopted and standardized contract models are used for programmes around the world from 1 January 2001 (and as soon as approved by the ACP Council for the EDF).

External Assistance to ACP countries: Existing EDF (European Development Fund) procedures

13. A fundamental difference between EDF-financed and Budget-financed projects is that, as a general rule, requests for technical assistance (in the restricted sense of services) from this Fund,

whether in the framework of a project or not, can only be accepted by the European Commission if channelled through the National Authorising Officer (NAO) of the ACP country concerned. The NAO is usually the Minister of Planning, Economy or Co-operation.

14. The procedure relating to contracts for works, supplies and services concluded for the purposes of Community co-operation with ACP countries, are due to **change most likely in the course of 2001**. It is expected that the "Manual of Instructions" which was adopted by the Commission on 10 November 1999 and is now applicable to all Budget lines, will also be applicable to the European Development Fund as soon as officially agreed by the ACP partners. This will need a ministerial meeting, which is still to be convened.

15. The existing EDF procedures still in use vary according to the estimated cost of the services, supplies or works to be provided.

(a) **Services** (*incl. consultancies, technical assistance, supervision of works, evaluations, audits*)

- If the cost does not exceed EUR 80,000, the Head of the EC Delegation in the ACP country concerned may approve the request and take all the steps for the signing of the contract on a direct agreement basis, after a restricted consultation of at least three experts or consultants.
- For services of which the cost does not exceed EUR 200,000 a special framework contract system is in place, which is managed by the Commission services in Brussels (AIDCO/C). Alternatively and for services of up to EUR 150,000, AIDCO/C may prepare direct agreement contracts, after a restricted consultation process.
- Above this latter figure, a restricted invitation to tender is the rule. However, a service contract for a cost exceeding EUR 750,000 must be part of a project.
- If the estimated cost exceeds EUR 2,000,000, a pre-qualification tender is an additional requirement. Before such a contract can be signed, the project has to be approved by the EDF Committee (in which each EU Member State is represented) either by a written procedure if the total cost of the project does not exceed EUR 7,000,000 or as a result of a debate by the Committee.

(b) **Supplies** (*can only be financed as part of a project*)

- For an estimated cost of up to EUR 25,000: direct agreement.
- For more than EUR 25,000 and up to EUR 100,000: restricted tender.
- More than EUR 100,000: open tender.

(c) **Works** (*can only be financed as part of a project*)

- For an estimated cost of up to EUR 250,000: direct agreement.
- For more than EUR 250,000 but less than EUR 1,000,000: restricted tender.
- For more than EUR 1,000,000 but less than EUR 5,000,000: open local tender.
- For more than EUR 5,000,000: open tender.

Indicative List of Projects

Country	Project Title	Target Group	Budget and duration	Aim and Contents
ACP countries except the SADC region (32 countries)	Pan African Programme for the Control of Epizootic Diseases – PACE	All actors involved in the livestock-farming sector (producers, service providers and consumers)	EUR 72 million for five years (1999-2004) from European Development Fund (Regional and National funds) for both national and regional components.	To establish lower-cost national and continental epidemiological surveillance networks for the main animal diseases, provide the countries with the capacities needed to organize economically and technically justified control programmes and develop effective and sustainable distribution of veterinary products and services.
Madagascar	"TA epidemiologist to the Directorate of Veterinary Services" "Epidemiological Surveillance and Construction of a laboratory for Food Hygiene" and "Quality Control on Fishery products"	Competent authorities (Veterinary Services) and private enterprises in the export business of foodstuffs of animal origin products, including fishery products	EUR 5,835,000 (funded under EDF including Stabex and the Food Security budget line).	Indicated under the title.
Eritrea	Fish quality and sanitary control project	Competent Authorities for the control of fishery products. Public and private export oriented enterprises	EUR 140,000 for 10 years (2001-2003)	Technical Assistance project for hygiene audits, HACCP implementation and appraisal and business planning for quality related investments.
Traditional ACP suppliers of bananas Cameroon, Cape Verde, Ivory Coast, Madagascar, Somalia, Jamaica, Belize, St. Lucia, St. Vincent, Grenada, Dominica, Suriname)	"Special Framework of Assistance for traditional ACP suppliers of bananas"	Certified banana farmers and related people in rural areas, Growers associations, Public Authorities and Private sector companies	EUR 350 m for 10 years (1999-2008).	To assist in the development of a sustainable and viable banana industry, which can withstand competition from other ACP banana producing states and Latin American producers; to assist former banana growers in switching towards other activities.
All-ACP countries	Strengthening of implementation capacity in ACP countries in relation to fishery products sanitary and quality controls	Competent Authorities in ACP countries for the control of fishery products for export, enterprises processing, exporting or marketing fishery products, local	EUR 20 million for 5 years (2002-2007) from European Development Funds (Regional and National funds)	<ol style="list-style-type: none"> 1. Support for the application by the Competent Authority and its inspection agencies of EU Directives for health controls of fishery products. 2. Design and implementation of an appropriate residue monitoring plan. 3. Strengthening the analytical capacity of official testing laboratories and introduction

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		authorities and professional organizations.		for suitable systems of quality assurance. 4. Support for establishments exporting fishery products. 5. Support for small-scale fisheries supplying raw materials for exports.
All-ACP countries	Pesticides Initiative Programme	Producers and exporters of fruits and vegetables in the ACP countries	It is about to be launched, for an estimated cost of EUR 29,122,000 and a five-year duration.	To assist the target group to comply with EU sanitary and phytosanitary rules.
SADC countries	Southern Africa Animal Diseases Control	National and regional animal health authorities	It is in its early preparation stage, for an indicative cost of EUR 20,000,000 . Implementation is targeted for early 2002 .	It is designed to reinforce the capacities of the countries in the region to control animal diseases (epizootics), to monitor the circulation of animals and animal products and to exchange epidemiological information at national, regional and international (OIE) levels.
Egypt	Potato Brown Rot Project - Phase I	Gov. phytosanitary control authorities, potato growers associations, potato exporters	Euro 650,000 Project completion: Dec. 2000	Establish the capacity to control potato brown rot disease through the transfer of know-how (TA) training and procurement of equipment.
Egypt	Potato Brown Rot Project - Phase I	Gov. phytosanitary control authorities, farmers, extension service, packing stations, exporters	Euro 2,000,000 2001-2005	The establishment of an epidemiological system for the sustainable control of Potato Brown Rot disease. Provision of TA, training and equipment.
Yemen	Strengthening of Yemen's Fishery Products Quality Control System	Gov. authorities, exporters of fishery products, fishery industry, fisheries co-operative	EUR 200,000 completed during first half of 2001	To enable Yemen's fishery product, quality control system to maintain regulatory compliance requirements of key markets.
Regional (Egypt, Israel, Jordan and West Bank Gaza)	Regional Animal Health Programme	Veterinary services	EUR 1,400,000	To promote a closer co-operation of the national veterinary services in the region in order to improve the animal health situation and make the control of animal diseases more cost efficient.
Jamaica, Cameron, Zambia and Ethiopia	Four seminars on SPS and trade-related issues organized by FAO and financed by DG Dev.			