

Commission Regulation (EC) No 1424/2007 of 4 December 2007 amending Regulation (EC) No 2304/2002 implementing Council Decision 2001/822/EC on the association of the overseas countries and territories with the European Community and allocating the indicative amounts under the 10th European Development Fund

COMMISSION REGULATION (EC) No 1424/2007

of 4 December 2007

amending Regulation (EC) No 2304/2002 implementing Council Decision 2001/822/EC on the association of the overseas countries and territories with the European Community and allocating the indicative amounts under the 10th European Development Fund

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 2001/822/EC on the association of the overseas countries and territories with the European Community (Overseas Association Decision)<sup>(1)</sup>, and in particular Article 23 thereof,

Having regard to Commission Regulation (EC) No 2304/2002 of 20 December 2002 implementing Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories with the European Community (Overseas Association Decision)<sup>(2)</sup>,

Having regard to the Internal Agreement between the Representatives of the Governments of the Member States meeting within the Council on the financing of Community aid under the multiannual framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies<sup>(3)</sup> (hereinafter referred to as Internal Agreement establishing the 10th EDF),

Having regard to the Financial Regulation applicable to the 10th EDF<sup>(4)</sup>,

Whereas:

- (1) The provisions of Regulation (EC) No 2304/2002 adopted pursuant to Article 23 of the Overseas Association Decision should be brought into line with the amendments to that Decision, in the light of the newly established 10th European Development Fund (hereinafter referred to as 10th EDF). They should also be brought into line with the revision of the corresponding Articles in Annex IV of the Partnership Agreement between, on the one hand the members of the African, Caribbean and Pacific Group of States, and on the other hand the European Community and its Member States, signed in Cotonou on 23 June 2000<sup>(5)</sup> (the ACP-EC Partnership Agreement).
- (2) Taking into account the specific needs, capabilities and constraints of the overseas countries and territories (hereinafter referred to as OCTs), 10th EDF financial assistance

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to the OCTs should be granted as budgetary support, provided the OCTs management of public expenditure presents sufficient transparency, accountability and effectiveness. In addition, the public procurement procedures of the OCTs should satisfy the standards of the 10th EDF Financial Regulation as to transparency and openness. On the basis of the experience acquired under the 9th EDF, 10th EDF financial assistance should only in exceptional circumstances be provided as support for projects or programmes, namely when the conditions for budgetary support are not met.

- (3) As a condition for their adoption, it should be verified that the Single Programming Documents (SPDs) contain all the elements required for the Commission to take the financing decision referred to in Article 20(4) of the Overseas Association Decision.
- (4) In accordance with Article 3(1) of Annex II Aa to the Overseas Association Decision, the SPDs should, where appropriate, pay particular attention to actions aimed at strengthening the governance and the institutional capacities of the beneficiary OCTs and, where relevant, to the likely timetable of the envisaged actions, including in the financial, tax and judicial areas.
- (5) Provision should be made for the programming of the allocation under the 10th EDF to support regional cooperation and integration, with a view to enhancing the resilience of the OCTs in coping with the challenges that they are facing as small island micro-economies, for example by means of regional disaster preparedness and mitigation initiatives. In this connection, coordination should be ensured in particular between support for regional cooperation and integration and support at territorial level. Special attention should also be paid to cooperation between the OCTs, the ACP States and, in coordination with other Community financial instruments, the outermost regions referred to in Article 299(2) of the Treaty.
- (6) The indicative amounts allocated to the beneficiary OCTs under the 10th EDF should be determined in accordance with Article 3(5) of Annex II Aa to the Overseas Association Decision.
- (7) The measures provided for in this Regulation have been subject to consultation with the OCTs.
- (8) The measures provided for in this Regulation are in accordance with the opinion of the EDF-OCTs Committee established by Article 24 of the Overseas Association Decision,

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EC) No 2304/2002 is amended as follows:

1. Article 1 is replaced by the following:

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## *Article 1*

### **Subject matter**

This Regulation lays down the procedures for the programming, implementation and control of the Community financial assistance to the overseas countries and territories (OCTs) managed by the Commission under the Tenth European Development Fund (EDF), in accordance with the provisions of the Overseas Association Decision and the Financial Regulation applicable to the 10th EDF.

2. Article 3 is replaced by the following:

## *Article 3*

### **Territorial programming**

Operations financed by non-repayable aid under the 10th EDF within the framework of the Overseas Association Decision shall be programmed as soon as possible after the entry into force of the Internal Agreement establishing the 10th EDF by means of the adoption of an SPD following the model in the Annex to this Regulation.

3. Article 4 is replaced by the following:

## *Article 4*

### **Preparation of the SPD**

- 1 The competent OCTs authorities shall prepare a proposal for the SPD following consultations with the widest possible range of stakeholders in the development process, and shall draw on lessons learned and best practices.

Each proposal for an SPD shall be adapted to the needs and specific circumstances of each OCTs. It shall identify results-oriented indicators to be monitored and promote local ownership of cooperation programmes.

- 2 The proposal for the SPD shall be the subject of an exchange of views between the OCTs and Member State concerned and the Commission, via, if applicable, the relevant Delegation.

The OCTs shall provide all the necessary information, including the results of any feasibility studies, to make the appraisal of the draft SPD by the Commission as effective as possible.

- 3 The 10th EDF financial allocation shall in principle be provided as budgetary support, save in exceptional and duly justified circumstances.

Where the conditions for budgetary support are not met, the SPD shall provide for measures to create the conditions for budgetary support.

Any divergences between the OCTs's own analysis and the Community's shall be noted.

4. Article 5 is replaced by the following:

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## Article 5

### Appraisal of the SPD by the Commission

The Commission shall appraise the proposal for the SPD to determine whether it contains all the elements required and is consistent with the aims of the Overseas Association Decision, of this Regulation and of the relevant Community policies.

The Commission shall also appraise the proposal for the SPD to determine whether it contains all the elements required for the Commission to take the financing decision referred to in Article 20(4) of the Overseas Association Decision.

It shall inform the European Investment Bank of the draft received.

Without prejudice to Article 4(3), the Commission shall decide whether 10th EDF financial assistance is to be granted as budgetary support, subject to a preliminary assessment of the transparency, accountability and effectiveness of public expenditure management and of the openness and transparency of public procurement in accordance with the standards set out in the Financial Regulation applicable to the 10th EDF, or is to be granted as support for programmes or projects.

5. Article 6 is replaced by the following:

## Article 6

### Regional programmes

1. Articles 3 to 5 shall apply *mutatis mutandis* to the financial support for regional cooperation and integration under Article 3(2) of Annex II Aa to the Overseas Association Decision.

In its assessment of the proposals, the Commission shall take particular account of the anticipated impact on the integration of the beneficiary OCTs within the region to which they belong.

As far as possible, coordination shall be ensured with programmes at territorial level and with actions involving ACP countries and/or the outermost regions referred to in Article 299(2) of the Treaty. This may involve the identification of the priorities and specific resources for the purpose of strengthening cooperation with ACP countries and/or outermost regions, and the modalities for identifying and coordinating the selection of common interest actions.

Commitment of expenditure shall be preceded by a Commission financing decision covering support for projects and programmes.

2. In order to achieve an adequate scale and to increase efficiency, regional and territorial funds may be mixed for financing regional programmes with a distinct territorial component.
3. Articles 8 and 16 to 30 apply to regional programmes *mutatis mutandis*.
6. Article 7 is replaced by the following:

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## Article 7

### Use of the reserve

1 The Commission shall allocate resources from reserve B for the purposes referred to in Article 3(4)(b) of Annex II Aa to the Overseas Association Decision on the basis of the mid-term review referred to in Article 22 of this Regulation. The Commission shall adjust the indicative amounts already allocated accordingly and inform the OCTs and the Member States of its decision regarding the new allocations.

2 For the purposes of committing the resources provided for in Article 28 and Annex II D of the Overseas Association Decision, any OCTs which considers itself to be eligible for the support provided for therein shall submit a complete request on the forms made available by the Commission and include all the information needed for it to be assessed.

The request shall be submitted to the Commission at the latest by the end of the year following the year for which the additional support is required.

The Commission shall inform the OCTs within the shortest possible time of its decision.

7. Article 8 is replaced by the following:

## Article 8

### Commitments

1 Expenditure on financial assistance for the OCTs shall be committed by the Commission in accordance with the Financial Regulation applicable to the 10th EDF.

2 Within the scope of the SPD, commitment of expenditure shall be preceded by a Commission financing decision covering in principle budgetary support, save in exceptional and duly justified circumstances.

3 Outside the scope of the SPD, expenditure under the non-allocated reserve B set aside in accordance with Article 3(4) of Annex II Aa to the Overseas Association Decision shall be committed by the Commission and implemented in accordance with the Financial Regulation applicable to the 10th EDF.

8. Article 9 is replaced by the following:

## Article 9

### Paying agents

The financial institutions in the OCTs with which the Commission opens accounts in accordance with the Financial Regulation applicable to the 10th EDF for the purposes of implementing cooperation with the OCTs shall exercise the functions of "Paying Agents".

Interest shall be payable on funds deposited with Paying Agents in the Community.

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The Paying Agents shall receive no remuneration for their services and no interest shall be payable on deposited funds.

9. Article 10 is replaced by the following:

*Article 10*

**General regulations for contracts**

- 1 The procedures governing the award of contracts shall be indicated in the financing agreements.

- 2 Where financial assistance is granted by means of budgetary support, the procedures for public procurement of the OCTs in question shall apply.

- 3 In all other cases, award of contract shall follow the applicable provisions of the Financial Regulation applicable to the 10th EDF.

10. Article 13 is replaced by the following:

*Article 13*

**Delegations**

- 1 Where the Commission is represented by a Delegation under the authority of a Head of Delegation, it shall inform the OCTs concerned accordingly. In such cases, the provisions of the Financial Regulation applicable to the 10th EDF concerning authorising officers and accounting officers by subdelegation shall apply.

- 2 The Head of Delegation shall be the main contact for the different actors of cooperation in the OCTs concerned. He shall cooperate and work closely with the Territorial Authorising Officer.

- 3 The Head of Delegation shall have the necessary instructions and delegated powers to facilitate and expedite all operation under this Regulation.

- 4 On a regular basis, the Head of Delegation shall inform the OCTs authorities of Community activities which may directly concern cooperation between the Community and the OCTs concerned.

11. Article 14 is replaced by the following:

*Article 14*

**Territorial Authorising Officer**

- 1 The Government of each OCTs shall appoint a Territorial Authorising Officer to represent it in all operations financed from the resources of the EDF managed by the Commission and the Bank. The Territorial Authorising Officer shall appoint one or more deputy Territorial Authorising Officers to replace him when he is unable to carry out his duties and shall inform the Commission of this appointment. Wherever the conditions regarding institutional capacity and sound financial management are met, the Territorial Authorising Officer may delegate his

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functions for implementation of the programmes and projects concerned to the body responsible within the OCTs administration. The Territorial Authorising Officer shall inform the Commission of any such delegation.

When the Commission becomes aware of problems in carrying out procedures relating to the management of EDF resources, it shall, in conjunction with the Territorial Authorising Officer, make all contacts necessary to remedy the situation and take any appropriate steps.

The Territorial Authorising Officer shall assume financial responsibility only for the executive tasks entrusted to him.

Where EDF resources are managed in a decentralised way and subject to any additional powers that might be granted by the Commission, the Territorial Authorising Officer shall:

- a be responsible for the coordination, programming, regular monitoring and annual, mid-term and end-of-term reviews of implementation of cooperation, and, if applicable, for coordination with donors;
- b in close cooperation with the Commission, be responsible for the preparation, submission and appraisal of programmes and projects;
- c prepare tender dossiers and, where appropriate, the documents for calls for proposals;
- d submit tender dossiers and, where appropriate, documents for calls for proposals, to the Commission for approval before launching invitations to tender and, where appropriate, calls for proposals;
- e in close cooperation with the Commission, launch invitations to tender and, where appropriate, calls for proposals;
- f receive tenders and, if applicable, proposals, and transmit copies of tenders to the Commission; preside over the opening of tenders and decide on the results of their examination within the period of validity of the tenders, taking account of the time required for approval of contracts;
- g invite the Commission to the opening of tenders and, if applicable, proposals and notify the Commission of the results of the examination of tenders and proposals for approval of the proposals for the award of contracts and grants;
- h submit contracts and programme estimates and any addenda thereto to the Commission for approval;
- i sign the contracts and addenda thereto approved by the Commission;
- j clear and authorise expenditure within the limits of the funds assigned to him; and
- k during the execution operations, make any adaptation arrangements necessary to ensure the proper execution of approved programmes or projects from the economic and technical viewpoint.

2 The Territorial Authorising Officer shall, during the execution of operations and subject to the requirement to inform the Commission, decide on:

- a technical adjustments and alterations to programmes and projects in matters of detail so long as they do not affect the technical solution adopted and remain within the limits of the reserve for adjustments provided for in the financing agreement;
- b changes of site for multiple-unit programmes or projects where justified on technical, economic or social grounds;
- c imposition or remission of penalties for delay;

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- d acts discharging guarantors;
- e purchase of goods, irrespective of their origin, on the local market;
- f use of construction equipment and machinery not originating in the OCTs, Member States or ACP States provided there is no production of comparable equipment and machinery in the OCTs, Member States or ACP States;
- g subcontracting;
- h final acceptance, provided that the Commission is present at provisional acceptance, endorses the corresponding minutes and, where appropriate, is present at the final acceptance, in particular where the extent of the reservations recorded at the provisional acceptance necessitates major additional work; and
- i hiring of consultants and other technical assistance experts.

3

In addition the Territorial Authorising Officer shall:

- a draw up and, after obtaining the approval of the Monitoring Committee, submit to the Commission the annual implementation report;
- b carry out the mid-term review referred to in Article 22;
- c ensure that those bodies taking part in the management and implementation of EDF programmes maintain either a separate accounting system or an adequate accounting code for all transactions relating to the assistance; and
- d take any necessary measures to ensure the implementation of Articles 16, 19, 24 and 30.

4

When the annual implementation report referred to in Article 21 is submitted, the Commission and the Territorial Authorising Officer shall review the main outcomes of the previous year.

After this review, the Commission may make comments to the Territorial Authorising Officer. The Territorial Authorising Officer shall inform the Commission of any action taken on these comments. Where in duly substantiated cases the Commission considers that the measures taken are inadequate, it may make recommendations to the OCTs and the Territorial Authorising Officer for adjustments aimed at improving the effectiveness of the monitoring or management arrangements, together with the reasons for any such recommendations.

On receiving any such recommendations, the Territorial Authorising Officer shall subsequently demonstrate the steps taken to improve the monitoring or management arrangements or shall explain why no such steps have been taken.

12. Article 22 is replaced by the following:

*Article 22*

**Mid-term review**

1

The mid-term review shall be organised to examine the initial results of the SPD, their relevance and the extent to which the targets have been attained.

It shall also assess the use made of financial resources and the operation of monitoring and implementation.



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2 The mid-term review shall be carried out under the responsibility of the Commission, in cooperation with the Territorial Authorising Officer and the Member State concerned.

The mid-term review shall be carried out in general between 30 and 42 months after the entry into force of the Internal Agreement establishing the 10th EDF.

A different deadline may be set in the SPD, in particular in respect of the indicators adopted in the case of budgetary support.

The mid-term review shall be carried out by an independent assessor, submitted to the Monitoring Committee and then sent to the Commission.

3 The Commission shall examine the relevance and quality of the review on the basis of criteria defined in the SPD, including in respect of the EDF financial allocation.

13. Article 27 is replaced by the following:

#### *Article 27*

### **Adaptation of EDF allocations**

Using the results of monitoring, audit and evaluations as a basis and taking account of the comments of the Monitoring Committee, the Commission may adjust the amounts and conditions of the initial SPD on its own initiative or on a proposal from the OCTs concerned in the light of the current needs and performance of that OCTs and taking due account of the latest available statistical data for that OCTs.

This adaptation shall normally take place on the occasion of the mid-term review referred to in Article 22 or, in the case of irregularities, in the shortest possible time, in accordance with the procedure laid down in Article 24 of the Overseas Association Decision.

14. Article 29 is replaced by the following:

#### *Article 29*

### **Recovery and repayments**

1 Any repayment due to be made to the Commission shall be made by the due date indicated in the order for recovery drawn up in accordance with the Financial Regulation applicable to the 10th EDF. This due date shall be the last day of the second month following the issuing of the order.

2 Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date referred to in paragraph 1 and ending on the date of actual payment. The rate of such interest shall be one and a half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls.

3 The Territorial Authorising Officer shall keep an account of amounts recoverable from payments of Community assistance already made, and ensure that the amounts are recovered without unjustified delay.

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The beneficiary shall repay any amount to be recovered, together with interest received on account of late payment, by deducting the amounts concerned from its next statement of expenditure and request for payment to the Commission, or, where this is insufficient, by making a refund to the Community.

The Territorial Authorising Officer shall send the Commission a statement once a year of the amounts awaiting recovery at that date, classified by the year of initiation of the recovery proceedings.

15. The Annex is replaced by a new Annex, the text of which is set out in the Annex to this Regulation.

#### *Article 2*

In accordance with Article 3(5) of Annex II Aa to the Overseas Association Decision, the indicative amounts allocated under the 10th EDF shall be the following:

(EUR in millions)	
<b>OCTs</b>	<b>10th EDF indicative allocation</b>
New Caledonia	19,81
French Polynesia	19,79
Wallis and Futuna	16,49
Mayotte	22,92
St Pierre and Miquelon	20,74
Aruba	8,88
Netherlands Antilles	24
Falkland Islands	4,13
Turks and Caicos	11,85
Anguilla	11,7
Montserrat	15,66
Saint Helena and dependencies (Ascension, Tristan da Cunha)	16,63
Pitcairn	2,4
<b>Regional cooperation and integration</b>	40
<b>Non-allocated B reserve</b>	15

#### *Article 3*

This Regulation shall be published in the *Official Journal of the European Union*.

This Regulation shall enter into force on the day of the entry into force of the Internal Agreement establishing the 10th EDF.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

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Done at Brussels, 4 December 2007.

*For the Commission*

Louis MICHEL

*Member of the Commission*

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## ANNEX

## ANNEX

### **STANDARD STRUCTURE FOR SINGLE PROGRAMMING DOCUMENTS FOR OVERSEAS COUNTRIES AND TERRITORIES UNDER THE 10TH EDF**

The full text, including the executive summary and chapters 1 to 6, should be limited to at most 15 pages (Word Count) plus annexes.

#### PART A:

#### **COOPERATION STRATEGY**

##### Executive summary

SPDs should begin with a half-page executive summary. This should include the major political, institutional, economic, social or environmental challenges for the OCTs in the medium and long term, the main objective of the SPD, the principal reasons for the choice of focal area and the overall distribution of funds.

##### Chapter 1:

#### **EC cooperation objectives**

In this section, the broad EC cooperation objectives are explicitly stated, as determined by the EC Treaty, the Overseas Association Decision, international agreements and the recent Statement on EC Development Policy.

##### Chapter 2:

#### **Assessment of the political, economic, social and environmental situation**

Major domestic policy developments/issues and relevant aspects of the external context should be covered, including the political situation, trade aspects, the economic and social situation, environmental aspects and, finally, the sustainability of current policies and medium-term challenges.

This should be an analytical and not merely descriptive exercise. The analysis should be dialogue-driven, prepared in close cooperation with other donors (if applicable) and involving non-governmental actors.

Wherever relevant, special attention should be paid to the implementation of international good governance principles in the financial, tax and judicial areas, and to the extent and the calendar of reforms in this connection.

In the same way, special attention should be paid to the availability of up-to-date statistical data.

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### Chapter 3:

#### **Policy agenda of the OCTs**

This section should provide a concise statement of the aims and objectives of the government, as set out in official policy documents, in medium- or long-term plans, reform strategies or development programmes. This should be completed by an indication as to how the government proposes to achieve these objectives.

### Chapter 4:

#### **Assessment of past and ongoing EC cooperation**

This section should contain a brief account of the results and “lessons learnt” from past and ongoing EC cooperation. Recommendations from relevant evaluations of the OCTs, specific sectors or projects should be considered.

A coherence paragraph (EC policy mix) should assess the linkages between the SPD and other Community policies, resources and instruments. Programmes of EU Member States and other donors (if applicable) should be outlined. Particular attention should be paid to coordination between territorial and regional programmes and to cooperation with ACP countries and the outermost regions referred to in Article 299(2) of the Treaty.

### Chapter 5:

#### **Response strategy**

This section should set out the strategic choices for EC cooperation, specifying on which area/sector assistance will concentrate. That choice should flow logically from:

- EC policy objectives,
- an analysis of the OCTs situation and its development strategy, determining the relevance and sustainability of the support strategy,
- conclusions reached in the context of any policy mix/coherence analysis exercise,
- the indicative volume of funds available,
- lessons learnt from past and ongoing EC activities,
- complementarity with assistance from other major donors and the OCTs Government’s own programmes. Community assistance should be focused in areas where it has comparative advantages or particular expertise.

This section should also contain a concise institutional capacity assessment and, where appropriate address the possible needs for institutional and capacity development actions, or, if necessary, support for actions to strengthen governance, including in the financial, tax and judicial areas wherever relevant.

Where support for programmes or projects is proposed as the financing modality, the exceptional and duly justified circumstances that would not allow assistance to be provided as budgetary support should be described. If the conditions for budgetary support are not met, a description should be provided of which measures will be carried out to ensure that the conditions for budgetary support are created.

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## PART B:

### TERRITORIAL PROGRAMME

#### Chapter 6:

#### Territorial programme

This Chapter is a presentation of the OCTs territorial programme, which is based on and fully consistent with the strategic analysis. The territorial programme is an integral part of the SPD and should be composed of the following sections:

#### OPTION SECTOR POLICY SUPPORT PROGRAMME

A:

#### IDENTIFICATION

Title			
Total cost	<i>Specify: EC contribution and if applicable contribution of the beneficiary OCTs (and of other donors, if applicable)</i>		
Aid method/ management mode	Sector Policy Support Programme: — sector budget support (centralised management), — pool fund (centralised (direct or indirect)/decentralised/or joint management), — project mode (centralised (direct or indirect)/decentralised/ joint management).		
DAC-code		Sector	

#### 1. Rationale and OCTs context Economic and social situation

Key conclusions from the assessment of the macroeconomic situation, in particular the medium to long term outlook.

If budget support is used as financing modality, indicate the following:

- macroeconomic situation: structure of GDP; recent economic performance and expected trends, covering GDP growth and inflation; public finances, fiscal deficit, debt burden and amount of arrears; share of spending in key sectors; balance of payments current and capital account, reserves; monetary situation; role of external assistance in the economy; relationship with the International Monetary Fund,
- profile and trends in poverty: evolution of real GDP per head of population; consistency between rate of growth and challenge of poverty reduction; results of poverty surveys; situation of main social indicators compared to other countries; evolution of indicators of recent years (where available),
- that the relevant eligibility criterion for Budget Support is fulfilled, namely that a sufficiently stable macroeconomic situation exists.

Cooperation policy of the beneficiary OCTs

Main policy, strategic priorities and orientations:

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- the main features of national development policy and strategy (analysis of current situation, statement of policy and strategy, action plan(s), medium-term financial perspectives and budget, performance measurement, monitoring and evaluation),
- the realism of the policy and strategy (for example links between growth and poverty reduction, strategic orientations),
- ownership of policy and strategy by Government in general and sector Ministry specifically.

#### Government Sector Programme

Origin and status of the Government sector programme:

- main findings of the assessment of the sector policy and the sector budget and its medium-term financial perspectives (if available) as well as the link with the territorial strategic framework,
- assessment of the institutional capacity,
- overall framework for monitoring implementation of sector policies and strategies.

If budget support is used as a financing modality, provide key conclusions on the assessment of public financial management:

- the quality of the existing public financial management system including any specific public financial management sector issues and reforms,
- an assessment of the process of improvements in public financial management.

If budget support is used, indicate that the relevant eligibility criteria are fulfilled:

- a well defined sector policy and,
- a well defined programme to improve public financial management.

Lessons learnt

Reference to reviews, assessments, monitoring results and evaluations of relevant previous actions.

Complementary actions

General overview of ongoing EC actions, actions of other donors and/or of the beneficiary OCTs complementary to the present one.

Donor coordination

Description of the coordination process with the beneficiary OCTs and/or other donors, notably Member States.

## 2. Description

Objectives and expected results

Objectives and key elements of the Government sector programme and the objectives of the present Sector Policy Support Programme in relation to that programme.

Results anticipated from the Government sector programme and from the Sector Policy Support Programme; specific activities to be undertaken under the Sector Policy Support Programme.

Stakeholders

Description of main stakeholders, including beneficiaries; consultation of civil society and other partners; ownership and assessment of institutional capacity.

Risks and assumptions

Identification of main risks and overview of mitigating measures; elements evidencing the sustainability of the proposed action. If Budget Support is used as the financing modality, risks with respect to eligibility criteria should be mentioned.

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## Crosscutting issues

Environmental sustainability, gender equality, good governance and human rights.

### 3. Implementation issues

#### Implementation method

Choose the relevant option in accordance with the selected financing modality:

- centralised management,
- joint management through the signature of an agreement with an international organisation,
- decentralised management through the signature of a financing agreement with an OCTs (in case of partly centralised implementation and partly decentralised implementation, use this option).

In case of decentralisation of procurement contracts and grant award procedures:

- the Commission controls *ex ante* the contracting procedures for procurement contracts > EUR 50 000 and *ex post* for procurement contracts < EUR 50 000,
- or
- the Commission controls *ex post* the contracting procedures (full decentralisation can only be chosen if the criteria of decentralisation set out in the Financial Regulation are fully met).

In case of decentralisation of payments (only possible where the award procedures for the relevant contracts have been decentralised):

- through the programme estimates, payments are decentralised for operating costs and contracts up to the following ceilings,

<b>Works</b>	<b>Supplies</b>	<b>Services</b>	<b>Grants</b>
< EUR 300 000	< EUR 150 000	< EUR 200 000	≤ EUR 100 000

or

- the payments are fully decentralised (full decentralisation can only be chosen if the criteria of decentralisation set out in the Financial Regulation are fully met).

#### Procurement and grant award procedures

The following is to be inserted without modification for those activities for which EC procedures apply: “All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.”

The following is to be inserted without modification if the agreement with an international organisation foresees the use of its own rules and procedures, which comply with the international standards set: “All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.”

If rules and procedures other than EC procedures apply, these procedures should be specified and fulfil criteria set out in the Financial Regulation.

Budget and calendar



*Status: Point in time view as at 04/12/2007.*

*Changes to legislation: There are currently no known outstanding effects for the Commission Regulation (EC) No 1424/2007. (See end of Document for details)*

Indicative breakdown of overall amount by main components, including evaluation, audit and visibility. Where appropriate, specify also the contribution of the beneficiary OCTs per budget item and whether this contribution is in kind or in cash.

Where possible, indicate proportions of financing reserved for grants and for procurement contracts; for contracts, indicate type of procurement (services, supply, works), and for grants, indicate the main category of intended beneficiaries.

If applicable: Give indicative timeframe for launching the procurement procedures or the call for proposals.

If budget support is used as the financing modality, provide indicative calendar for disbursements in months, distinguishing between fixed and variable tranches, where appropriate.

Indicate operational duration indicated in months as from signature of Financing Agreement (contract or other implementing agreement if no Financing Agreement is signed).

Performance monitoring and criteria for disbursement

Description of performance monitoring arrangements.

Performance indicators for the Sector Policy Support Programme; coherence with the overall government sector programme performance assessment framework; process of performance monitoring; means of verification; steps to strengthen performance measurement (as appropriate).

Where budget support or pool funding is chosen as the financing modality: general conditions for disbursement of all tranches; areas in which specific conditions for disbursement of individual tranches will be defined.

Input, output, outcome, and, as far as possible, impact indicators should be identified for policy areas covered by the focal area. Indicators should take into account the SMART criteria (specific, measurable in the short/medium term, achievable, realistic and time-bound) and include a starting level, a target and a clear time-horizon, to allow for comparisons at the time of annual, mid- and end-of-term reviews.

Evaluation and audit

Description of evaluations (mid-term, final, *ex post*) and audit arrangements.

Communication and visibility

Description of communication and visibility activities.

OPTION GENERAL BUDGET SUPPORT

B:

#### IDENTIFICATION

<b>Title</b>			
Total cost	<i>EC contribution</i>		
Aid method/ management mode	General budget support — centralised management		
DAC-code		Sector	

1. Rationale and OCTs context

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## Economic and social situation

Macroeconomic situation: structure of GDP; recent economic performance covering GDP growth and inflation; public finances, fiscal deficit, debt burden and amount of arrears; share of spending in key sectors; balance of payments current and capital account, reserves; monetary situation; role of external assistance in the economy; summary of the main past and expected trends in macroeconomic variables; description of the relationship between the partner country and the International Monetary Fund; any special topics of macroeconomic interest specific to the OCTs.

Profile and trends in poverty: evolution of real GDP per head of population; consistency between rate of growth and challenge of poverty reduction; results of poverty surveys; situation of main social indicators compared to other countries; evolution of indicators of recent years (where available).

Indicate that the relevant eligibility criterion for budget support is fulfilled, namely that a stability-oriented macroeconomic policy is in place or under implementation and that this policy should be supported by the EC.

### Cooperation policy and strategy of beneficiary OCTs

#### Main policy and strategic priorities and orientations:

- OCTs policy and strategy:
  - the main features of the OCTs policy and strategy (analysis of current situation, statement of policy and strategy, action plan(s), medium-term financial perspectives and budget, performance measurement, monitoring and evaluation),
  - realism of the policy and strategy (for example links between growth and poverty reduction, strategic orientations),
  - ownership of policy and strategy;
- performance measurement: the existence of a monitoring process with performance indicators to measure achievement of objectives; coherence with the Millennium Development Goals and political and economic approximation to the EU; existence of a programme to ensure the quality of performance indicators used,
- indicate that the relevant eligibility criterion for budget support is fulfilled, namely that a well defined development or reform policy and strategy is in place or under implementation and this policy should be supported by the EC.

### Sector policies (where appropriate)

Overview of the characteristics of the main sectors and the sector policies in the priority areas addressed by this programme.

#### Public finance

##### Main public finance issues in two key areas:

- public financial management,
  - assessment of the quality of the existing Public Financial Management system,
  - assessment of the process of improvements in Public Financial Management, including the OCTs authorities' commitment to improve Public Financial Management performance; the relevance and degree of implementation of the reform strategy; the relevance and degree of coordination and implementation of the capacity development programmes in the area of public financial management,

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- indicate that the relevant eligibility criterion for budget support is fulfilled, namely that a credible and relevant programme to improve the management of public finances exists;
- national budget and medium-term financial perspectives: the size of budget support in relation to the budget; the type and coverage of the budget (including structure of budget income and expenditure; coherence between OCTs policy and strategy and budget allocations and expenditure; budget strategy (including fiscal sustainability, debt sustainability, budget rules, financing strategies); any work on value for money; and status of any medium-term financial perspectives (including coverage, extent of integration or not into budget process, extent of reorientation in line with policies and strategies).

#### Lessons learnt

Summary of lessons learnt, including results of reviews, assessments, monitoring and evaluations of previous actions relevant to this specific programme.

#### Complementary actions

General overview of ongoing EC actions, actions of other donors and/or of the beneficiary OCTs complementary to the present one.

#### Donor coordination

Description of the coordination process with the beneficiary OCTs and/or other donors, notably Member States.

## 2. Description

### Objectives

Overall Objectives: derived from the OCTs policy and strategy, this usually covers a contribution to broad development objectives and Millennium Development Goals, such as growth, poverty reduction, security and good neighbourliness, integration in the world economy, economic partnership.

Purpose (specific objective): derived from the OCTs policy and strategy, this refers to particular aspects of the overall strategy. It is often related to improving macroeconomic stability, public financial management, implementation of reforms and improvements in the performance of government and social services.

#### Expected results and main activities

Expected results: this is often related to the better functioning of the public or general government sector and the goods and services it supplies, as well as improvements in the framework for public policy and public expenditure. These goods and services would be those that contribute towards the overall objectives, such as those related to poverty reduction and Millennium Development Goals.

Activities cover the issues related to policy dialogue, capacity development activities, monitoring of conditions for disbursement of budget support. Means (or inputs) will refer mainly to the financial support provided by budget support, indicating the size of this support in relation to key macroeconomic variables.

#### Stakeholders

Description of main stakeholders, including beneficiaries; consultation of civil society and other partners; ownership and assessment of institutional capacity.

#### Risks and assumptions

Identification of main risks, notably with respect to eligibility criteria and overview of mitigating measures.

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### Crosscutting issues

Environmental sustainability, gender equality, good governance and human rights.

### 3. Implementation issues

#### Budget and calendar

Total budget and indicative calendar for disbursements in months, distinguishing fixed/variable tranches where appropriate.

Operational duration indicated in months as from signature of Financing Agreement.

Budget allocations for complementary support measures for the action.

#### Budget support modalities

Specify: direct/indirect; targeted/non-targeted; medium-term/short-term policy and strategy (as appropriate).

#### Procurement and grants award procedures

Only for complementary support like technical assistance, audit, evaluation. To be inserted without modification: “All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.”

#### Performance monitoring and criteria for disbursement

Description of performance monitoring arrangements, general conditions for disbursement of all tranches, specific conditions for disbursement of individual tranches. Input, output, outcome, and, as far as possible, impact indicators should be identified for policy areas covered by the focal area. Indicators should take into account the SMART criteria (specific, measurable in the short/medium term, achievable, realistic and time-bound) and include a starting level, a target and a clear time-horizon, to allow for comparisons at the time of annual, mid- and end-of-term reviews.

#### Evaluation and audit

Description of evaluations (mid-term, final, *ex post*) and audit arrangements.

#### Communication and visibility

Description of communication and visibility activities.

### OPTION PROJECT APPROACH

C:

### IDENTIFICATION

<b>Title</b>			
Total cost	<i>Specify: EC contribution and if applicable contribution of the beneficiary OCTs (and of other donors, if applicable)</i>		
Aid method/ management mode	Project approach — centralised (direct or indirect)/decentralised/ joint management		
DAC-code		Sector	

### 1. Rationale

#### Sector context

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Characteristics and policies of concerned sector or thematic area (at regional level, where appropriate) and main problems the project is intended to address.

Lessons learnt

Reference to reviews, assessments, monitoring results and evaluations of previous actions, relevant to this specific project.

Complementary actions

General overview of ongoing EC actions, actions of other donors and/or of the beneficiary OCTs complementary to the present one.

Donor coordination

Description of the coordination process with the beneficiary OCTs and/or other donors, notably Member States.

## 2. Description

Objectives

Overall objectives and purpose (specific objective) of the EC support.

Expected results and main activities

Strategy selected to remedy identified problems the project is intended to address; description of expected results and indication of the way they will be achieved.

Stakeholders

Description of main stakeholders, including beneficiaries; consultation of civil society and other partners, where appropriate; ownership and assessment of institutional capacity.

Risks and assumptions

Identification of main risks and overview of mitigating measures, including conditions to be met prior to and during implementation; elements evidencing the sustainability of the proposed action.

Crosscutting issues

Environmental sustainability, gender equality, good governance and human rights.

## 3. Implementation issues

Implementation method

Choose the relevant option in accordance with the selected financing modality:

- centralised management,
- joint management through the signature of an agreement with an international organisation,
- decentralised management through the signature of a financing agreement with an OCTs (in case of partly centralised implementation and partly decentralised implementation, use this option).

Indicate the tasks (procurement and grant award procedures/payments) which are foreseen to be centralised or decentralised, and the contracting and paying authority(ies).

In case of decentralisation of procurement contracts and grant award procedures:

- the Commission controls *ex ante* the contracting procedures for procurement contracts > EUR 50 000 and *ex post* for procurement contracts < EUR 50 000,

or

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- the Commission controls *ex post* the contracting procedures (full decentralisation can only be chosen if the criteria of decentralisation set out in the Financial Regulation are fully met).

In case of decentralisation of payments (only possible where the award procedures for the relevant contracts have been decentralised):

- through the programme estimates, payments are decentralised for operating costs and contracts up to the following ceilings:

<b>Works</b>	<b>Supplies</b>	<b>Services</b>	<b>Grants</b>
< EUR 300 000	< EUR 150 000	< EUR 200 000	≤ EUR 100 000

or

- the payments are fully decentralised (full decentralisation can only be chosen if the criteria of decentralisation set out in the Financial Regulation are fully met).

#### Procurement and grant award procedures

The following is to be inserted without modification for those activities for which EC procedures apply: “All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.”

The following is to be inserted without modification if the agreement with an international organisation foresees the use of its own rules and procedures, which comply with the international standards set: ‘All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the International Organisation concerned.’

If rules and procedures other than EC procedures apply, these procedures should be specified and fulfil criteria set out in the Financial Regulation.

#### Budget and calendar

Indicative breakdown of overall amount by main components, including evaluation, audit and visibility. Where appropriate, specify also the contribution of the beneficiary OCTs per budget item and whether this contribution is in kind or in cash.

Where possible, indicate proportions of financing reserved for grants and for procurement contracts; for contracts, indicate type of procurement (services, supply, works), and for grants, indicate the main category of intended beneficiaries.

If applicable, give indicative timeframe for launching the procurement procedures or the call for proposals.

Foreseen operational duration indicated in months as from signature of Financing Agreement (contract or other implementing agreement if no Financing Agreement is signed).

#### Performance monitoring

Description of performance monitoring arrangements; overview of key indicators measuring progress. Input, output, outcome, and, as far as possible, impact indicators should be identified for policy areas covered by the focal area. Indicators should take into account the SMART criteria (specific, measurable in the short/medium term, achievable, realistic and time-bound) and include a starting level, a target and a clear time-horizon, to allow for comparisons at the time of annual, mid- and end-of-term reviews.

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## Evaluation and audit

Description of evaluations (mid-term, final, *ex post*) and audit arrangements.

Communication and visibility

Description of communication and visibility activities.

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- (1) [OJ L 314, 30.11.2001, p. 1](#). Decision as amended by Decision 2007/249/EC ([OJ L 109, 26.4.2007, p. 33](#)).
- (2) [OJ L 348, 21.12.2002, p. 82](#).
- (3) [OJ L 247, 9.9.2006, p. 32](#).
- (4) Not yet published — COM(2007) 410 final, 16.7.2007.
- (5) [OJ L 317, 15.12.2000, p. 3](#). Agreement as last amended by Decision No 1/2006 of the ACP-EC Council of Ministers ([OJ L 247, 9.9.2006, p. 22](#)).



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