

# Practical Guide to procedures for programme estimates financed by the EDF et the BUDGET (project approach)

Information Session

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## Guide for programme estimates

EuropeAid

= Instrument allowing a more decentralised financial implementation of the projects financed by the EC

### Topics of this session:

- Summary of the current situation concerning decentralised management of EC external actions
- Description of the different forms of decentralised operations
- Definition of programme estimates

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- **Methods of financial implementation of the Community resources (external actions) by the European Commission:**
  - **Centralised management (direct/indirect)**
  - **Joint management with international organisations**
  - **Decentralised management**

**Where Community resources are implemented by decentralised management, financial implementation tasks shall be delegated by the European Commission to the beneficiary countries.**

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## Decentralised management – Criteria to be applied by the beneficiary countries (1):

- **transparent procurement and grant-award procedures which are non-discriminatory and exclude any conflict of interest**
- **an effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorising officer and accounting officer**

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### Decentralised management – Criteria to be applied by the beneficiary countries (2):

- an accounting system that enables the correct use of Community funds to be verified
- an independent external audit exercised by a national institution for independent external auditing
- annual ex post publication of beneficiaries of Community funds

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**In most cases**, the European Commission undertakes the financial implementation of Community resources by means of partially decentralised management with:

- the beneficiary countries (BUDGET) in accordance with the conditions set out in the TAP attached to the financing agreements
- the ACP States (EDF) in accordance with the conditions set out in the Cotonou Agreement (9th & 10th EDFs) and the Lomé Conventions (previous EDFs).

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## In broad terms:

- **contracts are concluded** and managed by representatives of the **beneficiary countries**, by applying the procedures laid down in the **Practical Guide to contract procedures for EC external actions**
- whereas the corresponding **payments** are **made by the European Commission**

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In the cases set out in the **Practical Guide to procedures for programme estimates**, the **payments may be made** by the representatives of the **beneficiary countries**, by applying the procedures laid down in **this Practical Guide**.

Amounts of procurement contracts and grants for which **payments may be decentralised** (in equivalent EUR):

Works	Supplies	Service	Grants
< 300.000	≤ 150.000	< 200.000	≤ 100.000

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The implementation by the beneficiary countries of operations financed from Community resources is nevertheless subject to **scrutiny by the European Commission**.

Such scrutiny may be exercised by means of prior approval (**ex ante control**), **ex post control** or a **combined procedures**.

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In broad terms the European Commission makes **ex ante control** of all the important stages of **contractual procedures**.

In the cases set out in the **Practical Guide to procedures for programme estimates**, the European Commission may make **ex post control** of **contractual procedures** and of **payments**.

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- **Forms of decentralised operations concerned:**
  - **Direct decentralised operations**
  - **Public indirect decentralised operations**
  - **Private indirect decentralised operations (EDF only)**

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In the case of **direct decentralised operations**, **tasks relating to the financial implementation** of projects, delegated by the European Commission to the authorities of the beneficiary country, shall be performed directly in **public departments of this country**.

The implementation tasks can also include the performance of all or part of the foreseen activities (**tasks relating to the operational implementation**) directly by public departments of the concerned beneficiary country (**direct labour**).

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In the case of **public indirect decentralised operations**, the beneficiary country shall entrust **tasks relating to the financial implementation** of projects, delegated by the European Commission to the authorities of this country, to **bodies governed by public law or bodies governed by private law with a public-service mission**, that are of this country but legally distinct from it.

A **delegation agreement** shall be concluded by the representative of the beneficiary country with the body concerned. Prior to its signature, it must be approved by the Head of Delegation.

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For EDF only: in the case of **private indirect decentralised operations**, the ACP State shall entrust **tasks relating to the financial implementation** of projects, delegated by the European Commission to the NAO, to **bodies governed by private law**, that are legally distinct from the ACP State concerned.

A **service contract** shall be concluded by the NAO with the body concerned in accordance with the General Regulations for contracts financed by the EDF and the Practical Guide to contract procedures for EC external actions.

## Guide for programme estimates

- Implementation of decentralised operations: **by programme estimates**

The programme estimate is a document laying down:

- the **programme of measures** to be carried out and the human and material resources required,
- the corresponding **budget** and
- the **detailed technical and administrative implementing arrangements**

for decentralised financial implementation of a project over a specified period by direct labour and/or by means of public procurement and/or the award of grants.

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- **New Practical Guide available since December 2006 (to be revised by end 2008)**
- **Single Guide applicable to the EDF and to the BUDGET**
- **Introduction of BUDGET aspects and practices in the previous version applicable only to the EDF (2004)**
- **Harmonization and improvements in AIDCO procedures and management tools**