

Annex 2

Detailed projects profiles

Identification

Approved	Management Committee meeting N° 64 on 23 - 24 June 1998
Duration - for contracting	1 October 2000
- for disbursement	1 October 2001
Amount	MECU 2.85
Tendering	Central Contracting and Financing Unit
Technical implementation	Institution building: Ministry of Finance Development of statistics methodologies and the Statistical Office: Statistical Office

Programme code:

SL9803

Sector:

AD...Administration and Public Institutions

Main components

Institution building	0.85 MECU
Development of statistics methodologies and the Statistical Office	2.00 MECU

Background

The 1998 Slovene National Programme has been designed to support the country's preparations for accession to the European Union. The programming exercise is based on the short and medium-term priorities identified in the Accession Partnership and the National Programme for the Adoption of the Acquis. The 1998 programme addresses four sectors of key importance which all have immediate relevance for the accession process.

One of the four priorities involves further integration into the internal market and the reinforcement of capacity to implement the *acquis communautaire*. Particular emphasis is placed on compliance with European Union statistical requirements, the introduction of VAT and excise systems, capital movements liberalisation, alignment of the public procurement system and improvements in budget procedures and management, financial control and audit and insurance supervision.

Phare provided euro 11.5 million funding for public finance and banking sector programmes between 1992 and 1996. Focus has been on reforming the banking system, the insurance sector, customs and taxation systems, pension insurance systems and auditing standards. The Slovene National Statistical Office has benefited from assistance from the Phare Regional Programme on Statistical Cooperation, as well as euro 1.3 million under the 1995 Phare national programme for Slovenia, which concentrated on the provision of hardware, software and related training to strengthen technical capacity.

Programme objectives

The objectives of the programme are to

- set up a complete institution building programme to reinforce institutional and administrative capacity in the areas of public finance and financial sector supervision
- provide reliable and harmonised statistics, in particular in the fields of agriculture and macroeconomic statistics, to enable the effective management of the CAP and European Union structural funds.

Programme description**Institution building euro 850,000**

The aim of the programme is to reinforce capacity to adopt, implement and enforce the *acquis communautaire* in the public finance and financial sectors.

Phare will provide support, mainly through twinning arrangements with European Union Member State administrations and some technical assistance. Focus will be on

- activities to promote cooperation with European Union VAT and excise authorities to help implement the *acquis*, together with technical assistance to reorganise the Administration and prepare the system for the introduction of VAT and excise duties (including document standardisation and information systems development), as well as relevant staff training
- technical assistance to speed up the liberalisation of capital movements in line with the *acquis*, including assistance for drafting an efficient strategy to cover the sequencing and timetable for liberalisation

- activities to help public procurement authorities align, implement and enforce legislation in line with European Union requirements and familiarise themselves with European Union methods and practices, including training for purchasing officers and assistance in strengthening control mechanisms and infrastructure
- activities to familiarise budgetary and public expenditure authorities with budgetary procedures and public expenditure management techniques in the European Union, with emphasis on policy making, budgetary planning, implementation, adoption, monitoring and execution
- activities to familiarise Ministry of Finance decision makers and budget inspectors with European Union internal financial controls and inspection systems, to encourage more effective mechanisms and a well-functioning inspection system
- activities to promote cooperation with European Union insurance supervisory authorities, including exchanges of officials, to help strengthen the capacity of the Insurance Supervisory Authority.

Development of statistics methodologies and the Statistical Office euro 2,000,000

Phare will provide support for further aligning statistical methodologies with European Union requirements and for reinforcing the institutional capacity of the Statistical Office.

Methodological and technical assistance will be provided in the fields of

- agriculture, for preparing different census and surveys on producer prices, establishing data on pesticides and fertilisers, introducing harmonised typology and further developing information on land use and cover to improve the land registry and cadastre system
- finance and macroeconomics, for improving the collection and treatment of data on matters such as national accounts, financial accounts, consumer prices, balance of payments, public finance, businesses and employment
- structural funds, for improving the collection and treatment of national and regional data to enable the definition of areas eligible for assistance from the structural funds and to allow analysis of aspects of the national economy connected to structural funds operations, such as regional development, employment, training and rural development.

Phare will also work to strengthen the institutional capacity of the Statistical Office. Focus will be on helping to facilitate the data collection task, including

- staff education and training
- activities to improve the coordination of national statistics.

Implementation

Tendering, contracting and payments will be managed by the Central Financing and Contracting Unit.

The Ministry of Finance will have responsibility for the technical implementation of the component on institution building.

The Statistical Office will have responsibility for the technical implementation of the component on statistics, under the guidance and supervision of a steering committee. The committee will be composed of representatives from the Statistical Office, the Bank of Slovenia, the Ministries of Finance, Agriculture and the Interior, the Institute for Macroeconomic Analysis and Development, the Slovene Chamber of Commerce and Eurostat.

Source: web site

PHARE Romania: Programme on enterprise restructuring and employment conversion (RICOP)

Identification

Approved	Management Committee meeting N° 72 on 27 May 1999
Duration - for contracting - for disbursement	30 December 2001 30 December 2002
Amount	MEURO 100
Tendering	Severance pay: subject to a special Memorandum of Understanding involving supervision by the Ministry of Labour and Social Protection All other components: Central Financing and Contracting Unit
Technical implementation	Overall implementation: Prime Minister's Office Active employment and social response measures: Local steering committees Soft loans and partial grants for small business projects: Fund managers will be appointed in each location

Programme code:

RO9904

Sector:

SO...Social development and Employment

Main components

Redundancy intervention outplacement services and severance pay	28.0 MEURO
Public works projects to improve the local environment and create jobs	14.0 MEURO
Active employment measures to create jobs and training opportunities	9.0 MEURO
Strengthening of local capacity to deliver social response measures	10.0 MEURO
Soft loans and partial grants for small business projects	30.0 MEURO
Strengthening of programme implementation structures	9.0 MEURO

Background

The government of Romania is now at an advanced stage in negotiating agreements with the World Bank and IMF for the provision of macroeconomic assistance. The conditions for the disbursement of loans will relate in particular to reducing the level of the losses, unpaid arrears and bad debts of state-owned enterprises. It is clear that financial and labour markets will not begin to function properly until loss-making state enterprises are required to operate under normal financial and market discipline or are liquidated.

The restructuring of loss-making state enterprises has been a policy objective of governments since 1990 but progress has been limited so far. A major reason for the delay has been the concern about the potential social and economic impact of closures and job losses on regions whose economic base is inadequately diversified.

The government recognises the importance of progress in restructuring, privatising and closing down loss-making enterprises, not only to satisfy the conditions attached to macroeconomic assistance but also to create the climate for economic growth and the development of a market economy which can withstand the competitive pressures of future European Union membership.

Programme objectives

The main objectives of the programme are to

- assist the government in implementing policies and actions to restructure, privatise or close loss-making enterprises
- alleviate the consequences of enterprise closure by strengthening the social safety net and promoting employment initiatives
- encourage economic activity leading to sustainable employment creation by assisting SMEs and micro-businesses.

Programme description

The programme - RICOP - will be targeted at specific locations where enterprise closures will take place and high concentrations of redundancies will occur.

The government has drawn up a restructuring plan for specific loss-making enterprises, selected on the basis of the size of their financial deficits and arrears. This identifies the enterprises and plants at which restructuring will

take place and whether the enterprise/plant will be privatised, liquidated or divided into separate units; it also specifies the number of workers likely to be made redundant and the timing of redundancies. The government's restructuring plan and the five geographical zones where the relevant enterprises/plants are based will form the focus of RICOP.

Redundancy intervention outplacement services and severance pay Euro 28,000,000

Phare will provide Euro 1 million for technical assistance to support outplacement services. These will be designed to ensure that workers under notice of redundancy are placed in alternative employment or receive advice, support and guidance to enable them to actively seek jobs and deal with the immediate implications of redundancy. The project will involve some 5,000 individuals under notice of redundancy from enterprises listed in the government's restructuring plan.

Workers facing redundancy will receive help in

- identifying new jobs elsewhere in the region or country, appropriate training opportunities and personal skills and assets needed for establishing a micro enterprise
- obtaining information on opportunities under the RICOP programme and advice on personal credit management, social and personal services and productive applications of severance pay.

The bulk of Phare's support under this component will involve co-financing to support severance pay for some 60,000 workers. This will relieve part of the budgetary burden caused by the restructuring of major loss-making state-owned enterprises. Phare's contribution will represent up to 40 per cent of the total cost of severance payments to the specified group of workers being laid off (around Euro 465 per person). The contribution will be paid to the National Unemployment Fund following lay-offs.

Public works projects to improve the local environment and create jobs Euro 14,000,000

Phare will support the creation of short-term employment opportunities, combined with training, by providing funding for public works projects. The project will be targeted at areas and communities affected by closure and restructuring of enterprises listed in the government's restructuring plan.

The projects funded will be designed to improve the quality of life of communities suffering from industrial restructuring and improve the attractiveness of the area for inward investment. Projects selected for funding will focus on

- improvements to social housing, hospitals, vocational training establishments, schools, local transport and environmental infrastructure
- industrial site stabilisation and reclamation.

Projects will be proposed by local authorities in locations eligible for support under the programme. Project selection will be made by local steering committees established for each location.

Around 140 projects will be funded, resulting in some 4,600 work placements; at least 50 per cent of the jobs created will be filled by workers laid off under the government's restructuring plan.

Active employment measures to create jobs and training opportunities Euro 9,000,000

Phare will provide support for measures to create sustainable jobs and training opportunities for redundant workers in new or existing businesses or projects. Focus will be on delivering locally prescribed solutions aimed at diversifying the local economy and employment market.

Activities will include

- assistance and consultancy for establishing micro-businesses
- training/re-training of the workforce
- the establishment of business incubators
- the provision of wage subsidies to encourage the recruitment of redundant workers
- support for projects capable of generating sustainable employment and training opportunities in a cost-effective manner
- the provision of vocational training appropriate for new job opportunities in viable economic activities.

Activities will be implemented by entrepreneurs, training providers, associations, NGOs and other legal bodies. The project will help to create or support the creation of around 8,000 jobs and provide around 6,000 training places. Around 80 per cent of these measures will be made available to redundant workers from enterprises listed in the government's restructuring plan.

Strengthening of local capacity to deliver social response measures Euro 10,000,000

Phare will support the development of social services to help alleviate the distress caused by unemployment and maintain social stability. The project will target those hardest hit by industrial restructuring and who are severely deprived, in particular due to poverty, inappropriate housing, poor health due to work-based illnesses, poor nutrition and stress.

Subsidies will be provided for setting up and running

- around 50 social centres to provide social, medical and legal counselling, family therapy, financial advice, vocational advice, home-aid support and social canteen-type services
- around 10 reintegration centres for people with mental disorders, alcoholics and ex-offenders, including group therapy, psychological support, vocational counselling, home-aid services and hot-line advice
- around 10 emergency/crisis centres for abused children and women, homeless people and alcoholics to provide temporary shelter, hygiene and medical assistance, counselling and food.

Social infrastructure support to facilitate the functioning of social services will be eligible for financing.

The project will assist around 17,500 deprived people and will help to create some 1,300 new jobs, of which at least 900 will be filled by redundant workers or their family members.

Soft loans and partial grants for small business projects Euro 30,000,000

Phare will provide support for the creation of a range of financial schemes designed to provide practical and timely responses to the financial needs of entrepreneurs in disadvantaged areas. Support will be targeted at providing incentives for setting up and developing SME and micro-businesses in locations designated in the government's restructuring plan which will be affected by the closure/restructuring of enterprises.

The conditions of the financial schemes will be adjusted to respond to the particular economic conditions of each target location. Rigorous criteria for project selection will be applied within a flexible framework to ensure direct support to the SME and micro sectors at local level and to ensure that the new jobs created are within sustainable businesses. The project should help to create around 10,000 new jobs.

Strengthening of programme implementation structures Euro 9,000,000

Phare will provide technical assistance for strengthening the programme implementation structures.

The implementation arrangements for the programme have been designed to use existing national and local structures as far as possible, with a significant degree of flexibility to benefit from management capacity in a variety of state and non-governmental institutions.

The programme is more ambitious than previous-Phare supported activities and the challenge is increased by the necessity to ensure that implementation takes place within the time-frame of the restructuring process.

A relatively high level of technical assistance is likely to be needed by the implementation structures to ensure the timely delivery of the various programme components. A technical assistance team will be appointed to the Prime Minister's Office, which is the national implementing authority for the programme, to provide support for all aspects of the programme

Implementation

The Central Financing and Contracting Unit within the Ministry of Finance will have responsibility for tendering, contracting and payments under the programme at national and local level, with the exception of the severance pay component. The CFCU will be the contracting party for technical services to support outplacement services, active employment measures, social response measures and all other technical assistance needs (including technical assistance to support co-financing of severance payments and to provide enterprise business plans relating to restructuring or closures). The CFCU will appoint a fund manager for each target location to assess loan and grant applications for small business projects.

The European Commission's delegation must endorse all financing agreements and procurement documentation in excess of Euro 50,000.

The severance pay component is the subject of a specific Memorandum of Understanding. The European Commission's contribution will be made as partial co-financing of severance payments made by the National Unemployment Fund, which is managed by the National Agency for Employment and Training of the Ministry of Labour and Social Protection. The Ministry of Labour and Social Protection, in cooperation with the Ministry of Finance and the State Ownership Fund (through the National Agency for Employment and Training) will supervise the co-financing of the component through the National Unemployment Fund.

The public works component will be managed by the CFCU. Projects will be proposed by local authorities in the target locations and project selection will be made by local steering committees. Selection will be subject to the endorsement of the European Commission's delegation. All contracts of an expected value exceeding Euro 50,000 must be the subject of an open tendering procedure.

The Office of the Prime Minister will be the national implementing authority. It may delegate its responsibilities to the official responsible for implementing the government's restructuring plan. Certain operational responsibilities will be delegated to local steering committees. The Office will be supported by a technical assistance contract to support operational implementation. The technical assistance team appointed will provide support for all aspects of the programme, including contracting, monitoring and paying for the services of managing agents, training managing agents, project selection, project implementation, procurement support and support for outplacement services and other services essential to the programme.

A local steering committee will be established in each of the programme's target locations. The committees will be composed of the main stakeholders in each of those locations. The committees will act on behalf of the Prime Minister's Office and will approve project selection criteria and will be responsible for selecting projects. The committees will ensure local balance among the three types of measures (public works projects, active employment measures and social response measures) and will ensure that project selection is consistent with the expected output of the programme and with local development needs. The technical assistance team for the Prime Minister's Office will assist the local steering committees in performing their responsibilities and will provide expertise in the overall process of project selection and implementation. The European Commission's delegation will retain the right to make a final decision on the approval or rejection of projects.

Each local steering committee will appoint a local management agent to deal with active employment and social response measures and organise calls for expressions of interest and the initial project screening process. The technical assistance team at the Prime Minister's Office will assist the management agents and provide them with necessary training.

A fund manager will be appointed for each target location, following a tender process. Each fund manager will be responsible for assessing applications for grants and credits made by SMEs and micro-businesses for small business projects. Following approval by the relevant local steering committee, the CFCU and the European Commission delegation, the fund manager may conclude financing agreements with the selected applicants.

A national advisory committee will be established comprising representatives from relevant public bodies. It will receive reports on the technical assistance provided to the Prime Minister's Office and will provide advice and guidance to the technical assistance unit, the Prime Minister's Office and other agencies involved in implementing the programme.

A joint monitoring committee will be established, including the national authorising officer, the national aid coordinator and the European Commission's delegation. It will meet at least every six months to review all Phare-funded programmes and assess their progress in meeting the objectives set out in financing memoranda and the Accession Partnership. The Committee may recommend a change of priorities and/or the reallocation of Phare funds. The Committee will be assisted by a monitoring sub-committee which will review in detail the progress of each programme, its components and contracts and make necessary recommendations on aspects of management and design.

Source: Europa web site

Tacis support: euro 1,550,000

Main results

Market services (information, training, etc.) are available to farmers, traders and exporting companies
Concrete export promotion activities are being carried out (participation in international fairs, business trips, etc.)
Pilot actions are currently under way

Background

The development of a profitable and sustainable agricultural sector is a key element for the economic development of Moldova. It should result in a better supply of locally produced food commodities on the domestic market and in higher efficiency in the export trade.

Jointly with its local partner, the Ministry of Agriculture and Food, the Tacis project aims to assist local operators to improve the domestic and export marketing of agricultural and food products.

Project lifecycle

Market service

The Central Agricultural Market Information Bureau (CAMIP), established by the project, provides the following services.

- Market information system (MIS). The established MIS includes weekly market summaries covering 40 different products marketed in 17 retail markets and 6 wholesale points and published every Wednesday. They are widely disseminated through the media and in hard copy. Monthly summaries are given away free of charge and are used by the most market-oriented and dynamic companies as well as by farmers and farmers' associations.
- Market intelligence. A monthly market newsletter is published by the project. It includes information on external and domestic agricultural and food markets drawn from different sources. It is being circulated to all the regions and has already achieved a high demand.
- Databases on domestic suppliers (500 producers) and external companies, as well as lists of books and brochures have been established. They are used by traders and exporting companies.
- Market studies have been provided by the project for different products.
- Training on agriculture and food marketing. A manual on marketing training has been prepared in the Romanian language by the project. Seminars and workshops on marketing topics are regularly organised and positive results are beginning to emerge from them.

Export promotion support

The project supported the participation of Moldovan food firms in a trade fair in Moscow (Prodexpo, Feb. 1998) and it is preparing the Poznan fair, Poland (Oct. 1998). Business trips were also organised, in particular in Italy.

Pilot actions

Many pilot activities are under way in various sectors, namely dairy, dried fruit, wine, processed fruit and vegetables

The future

All services are still free of charge. It is therefore difficult to predict the future sustainability of project activities. Nevertheless, all sectors of the industry are now fully aware of how useful the information is. They know that this information will be charged for in the near future.

The authorities are very committed to the project and are analysing the possibility of setting up 40 regional centres to disseminate the information gained by the project investigations.

All the project activities remain to be consolidated, in particular those related to MIS and pilot activities.

Key points

The project is the only opportunity for Moldovan companies to receive relevant information about the situation on different markets free of charge. The demand for information is increasing: it is very important for the further development of businesses in Moldova.

Visibility

The Central Agricultural Market Information Bureau (CAMIB) can be visited in the Ministry of Agriculture and Food (MAF). Any user of the CAMIB's services (farmers, traders and exporting companies) can be interviewed.

Available material

Monthly market newsletter (12 issues in Romanian), weekly market summaries (newspapers and radio information). Market studies on selected products (walnuts, dairy products, processed fruit and vegetables. 29 articles on relevant products and country markets were published in English, Romanian and Russian. Manual on marketing training.

Source: Europa web site

Tacis support: euro 22,000,000
November 1993 - December 1999

Main results

23 SME DAs were established in Russia under the Tacis SME support strategy. Thanks to local public and private initiatives, this network has expanded to 47 SME DAs with the support of the Tacis Programme. All over the country, small and medium-sized businesses were given advice, managers were trained

Background

Although the need for a new private SME sector in Russia was recognised in the early 1990s, it was not until 1995 that a more consistent and coherent SME policy framework at federal level was developed. In addition, limited institutional funding was available to implement the policies. The State Committee for the Support and Development of Small Entrepreneurs was designated to promote laws and government decisions in the interest of SMEs. The Russian Small Business Support Agency in Moscow, a non-governmental joint-stock company, was established to promote the development of small businesses throughout Russia through consulting services, information, training and other support activities. Support was needed to develop a network of regional agencies offering a wide range of training and consultancy services to help establish small businesses.

Project lifecycle

The objective of establishing SME DAs is to address the consulting, advice and training needs of start-up businesses and SMEs. Some SME DAs incorporated special service centres, the Business Communication Centres (BCCs), focusing on international business communication and development. In the first stage, a network of 23 SME DAs was established all over the Russian Federation, each employing from 3 to 10 staff. Tacis support was used to train the agencies' staff and trainers, and to develop the management of the agencies. Tacis support did not cover the operational costs of the agencies. In the first two years of the project, some 300 SMEs were counselled (audit, advice, restructuring, etc.) and some 350 managers were trained through seminars. EU-Russian enterprise-to-enterprise programmes were organised. On a general level, SME best practice brochures were published and distributed, study visits to EU countries by SME policy makers were organised, and an electronic communication system (Siora-Net) was established between the agencies. The Russian Agency now takes care of the training of the Russian staff. All the agencies are independent from Tacis funding with regard to operational expenses.

The future

The effectiveness of the SME DAs varies considerably as capacities and services have developed differently. Some have managed to be profitable, while others have reached the bare minimum level of sustainability through commercial work. The future of all SME DAs mainly depends upon their ability to achieve financial self-sustainability, in particular through consulting services which often lag behind. The consolidation of the whole network of SME DAs is now becoming a short-term priority, and the Tacis strategy is to support it in the coming years (two Tacis projects launched recently are aimed at this priority). These are the keys to the long-term success of the SME DAs in Russia.

Key points

The Russian Government, in particular through the State Committee for Small Entrepreneurs, is fully supporting the development of SME DAs at national level. It continued the expansion of the network, through its own resources, up to 47 agencies around Russia. The more advanced agencies (Moscow, St Petersburg, Voronezh, Perm, Barnaul, etc.) are financially sustainable.

Visibility

The premises of any of the 47 SME DAs can be visited and the staff interviewed. Any of the hundreds of SMEs assisted and/or managers trained can be interviewed.

Available material

Training material ; promotional documents prepared by all agencies; articles in a number of Russian newspapers

Source: Europa web site

Tacis support: euro 7,000,000
February 1995 – January 1997

Main results

The safety of first and second generation RBMK reactors (Chernobyl type) has been reviewed 350 recommendations concerning RBMK safety improvements were agreed by both Russian and western organisations

Future work should be plant-specific and should address the current recommendations

Background

The overall project was created after the Soviet Government requested an independent safety assessment of RBMK reactors at the September 1991 IAEA Nuclear Safety Conference 'Safety of Nuclear Power - Strategy for the Future'. The first phase (up to 1994) was funded partly by the 1991 Tacis Programme and partly by the governments of Canada, Finland and Sweden. It covered a wide range of safety issues associated with the design and operation of the RBMK reactors, focusing on two third-generation reference units (Smolensk 3 and Ignalina 2). This current project (second phase) extended its scope to the older first and second generation reactors, looking at differences between generations and at the safety improvements achieved or planned at each reactor. Leningrad 2 (first generation) and Kursk 4 (second generation) were the reference plants.

Project lifecycle

The first group of tasks continued topics from the first phase of the review. These were the identification of flooding and explosion risks which may lead to a nuclear hazard. It also included a comparison of the procedures and techniques used for ISI of steam and feed systems. This phase concluded with the formulation of a judgement on the verification and validation of the key codes used for RBMK safety analysis.

The second group of tasks focused on the earlier generation units, with the following emphasis:

Detailed review of safety systems at reference plants and recommendations on priorities for remedial and other safety improvement work at the stations.

Analysis of specific events, by gaining insights into the RBMK system, its operation and safety management, transferring the techniques of root cause analysis and incident investigation as a means of safety improvement.

Review of safety management, comparing the implementation of safety management philosophy and practices with current management ideology as expressed, for example, in IAEA guidelines and standards.

Review of quality systems implemented at the plants.

Maintenance and in-service inspections: a review of the standards, procedures and practices at Kursk.

Fire protection was reviewed at Kursk with particular emphasis on its potential as a common cause initiator.

Graphite pressure tube interaction: review of the techniques used for the monitoring of the tube gaps.

Multiple pressure tube rupture/cavity overpressure protection. The main issues were the possibility of events that might lead to multiple tube rupture and the capacity of the cavity overpressure protection system.

Major generic RBMK safety issues have been defined and assessed. The absence of formal safety considerations suggests areas where further plant-specific investigations are necessary. Measures necessary to prevent a reoccurrence of the 1986 Chernobyl accident have been put in place in all three generations of RBMK reactors.

The future

Due to the involvement of the Russian authorities, Minatom, GAN, Rosenergoatom and RDIPE, in the review, the ownership of the results is spread wider and at a high level. The Chief Design Organisation, RDIPE, is now able to produce up-to-date Safety Analysis Reports (SARs) in close cooperation with other institutions, strictly following the requirements of the regulatory bodies and utilities.

At present, one of the most urgent measures is to produce SARs for each operating RBMK unit. This is the only way to judge the real safety level of the individual units compared to the others, because there are remarkable differences not only between the RBMK generations, but also between units of the same generation.

The third phase of the overall RBMK safety project 'Severe Transients Analysis' was launched in 1997.

Key points

The Russian project partners made an essential contribution to the results of the project. This exchange of philosophy, methodology and approaches employed in the assessment of RBMK safety essentially facilitated the achievement of the project objectives. The project results are applicable for all RBMK reactors, in Lithuania, Ukraine and Russia. The review confirmed that the necessary measures to prevent Chernobyl-type accidents have been put in place in all generations of RBMK plants, so that a similar accident today is very unlikely.

Visibility

Visit to a nuclear power plant can be organised: Leningrad 2 (1st generation unit), Kursk 3 or 4 (2nd generation) or Smolensk 3 and Ignalina 2 (3rd generation) ; Contact with the GAN authorities can be arranged

Available material

14 technical reports (restricted diffusion)

Source: Europa web site

Tacis support: euro 2,000,000

January 1997 – March 1998

Main results

Building of a new bridge to stop traffic using the ancient bridge, thus saving the historical monument from irreversible degradation ; Restoration of an important irrigation channel providing water to Azeri farm land

Background

The TRACECA programme was launched at a conference in Brussels in May 1993, which brought together trade and transport ministers from eight of the TRACECA countries (five Central Asian republics and three Caucasian republics), where it was agreed to implement a programme of European Union funded technical assistance to develop a transport corridor on a west-east axis from Europe, across the Black Sea, through the Caucasus and the Caspian Sea to Central Asia. Today, the TRACECA programme has financed twenty-two technical assistance studies and five investment projects for the rehabilitation of infrastructure.

The principal road link between Azerbaijan and Georgia, a TRACECA route component, included an ancient bridge over the Khrami river right on the frontier. The bridge, classified as a historical monument, dates from the twelfth century. It is a brick structure, not designed to bear the stress of current traffic which is expected to increase significantly in the near future. In addition, for long-haul vehicles the limited carriageway width represented a bottleneck that had to be removed to avoid traffic diverting to other routes. At the time of the dissolution of the Soviet Union, the construction of a new alternative bridge had just started, but following the independence of Georgia works were suspended due to a shortfall in financing.

Project lifecycle

The project has four main components, namely (i) the construction of the new bridge, (ii) the rehabilitation of an important irrigation channel providing water to Azeri farm land, (iii) the restoration of the ancient bridge, and (iv) the construction of a new police checkpoint. Moreover, as a result of the permanent presence on site of the EC Monitor, the on-the-spot training of Implementing Authority and Contractor staff can be considered as a secondary, but significant, component.

The concrete works for the construction of the new bridge are nearly 86 per cent complete. All piers and abutments have been erected, 40 beams out of the total of 42 have been placed on the girders, the concrete for the beam interconnection has been cast, and access to the deck is assured by the backfilling and the floating slab of the left abutment. The earthworks relating to the main road are complete except for the backfilling of the right abutment. The works on the secondary roads at the junction with the Marneuli road have just begun. Works on the bridge and the main road works have reached 80 per cent of the total; the remaining 20 per cent refers mainly to the pavement and ancillary works.

The irrigation channel has been completed on schedule and has been opened to irrigation.

The restoration of the old bridge has just started, with production reaching 16 per cent of the total. The repair of the parapet is complete as well as the refilling of the joints on the upstream facing brickwork.

The construction of a border post is still delayed because of a difference of opinion between the two countries on the location of the border line

The future

The initial duration of the contract has been extended by 6 months to a total of 18 months, to allow for the construction of the border post. If an agreement is reached in a reasonable time, the project will be completed in a shorter period of time

The results of the construction of the new bridge will be magnified if the road section from Tbilisi to the border is improved, by eliminating some minor bottlenecks like the Algeti Bridge and by repairing the alignment at the exit for Rustavi. This will facilitate free-flowing traffic from Tbilisi to the border.

A logical complement to the present project will be the improvement of customs and police formalities at the border.

Additional information

Key points

The works are being carried out by a Georgian company, after restricted consultation, and a European company supplied monitoring services

Visibility

New TRACECA bridge, Rehabilitated old Red Bridge; Irrigation channels.

Available material

Technical reports and Drawings of the finished design.

Source: Europa web site

Tacis support: euro 100,000
January 1997 - March 1998

Main results

A concept for improving the water supply of Chernovtsy, in terms of both quality and quantity, was drawn up. Ukrainian experts were trained in western European water management.

Background

The Tacis City Twinning programme aims to support local autonomy in the NIS by assisting the local and regional authorities in the improvement of their administrative and technical services and working practices. It seeks the cooperation of decentralised European Union local and regional authorities in helping their NIS partners to provide appropriate training for their civil servants.

The town of Chernovtsy, with a population of 300,000, faces serious water supply problems. Drinking water comes mainly from the Dnestr river, which is about 40 km away and is polluted with organic substances. According to Austrian standards, the water is not suitable for human consumption and may endanger health. In addition, the water distribution system is both obsolete and in a poor condition.

On the basis of a long-established partnership between the towns of Klagenfurt (Austria) and Chernovtsy, and the Land of Kärnten and the region of Chernovtsy, the project was carried out under the Tacis City Twinning programme. The aim of the project was to draw up a plan for improving the water supply in Chernovtsy.

Project lifecycle

The strategy of the project was to train high-ranking public servants from Chernovtsy in the areas of water supply and water management as well as in the fields of legislation, administration and democracy.

The training programme was divided into various modules:

- legislation, administration and organisation of water management in Austria and the EU
- methods of water analysis and of measuring water losses
- water treatment and water saving, excursions to waterworks in Austria and Germany
- special aspects such as artificial groundwater increase.

In addition to this training programme, high-ranking officials from the administration and waterworks in Chernovtsy attended various conferences and seminars in Moscow, Helsinki, Nancy, St Petersburg and Brussels. Three of them attended a 13-week training programme in Carinthia in the fields of water supply/management.

An analysis of the current state of the water supply in Chernovtsy was carried out by experts from the Carinthia Government, supported by the Austrian companies SEBA and BWT. The outputs were:

- a diagnostic of the current state of the water supply in Chernovtsy
- the preparation of a concept for the water supply by listing and assessing the basic solution variants
- technical and administrative suggestions for improvement: restructuring the tariff system and installation of water meters, repairing the water-supply system, public awareness-raising, reorganisation of the waterworks, renewal of the water treatment and disinfecting plants, and identification of a new water-supply source other than the Dnestr river.

A conference in Chernovtsy was organised in order to present the results of the project to more than 150 experts, officials and politicians from Ukraine, Romania and Moldova. The Ukrainian media covered the event.

The future

The measures described and proposed can only be implemented step by step. In the first instance, a pilot project in a well-defined area in Chernovtsy should be launched. In the pilot project all the elaborated measures would be implemented on a small scale. The cost of the pilot project would be around euro 300,000.

The cooperation might be extended to other regions/sectors. Two projects have been launched:

- an application for a Tacis CBC Small Project with the title 'Pilot implementation of the Austrian Ecoprofit programme in the Eco-Euro-Region as a facility for ISO 14000 and NIS waste management standards', regarding the environmental impact of companies in Chernovtsy/Ukraine and Botoshany/Romania
- implementation of a Cleaner Production Centre in Chernovtsy as a coordinating unit for all environmental activities with the financial support of the UNIDO.

Key points

The flexible structure of the training programme allowed the consideration of feedback at almost any time. Due to the modular structure, trainees could take part in decisions about the activities of the project.

The Tacis participation only covers part of the total project costs. The remainder is covered by the Government of Carinthia (Austria).

Visibility

Interview of public servants from the administration and waterworks in Chernovtsy who participated in the training sessions ; Visit to projects providing follow-up to this initial action and implemented with the support of other donors

Available material

Concept for the water supply of Chernovtsy' (printed report), available in English and Russian• Training documents• Press release, in particular concerning the conference held in Chernovtsy at the end of the project

Source: Europa web site

Programme to promote the setting-up and development of joint ventures in the central and eastern European countries (JOPP) - extension

Identification

Approved	Management Committee meeting N° 62 on 24 April 1998
Duration	end 2000
Amount	MECU 20
Implementing authority	European Commission

Programme code: ZZ9806
Sector: PR...Private sector, Restructuring, Privatisation, SME's

Main components

Restriction of eligibility to pure SMEs Extension to permit applications from central and eastern European-based SMEs

Extension of financial intermediaries network to central and eastern European FIs

Tightening of eligibility and selection criteria

Amendments to the rules of the JOPP facilities

Background

The development of the private sector is essential for transforming the central and eastern European countries towards market economies and for their eventual membership of the European Union.

To encourage private sector development without increasing the external debt of the central and eastern European countries, the Commission set up a pilot programme in 1991 - JOPP. This aimed to encourage European Union businesses to invest in central and eastern Europe by creating and developing joint ventures with central and eastern European partners, with emphasis on developing small and medium sized enterprises. The link between the SMEs and JOPP was ensured and managed by a network of international financial intermediaries which signed a framework agreement with the European Commission.

The programme received an allocation of euro 20 million for an initial three-year period, and then was extended with an additional budget of euro 27.5 million. At the end of 1995, the programme was extended to the end of 1999, with a further allocation of euro 70 million; at the same time, a major change was made to the rules of the programme. In 1997, euro 7 million was allocated as an interim measure, pending the introduction of a new programme which would include major amendments; a number of changes were also made, following the assessment report conducted during 1997.

The 1997 assessment report concluded that JOPP had proved generally successful but needed a substantial overhaul to respond better to the changed conditions in the central and eastern European countries, pre-accession requirements, the new Phare orientations, experience gained and market expectations.

The new programme will introduce further improvements to JOPP, notably by broadening the scope of eligible projects to include non-financial forms of inter-company cooperation. The new programme will also tighten and refine the eligibility criteria, to maximise value for money. The overhaul is particularly designed to help SMEs in central and eastern Europe to prepare more effectively for accession through improved cooperation with their counterparts in the European Union, which should help to improve their competitiveness.

Programme objectives

The overall objectives of JOPP are to

- increase the number of private enterprises in the central and eastern European countries
- promote investment of European Union-based small and medium sized enterprises in the central and eastern European countries
- improve the quality of manpower employed by private companies in the central and eastern European countries
- create or maintain employment in central and eastern Europe through investment.

The immediate objective of the 1998 programme is to improve JOPP by

- restricting it to pure SMEs
- tightening the eligibility and selection criteria
- broadening Facility 2 (pre-feasibility and feasibility studies) to new forms of cooperation

Programme description

Eligibility

JOPP will in future be limited to projects in which the Community partner is an SME within the meaning of the European Commission's recommendation of 3 April 1996 (OJ L 107 of 30.4.96).

This restriction of the programme's eligibility criteria to pure SMEs comes in the context of accession. A performing SME sector is particularly important for the central and eastern European countries which are seeking European Union membership, to enable them to meet the competitiveness criteria laid down by the European Council meeting in Copenhagen in June 1993 as a pre-requisite to accession.

SMEs based in central and eastern European countries will in future be able to present proposals for JOPP support.

Applications for JOPP support will be carefully scrutinised to check that they meet additionality and value for money criteria and that projects are compatible with the Phare-backed privatisation process for central and eastern European economies.

Network of financial intermediaries

JOPP is based on a network of financial intermediaries, mainly from European Union Member States. The financial intermediaries promote the programme and appraise and forward projects eligible for Community support. They act as a channel for financing and procedural interface between the applicants and the Commission.

The new programme will open up the network to financial intermediaries based in the central and eastern European countries as well. These will be selected on the basis of requests sponsored by existing financial intermediaries.

Facility 1 - promotion of cooperation

This facility covers general measures to foster joint venture development and to promote JOPP. It is used primarily to finance events of general interest on joint ventures, in particular seminars. These are aimed mainly at members of the financial intermediaries network but also at various non-profit making organisations, such as chambers of commerce, industry federations, professional bodies and investment promotion agencies. The facility also provides EuropJOP Data, an information service accessible to Community SMEs via financial intermediaries in the network, providing background on a given central and eastern European country, plus useful contacts and addresses.

In future, preference will be given to projects which involve both European Union-based and central and eastern European-based SMEs and which address countries and markets where JOPP is less-well-represented.

Projects should facilitate direct contacts between companies, while ensuring that central and eastern European enterprises and their counterparts can identify and discuss problems and opportunities. Support will be given for actions which offer clear potential for cooperation in the fields of investment, production, trade and marketing. The format of actions and events may include workshops, exhibitions or events within trade fairs. Activities will be undertaken in relation to specific actions, as opposed to fora for discussions

Proposals can come from any eligible financial intermediary or from non-profit making organisations representative of the SME sector.

Projects will continue to receive a grant of 50 per cent of eligible costs, with a maximum ceiling of euro 100,000.

In addition, support may be provided for one major or two medium-sized high quality partnerships events under the Phare Partenariat label. JOPP will support 70 per cent of the costs of the event, up to a total of euro 1 million.

Facility 2 - pre-feasibility and feasibility studies

Facility 2 is to be broadened to cover forms of inter-SME cooperation beyond pure financial cooperation in the form of joint ventures.

The facility will support the preparation of pre-feasibility and feasibility studies for

- creating joint venture companies
- creating joint venture agreements of a less permanent nature, which relate to business cooperation in fields such as sub-contracting
- creating joint production and marketing agreements.

Under this facility, funding for 50 per cent of pre-feasibility costs up to a ceiling of euro 10,000 will be available.

Feasibility studies for creating joint venture companies may benefit from funding of 50 per cent of costs, up to a ceiling of euro 75,000; the costs of feasibility studies for joint venture agreements or joint venture production and marketing agreements will be subject to a ceiling of 50 per cent and to a maximum of euro 50,000.

Facility 3 - success grants

The programme will introduce a new success-related facility, a spin-off from the old Facility 2. The new facility will provide further support to enterprises participating in Facility 2 who decide to proceed with the cooperation

activity, following the completion of the feasibility study. Support will be subject to the discretion of the Steering Committee and the availability of funds.

If a pre-feasibility or feasibility project under Facility 2 leads to the creation of a joint venture company, an amount up to euro 150,000 or 10 per cent of the value of the investment or a third of the cash investment, whichever is less, may be made available, inclusive of the support through Facility 2. This will be available on proof of the signing of the agreement or sufficient disbursement of the investment.

For joint venture agreements and joint production and marketing agreements, support for the second 50 per cent of the feasibility costs, up to euro 100,000, may be provided, inclusive of the support received under Facility 2. This will be available on proof of the signing and successful implementation of the agreement.

(The old Facility 3, which granted finance for joint ventures in the form of equity or quasi-equity or a guarantee was discontinued in 1998.)

Facility 4 - transfer of know-how and training

The new programme will reduce the amount of support available under Facility 4 and tighten up the eligibility criteria.

Beneficiaries of this facility are central and eastern European enterprises which are involved in joint venture companies already supported under JOPP. The facility provides for co-financing of up to 50 per cent of the costs of the transfer of know-how, in particular training but the ceiling will now be reduced to euro 100,000. Travel, subsistence and accommodation costs will be capped at 50 per cent of total eligible costs.

The eligibility criteria will be restricted to permit only joint venture projects in which the local partner has a substantial stake. Staff involved in training or know-how transfer must be taken on before the application is presented and shareholders will normally be excluded. Consultancy firms will not be eligible and actions which are part of regular operations between parent and subsidiary will also be excluded

Implementation

The European Commission will be responsible for implementing the programme, on behalf of the national authorities.

The management of the programme will be undertaken with the help of a Technical Assistance Bureau, which will be contracted through a tendering process according to Phare rules and procedures. The Bureau will be responsible for disseminating information on the programme, analysing individual project proposals, preparing individual contracts, executing individual payments, conducting quality control and reporting to the Commission on progress under each programme component. The Bureau will manage a grant fund which will be used to make payments to programme beneficiaries through financial intermediaries. The existing technical assistance unit may ensure the interim management of the programme until the new Bureau becomes operational.

Source: Europa web site

Annex 3

**Project cycle implementation of European Initiative for Democracy and Human Rights
Sources:**

GUIDELINES FOR APPLICANTS 1999 Budget chapter B7-70

**Meetings with the responsible officer at the Commission and at the European
Human Rights Foundation**

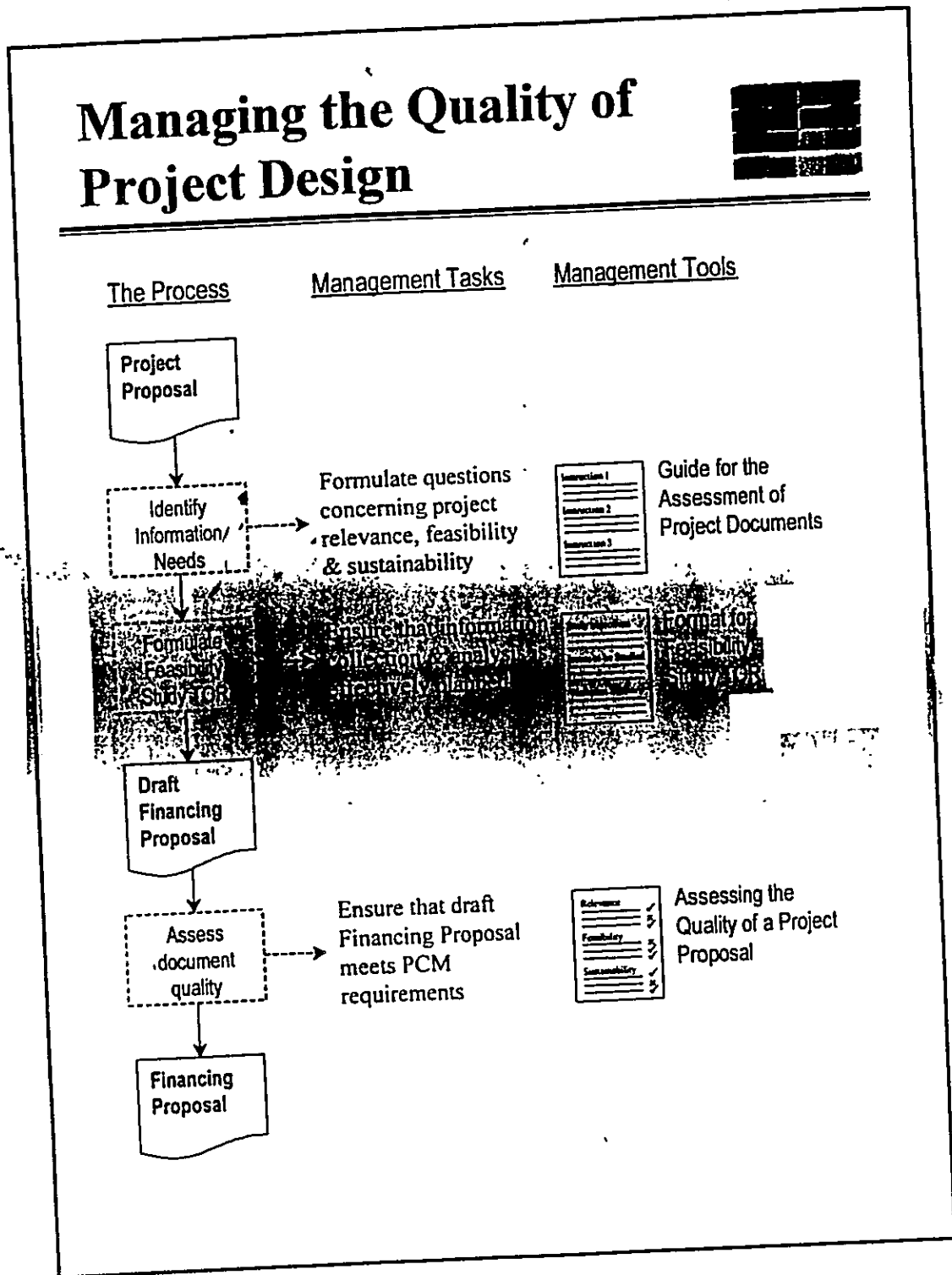
Project Cycle Implementation in general:

Sources:

**Ad hoc internal document of the European Commission for the officers attending
seminars on this specific subject**

The Courier

Figure 2: Improving Project Quality



Chapter 2: Project Cycle Management

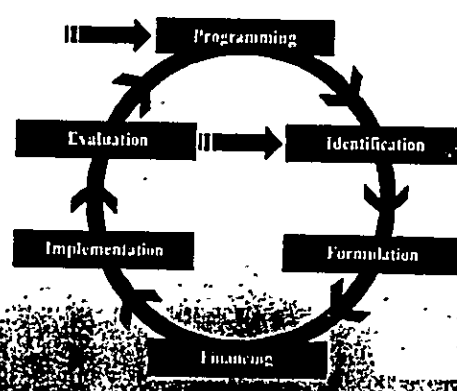
This Chapter introduces the project cycle, describes its phases and explains its role in aid management. It presents an overview of the rationale and principles of Project Cycle Management, and a brief description of how the project cycle operates within DGIB.

2.1 The Project Cycle

Structured & informed decision-making

The way in which projects are planned and carried out follows a sequence that has become known as the project cycle. The cycle starts with the identification of an idea and develops that idea into a working plan that can be implemented and evaluated. Ideas are identified in the context of an agreed strategy. It provides a structure to ensure that stakeholders are consulted and relevant information is available, so that informed decisions can be made at key stages in the life of a project.

Figure 3: The Project Cycle



The generic project cycle has six phases: Programming; Identification; Formulation; Financing; Implementation; and Evaluation. The details of what occurs during each phase differ between institutions, reflecting differences in procedures. However, within all institutions the cycle shares three common themes:

1. The cycle defines the key decisions, information requirements and responsibilities at each phase.
2. The phases in the cycle are progressive – each phase needs to be completed for the next to be tackled with success.

Add your own notes here...

3. The cycle draws on evaluation to build experience from existing projects into the design of future programmes and projects.

The phases of the project cycle can be described as follows:

- ① During the **Programming** phase, the situation at national and sectoral level is analysed to identify problems, constraints and opportunities which development cooperation could address. This involves a review of socio-economic indicators, and of national and donor priorities. The purpose is to identify and agree the main objectives and sectoral priorities for development cooperation, and thus to provide a relevant and feasible programming framework within which projects can be identified and prepared. For each of these priorities strategies will be formulated that take account of the lessons of past experience.
- ② During the **Identification** phase, ideas for projects and other development actions are identified and screened for further study. This involves consultation with the intended beneficiaries of each action, an analysis of the problems they face, and the identification of options to address these problems. A decision can then be made on the relevance of each project idea (both to the intended beneficiaries and to the programming framework) and on which ideas should be further studied during the formulation phase.
- ③ During the **Formulation** phase, relevant project ideas are developed into operational project plans. Beneficiaries and other stakeholders participate in the detailed specification of the project idea that is then assessed for its feasibility (whether it is likely to succeed) and sustainability (whether it is likely to generate long-term benefits for the beneficiaries). On the basis of this assessment, a decision is made on whether to draw up a formal project proposal and seek funding for the project.
- ④ During the **Financing** phase, project proposals are examined by the funding agency, and a decision is taken on whether to fund the project. The funding agency and partner country agree the modalities of implementation and formalise these in a legal document which sets out the arrangements by which the project will be funded and implemented.
- ⑤ During the **Implementation** phase, the project is mobilised and executed. This may require the tendering and award of contracts for technical assistance or works and supplies. During implementation, and in consultation with beneficiaries and stakeholders, project management assesses actual progress against planned progress to determine whether the project is on track towards achieving its objectives. If necessary the project is re-oriented to bring it back on

track, or to modify some of its objectives in the light of any significant changes that may have occurred since its formulation.

- ⑥ During the **Evaluation** phase, the funding agency and partner country assess the project to identify what has been achieved, and to identify lessons that have been learned. Evaluation findings are used to improve the design of future projects or programmes. Although in the generic cycle the evaluation phase comes after implementation, it is common practice also to conduct a mid-term evaluation during implementation, to identify lessons that can be applied during the remaining life of the project.

Stakeholder
involvement in
decision-making

Aid cooperation and partnership programmes with non-member states involve often-complex processes that require the active support of many parties. Experience among the main donors has shown that too many decisions concerning projects have been taken without sufficient consultation with beneficiaries and stakeholders, and without the necessary information. The purpose of the project cycle is to ensure that the stakeholders take the decisions, and that decisions are based on relevant and sufficient information.

The separation of the cycle into six phases provides the minimum basis for effective project preparation, implementation and evaluation. The separation of the Identification and Formulation phases is particularly important. Project preparation takes place in a social and political context where expectations are raised and often conflicting demands and aspirations must be reconciled. By adhering to the identification phase, the relevance of project ideas can be systematically established before the preparation process is too far advanced for the idea to be dropped. During the formulation phase, project ideas can then be fully developed in the knowledge that they are based on real beneficiary needs and are sufficiently 'owned' by the main stakeholders.

Add your own notes here...

In practice, the project cycle might differ according to the type of programme being operated. Nevertheless, it is very useful to reconcile the current practice within your area of work with the steps of the project cycle as outlined here. The following blank table provides you with a framework to do so.

2.2 Project Cycle Management

Improved aid effectiveness

Project Cycle Management (PCM) was introduced by the European Commission in the early 1990's to improve the quality of project design and management and thereby to improve aid effectiveness. PCM developed out of an analysis of the effectiveness of development aid undertaken by the OECD Development Assistance Committee during the late 1980's. Evaluation findings from the DAC members indicated that a significant proportion of development projects had performed poorly, and identified a number of causes:

- Poor project planning and preparation
- Many projects not relevant to beneficiaries
- Risks were insufficiently taken into account
- Factors affecting the longer-term sustainability of project benefits were ignored
- Lessons from past experience were rarely incorporated into new policy and practice

Figure 4: Rationale for PCM

Why PCM?

Experiences:	PCM:
<input checked="" type="checkbox"/> Unclear strategic framework	<input type="checkbox"/> Sectoral approach
<input checked="" type="checkbox"/> Supply driven projects	<input type="checkbox"/> Demand driven solutions
<input checked="" type="checkbox"/> Poor analysis of situation	<input type="checkbox"/> Improved analysis
<input checked="" type="checkbox"/> Activity-oriented planning	<input type="checkbox"/> Objective-oriented planning
<input checked="" type="checkbox"/> Non-verifiable impact	<input type="checkbox"/> Verifiable impact
<input checked="" type="checkbox"/> Disbursement pressure	<input type="checkbox"/> Emphasis on quality
<input checked="" type="checkbox"/> Short-term vision	<input type="checkbox"/> Focus on sustainability
<input checked="" type="checkbox"/> Imprecise project documents	<input type="checkbox"/> Standardised formats

2.4 Summary

- ☑ The way in which projects are planned and carried out follows a sequence that has become known as the project cycle. It provides a structure to ensure that stakeholders are consulted and relevant information is available, so that informed decisions can be made at key stages in the life of a project.
- ☑ The six phases in the project cycle are progressive. Each phase leads to the next. Information is required at each phase in order that sound decisions are made before progressing to the next phase. The cycle means that lessons from completed projects are used to improve future projects.
- ☑ The separation of the Identification and Formulation phases is particularly important. By adhering to the identification phase, the relevance of project ideas can be systematically established before the preparation process is too far advanced for the idea to be dropped.
- ☑ Project Cycle Management (PCM) was introduced by the European Commission in the early 1990's to improve the quality of project design and management and thereby to improve aid effectiveness. PCM integrates the phases of the cycle so that key issues are examined systematically.
- ☑ PCM brings together aid management principles, analytical tools and techniques, and applies them within the structured decision-making process of the project cycle to ensure that projects are relevant to the real needs of beneficiaries, and are feasible and sustainable.
- ☑ The main design and management tool used within PCM is the Logical Framework Approach. To be used effectively, it must be supported by other tools for technical, economic, social and environmental analysis.

Add your own notes here...

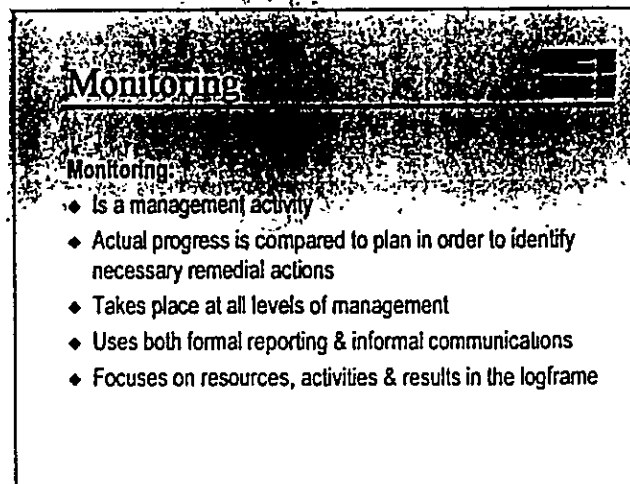
Chapter 6 · Monitoring and Reporting

This Chapter defines monitoring and explains its role in project management. It sets out the basic steps involved in design of a project-level monitoring system, and highlights the main benefits of effective monitoring as well as the main pitfalls to be avoided.

6.1 Introduction

Once a project has been planned and financial support been secured, the most important part begins - implementation. It is very rare for any project to go exactly according to plan. In fact it is not uncommon for a project to take on a direction and a momentum that was completely unanticipated during planning. Project management now has the important and difficult task of establishing sufficient controls over the project to ensure that it stays on track towards the achievement of its objectives. This is done by *monitoring*, which can be defined as the systematic and continuous collection, analysis and use of information for management control and decision-making.

Figure 30: Monitoring



Project monitoring is an integral part of day-to-day management. Its purpose is to provide the information by which management can identify and solve implementation problems, and assess progress in relation to what was originally planned.

The flow of information between the project and the Commission is the subject of a separate system, which operates on a more aggregate or institutional level. This level of monitoring is not dealt with in this handbook, where the focus is at project-level. In fact, a monitoring system is currently being designed to gather summary information for all Commission-managed projects.

6.2 Designing a Monitoring System

There are five steps in the design and specification of a project-level monitoring system:

Maintaining a focus on objectives

1. **Analyse project objectives** to clarify project design. Good monitoring depends on clearly stated objectives. The logframe approach helps to ensure that objectives are correctly written and that actions are designed to lead to outputs and objectives. This logical sequence simplifies the choice of monitoring indicators.
2. **Review implementation procedures** to determine information needs at the different levels of the project management structure. The level of detail of information required, and the frequency of reporting, will vary according to the level of management. Essentially, this step means matching information needs to decision-making roles.
3. **Review indicators** for use in measuring achievement of objectives. Within the project implementation team the priority focus will be on physical and financial monitoring of activities and results. The tools for this are good record keeping for comparison of actual expenditure against budgets, and progress against the project's activity schedule.
Design report formats to provide managers at different levels within the project with access to relevant and timely information which facilitates easy analysis.
5. **Prepare an implementation plan for the monitoring system**, which specifies the necessary staff, skills and training required, and clearly allocates information collection and reporting responsibilities.

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6.2.1 Analyse Project Objectives

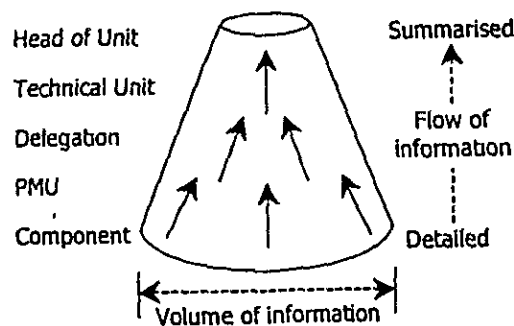
Analysis of objectives during project design has been dealt with in section 3.1. However, some time may have passed since the project was designed, and the project environment or the actors involved may have changed. It is sensible therefore to start implementation with a project start-up workshop. The purpose of this workshop would be to bring together the stakeholders to review project documents and key assumptions. Project objectives should be revised to ensure that they are clearly stated and remain realistic, specific and measurable. These will now form the basis for the Monitoring & Evaluation system.

6.2.2 Review Implementation Procedures

The logframe provides the framework for identification of information needs as a whole. It is important though to relate information needs to the different levels of the management structure. In reality, the level of detail of information required and the frequency of reporting will vary according to the level of management. For example, project administrators will need information about day-to-day activities, while the contractor will require more summarised information about achievement of outputs or deviations from the workplan which he/she may need to forward to the programme implementation agency. Figure 31 illustrates this principle. A review of implementation procedures involves a review of what activities will be undertaken and by whom. This should be done with reference to the activity schedule.

By reviewing implementation procedures (who does what) in consultation with partner institution staff, the various roles, functions and responsibilities are clarified, and a clear link can be made between information needs and levels of management. This process can be assisted by drawing up a table which lists the information user, what is required, the source of the information, and who is responsible for preparing the report.

Figure 31: Information Needs and Levels of Management



6.3 Summary

- Monitoring can be defined as the systematic and continuous collecting, analysing and using of information for the purpose of management control and decision-making.
- Project monitoring is an integral part of day-to-day management. Its purpose is to provide the information by which management can identify and solve implementation problems, and assess progress in relation to what was originally planned.
- There are five steps in the design and specification of a monitoring system:
 - Analyse project objectives
 - Review implementation procedures
 - Review indicators
 - Design report formats
 - Prepare an implementation plan for the monitoring system
- It is important to relate information needs to the different levels of the management structure. In reality, the level of detail of information required and the frequency of reporting will vary according to the level of management.
- By reviewing implementation procedures (who does what) in consultation with partner institution staff, the various roles, functions and responsibilities are clarified, and a clear link can be made between information needs and levels of management.
- Common problems encountered in the selection of indicators include:
 - selection of too many indicators
 - selection of overly-complex indicators
 - over-concentration on progress indicators

Add your own notes here...



Bruxelles, le 12 octobre 1999

PROJECT MANAGEMENT CYCLE

DOCUMENT DE REFLEXION

UNE PLUS GRANDE COHERENCE DE L'ORGANISATION POUR UNE MEILLEURE MAITRISE DE LA GESTION DU CYCLE DU PROJET

Les relations avec les pays tiers se sont développées par strates successives. Initialement, la priorité a été donnée à la coopération au développement avec les pays d'Afrique, des Caraïbes et du Pacifique (Cf. Conventions de Yaoundé puis de Lomé). L'intensification des relations avec d'autres zones géographiques s'est accompagnée de l'adoption de nouveaux instruments de coopération (ALA, Phare, Tacis, Méda, Obnova...), d'un accroissement des ressources financières à gérer et de la création de nouvelles Directions générales géographiques, ce qui a amené à une différenciation significative des modes de faire.

Une première réforme visant à engager une rationalisation de ces modes de faire a conduit au regroupement des tâches de mise en œuvre des projets de coopération au sein d'une seule structure (Service Commun des Relations extérieures) en 1998.

Des services du domaine Relex ont été réorganisés par le nouveau Collège afin d'améliorer la coordination et la cohérence des activités dans le domaine des relations extérieures :

- Le Commissaire chargé des Relations extérieures veille à ce que la Commission présente une identité propre et une approche cohérente dans ses activités des relations extérieures. Les unités géographiques constituent le cadre de la planification et de l'action générale entre la Communauté et les pays tiers. Pour ce faire, le Commissaire s'appuie sur la Direction générale Relations extérieures et les desks géographiques sous la responsabilité du Commissaire chargé du Développement.
- Les Commissaires chargés des deux domaines thématiques (Développement / Commerce) sont respectivement responsables, de la politique de développement et de la politique commerciale, en recourant à cette fin à leur Direction générale (Développement / Commerce) et aux services géographiques appropriés des autres services des relations extérieures.
- Le Commissaire chargé de l'élargissement est responsable du processus d'élargissement et de la stratégie de préadhésion.

La question de l'intervention des différentes Directions générales Relex [Direction générale du Développement, Direction générale des Relations extérieures, Direction générale Elargissement et SCR selon les phases du Cycle du projet] dans la "Conception et mise en œuvre des programmes de coopération avec les pays tiers" a été en partie laissée ouverte : "le rôle du SCR dans le Cycle du projet sera revu".

La gestion du cycle du projet (Cf. partie 1) vise à une approche intégrée des différentes phases du Cycle du projet de telle sorte que tous les problèmes sont systématiquement examinés selon une approche et une méthodologie qui placent les objectifs et les questions de "sustainability" au centre des préoccupations, en identifiant également les risques associés au projet. De plus, elle permet d'assurer que les décideurs possèdent les informations pertinentes et suffisantes au moment de la prise de décision.

Les outils méthodologiques (notamment l'Approche du Cadre Logique) qui permettent de gérer les différentes phases du Cycle du projet (de la préparation à l'évaluation) ont été introduits par les services de la Commission au début des années 90 afin d'améliorer la qualité de la conception et de la gestion des projets et, en conséquence, l'efficacité de l'aide.

Cependant, un instrument aussi bon, aussi performant qu'il soit, ne peut garantir à lui seul la réussite des programmes de coopération et l'efficacité des aides extérieures. Celles-ci dépendent de plusieurs facteurs et notamment du modèle d'organisation que la Commission adoptera pour gérer avec efficacité le cycle du projet.

L'organisation actuelle se caractérise par un partage peu clair des responsabilités entre les différents services, ce qui affaiblit la maîtrise et l'efficacité de la gestion des différentes phases du cycle du projet et ne permet donc pas de profiter pleinement des potentialités d'une telle approche (Cf. partie 2).

Renforcer, d'une part, dans les Directions générales géographiques, le rôle central de la Programmation comme instrument de définition et d'impulsion des actions et regrouper, d'autre part, dans une même structure (au SCOR) la préparation et la mise en œuvre des projets permettrait un renforcement de la qualité des prestations, une simplification de la gestion administrative, une clarification des compétences et, de ce fait, une plus grande responsabilisation des différents services (Cf. partie 3).

L'amélioration de l'efficacité des aides extérieures doit rester le fil rouge de l'organisation des services.

1. LA LOGIQUE DU CYCLE DU PROJET ET SA GESTION

Dans le domaine de la conception et de la mise en œuvre des programmes de coopération avec les pays tiers, deux fonctions interviennent : l'une de nature politique (Cf. paragraphe 1.1), l'autre de nature technique (Cf. paragraphe 1.2).

1.1. La définition des politiques de développement, la coordination et la recherche de la complémentarité avec les Etats membres et les autres institutions internationales actives dans le domaine du développement, la mise en cohérence politique des instruments d'intervention de l'Union, l'établissement d'un dialogue politique étroit avec les Etats bénéficiaires... en un mot, la recherche d'une cohérence forte de l'action de l'Union dans le domaine des aides extérieures appartient exclusivement aux niveaux politiques.

Dans ce contexte, les niveaux politiques disposent de deux leviers : la Programmation et le contrôle de la mise en œuvre de la Programmation.

- (1) **La Programmation matérialise, pour chaque pays tiers (ou région), les orientations préalablement définies en objectifs, priorités, secteurs de concentration et grands axes de conditionalités, générales (Droits de l'homme, bonne gouvernance...) et sectorielles. La Programmation constitue la formalisation de la politique de coopération au développement de l'Union envers chaque Etat bénéficiaire : il s'agit d'un engagement politique qui encadre l'identification et la préparation des projets.**

La définition claire de politiques de développement doit être une condition indispensable à l'établissement d'une programmation en cohérence avec les objectifs de l'Union. De même, la programmation doit s'insérer dans le cadre d'un dialogue politique étroit avec l'Etat bénéficiaire.

Au cours de la Programmation, la situation politique, économique et sociale, tant au niveau national, que sectoriel doit être examinée, en partenariat avec l'Etat bénéficiaire, afin d'identifier les opportunités, problèmes, et contraintes de développement. Une stratégie commune doit être ainsi dégagée.

C'est à ce moment que doit être déterminé le volume de l'aide pour chaque Etat, bénéficiaire permettant ainsi une prévisibilité pluriannuelle des ressources (l'enveloppe fixée devant être suffisamment souple pour être conciliable avec le principe d'annualité du Budget, sauf pour le FED [protocole financier]).

La Programmation doit faire l'objet d'une révision régulière (mid-term review, par exemple) pour être adaptée aux évolutions de nature politique, économique et sociale, et pour incorporer les résultats des évaluations (feed-back).

Actuellement, la Programmation n'intègre pas toujours suffisamment certaines tâches de nature politique (conditionalités de l'aide, respect des politiques...) qui sont reportées à des phases postérieures (notamment l'Instruction des projets), de sorte que la Programmation n'assume pas pleinement son rôle central d'impulsion des actions. Placer ces interventions plus systématiquement au stade de la Programmation, plutôt qu'au moment de la préparation des projets, permettrait de traiter les questions clefs au niveau approprié, créant ainsi les conditions pour l'accélération des projets :

- **Conditionalités de l'aide** : la négociation des conditionalités avec l'Etat bénéficiaire au moment de la Programmation accroît l'influence politique de l'Union et permet de créer les conditions pour une "sustainability" des projets qui seront mis en œuvre (politiques sectorielles cohérentes) ;
- **Respect des politiques** : le contrôle de la conformité de la Programmation aux politiques de développement, assuré par les services en charge de la définition des politiques sectorielles, conditionne largement le respect de ces politiques en aval du Cycle du projet ;
- Actuellement, la participation des Etats membres est souvent essentiellement organisée au moment de l'approbation des projets. Or, c'est au moment de la Programmation que la participation des Etats membres (comitologie) prend toute sa valeur car elle favorise le développement d'une vision commune sur le contenu des politiques, la

cohérence et la complémentarité des aides. Cette approche, qui doit être renforcée, nécessite d'entamer un dialogue avec les Etats membres visant à une révision des principes de la comitologie qui, sans affaiblir le rôle des Etats membres, permettra de gagner en efficacité.

(2) Le contrôle de la mise en œuvre de la Programmation devrait intervenir à des moments clefs du Cycle du projet :

- identification des projets¹,
- décisions de financement¹,
- suivi des résultats des évaluations.

1.2. La deuxième fonction de nature plus technique intervient dans la préparation et la mise en œuvre des projets qui permettent de définir et de mobiliser les ressources (humaines, financières, techniques) afin d'atteindre les objectifs de la Programmation en traduisant concrètement sur le terrain les engagements politiques de l'Union.

Les projets sont identifiés, préparés et mis en œuvre sur base des orientations fixées dans la Programmation selon une séquence logique connue sous le nom de Cycle du projet et divisée en phases successives :

Identification - Sur la base de la programmation convenue, les projets de développement à examiner sont l'objet d'une première sélection en partenariat avec les bénéficiaires et en cohérence avec les objectifs fixés dans la Programmation.

Instruction - Il s'agit d'apprécier la faisabilité (chance de réussite et risques associés) des projets identifiés, leur "sustainability" (bénéfices à long terme pour les bénéficiaires) et de décliner en terme opérationnel, en collaboration avec les niveaux politiques, les conditionalités prévues dans la Programmation. A l'issue de cette phase, les projets sont traduits en plans opérationnels.

Financement - L'objectif est d'élaborer une proposition formelle pour le financement du projet. Les modalités de mise en œuvre et les engagements mutuels sont définis et formalisés dans un document légal (Convention de financement).

Mise en œuvre - Le projet est exécuté selon les modalités prévues à la Convention de financement : mise en place des structures de pilotage et de gestion (technique, financier, organisationnel), passation des marchés, suivi du respect des engagements en matière de politique sectorielle, gestion des marchés, paiements, audits... Les progrès réels sont suivis au regard des objectifs à atteindre et, s'il y a lieu, le projet est réorienté ou modifié, d'où l'importance de renforcer les capacités de monitoring des projets.

Evaluation - Il s'agit d'analyser les résultats et effets (impacts) du projet pendant ou après sa mise en œuvre en vue de sa réorientation éventuelle et/ou de la

¹ Visa de conformité, par exemple

formulation de recommandations pour l'orientation de projets semblables à l'avenir. En outre, l'évaluation permet, de nourrir, concrètement, à partir des expériences du terrain les réflexions sur la réorientation des politiques et sur la recherche des "best practices".

Cette succession de tâches, à forte composante technique, constitue un ensemble dont la maîtrise ne peut être assurée que dans une même structure, sauf à mettre en place de lourds mécanismes de coordination coûteux et bureaucratiques (voire paralysant).

2. LES CONSEQUENCES DE L'ORGANISATION ACTUELLE

2.1. La création du SCR était la première étape indispensable pour engager les réformes visant à :

- une simplification et rationalisation de la gestion de l'aide communautaire ;
- une cohérence accrue dans les modes de faire ;
- une plus grande transparence à l'égard des opérateurs économiques ;
- réaliser des économies d'échelle.

2.2. L'organisation actuelle des responsabilités, au Siège entre le SCR et les Directions générales géographiques résultant de la mise en place du SCR a conduit à la division suivante du cycle du projet :

- Directions générales géographiques : Programmation² et les phases Identification³, Instruction⁴ et Décision de financement⁵ visant à la mise en œuvre de la programmation ;
- SCR : Mise en œuvre des projets⁶ et Evaluation.

En outre, les Délégations interviennent tout au long du cycle du projet selon des modalités propres à chaque zone géographique ou programme de coopération.

² Selon la répartition des tâches [SEC(97)2305], le SCR doit être tenu informé.

³ Selon la répartition des tâches, le SCR doit être tenu informé.

⁴ Selon la répartition des tâches, le SCR doit être tenu informé. Cependant, dans certains cas, le SCR participe activement à cette phase car les principales compétences techniques sont au SCR.

⁵ Le SCR est consulté, vérifie la légalité, la régularité et la bonne gestion financière, et engage les fonds.

⁶ Cependant, certaines tâches de nature technique, en particulier pour les projets d'ajustement structurel et de coopération économique, sont restées dans les Directions générales géographiques.

2.3. Une telle répartition des responsabilités au Siège affaiblit la maîtrise et l'efficacité de la gestion.

(1) Toute césure du cycle du projet en aval de la phase de Programmation rompt la cohérence / logique de la gestion du Cycle du projet.

L'Identification d'un projet est la phase charnière entre la Programmation - il convient de sélectionner un projet qui respecte les principes directeurs établis - et la mise en œuvre de la programmation - le projet doit être compatible avec les contraintes de gestion et, notamment, il convient de s'assurer que les conditions de la "sustainability" du projet sont garanties et que les risques associés au projet ont été identifiés.

Les phases en aval de l'Identification (de l'instruction à l'évaluation) s'enchaînent mécaniquement selon une logique de gestion : définition des ressources à mobiliser, identification des contraintes et opportunités pour atteindre les objectifs du projet (faisabilité, "sustainability", "ownership"...), fixation des modalités d'exécution, puis mobilisation des ressources, et enfin contrôle des résultats au regard des objectifs du projet.

(2) L'organisation actuelle conduit au développement d'une double culture : l'une politico-budgétaire qui privilégie l'engagement des crédits en négligeant parfois la recherche des conditions nécessaires à l'atteinte des objectifs du projet, l'autre orientée vers la gestion technique, juridique et financière qui risque de ne pas suffisamment prendre en compte les contraintes et objectifs politiques ainsi que les éléments clés intégrés dans le processus de décision (lors des phases d'Identification et d'Instruction des projets).

(3) Les compétences techniques nécessaires pour les phases d'Identification / Instruction (établir les spécifications du projet, évaluer sa faisabilité et sa "sustainability") et de Formalisation de la décision de financement (définir les modalités de mise œuvre et les formaliser dans un document légal) sont identiques à celles nécessaires pour les phases de Mise en œuvre (monitoring des projets, gestion des appels d'offres et des contrats...).

(4) L'absence de prise en compte des contraintes de gestion lors de l'Instruction des projets est une source de conflit permanent et de blocage quotidien lors de la mise en œuvre de certaines modalités techniques, juridiques ou financières, ce qui contribue à un délai de mise en œuvre très long.

(5) La répartition actuelle des compétences au sein de plusieurs structures non seulement ne permet pas de profiter pleinement des économies d'échelle, des synergies et de l'accroissement du professionnalisme prévus lors de la création du SCR, mais augmente les "zones grises", ce qui conduit parfois à une duplication des tâches entre les différentes structures, d'autant plus préjudiciable que les ressources humaines sont globalement insuffisantes.

- (6) **Le schéma d'organisation actuel conçu comme une juxtaposition de tâches, sans approche globale, et qui privilégie les moyens au détriment des finalités, ne permet pas de délimiter avec précision les responsabilités des uns et des autres. Cette situation est un frein au développement d'une approche par objectifs assortis d'obligations de résultats. Elle démotive les services et oblige le Commissaire à se poser en arbitre quotidien de ceux-ci.**
- Elle ne sert pas la Commission : l'absence d'un cadre clair et cohérent de définition des responsabilités trouble l'image de la Commission et fait peser sur le Collège l'entière responsabilité des problèmes ou des dysfonctionnements que les services auraient dû assumer.**

3. VERS UNE PLUS GRANDE COHERENCE DE L'ORGANISATION

La logique de la gestion du cycle du projet (Cf. partie 1) et l'expérience vécue par les Directions générales Relex (Cf. partie 2) militent fortement pour un renforcement du rôle central de la Programmation comme instrument de définition et d'impulsion des actions dans les Directions générales Relations extérieures et Développement et pour le regroupement dans une seule structure (au SCR) de la préparation et de la mise en œuvre des projets.

Ceci s'inscrit dans les principes qui ont déterminé l'établissement du nouvel organigramme de la Commission (Simplifier le travail de la Commission en réunissant dans un même portefeuille ou en intégrant dans un même service, une série d'activités connexes). En outre, il s'agit là d'une tendance observée parmi plusieurs de nos Etats membres.

3.1. Cette réorganisation permettrait notamment :

- un renforcement de la cohérence politique des projets de développement en assurant à la Programmation un rôle central dans la mise en œuvre des politiques de développement et l'impulsion des actions (attribution de responsabilités claires et de ressources humaines adaptées) ;
- une meilleure Programmation permettant d'éviter la dispersion des projets qui limite leur impact au regard des objectifs et la multiplication de petits projets difficilement maîtrisables ;
- une application effective des principes de Cohérence, Coordination et Complémentarité (les trois "C") entre Etats membres et Commission en plaçant la comitologie au niveau de la Programmation afin de donner toute sa valeur à l'intervention des Etats membres ;
- le développement d'une culture de gestion axée sur l'obtention des résultats pour les bénéficiaires des aides extérieures ;
- une meilleure maîtrise de la gestion du Cycle du projet, notamment par une prise en compte des contraintes de gestion dès la phase d'Identification ;
- une simplification et accélération de la mise en œuvre des projets ;

- **une clarification des compétences et des responsabilités de gestion, donc une plus grande visibilité du rôle des différents acteurs dans la Commission ;**
- **le développement de synergies et un professionnalisme renforcé...**

3.2. Cette nouvelle organisation des responsabilités permettrait de jeter les bases indispensables à une **véritable réforme des modes de faire** visant à **accroître la qualité des projets** par l'introduction d'instrument de contrôle de la qualité (généralisation de l'Approche du Cadre Logique, "Quality Support Group (QSG)" regroupant l'ensemble des compétences - desks, techniciens, financiers, évaluateurs - chargés d'examiner la qualité des projets avant finalisation du processus de décision).

En outre, par une clarification du rôle des différents intervenants au Siège, elle permettra d'engager plus facilement une **politique progressive et maîtrisée de déconcentration** des responsabilités vers les Délégations de la Commission (voire une décentralisation vers les Etats bénéficiaires), sous réserve de l'affectation des ressources humaines et informatiques indispensables.

3.3. L'expérience de la création du SCR et les difficultés rencontrées pour définir la ligne de partage, tâche par tâche, entre les différents services, plaident pour un **processus de réforme axé sur la mise en place d'une organisation taillée à la mesure des objectifs, et visant à optimiser les résultats des politiques, plutôt que pour une reorganisation des services qui, partant de l'existant, reproduit les mêmes schémas de fonctionnement.**

Les missions, responsabilités et champs d'action des différents intervenants, ainsi que les mécanismes de coordination, devront être définis avant analyse des structures et évaluation des ressources (notamment humaines) nécessaires à l'accomplissement de ces missions.

Cette réforme vers une meilleure maîtrise de la gestion du cycle du projet ne change pas l'articulation Siège / Délégations, celles-ci conservant toutes leurs prérogatives actuelles aussi bien dans le cadre de la Programmation que pour la préparation et la mise en œuvre des projets. Elle devrait même progressivement faciliter la mise en œuvre d'une politique de déconcentration volontaire mais maîtrisée.

Cette réforme permettra en revanche une clarification du rôle joué par les différents services à Bruxelles et facilitera donc, dans l'immédiat, le travail des Délégations dans leurs contacts quotidien avec le Siège.

L'unification du cycle du projet est un pas indispensable pour maîtriser la gestion du cycle du projet et assurer la cohérence de nos actions. En aucun cas, elle ne peut être considérée comme "la solution miracle" à l'ensemble des difficultés réelles qu'affrontent les services Relex : l'adéquation des moyens aux ambitions reste la question cruciale qui conditionne la crédibilité de l'action de l'Union dans la mise en œuvre de ses politiques extérieures.

Annex 4

Euro Mediterranean Agreements

Sources:

**Publication of the European Commission Directorate General 1B External
Relation on Euro Mediterranean Partnership**

Euro Mediterranean Partnership – Information Note: progress of negotiation.

EURO-MEDITERRANEAN PARTNERSHIP**Information note****PROGRESS OF NEGOTIATIONS ON EURO-MEDITERRANEAN
ASSOCIATION AGREEMENTS**

PARTNER	CONCLUSION OF NEGOTIATIONS	SIGNATURE OF AGREEMENT	ENTRY INTO FORCE
Tunisia	June 1995	July 1995	March 1998
Israel	September 1995	November 1995	-
Morocco	November 1995	February 1996	-
PLO for the benefit of the Palestinian Authority	December 1996	February 1997	July 1997
Jordan	April 1997	November 1997	-
Egypt	Negotiations in progress	-	-
Lebanon	Negotiations in progress	-	-
Algeria	Negotiations in progress	-	-
Syria	Negotiations in progress	-	-

Annex 5

Action Financed

Sources:

Meda Democracy Evaluation – Final Report preparation by N. Karkutli and D. Butzler, March 1999

	1996		1997		1998	
BENEFICIARY COUNTRIES	9.000.000		8.000.000		10.075.000	
	%	Nbre d'actions	%	Nbre d'actions	%	Nbre d'actions
Marocco	4	2	19	12	3,9	2
Algeria	5	6	8	5	10,3	5
Tunisia	0	1	1	1	3,7	1
Egypt	3	2	6	3	5,3	3
Jordan	4	3	3	2	6,7	4
Lebanon	6	4	4	2	5,5	4
Syria	0	0	3	2	3,2	2
Palestinian Authorities	27	12	12	7	14,4	9
Israël	2	1	7	4	10,4	5
Cyprus	1	1	0	0	0	0
Turkey	2	1	2	1	9,5	2
Malta	0	0	0	0	0	0
Regional	20	11	30	12	24,1	12
Conflict resolution	26	18	5	2	3	2
	100	62	100	53	100	51
CONCERNED OBJECTIVES (en %)						
Democracy	6		15		1	
Rule of law	1		14		13	
Civil Society	32		28		14	
Fundamental freedoms	8		1		24	
Trade Unions	6		4		0	
Vulnerable groups	8		19		23	
Education	11		14		17	
Conflict resolution	29		5		8	
	100		100		100	
USED INSTRUMENTS (en %)						
Education	9		7		5	
Training	16		38		16	
Sensibilisation	73		48		63	
Network	2		7		16	
	100		100		100	
OPERATORS (en %)						
Institutions	4		9		3	
European NGO	26		35		42	
NGO PTM	70		54		54	
International organisations	0		2		1	
	100		100		100	

European Commission, Unit IB/A.2 - 9 juillet 1999

Annex 6

General Policies Objectives

Sources:

Document elaborated in collaboration between the Foreign Policy Unit of the European Commission

Directorate Development and the Institute for Africa-Kunde

EU Training Programme on Peace Building and Conflict Prevention in Africa

3. Identifying potential trouble-spots at an early stage ("early warning")

Provided the political will to respond to evolving conflicts at an early stage is existing and consensus can be reached, timely action depends on the early identification of potential trouble spots ("early warning") and the focus on peace-building and conflict prevention instead of conflict management. In practice "early warning" should be made up of:

Box 3.1: Identifying potential trouble spots at an early stage ("early warning")

- 1 identification of key trouble spots at a very early stage (based on structured political analysis)
- 2 addressing trouble spots in a targeted manner
- 3 addressing these trouble spots with the help of all available instruments
- 4 bringing issues on the agenda (e.g. of the Commission / the EU) at an early stage

The international discussion on "early warning" is only beginning to take shape. Currently, inter alia, three models are discussed: one proposed by the UN Development Programme based on six "indicators of human security" (box 3.2), one by the UN Department of Humanitarian Affairs (Box 3.3) and one by an international conflict consultant and former senior scholar at the US Institute of Peace (Michael Lund). The former claims to cover all violent conflicts, the latter is concentrating on antecedents of possible genocide (box 3.4).

Box 3.2: UNDP indicators of human security

- food security, changes in the food situation
 - daily calorie supply as a percentage of basic human needs
 - index of food production per capita
 - trend of the food imports dependency ratio
- job and income security
 - high and prolonged unemployment rates
 - sudden drop in real national income or in real wages
 - extremely high rate of inflation
 - wide income disparities between the rich and the poor
- human rights violations
 - political imprisonment
 - torture
 - disappearance
 - press censorship and other human rights violations
- ethnic or religious conflicts
 - percentage of population involved in such conflicts and the number of casualties
- inequity
 - difference between the HDI values of different population groups
- military spending
 - ratio of military spending to combined expenditure on education and health

Source: UNDP: Human Development Report 1994, Oxford etc. 1994, p.38.

2/5

Box 3.2: UN DHA Humanitarian Early Warning System

DOSSIER

Dispensing with the crystal ball

A three-tiered system has been devised within the United Nations Department of Humanitarian Affairs to identify where potential crises are most likely to erupt and their humanitarian implications. It feeds information to UN and other humanitarian bodies about where crises could occur to enable speedy responses. This article is abridged from a paper by Adeel Ahmed and Elizabeth Voulieris Kassinis, entitled 'Humanitarian Early Warning: From Concept to Practice'. It was written for a conference organised by the University of Maryland, and was due to be published in an edited volume in January 1998.

Over the last four years, the UN DHA has been working to turn early warning from a sound concept into a series of activities with practical application. The Humanitarian Early Warning System (HEWS) has been devised to identify crises with a humanitarian impact. Crises are numerous and have complex implications. First, a definition of 'early warning' is required. Then one needs to determine how it can be used to initiate early and effective action by the UN and the humanitarian community.

Complex emergencies, or so-called man-made crises (as opposed to natural disasters) take a huge toll on both lives and scarce resources. In 1996, the refugee population was 13.2 million globally with a further 20 to 25 million internally displaced persons. In the post-Cold War years (1989-1996), 101 armed conflicts were recorded with death and destruction in 68 different locations¹. To make matters worse, the same political and military factors that contributed to the outbreak of violence frequently hampered relief efforts.

The international community has increasingly been called upon to prevent emergencies, instead of reacting after they have erupted. This goes beyond mere fact-finding. 'Early warning' refers to the formulation of prognoses or projections of potential vulnerabilities on the basis

of systematically collected and processed information. It requires systematic country monitoring.

Origins

The UN DHA was established in 1992 to support the work of the Emergency Relief Coordinator (ERC) appointed by the Secretary General in April of that year. General Assembly resolution 46/182 adopted in December, 1991, set out the guiding principles for the coordination and provision of humanitarian assistance, emphasising in particular prevention and preparedness. Beyond acknowledging the importance of information in ensuring timely and effective responses to crises, resolution 46/182 made the ERC responsible for the 'systematic pooling and analysis of early warning information' and for providing consolidated information and 'early warning' on emergencies. Seed funding was provided by the government of Japan. DHA began its work on an early warning system in 1993 to provide tools to decision-makers to make better informed decisions and to initiate actions.

The HEWS began by reviewing what was being done in the academic and research community, as well as among NGOs. It also looked at specific early warning work along with that of a more general nature in the areas of private sector country risk, indicator development, and crisis modelling. Some important lessons were gleaned. Despite its inherently political nature, it was obvious that early warning work needed to be grounded in rigorous methodology with a high level of professionalism. Whilst it was widely accepted that early warning was an

appealing idea, decision-makers at the highest level remained to be convinced about its relevance and application to day to day realities.

Its purpose is to identify potential crises with humanitarian implications. The scope of this activity was broadly defined in the original project proposal, with the team given the task of covering 'the range of social, economic, political and ecological factors and the root causes that could give rise to complex man-made emergencies.' The original terms of reference also underlined the importance of building and maintaining a 'sophisticated computer-assisted information gathering network' to manage large flows of information. At that time, no such easily accessible store-house of information existed and there was a realisation that the UN would have to employ new technologies in the endeavour.

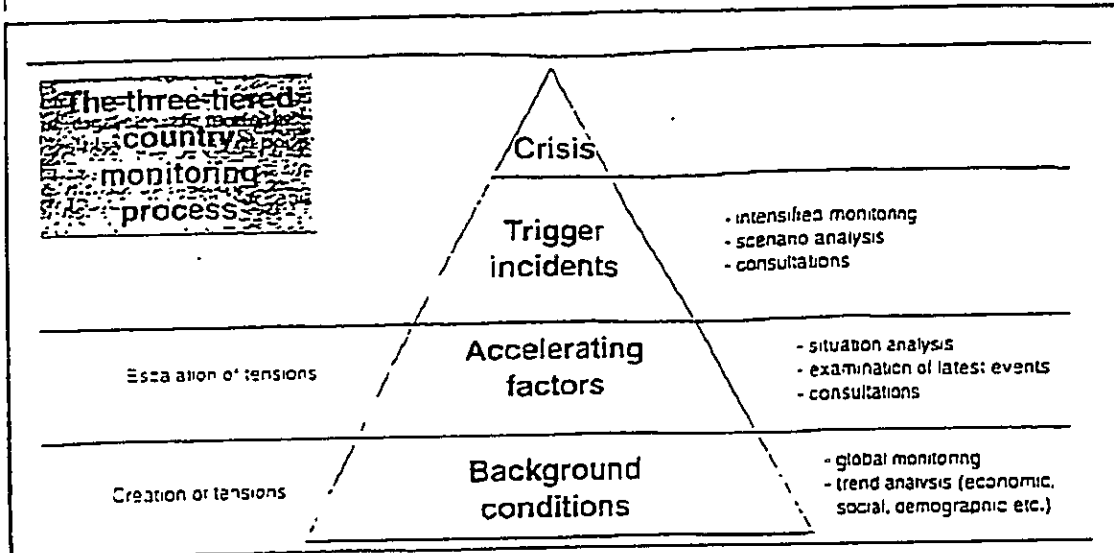
HEWS turned to UN agency and NGO experts for indicators on how to monitor country situations. All relevant areas were 'mapped' while care was taken not to duplicate information. HEWS could piggy back on the analyses of specialists at the FAO, the World Food Programme and organisations like the US Agency for International Development (USAID). There was information in other areas, but often this did not readily lend itself to the early warning system.

Collating information

The next step was to assemble huge amounts of information. Regular information from the field in trouble spots is, even today, not available for a variety of reasons. To fill the gap, HEWS initiated dialogue with the UN's Development Programme (UNDP) and Department of Peacekeeping Operations (DPKO), as well as with NGOs, to build a two-way relationship. HEWS was thus a 'consumer' of field reports as well being the provider of background information on present and developing situations.

HEWS developed an extensive base of country information. UN data is supplemented with information from outside bodies. Its sources include specialised UN agencies, the Bretton Woods Institutions, Member States, the academic community, NGOs and regional organisations.

¹The authors of the original article on which this text is based are Associate Humanitarian Affairs Officer with the UN Department of Humanitarian Affairs in New York. The views expressed are their own and are not necessarily shared by the United Nations.
Wallentin and Sollenberg, 1997.



Methodology

Factors aggravating a crisis are identifiable, measurable and can be monitored. A number of causes can lead to the development of a crisis. There can be background or root causes, accelerating factors which escalate existing tensions, and circumstances which trigger incidents and ignite dormant tensions. HEWS endeavours to combine the analysis of existing vulnerabilities with the monitoring of events and assessment of trends. The aim is to alert the DHA of potential crises through a context-specific analysis of developing situations. The methodology is guided to a large extent by the constraints and possibilities that exist within the UN institutions.

Not all countries need to be monitored to the same degree since risks vary from one country to another. A procedure is required to distinguish between situations that are likely to deteriorate and those that are not. The HEWS system is three-tiered (see diagram). The necessity for tiering is underscored by the fact that resources are limited and the technique can be used to allocate resources efficiently.

Short-listing

The first stage is to short-list countries where there is some known risk. Country data spanning the past 15 years is collated and examined, enabling the analysts to rank countries based on various criteria. The latter include, low and deteriorating levels of human development; economic decline that is worse

than the regional average; populations at risk from the state or from other demographic groups; big disparities among groups, and significant shifts in the level of external investment or assistance. When evaluated from a humanitarian perspective, local capacities to deal with or contain a crisis must also be taken into account.

Accelerating factors

One layer up are the accelerating factors. These are the elements that could lead to an escalation of tensions such as: a decline in the rule of law; deterioration of food security; arms inflows; and discrimination. New factors or variables in the existing ones are added, following periodic evaluation with careful attention paid to news 'hot off the wires', or from the field offices of UN agencies and NGOs. Information gathered includes the price of key commodity exports, the value of goods in the second-hand market; the price of basic food items, levels of livestock sales, or the number of months public-sector employers have not been paid. Use of these customised indicators allows for more effective monitoring and qualitative analysis to be included in the headquarters-based early warning system. Periodic inter-departmental consultations are held to give the analysis a broader multi-disciplinary perspective.

Triggers

The upper layer deals with the trigger incidents. Some situations remain on the threshold of cri-

sis for a prolonged period, while others cross the boundary quickly. Some incidents which could trigger a crisis are changes in leadership; declarations of a state of emergency; external actions/interventions, and events within the region or in neighbouring countries.

In conclusion, early warning is necessary, but it does not, in itself, prevent crises. When there is credible evidence of a looming problem, this must be followed up by prompt and effective action. HEWS information must feed into the consultation process that determines what action is needed to prevent crises. There may be disputes about the scope of preventive diplomacy, and the desirability and practicality of various preventive measures. There may be differences of assessment about policies and strategies to ward off undesirable events but there is no disagreement on the importance of early warning. HEWS marks significant progress in the UN's early warning system, providing structured information flows and intelligent technical tools.

The system is in constant evolution, though it is only one rung of the ladder of the UN's comprehensive prevention strategy. But it is already going some way towards preventing humanitarian distress. As former UN Secretary General, Dag Hammarskjöld, put it: 'It is the constant struggle to close the gap between aspiration and performance that makes the difference between civilisation and chaos.' ■ ■ ■

Source: The Courier 168, March-April 1998, pp.79-80

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Box 3.4: Lund's checklist of antecedents of possible genocide

- "Governing elites express exclusionary ideologies (beliefs that elevate some ethnic group or class to a position of superiority over other such groups) and the use of rhetoric that dehumanizes the "out" group.
- A charismatic leadership emerges that attracts a mass following through abstract appeals to a certain people's or group's destiny.
- Severe economic hardship or differential treatment occurs for certain ethnic or other groups, so scapegoats are sought.
- Competition for power occurs among governing elites in a context in which the state security apparatus or paramilitary activities have few constraints.
- New discriminatory or restrictive policies, such as abuses of human rights and restrictions on free speech and the media, are accepted by the regime.
- Capital flight and disinvestment occur.
- Violent episodes, such as clashes between regime supporters and targeted groups, assassination of group leaders, and attacks on scapegoat groups, occur.
- External rhetorical and material support is provided for politically active groups.
- Terrorist, vigilante, and paramilitary groups come into being."

Source: Michael S. Lund: Preventing Violent Conflicts. A Strategy for Preventive Diplomacy (= US Institute of Peace), Washington/D.C. 1996, 113f.

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Annex 7

EUP Programmes

Sources:

Confidential document

5.2. Activités envisagées et modalités des interventions budgétaires

Overview Specific Objectives.	Beneficiary	Intermediary	Means	Max Contribution
A. RIGHTS OF VULNERABLE GROUPS				
A.1. Reinforce respect for the rights of indigenous peoples and ethnic minorities (anti discrimination)	minorities, indigenous people	NGOs	Projects, seminars, training	up to 80%
A.2. Promote and protect women's rights	women	NGOs	Projects, seminars, training	up to 80%
A.3. Reinforce respect for the rights of the child	children	NGOs	Projects, seminars, training	up to 80%
A.4. Support information centres (legal advice)	victims, legal profession	NGOs	Projects, seminars, training	up to 80%
A.5. Support penal reform (including prisoners' rights)	prisoners, legal profession	NGOs	Projects, seminars, training	up to 80%
B. PROMOTION OF HUMAN RIGHTS				
B.1. General promotion of human rights	victims of human rights violations	NGOs	Projects, seminars, training	up to 80%
B.2. Support associations and organisations working for peace, reconciliation and dialogue in conflict regions	victims	NGOs	Projects, seminars, training	up to 80%
C. STRENGTHENING CIVIL SOCIETY				
C.1. Supporting Consumers' rights (and consumers' co-operatives)	consumers	NGOs	Projects, seminars, training	up to 80%
C.2. Training Employers' organisations	employers/employees	NGOs	Projects, seminars, training	up to 80%
C.3. Strengthening Local administration	local administrators	NGOs	Projects, seminars, training	up to 80%
C.4. Strengthening the Media	newspapers & other media	NGOs	Projects, seminars, training	up to 80%
C.5. Strengthening NGO's	NGOs	NGOs	Projects, seminars, training	up to 80%
C.6. Parliamentary Practice	Parliaments	NGOs	Projects, seminars, training	up to 80%
C.7. Promoting freedom of religion	minority religion	NGOs	Projects, seminars, training	up to 80%
C.8. Security structures	general population	NGOs	Projects, seminars, training	up to 80%
C.9 Teaching of history	general population	NGOs	Projects, seminars, training	up to 80%
C.10 Capacity-building Trade Unions	trade unions	NGOs	Projects, seminars, training	up to 80%
C.11 Training national politicians	politicians	NGOs	Projects, seminars, training	up to 80%

6. INCIDENCE FINANCIÈRE.

6.1. Overview Specific Objectives.	Budget 1998	APB 99	Var %
A. RIGHTS OF VULNERABLE GROUPS	1.500.000	1.500.000	-
B. PROMOTION OF HUMAN RIGHTS	2.000.000	2.000.000	-
C. STRENGTHENING CIVIL SOCIETY	5.000.000	5.000.000	-
D. MICROPROJECTS	5.000.000	5.000.000	-
E. PROGRAMME SUPPORT	1.500.000	1.500.000	-
TOTAL	15.000.000	15.000.000	-

6.2. Calcul des coûts par activités envisagées pour 1999.

Overview Specific Objectives.	Number of Activities	Average costs	Total costs
A. RIGHTS OF VULNERABLE GROUPS	4	375.000	1.500.000
B. PROMOTION OF HUMAN RIGHTS	4	500.000	2.000.000
C. STRENGTHENING CIVIL SOCIETY	5	1.000.000	5.000.000
D. MICROPROJECTS	400	12.500	5.000.000
E. PROGRAMME SUPPORT	1	1.500.000	1.500.000
TOTAL	n/a	n/a	15.000.000

6.3. Dépenses opérationnelles d'études, de réunions d'experts, etc., incluses en Partie B

(voir annexe III bis de la communication de la Commission du 22.04.1992, jointe en annexe X/XI)

CE en MioEcus, à la 3ième décimale

Ventilation	Budget 98	APB 99	Var. en %
Administration cost resulting from the administration of Item B7-700 and the inspection of projects which have received grants	1.500.000	1.500.000	-
TOTAL	1.500.000	1.500.000	-

6.4. Echancier à remplir pour les actions pluriannuelles

- Montants de référence figurant dans la base légale (soit montants privilégiés convenus en codécision législative, soit montants indicatifs introduits par le Conseil) : MioEcus
- Période d'application :

CE en MioEcus, à la 3ième décimale

Situation Cumulée Fin 1997	Budget 1998 ⁽¹⁾	APB 1999	Programmation indicative				
			2000	2001	2002	2003 et ex. suivants	TOTAL
47.501	15.000	15.000					

Eventuellement ⁽¹⁾ Dont un montant de ... MioEcus de crédits reconstitués/reportés de 1997 à 1998

Annex 8

Member States Organisation etc

Sources:

Doc: of the European Commission INTERNAL STRICTLY CONFIDENTIAL DOCUMENT: Translation of: Note a l'attention de Monsieur Chris Patten 13.X.1999 Document the reflection "Agence Europeenne pour la mise en oeuvre des aides aux pays tiers"

ANNEX : Member States' organisation for the definition and the implementation of the national policy of aid to the third countries.

ITALY

Identification of the Public bodies concerned

1. The actual Italian system of co-operation is very complex:

The main important bodies in the management of bilateral aids are:

-The Ministry of Foreign Affairs (MAE) has a General Direction responsible for the Development Co-operation (DGCS).

-the Ministry of Finances

-Inter-ministerial Committee for the Economical Programming (CIPE) where the Ministries of Foreign Affairs, Finances, Industries and External Commerce participate

2. Role of each body in the management of the project cycle.

For the definition of the development policy the Italian Government takes support from the Inter-ministerial Committee (CIPE)

The Ministry of Foreign Affairs and the General Direction responsible for the Development Co-operation (DGCS) are responsible for establishing the co-operation agreements

The process of yearly intervention of the co-operation articulates in the following manner:

-In the context of its budget The Parliament fixes the subsidies managed by the Ministry of Foreign Affairs and loans managed by the Ministry of Finance

-The Ministry of Foreign Affairs fixes the annual priorities and adopts the programming project.

-The Management Committee for the Development Co-operation (presided over by the Ministry of Foreign Affairs and composed of the General Directors and several Ministries) adopts the intervention and decides on the project of co-operation where the amount is superior to +/-1 MEuros.

The identification and instruction of these projects are the responsibilities of the geographical offices of the Ministry of Foreign Affairs in association with the Technical Central Unity (UTC) and the Local Technical Unites (UTL) installed in the beneficiaries countries and attached to the Italian Embassies in the countries

The implementation of the co-operation projects are carried out under the control of the Co-operation of Development, and for the loans under the direct responsibilities of the Banking Institution "MEDIO CREDITO" and the support of the Development Co-operation (DGCS)

3. The function of the "Agencies" or the autonomous management structures (future "Agency for development co-operation").

The Italian Parliament is currently examining a proposed law, which modifies the tasks, the operation and the institutional context of the Co-operation. It consists of a real and significant reform of the Italian co-operation. This draft law, which has already been approved by the Senate and is in the process of being examined by the House of Commons, provides for the creation of an Italian Agency for Co-operation Development.

According to the draft law, the Agency will have a public independent status, granted the full legal power under the political direction and the control of the Ministry of Foreign Affairs.

The tasks of the Ministry of Foreign Affairs will be limited to indicative programming, the definition of priorities and the political and sectorial orientations, to the distribution of financial resources per country or region (programming which has to be approved every three years by the government).

The future Agency will, on the other hand, be responsible for the identification, financing and the implementation of the programmes, the subsidies as well as the loans. It will also be responsible for the management of the decentralised co-operation and humanitarian aide. The Agency will contribute through its technical advice to the preparation of the programming per country.

The representatives of the Agency will be made up of a president (chosen by the government, on recommendation of the Ministry of Foreign Affairs), of a board of administration (composed by the president and four members designated respectively by the Ministry of Foreign Affairs, the Finance Ministry and two by the government) and by a Committee in charge of the audit of the accounts (members appointed by the ministry of finance, budget and of economic programming).

The board of administration will decide the three-year programme of the Agency; it will name the director general of the Agency who will be responsible for the implementation of the decisions and recommendations of the board of administration.

The operation of the Agency will be financed by the resources of the Public Development Aid Fund (APS- Aiuto Pubblico allo Sviluppo). 208

Belgium

1. Identification of the public bodies concerned:

The structure, which is in the process of being put in place, was established by a law (28 December 1998) that created the Belgian Technical Co-operation and ordered the dissolution of the AGCD (whose personnel were integrated into the DGCI):

- The Belgian Technical Co-operation which has the legal status of a limited company of social nature (the Belgian state is the only shareholder).
- The Ministry of Foreign Affairs, of exterior Commerce and Co-operation (The General Direction of the International Co-operation).

2. The role each body plays in the management of the cycle of the project.

The DGCI is responsible for the preparation of the policy, the co-ordination and control of the activities of development and the evaluation of the actual impact of the projects.

The CTB is responsible for the implementation of the bilateral co-operation on the ground. The CTB has then the responsibility for the implementation of the material of the projects and their management, the financial co-operation (the reduction of debts), the bilateral educational grants, the support programme for small and medium companies, etc.

The evaluation unit is linked to the general Secretariat of the Ministry of Foreign Affairs, of exterior Commerce and Co-operation. It reports back in an independent manner in Parliament on the whole of the public expenditure aide development.

3. The function of the "Agencies" or autonomous structure of management.

The CTB depends on the Ministry of Foreign Affairs, exterior Commerce and Co-operation.

The relation between the state and the CTB are governed by a management contract. This contract determines the rights and duties of both parties and stipulates the way in which the state awards the tasks of public services to the CTB.

The CTB mobilises the necessary human and material resources for their services. For this the state will finance them.

Belgian aid and peace building

In order to improve capacity for conflict prevention and peacebuilding the Belgian State Secretary for Development Cooperation has taken a number of measures. First, the Belgian aid administration has been expanded with a focal point on peace and conflict. This desk within the policy unit of the Belgian Administration for Development Cooperation coordinates the Belgian aid efforts to increase the capacity for responding to conflict and to build peace. It explores the possibilities for closer cooperation with donor agencies and other actors that are active in the field of conflict and peace. In the end, peace cannot be imposed from above, nor can it be imported. Therefore, external actors should build on local leadership, institutions and societal forces that can help manage change without resort to violence. The role of women in conflict requires particular attention, not only because of their differing vulnerability to men, but also because of their specific capacities for conflict resolution and their different coping strategies.

The Coordination Unit on Peace and Conflict also coordinates a number of projects and programmes which are supported under a new budget, the Belgian Fund on Peace and Conflict. Thereby, the unit also seeks to develop a coherent strategy with other Belgian development programmes that are being supported in situations of fragile transition or in unstable areas. A first conflict impact assessment was carried out in Rwanda on a planned programme for rehabilitation of returning refugees.

The need for such initiatives was highlighted by the multi donor evaluation of the Rwanda emergency relief efforts. In a more systematic way, relevant lessons on strengthening structural stability will be incorporated in Belgian aid mechanisms and policies. The unit will also interact with other donors and seek coherence with other policy levels on specific areas of intervention in target regions. Attention will focus, amongst other areas, on demining, the proliferation of small arms, and the particular challenges posed by the acute crises in the Great Lakes region. Regional efforts for building peace and for setting up conflict management or mediation get special attention.

A special fund has been created with the purpose of fast-tracking interventions in key conflict zones or for support towards peacebuilding. Last year, approx. \$3 million were allocated to multilateral agencies in this way in Angola, the Great Lakes

Region and the Philippines, for projects ranging from demobilisation and demining to human rights monitoring and conflict mediation. Planning is not always optimal in complex transitional situations and, therefore, such a flexible fund is necessary because of the limited degree of preparedness by the international community. In the longer term the capacity and mandates of a number of international organisations will have to be upgraded so as to increase impact and efficiency in the area of peace-building or conflict prevention.

In order to increase the local capacity or potential for conflict mediation and peace-building, a further \$8m was allocated to a number of smaller projects. Some of these projects seek to build or strengthen institutions for managing conflict over a longer period, but fall outside the normal budget facilities. Others are more immediate and short-term interventions. Both require adapted administrative mechanisms from donors. These interventions are situated in the areas of demining, support to electoral processes, capacity-building in fields such as conflict management, civil diplomacy and support to independent quality journalism. Ongoing projects in the area of human rights, democracy, good governance, reconciliation, and reform of judicial and police systems are funded under the normal budget lines. For 1998, another \$5.5m has been budgeted for multilateral projects on conflict and peace, and a further \$8.5m, mainly for non-governmental actors.

Since the Belgian development administration will be incorporated into the Department of Foreign Affairs, new opportunities arise for increased coherence between other aspects of Belgian foreign policy.

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Annex 9

DDH

Sources:

Com 1999 n.207

Doc. of the European Commission Directorate Development: Digest of
Community Resources of Development Co-operation and Humanitarian Aid.

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DOCUMENTS

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FINANCIAL STATEMENT

1. TITLE OF OPERATION

The implementation of:

- development cooperation operations which contribute to the general objective of developing and consolidating democracy and the rule of law and respecting human rights and fundamental freedoms;
- Community operations, other than those of development cooperation, which, within the framework of Community cooperation policy, contribute to the general objectives of developing and consolidating democracy and the rule of law and respecting human rights and fundamental freedoms in third countries.

2. BUDGET HEADING(S) INVOLVED

The budget headings concerned in 1999 are:

Heading	Title	Budget		Breakdown between the two Regulations
		Commitment appropriations	Payments	
Chapter B7-70	European initiative for democracy and the protection of human rights			
<u>B7-700</u>	Support for democracy in central and eastern Europe, including the Republics formerly part of Yugoslavia	15 000 000		Art. 235
<u>B7-701</u>	Support for democracy in the New Independent States and Mongolia	10 000 000		Art. 235
B7-7020	Human rights and democracy in the developing countries, particular the ACP-countries	17 000 000		Art. 130w
B7-7021	Human rights and democracy in Southern African countries	4 000 000		Art. 130w
B7-7022	Special programme for democracy and good governance in Nigeria	4 000 000		Art. 130w
<u>B7-703</u>	Democratisation process in Latin America	12 625 000		Art. 130w
<u>B7-704</u>	Subsidies for certain activities of organisations pursuing human rights objectives	15 000 000		Art. 235/Art.130w
<u>B7-705</u>	MEDA programme for democracy	10 075 000		Art. 235
<u>B7-706</u>	Support for the activities of international criminal tribunals and for the setting-up of a Standing International Criminal Tribunal	3 300 000		Art. 235/Art.130w
<u>B7-707</u>	Human rights and democracy in Asian countries	5 000 000		Art. 130w
<u>B7-709</u>	Support for, and supervision of, electoral processes	2 000 000		Art. 235/Art. 130w
	TOTAL	98 000 000		Art.235: 35 075 000 Art.130w: 42 625 000 Art. 235/Art.130w: 20 300 000

B7-700

This heading is intended to support the development of democracy and of the rule of law and the development of civil society in the countries of central and eastern Europe, including the Republics formerly part of Yugoslavia (Slovenia, Croatia, Serbia, Montenegro, the Former Yugoslav Republic of Macedonia and Bosnia-Herzegovina). It is intended to finance measures to support the peace process, calm tensions and develop democracy by, *inter alia*, the promotion of free and independent media in the countries concerned. The heading is also intended to ~~cover~~ provide support - involving NGOs of a regional nature as extensively as possible, and targeting women's associations in particular - for measures taken by associations actively campaigning for the restoration of democracy in civil life in the countries concerned of central and eastern Europe, including the Republics formerly part of Yugoslavia.

B7-701

This heading is intended to cover the implementation of a programme to support democracy and the rule of law, and the transposition of internationally recognised human rights, rights for the protection of minorities and indigenous peoples and to develop civil society in the independent states of the former Soviet Union and Mongolia in the framework of the European Parliament resolution of 15 July 1993. It also covers assistance in the rebuilding of the infrastructure necessary for public and democratic life, with the broadest possible involvement of non-governmental organisations. Finally, it helps support significant measures in the areas of raising voter awareness, voter education and support for independent media.

B7-7020

This item is intended to cover support for operations promoting human rights and democracy, notably those relating to the exercise of public authority, the development of civil society and conflict prevention, in strict association with the development policies of the European Union in favour of the developing countries, in particular the ACP countries. It also covers financing to support the rights of minorities and vulnerable groups and the provision of technical expertise on issues related to electoral processes, good governance, the promotion of equality between women and men, the rule of law and the respect of human rights.

B7-7021

This item is intended to finance a contribution by the European Union in Southern African countries to operations promoting human rights and democracy, notably those relating to the exercise of public authority, the development of civil society, the promotion of equality between women and men and conflict prevention to help reinforce democracy in the countries of that region. Human rights and democracy in Southern African countries.

B7-7022

This is intended to support non-governmental organisations seeking to promote democracy, peace and respect for human rights in Nigeria, in particular pro-democracy groups, women's organisations, trade unions and local groups as well as churches and human rights organisations. Special Programme for Democracy and Good Governance in Nigeria.

B7-703

This heading is intended to cover the financing of special activities to contribute to the process of democratisation in Latin America, including Haiti and Cuba, particularly in assisting the re-integration into civilian life of those who have fought in civil wars in Central America. It is also intended to provide support for democratically elected authorities which are victims of attempted coups d'état and in which the European Community still has confidence.

B7-704

This heading is intended to cover financing of the activities of organisations pursuing humanitarian aims and promoting human rights in third countries. It also covers support for the establishment and maintenance of rehabilitation centres for victims of torture and to other organisations offering concrete help to victims of human rights abuses. This aid is allocated for projects to be undertaken in third countries and in the European Union in the form of grants, notably in support of organisations which assist children who are victims of human rights violations or provide legal advice or aid to persons or associations in need thereof. Aid under this item is targeted, *inter alia*, at: Community and international initiatives aimed at abolishing the death penalty in all countries; training for those called upon to teach others about human rights (judges, lawyers, civil servants, those responsible for the training of police and security forces, teachers, etc.); reinforcing respect for the rights of the child; the promotion and protection of women's rights, including action to combat trafficking in women; reinforcing respect for ethnic minorities and the rights of indigenous peoples worldwide; support for organisations which specialise in caring for refugees; training and education in human rights with organisations specialising in the subject; initiatives seeking to establish an international criminal court.

B7-705

This heading is designed to support the development of democracy, of the constitutional state and of civil society in the countries covered by the MEDA programme.

B7-706

This heading is intended to help improve the functioning of the UN International War Crimes Tribunal for the former Yugoslavia and the International Criminal Tribunal for Rwanda by funding operating expenditure incurred in gathering evidence (missions, investigations, travel by witnesses, exhumations, etc.) and preparations for the setting-up of an international criminal court

B7-707

This heading is intended to contribute to support in Asian countries for operations promoting human rights and support the development of democracy, notably those relating to the exercise of public authority, the development of the constitutional state and of civil society and conflict prevention in the countries of Asia. It covers the financing of activities to promote democracy in Asia, especially in the People's Republic of China and in the territory of Macao, as well as of those activities connected with monitoring respect for human rights, particularly in Hong Kong, Macao, the autonomous region of Xinjiang and Inner Mongolia, of those related to the promotion of freedom of the media, and of those intended to raise awareness of European Union measures in the field of democracy and human rights. It also covers support for the activities of non-

governmental organisations involved in the protection and promotion of human rights in Tibet.

B7-709

This heading is intended to finance activities in support of the electoral process in third countries. It may be used in particular to finance measures to build up the capacity necessary to carry out effective election observation operations, notably setting up structures for the training of personnel, including the establishment of a pool of specialist professionals, monitoring access to the media during election campaigns, evaluation of the European Union's participation in international election observation missions and continued monitoring of the post-electoral situation. Support for, and supervision of, electoral processes.

3. LEGAL BASIS

It is proposed that the Council Regulation establishing the requirements for the implementation of development cooperation operations which contribute to the general objective of developing and consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms, be based on Article 130w of the Treaty.

It is proposed that the Council Regulation establishing the requirements for the implementation of Community operations, other than those of development cooperation, which, within the framework of Community cooperation policy, contribute to the general objective of developing and consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms in third countries, be based on Article 235 of the Treaty.

4. DESCRIPTION OF OPERATION

4.1 General objective

To contribute to the implementation of operations to develop and consolidate democracy and the rule of law, including good governance, and respect for human rights and fundamental freedoms.

4.2 Period covered and arrangements for renewal

The operation is of indefinite duration.

"I, the undersigned.....position.....representing.....which has submitted a grant application to the European Commission, acting on behalf of the European Community.

Hereby:

(....)

3. "Agree to an audit being carried out by the Commission and the Court of Auditors on the utilisation of the amounts granted as required by the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities, last amended by Council Regulation 2444/97 of 22 September 1997."

ANNEX B:

Section "II. AUDIT

"In the event of an audit, the contractor must be in a position to provide the supporting documents listed below. These documents must be kept for up to five years after the expiry of the agreement with the Commission.

2.1 Personnel

For each person, time sheets certifying the number of days worked (for each month).

2.2 Subsistence allowances

Receipts signed by the beneficiary (in addition, the number of months/days must be consistent with the time sheets/travel tickets).

2.3 Travel

For air travel: original flight tickets and boarding passes. For local travel: original tickets (train, bus, ...); taxi receipts. For car travel: internal document (with signature) stating the date of travel, the destination and purpose, the number of kilometres done, the rate per kilometre.

2.4 Seminars and meetings

Hotel bills, receipts signed by beneficiaries of allowances, all invoices relating to the various expenses incurred.

2.5 Publications and reports

All invoices relating to the various expenses incurred. For mailing expenses, if no invoice can be obtained from the post office, an internal document showing the number of documents sent and the cost of stamps is admissible.

2.6 Equipment

Offers from suppliers consulted, and invoices. For equipment purchase by another organisation than the final user (e.g. equipment bought by an EU-based NGO on behalf of a local partner), a receipt acknowledging that the equipment was transferred to the final user must be attached to the final request for payment.

2.7 Supplies and consumables

Invoices and, where necessary, internal documents justifying the use made of those supplies and consumables.”

The Commission's authorised agents may visit organisations while operations are under way to check that everything is going smoothly and that funding is being used properly. The reports of such missions provide the budget heading's administrators with a detailed knowledge of the recipient organisation's capacities and the management of the project's finances.

DG XX and/or the Court of Auditors may also carry out inspections at the site of the project and the headquarters of recipient organisations.

Administrators of Chapter B7-70 headings are responsible for examining the intermediate and final financial reports that all recipient organisations have to present before receiving the next tranche of funding. In principle, this method enables misuse of funds to be avoided and offers guarantees as to the proper execution of the project's activities.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

– Specific objectives: links with general objective

1. promoting and defending the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights and the other international instruments concerning the development and consolidation of democracy and the rule of law, in particular:
 - (a) the promotion and protection of civil and political rights;
 - (b) the promotion and protection of economic, social and cultural rights;
 - (c) the promotion and protection of the human rights of those discriminated against, or suffering from poverty or disadvantage, which will contribute to reduction of poverty and social exclusion;
 - (d) the protection and promotion of the rights of minorities, ethnic groups, indigenous peoples, refugees and displaced persons;
 - (e) supporting local, national, regional or international institutions, including NGOs, involved in the protection, promotion or defence of human rights;
 - (f) support for rehabilitation centres for torture victims and for organisations offering concrete help to victims of human rights abuses or help to improve conditions in places where people are deprived of their liberty in order to prevent torture or ill-treatment;
 - (g) support for education, training and consciousness-raising in the area of human rights;

- (h) supporting action to monitor human rights, including the training of observers;
 - (i) the promotion of equality of opportunity and non-discriminatory practices, including measures to combat racism and xenophobia;
 - (j) promoting and protecting the fundamental freedoms mentioned in the International Covenant on Civil and Political Rights, in particular the freedom of opinion, expression and conscience, and the right to use one's own language;
2. supporting the processes of democratisation, in particular:
- (a) promoting and strengthening the rule of law, in particular upholding the independence of the judiciary and strengthening it, and support for a humane prison system; support for constitutional and legislative reform; support for initiatives in favour of the abolition of the death penalty;
 - (b) promoting the separation of powers, particularly the independence of the judiciary and the legislature from the executive, and support for institutional reforms;
 - (c) promoting pluralism both at political level and at the level of civil society by strengthening the institutions needed to maintain the pluralist nature of that society, including non-governmental organisations (NGOs), and by promoting independent and responsible media and supporting a free press and respect for the rights of freedom of association and assembly;
 - (d) promoting good governance, particularly by supporting administrative accountability and the prevention and combating of corruption;
 - (e) promoting the participation of the people in the decision-making process at national, regional and local level, in particular by promoting the equal participation of men and women in civil society, in economic life and in politics;
 - (f) support for electoral processes, in particular by supporting independent electoral commissions, granting material, technical and legal assistance in preparing for elections, including electoral censuses, taking measures to promote the participation of specific groups, particularly women, in the electoral process, and by training observers;
 - (g) supporting national efforts to separate civilian and military functions, training civilian and military personnel and raising their awareness of human rights;
3. support for measures to promote the respect for human rights and democratisation by preventing conflict and dealing with its consequences, in close collaboration with the relevant competent bodies, in particular:
- (a) supporting capacity-building, including the establishment of local early warning systems;
 - (b) supporting measures aimed at balancing opportunities and at bridging existing dividing lines among different identity groups;
 - (c) supporting measures facilitating the peaceful conciliation of group interests, including support to confidence-building measures relating to human rights and democratisation, in order to prevent conflict and to restore civil peace;

Community on human rights and democratisation was managed with the requisite consistency and transparency. The inter-departmental Human Rights Coordination Group has helped establish guidelines, identify terms of reference and common criteria for selecting projects and harmonise procedures.

This approach enables greater account to be taken of the realities of the countries and regions concerned and the priorities of governmental and non-governmental partners and ensures that proposed operations are relevant to the situation on the ground. Its main advantages are a flexibility enabling it to adapt to the needs of the target group, the interweaving of the thematic and geographical approaches, the innovative nature of schemes which receive small-scale funding under Chapter B7-70 but may, if successful, be developed on a larger scale using technical assistance or development aid resources. This system also helps ensure the continuity of action while offering scope for the development of a medium- to long-term strategic approach.

* explanatory reference to similar Community or national operations

The trend towards the harmonisation of selection and financing procedures within Chapter B7-70 both simplifies the selection of schemes and facilitates relations between the Commission and recipient organisations. This makes it easier to gauge the impact of measures financed under this chapter and keep operations in line with the priorities laid down by the inter-departmental group.

Community action is distinguished from similar initiatives at national level by the fact that it projects a European identity rooted in the Member States' shared commitment. In operational terms, the Commission's worldwide network of delegations and offices constitutes a particularly effective tool for the assessment, monitoring and evaluation of projects. It also helps focus the Commission's international efforts and maximise the impact. Other donors consider Commission funding a solid guarantee of the quality of a project and the trustworthiness of the recipient organisation.

– Main factors of uncertainty which could affect the specific results of the operation

Uncertainty and risk are intrinsic to the schemes backed. Some take place against a background of extreme tension or conflict. The subjects covered are sensitive and activities may be seriously impeded or interrupted by opposition from the authorities or social factions.

9.3 Monitoring and evaluation of the operation

– Performance indicators selected

* output indicators (measuring activities used)

* impact indicators (measuring performance against objectives)

All projects are evaluated in terms of the technical, logistical, administrative and financial capacity of the organisations presenting them. Evaluation can be broken down as follows:

- (d) promoting international humanitarian law and its observance by all parties to a conflict;
 - (e) supporting international, regional or local organisations, including the NGOs, involved in preventing, resolving and dealing with the consequences of conflict, including support for establishing ad hoc international criminal tribunals and setting up a permanent international criminal court, together with support and assistance for victims of human rights violations.
- Target population: distinguish for any individual objectives; indicate the end-beneficiaries of the Community's financial contribution and the intermediaries involved.

9.2 Grounds for the operation

- Need for Community financial aid, with particular regard for the principle of subsidiarity

The Community's international legal personality endows it, in international relations, with the capacity to exercise rights and assume obligations across the entire spectrum of objectives laid down in the Treaty. Action is taken in accordance with the United Nations Charter and the Universal Declaration of Human Rights supplemented by the two international pacts on civil and political rights and economic, social and cultural rights. It is also based on the requirements of the main international and regional instruments for the protection of human rights. The priorities espoused by the international community in the final declaration and the action programme of the World Conference on Human Rights (Vienna, June 1993) created a framework for action that is one of the European Union's main points of reference.

Building on this foundation, the Treaty on European Union has strengthened Community action in the field of human rights and democratic principles by specifying that Community policy in the sphere of development cooperation "shall contribute to the general objectives of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms." The Community's human-centred development aid policy is closely tied to the enjoyment of fundamental rights and freedoms, the recognition and application of democratic principles, the consolidation of the rule of law and good governance. This approach - set out in the resolution on human rights, democracy and development adopted on 28 November 1991 by the Council and the Member States meeting within the Council - is founded on open and constructive dialogue with the governments of the countries concerned and the implementation of positive measures to raise awareness of and promote human rights and democracy. It is aimed at strengthening the link between development aid, human rights and democratic principles, the rule of law and good governance.

- Choice of ways and means

* advantages over possible alternatives (comparative advantages)

Chapter B7-70 is one of the few instances of direct cooperation between the Commission and civil society inside and outside the Community. The gathering of these headings into a single chapter in 1994 helped ensure that spending outside the

1. conformity with the general objectives of the Union and the budget, chapter and heading concerned,
2. achievement of the project's objectives,
3. cost-effectiveness,
4. quality of the organisation,
5. relevance to the situation on the ground,
6. impact and spin-offs of the project,
7. visibility of the Union's contribution.

At the end of the contract, all recipients must present a report on a project's activities and spending before the file can be closed. These reports are examined in the light of the original work plan, objectives and budget. Criteria include cost-effectiveness, spin-offs and the visibility of Community support. Any irregularity for which the organisation is unable to provide an explanation may lead to the dispatch of an on-the-spot inspection mission by the unit or, where appropriate, Financial Control and/or the Court of Auditors.

Various annual reports take stock of the use of these financial resources. The issues are covered horizontally by the reports on the implementation of measures intended to promote observance of human rights and democratisation (1992, 1993, 1994, 1995) and the reports on the implementation of operations to promote human rights and democratisation and the reports on the implementation of the resolution adopted on 28 November 1991 by the Council and the Member States meeting within the Council on human rights, democracy and development (1992, 1993 and 1994). The general report on the activities of the European Communities provides general information on the execution of the various budget headings. These are supplemented by the reports on the use of the individual headings of Chapter B7-70.

10. ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)

10.1 Effect on the number of posts

