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EuropeAid Co-operation Office

Director-General

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NOTE TO THE ATTENTION OF THE AIDCO STAFF AND DELEGATIONS

Subject: New “Practical Guide to contract procedures for EC external actions”
Instruction note to be distributed to all the staff
This note replaces the note 17775 of 27.05.2003

It is with satisfaction that I announce the publication, this 1st February 2006, of the new Practical Guide to contract procedures for EC external actions.

This unique Guide explains for the first time, the whole contracting procedures (procurement and grants) applying to all EC external aid contracts financed from the European Communities general Budget and the European Development Fund.

It has a new presentation set up and special care has been taken to facilitate and improve its reading as well as its new content. Indeed all the updates in the regulations since 2003 as well as many “good practices” submitted by you, the users, have been incorporated.

The rules and principles provided in this guide apply from 01.02.2006 to all the procedures started following the calls for proposals and calls for tenders published from that date.

Subject to the indications below, the on-going procedures will remain governed by the rules and documents applicable at the time of their publication. To this end, the previous versions of the Practical Guide (Budget and EDF) remain available with the new version on the EuropeAid website¹. It is however recommended, in case of on-going calls for proposals to use the new grant contract template if the evaluation has not been finalised and the preparation of the contracts has not started on 1st February². Appropriate publicity of this instruction has to be ensured on the sites where these calls for proposals were published.

Obviously the changes made take into account the (limited) revision of the Implementing Rules of the Financial Regulation applicable to the Budget intervened in July 2005, the

¹ http://europa.eu.int/comm/europeaid/tender/gestion/index_en.htm

² The provision for unforeseen events will not then be used insofar as it is not mentioned in the submitted proposals.

Commission Decision of 24.01.2006 on approval of the Rules and Procedures applicable to the markets financed by the general Budget in the course of cooperation with the third countries, the revision of the Cotonou Agreement in 2005, as well as the aim of simplifying the procedures and making them more understandable.

Within the limits allowed by the legal framework in force, a more thorough harmonisation of the principles applicable to the external actions financed by the Budget and by the European Development Fund was undertaken.

Among the innovations of the Practical Guide, let us point out in particular:

- The merge of the practical guides for the Budget and the EDF to one document. Moreover the Practical Guide is enriched by new annexes, and others were reformulated for the sake of clarity and simplification.

The annexes relating to the services, supplies and works contracts, specific to the EDF were not revised at this stage, the experience in their use still being limited. However, annexes relating to the phase of award of the contracts will be amended soon to reflect fully the new provisions of the new Practical Guide. In the meantime, these common provisions having been put forward in the text of the Practical Guide, they can consequently be taken into account in the elaboration of the documents of the calls for tenders.

- An easier reading, as a result of editorial improvements made, should prevent the risks of divergent interpretations and guarantee a more coherent application of our rules.
- The introduction of greater autonomy and responsibility for the Committees in the evaluation of the submitted offers and proposals should limit the risks of rejection (for example, the acceptance of non signed offers as far as the signature is obtained consecutively, of scanned documents, of offers in number of copies lower than the number of copies requested, etc).
- The removal of the distinction between local and international experts in the service contracts.
- The evaluation of the grant proposals will start with their relevance and their technical and financial aspects; administrative conformity and eligibility will be checked only for the proposals selected for financing. Delegations will be directly involved in the evaluation of the calls for proposals managed by EuropeAid.
- Significant reduction of the requirements as regards administrative conformity was introduced (for example for the grants the number of documentary evidence to be provided strongly fell, and they will only be required of the applicants selected at the end of the procedure).
- The publication of standard models for the narrative financial statements of the grant beneficiaries and for the "expenditure verification" of the auditors will facilitate the intervention of these various actors.

The grant beneficiaries will have the possibility, but not the obligation, to use the new narrative and financial report model for the on-going contracts, except when these contracts necessitate another specific model.

- The small grants to the community-base organisations in decentralised management for the amounts lower than or equal to EUR 10,000, will now be governed by simplified rules.

The Practical Guide contains all the requirements applicable to the contractual procedures. In order to ensure the success of the exercise of simplification and harmonisation undertaken, services will only be able to add additional requirements as a derogation, which in the case of EuropeAid and of the corresponding Delegations will have to be authorized on a case by case basis by the relevant geographical Director.

This effort of simplification of the contractual procedures has not finished. In particular, the Practical Guide will be completed in the coming weeks by simplified tender documents for the calls for tenders for amounts lower than the international publication thresholds; the mixed group cabinets-services of simplification of the procedures within the framework of the external actions is working on the contributions you submitted in November and will soon make its recommendations; the Financial Regulation applicable to the Budget and its Implementation Rules will be revised in 2006 and 2007, in which a number of simplification proposals formulated by EuropeAid will be adopted.

These measures will be reflected at the proper time in the Practical Guide. There will not however be extensive revisions such as this. We are indeed working, with external consultants, to convert the Practical Guide and other existing instruction notes on contractual and financial procedures in a consolidated code of rules on-line, each chapter being updated independently of the rest. This new presentation will be available in the coming weeks.

I do not doubt that this innovatory document will contribute significantly to simplification of the procedures and their implementation, for the benefit of greater effectiveness of our actions in the area of external aid.

(Signed)
Koos RICHELLE

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