



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 15.06.1998
COM(1998) 369 final

Proposal for a

COUNCIL DECISION

on financing the fixed costs of the system of managing
technical assistance for the ACP States and OCT

(presented by the Commission)

EXPLANATORY MEMORANDUM

The European Association for Cooperation (EAC), which managed the provision of technical assistants and other experts in developing countries with funding from the EDF and the budget, is currently being wound up. It is to be replaced by two private companies selected on the basis of an international call for tender:

- GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit GmbH), Eschborn, Germany;
- AGRER SA, Brussels, Belgium.

GTZ has been chosen for operations in Africa and the Indian Ocean. It will have sole responsibility for matters within the remit of DG VIII. The bulk of its activities will be financed by the EDF.

AGRER has been chosen to cover the rest of the world and experts in humanitarian and food aid throughout the world. It will be responsible for the fields managed by the various RELEX DGs. In the case of DG VIII, these fields are the Caribbean and Pacific regions and food security. Its activities will be financed mainly from budgetary resources.

These companies will provide the logistic framework. Technical assistance contracts will be concluded between the Commission and technical assistants.

The financial arrangements are identical for both contracts, which will be signed for a period of two years and will be renewable once, likewise for two years. These arrangements are:

- a fixed lump sum to cover operating costs

GTZ	AGRER
ECU 2 563 440	ECU 2 160 590
- variable technical assistance costs (technical assistance contracts plus 6% for management costs).

Given the scale of its technical assistance, the EDF will have to finance over 90% of GTZ's fixed costs and less than 10% of AGRER's fixed costs¹. The total cost is estimated at ECU 5.5 million for four years.

The fixed costs, unlike the variable costs, cannot be borne solely by the ACP States and OCT that receive technical assistance. As the system is one that benefits all recipient States, the structural costs should be borne jointly by all ACP States and OCT. As technical assistance is provided on an irregular, case-by-case basis, spreading the cost among the ACP States and OCT receiving technical assistance could lead to their being charged costs which bear no relation to the actual services provided.

¹ These percentages were determined on the basis of allocations made in previous years.

Consequently, it is proposed that these costs be financed by revenue accruing from the deposited funds referred to in Article 9(2) of the 8th EDF Internal Agreement (EDF interest). The Council must decide by a qualified majority on the use of this revenue, in accordance with the final paragraph of Article 9(2) of the 8th EDF Internal Agreement.

PROPOSAL FOR A COUNCIL DECISION

on financing the fixed costs of the system of managing
technical assistance for the ACP States and OCT

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the fourth ACP-EEC Convention, signed at Lomé on 15 December 1989 and amended by the agreement signed in Mauritius on 4 November 1995, hereafter called the "Convention";

Having regard to Council Decision 91/482/EEC of 25 July 1991 on the association of the overseas countries and territories with the European Community, as amended by Decision 97/803/EC of 24 November 1997;

Having regard to the internal agreement on the financing and administration of Community aid under the second financial protocol of the fourth ACP-EEC Convention, hereafter called the "Internal Agreement", and in particular Article 9 thereof;

Having regard to the Commission proposal,

Whereas it is necessary to cover, for a period of four years, the fixed costs arising from the replacement of the European Association for Cooperation (EAC) for the management of technical assistance for the ACP States and OCT;

Whereas the revenue accruing from the interest on the deposited funds referred to in Article 9(2) of the Internal Agreement would cover these fixed costs,

HAS DECIDED AS FOLLOWS:

Article 1

The sum of ECU 5.5 million shall be deducted from the revenue accruing from the interest on the funds deposited with paying agents in Europe referred to in Article 319(4) of the Convention, to finance the fixed costs arising from the replacement of the European Association for Cooperation (EAC) for the management of technical assistance for the ACP States and OCT.

Article 2

This Decision shall enter into force on the day of its adoption.

Done at Brussels

For the Council

The President

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