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**ANNUAL REPORT
(1999)**

European Programme for Reconstruction and Development in South Africa

(Council Regulation 2259/96)

(presented by the Commission)

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INTRODUCTION

Council Regulation no. 2259/96 of 22 November 1996 established the legal base for development cooperation with South Africa, the programme being entitled the European Programme for Reconstruction and Development in South Africa (EPRD). Article 9 of the Regulation states that the Commission shall submit an annual report on implementation of this Regulation to the European Parliament and the Council.

This is the third such report, covering the financial year 1999, the final year of validity of the legal base, the Regulation expiring on 31 December 1999.

The EPRD budget allocation for 1999 was 127.5 million Euro for commitments and 80 million Euro for payments.

1. THE CONTEXT OF EPRD

Starting from the budget year 1986, the budgetary authority created a line (B7-5070) to support development actions in South Africa. This allocation, and the ones for the following years, funded the European Community Special Programme for South Africa.

The Programme mainly targeted civil society (the EC did not have relations with the SA Government until after the 1994 democratic elections), initially focusing mainly on the struggle against apartheid but with an increasing attention to developmental issues. The Special Programme supported 744 projects, for a total of 443 million Euro.

Since the democratic elections in April 1994, European Union cooperation with South Africa has evolved towards a more traditional "development" approach, involving more and more the new government in the European Programme for Reconstruction and Development in South Africa (EPRD), the successor in 1995 of the Special Programme.

Already in April 1994, the Council had expressed its support for stepping up cooperation with South Africa by focusing Community assistance in areas of activity likely to improve the living conditions of the people, and especially the poorest sections of the population.

This was in line with the development programme presented by the new government (the Reconstruction and Development Programme - RDP). This governmental development programme (still ongoing) has experienced delivery problems and from 1996 it coexists with a broader macro-economic policy adopted by the government, known as GEAR (Growth Employment and Redistribution). GEAR has a stronger focus on growth and on the role of the private sector.

Against the backdrop of the above policy changes, since 1996 development activities in South Africa have gone through a process of restructuring and reorganisation, and programming has been reinforced (see Chapter 3).

Following the accession of South Africa to the Lomé Convention, albeit as a qualified member of Lomé IV bis, in 1997, South African companies became eligible to tender for projects financed under the 8th European Development Fund. South Africa participated as a full partner in negotiations to establish the arrangements to succeed the Lomé IV convention, which expired in February 2000, and became a signatory to the Cotonou Agreement, signed in June 2000, though still with a qualified status (Protocol N° 3 to the Agreement).

At the Berlin European Council in March 1999 Heads of State and Government approved the outcome of the negotiations on the bi-lateral Trade, Development and Cooperation Agreement (TDCA) which provides a contractual framework to further enhance the trade and development cooperation between the EU and South Africa. After a further series of technical meetings the Agreement was signed on 22 October in

Pretoria, and finally entered into provisional application, in areas of Community competence, on 1 January 2000.

South Africa, as the African country with which the European Commission has its largest cooperation programme, is bound to remain one of the main development partners of the EU, especially in the African and Southern African context. The signature of the TDCA has created a new context for development relations, including the aspect of the integration of South Africa into the regional economy, particularly in view of its effects on South Africa's immediate neighbours. However, the dual nature of South African economy and society (which contains very advanced segments and sub-sectors) and the progressive consolidation of the socio-economic transition initiated by the first post-apartheid government, make South Africa a special, different partner, with very atypical characteristics by comparison with other ACPs.

2. THE EPRD AND ITS PRIORITIES

The aims and priorities of the EPRD were defined in the Legal Base (Council Regulation no. 2259/96 of 22 November 1996). Article 1 set out that implementation will support the policies and reforms carried out by the South African national authorities with the aim of contributing to South Africa's harmonious and sustainable economic and social development, and consolidating the foundations laid for a democratic society and a State governed by the rule of law in which human rights and fundamental freedoms are respected. In this context, priority was to be given to the poorest sections of the population.

Article 2 provided the list of sectors that can be targeted by the EPRD (democratisation and human rights, education and training, health, rural development, urban development and social housing, support to the private sector and, in particular, to small and medium enterprises (SMEs), institutional strengthening, regional cooperation, protection of the environment).

Activities funded by the EPRD were to take account of government priorities (RDP and GEAR policies).

3. PROGRAMMING THE EPRD

Article 6 of the Legal Base foresaw the establishment of Multiannual Indicative Programmes (MIPs), based on a defined strategy, to provide a clear framework for EU funded cooperation activities in South Africa.

The first MIP was signed in May 1997 and expired in line with the legal base on 31 December 1999. Its contents dovetailed with the provisions of the Legal Base in terms of focus (support to the poorest sections of the population in South Africa) and of eligible sectors (listed under Article 2 of the Legal Base).

The focal sectors indicated by the MIP were:

- basic social services (health, education and training, water and sanitation) (50-60% of MIP)
- private sector support (focus on employment creation and on small and medium enterprises) (15-20% of the MIP)
- good governance and democratization (15-20% of MIP)
- regional cooperation (+/- 5% of MIP).

Human resources development, gender and environmental protection were been retained as horizontal themes.

The average annual indicative financial envelope was 125 million Euro for the period up to the end of 1999.

The EC and the SA Government recognised the key role decentralised cooperation partners (local governments, NGOs, Trade Unions, Universities, non-profit private bodies, etc.) are playing in development, and it was agreed that a target of 25% of EPRD resources would be allocated and implemented directly by the decentralised cooperation partners (see Chapter 6).

4. IMPLEMENTING THE EPRD IN 1999

4.1 Commitments

In 1999, 12 programmes were approved by the SA Committee (see Chapter 7) and decided by the Commission. The table below shows the proportion of resources allocated to the different focal sectors, and the breakdown according to the implementing partner (government or decentralised).

Table 1 – the EPRD in 1999

	SECTORS				IMPLEMENTING PARTNERS	
	Basic Social Services	Private Sector	Good Gov. And Democratisation	Regional Coop. and others	Govt.	Decent.
1999	56%	10%	30%	4%	81%	19%

The principle of seeking to better focus the use of EPRD resources on a reduced number of programmes with a significant impact, was maintained, though not to the exclusion of small but critical projects. Projects for relatively small amounts, being the South African contribution to Regional Projects co-funded from EDF resources are of particular pertinence in the regional integration sector.

4.2 Payments

The rate of disbursement, identified as a problem since the beginning of the EPRD, has now reached a level which may be considered satisfactory, and there is good reason to believe that the level can be further increased during the coming years. While some of the causes of slow disbursement identified in previous year’s reports still remain, the remedial actions implemented so far have led to a more than three-fold increase in payments over the past four years, from 30 million Euro in 1996 to 99.9 Million Euro in 1999.

1999 saw further use of targeted sectoral support programmes, generating more rapid disbursement and more immediate impact. Disbursement on these programmes, in the health sector and water and sanitation sectors will affect performance from 2000. Continued use of this type of delivery model can be foreseen, where criteria are met, particularly as the South African Departments concerned so far have expressed their satisfaction with the outcome.

However, as in 1998, a lack of payment credits became apparent during the year and an additional 20 million Euro was obtained under the Notenboom transfer exercise in November 1999. Despite this additional allocation a number of payments had to be held over to 2000. It is estimated that it may have been possible to process to effective payment an further 20 million Euro had the credits been available. Inevitably, some difficulties arose with recipient operators, particularly but not exclusively in the non-government sector, at the end of 1999 and the beginning of 2000, and the problem of payment credit shortfall has been transferred to 2000.

4.3 Management

Management constraints still existed, particularly the very limited staff resources (Commission services in Brussels and Delegation in Pretoria) and the still heavy administrative workload continued to indicate that further staff reinforcement remained a critical priority, linked to changes in operational procedures.

The appointment by the South African authorities of a National Authorising Officer and the streamlining of certain of their internal procedures began to allow Financing Agreements to be signed more speedily, and for funds to reach project implementing agencies faster. Despite these advances, effective start-up of the implementation phase still poses a problem in a number of cases

Annex II provides a list of programmes/projects approved in 1999 under the EPRD, and related commitments and payments.

Annex III provides information on global commitment and payment rates.

Annex IV provides detailed information on contracts awarded on 1999 programmes.

5. MONITORING AND EVALUATION

A comprehensive monitoring and assessment system has been put in place. *Annual consultations* were held early in the year (April 1999), in line with the beginning of the South African fiscal year in order to assess progress and address current problems, in partnership with the Government and decentralised cooperation agents. These consultations require intense preparatory work, but provide a useful opportunity:

- to review and discuss the causes for delay, difficulties and problems encountered, etc.,
- to establish an agenda for the programming of the year ahead;
- to discuss questions of strategy, planning, and processes for the future.

"Agreed minutes" are produced, signed by both parties, and become an official reference document for assessing the implementation of the EPRD (see annex VI). Six months later, a similar exercise ("mid-term review") took place (November 1999), during which a first draft of the following years' programme was drawn up.

It is significant to note that in the context of both of these meetings in 1999, the focus has progressively moved from a case by case review of all programmes under implementation to a much more targeted approach to examine the major problems faced in a small number of programmes, and discussing in far greater depth issues of more the strategic importance. Also, for the first time, Member States participated in one of the working sessions of the November meeting, centred on discussions of future strategy, Indicative Programme and the adoption of a new Legal Base.

Evaluation of programmes (mid-term and final) are usually foreseen in the Financing Agreements. During the course of 1999, an evaluation or mid-term review were carried out on the following programmes and projects initiated in previous years:

Land Reform Pilot Programme (95-03)	(Final)	November 1999
Private Sector Development Programme (95-06)	(MTR)	September 1999
Public Service Management programme (96-03)	(MTR)	April 1999
Assistance to Policing in Eastern Cape (96-08)	(MTR)	November 1999
Public Health sector Support Programme (97-11)	(MTR)	August 1999

The recommendations of all reports are taken into account both in the context of the individual project or programme (particularly those of mid-term reviews) and where appropriate in the planning and design of future actions under the global programme.

6. COUNTRY STRATEGY EVALUATION

A Country Strategy Evaluation was undertaken during 1999 to identify strengths and weaknesses in former European Union strategies and to guide thinking on the new cooperation strategy to be defined in the next three years.

It found that the main objectives of the EC strategy to date were relevant in that they focused on support to the national priorities and strategies of the SA Government. It underlined some flaws in the implementation of the MIP linked with weaknesses in project design, a widely dispersed portfolio of projects creating difficulties in monitoring, and too much time spent on administrative processes rather than on outputs and monitoring of results and achievements at beneficiary level. The evaluation also pointed out the weak implementation capacity of some of the SA partners (government institutions and NGOs) as well as a deficit in donor co-ordination.

The main recommendations for the future strategy underlined the need for an adequate preparation of the programme based on an intensive consultation process with the main stakeholders and on appropriate sector studies. The concentration of EU resources on key development objectives was considered as imperative in order to increase impact and allow for better monitoring. Sector support programmes with targeted budgetary support were encouraged, provided that the departments concerned demonstrate their capacity to implement and their accountability. The need to promote knowledge development through high level technical assistance and innovative projects was emphasised, as well as the need to have a more regular and timely evaluation and monitoring activity.

Following in depth discussions with both South African partners and the Member States all of these lessons and recommendations were taken into account, above all, in the preparation of the country strategy paper and the Multi-annual Indicative Programme which will cover the period 2000 to 2002, and where possible in the preparation of the projects committed in 1999.

The evaluation exercise was followed by an in-depth consultative process involving both the South African authorities and the EU Member States, focused on key areas of EC support: water and sanitation, health, education and vocational training, private sector development, local development, human rights and the consolidation of democracy. For each of these sectors, the current situation and the challenges ahead were discussed, and priority areas for future interventions were defined. Potential synergies and complementarity between the EC and the Member States were identified in order to increase the efficiency and impact of EU future assistance.

7. THE COOPERATION PARTNERS

As indicated above, apart from support to Government (central and provincial), a target of 25% of programmable resources are allocated for implementation through agents of decentralised cooperation.

Funding has continued to be aimed at specialised NGOs, able to operate significant development programmes in the focal sectors of the MIP, in coordination with Government policies. An innovative approach was used for the first time in 1999 in the health sector, with a mix of government and non-government agencies coming together under the framework of a single programme, each being responsible for activities within the areas of their specific competence, the non-governmental operators retaining their total independence.

The European Commission continues to actively encourage the formation of consortia, networks and other forms of partnerships, in order to achieve increased sectoral integration and to facilitate dialogue with the public sector. In 1999, new initiatives were launched with the following such networks :

SANTSEP (South African Network of Trauma Service Providers);

Urban Sector Network (Network of NGOs active in providing development expertise to urban poor);

After protracted preparation, a programme of support to Interfund, an organisation playing a key role in the NGO movement in South Africa and assisting a number of small grass-roots NGOs active in the provision of basic social services to the poorest sectors of society was finally approved.

8. COORDINATION WITH THE MEMBER STATES

Articles 4.6, 7.2, 7.3, 8 and 9 of the Legal Base prescribe different levels of exchange of information and coordination with the Member States.

Periodical meetings are organised in Pretoria by the Presidency and by the EC Delegation to exchange information about the EPRD and the activities funded by the Member States. New EPRD initiatives (studies, draft financing proposals etc.) are systematically presented to the Member States local representations.

Local meetings are also organised on sectoral issues in order to coordinate EC sectoral policies with the Member States. In addition, the appraisal of operations done on the occasion of the Annual Consultations (see Chapter 5) is discussed with the Member States, which receive a copy of the "agreed minutes" in conformity with Article 9.

After local consultations, financing proposals are tabled to the South Africa Committee where the Member States give their opinion. The SA Committee met 3 times in 1999 to discuss and approve programmes.

Coordination with Member States in particular was very important during 1999 in the context of the preparation of the new Strategy Paper and the Indicative Programme. Specific sectoral meetings were organised, led by both the Delegation and Member States, and the fruits of these meetings can be seen in the adoption by the SA Committee in December of the Strategy Paper. However, it is felt that efforts towards greater coordination are rather one-sided, in that some Member States still appear reticent or slow to adopt a pro-active sharing of their forward planning.

9. OTHER MATTERS

During 1999, the Delegation received the visit of several representatives of the EU institutions involved in cooperation and development, including several MEPs, the European Investment Bank etc. 5 visits, including one by Commissioner Nielson were linked directly with the negotiations on and signature of the TDCA.

Special efforts have been continued to ensure that sufficient information is provided on the EPRD and its achievements, mainly in South Africa but also in Europe. Two programmes (Information and Communication on the EPRD and Conference and Workshops Fund), approved at the end of 1997, were fully operational to better disseminate information to all interested parties and the general public. The Conference Fund also addressed issues related to the TDCA.

10. CONCLUSIONS AND QUESTIONS FOR THE FUTURE

Cooperation activities with South Africa had gone through a period of substantial re-direction and restructuring following the agreement of the Strategy Paper and Multi-Annual Indicative Programme in 1997. Both the European Commission and the SA Government engaged in an ongoing exercise to streamline further (procedural aspects, integration with the Lomé Convention) and to consolidate the achievements to date.

1999 was an exceptionally rich year in terms of the European Commission's cooperation programme with South Africa. As the last year of the Multi-annual Indicative Programme (MIP) signed in 1997 with the South African Government it was an appropriate time for both the South African side and the Commission to draw some lessons from past experiences and together define a new cooperation strategy for the next three years, paying particular attention to the strengths and weaknesses of past approaches and the results of this will form the basis of the next cooperation framework.

With the expiry of the Council Regulation at the end of 1999 much time was spent in following the inter-Institutional debate on the proposal for a new Regulation submitted to Council and to Parliament in March 1999. The proposal, which took account of the effects of the TDCA Agreement and sought to address the immediate "post-1999" situation could not be adopted before the end of the year.

The finalising of the TDCA Agreement in March and its signature in October confirmed the new status of South Africa and made possible the initiation of certain further measures (deconcentration and decentralisation) to improve delivery and efficiency, an ever more pressing need when seen in relation to criticisms voiced in the Country Strategy Review and earlier by the Court of Auditors in their Special Report N° 7/98.

Following many working group meetings between the different services principally concerned (DG Development, External Relations Common Service and the Delegation) a proposal was finalised to share the responsibilities for management of the programme by phases of the project cycle (appraisal, financing proposal and decision, workplans, contracts, monitoring and audit etc). This proposal is a step towards responding to the request by the Parliament in its 1997 discharge report.

Beyond the implementation of the EPRD, it can be seen that during 1999 much time and effort was given over to defining the framework of future cooperation with South Africa, with a draft Regulation for the period 2000 – 2006 under discussion, a Strategy document elaborated and approved and a draft MIP 2000 – 2002 prepared, and a first blue-print for a decentralised form of management of the global development cooperation programme on the table.

It is necessary to increase the payment credits for the current year (2000) and for 2001 to be able to follow the progress achieved in recent years in the implementation of the EPRD. At the time of writing this problem has been addressed in 2000, as in 1999, by a request for an additional allocation of credits under the Notenboom procedure. For 2001, the draft budget already foresees a significant increase in payment credits. It can be hoped that these additional funds will avoid similar blockages in the immediate future.

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Council Regulation (EC) No 2259/96 of 22 November 1996 on development cooperation with South Africa

Official Journal L 306 , 28/11/1996 p. 0005 - 0008

No longer in force

COUNCIL REGULATION (EC) No 2259/96 of 22 November 1996 on development cooperation with South Africa

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130w thereof,

Having regard to the proposal from the Commission (1) ,

Acting in accordance with the procedure laid down in Article 189c (2) ,

Whereas in the past Community policy towards South Africa took the form of punitive measures involving a trade embargo and economic sanctions against the government that bore responsibility for a policy of apartheid, and also of positive measures to help the victims of apartheid under the special programme of assistance channelled via Non Governmental Organizations;

Whereas, since the elections of April 1994 and the establishment of a democratic government, the Community has turned towards a strategy of support for the policies and reforms undertaken by the South African authorities;

Whereas in its declaration of 25 May 1993 the Council expressed its support for the establishment of democratic institutions;

Whereas, in its declaration of 19 April 1994 on future relations between the Community and South Africa, the Council confirmed its support for stepping up cooperation with South Africa by focusing Community assistance on areas of activity likely to improve the living conditions of the people, and especially the poorest sections of the population;

Whereas the aim of the Agreement on cooperation between the European Community and the Republic of South Africa signed in Pretoria in October 1994 is to promote harmonious and sustainable social and economic development and constitutes the first stage in the establishment of long-term cooperation with South Africa for which a proposal for negotiating directives was submitted by the Commission to the Council on 31 March 1995;

Whereas the budgetary authority has decided, in the framework of the 1986 budget, to create a budget line to support development actions in that country;

Whereas the arrangements for administering the financial resources set aside by the Community for implementing such cooperation should be laid down;

Whereas a financial reference amount, within the meaning of point 2 of the Declaration by the European Parliament, the Council and the Commission of 6 March 1995, is included in this Regulation for the duration of the programme, without thereby affecting the powers of the budgetary authority as they are defined by the Treaty,

HAS ADOPTED THIS REGULATION:

Article 1

The Community shall implement financial and technical cooperation with South Africa to support the policies and reforms carried out by that country's national authorities.

The aim of the Community cooperation programme, entitled the 'European Programme for Reconstruction and Development in South Africa', shall be to contribute to South Africa's harmonious and sustainable economic and social development and to consolidate the foundations laid for a democratic society and a State governed by the rule of law in which human rights and fundamental freedoms are respected.

Within this context the Community shall give priority to supporting operations to help the poorest sections of the population in South Africa.

Article 2

1. The operations to be carried out under this Regulation mainly concern the following:

- support for democratization and the protection of human rights,
- education and training,
- health,

- rural development,
 - urban development and social housing,
 - support of and cooperation with the private sector, and in particular for small and medium-size enterprises,
 - strengthening of institutions and the organization of local communities ,
 - regional cooperation and integration,
 - protection of the environment.
2. In its cooperation operations, the Community will take account of the priorities set by the South African Programme for Reconstruction and Development.

Article 3

Cooperation partners eligible for financial assistance under this Regulation shall be national, provincial and local authorities and public bodies, non-governmental organizations and community-based organizations, regional and international organizations, institutions and public or private operators.

Article 4

1. The means that may be deployed under the cooperation operations referred to in Article 1 shall include in particular studies, technical assistance, training or other services, supplies and works, and also evaluation and monitoring audits and missions.

2. Community financing in local or foreign currency, depending on the needs of the operation, may cover:

- investment, with the exception of the purchase of buildings,
- in duly substantiated cases, recurrent expenditure (including administrative, maintenance and operating costs) to ensure optimum use of the investments referred to in the first indent, the exploitation of which temporarily represents a burden for the partner. In those cases, a plan providing for the costs to be borne by the partner under the project must accompany the proposal for Community financing.

3. A financial contribution from the partners referred to in Article 3 shall in principle be required for each cooperation operation. That contribution will be requested in accordance with the possibilities of the partners concerned and depending on the nature of each operation. In specific cases where the partner is either a non-governmental organization or a community-based organization, the contribution may be made in kind according to its possibilities .

4. Opportunities may be sought for cofinancing by other providers of funds, particularly the Member States.

5. The Commission may take any appropriate step to ensure that the Community character of aid provided under this Regulation is made known.

6. In order to achieve the objectives of coherence and complementarity referred to in the Treaty and with the aim of guaranteeing optimal effectiveness of the aid, the Commission may take all necessary coordination measures, notably:

- (a) the establishment of a system for the systematic exchange of information on actions financed or planned to be financed by the Community and the Member States;
- (b) on-the-spot coordination of these actions by means of regular meetings and exchange of information between the representatives of the Commission and Member States in the beneficiary country.

7. The Commission, in liaison with the Member States, may take any steps necessary to ensure adequate coordination with other providers of funds concerned.

Article 5

Financial support under this Regulation shall take the form of grants.

Article 6

Multiannual indicative programming based on specific objectives and the identification and implementation of the resulting operations referred to in Article 2 shall be carried out in the context of close contacts with the South African Government and taking account of the results of the coordination referred to in Article 4 (6) and (7).

In order to prepare for programming, in the context of increased coordination with the Member States, including on the spot, the Commission shall draw up a recapitulative document on cooperation strategy to be examined by the Committee referred to in Article 8 hereafter referred to

as the 'Committee'. The Commission shall forward the multiannual indicative programme, drawn up on the basis of that examination, to the Committee for discussion, which shall take place at the request of the Commission or one or more Committee members. In that case, where it is not possible to reach a desirable consensus on the recapitulative document or the programme, the committee shall give its opinion in accordance with the procedure referred to in Article 8. The same procedure shall apply where amendments to the programme prove necessary.

Article 7

1. The Commission shall be responsible for appraising, taking decisions on and managing operations conducted under this Regulation, in accordance with the budgetary and other procedures in force, notably those laid down in the Financial Regulation applicable to the general budget of the European Communities.

2. In order to ensure transparency and achievement of the objectives referred to in Article 4 (6), the Commission shall forward project profiles to the Member States and their local representatives as soon as the decision to appraise them has been taken. The Commission shall subsequently update the project profiles and forward them to the Member States.

3. Decisions concerning any operation financed under this Regulation at a cost of over ECU 2 million, or any adjustment of such an operation involving an increase of more than 20 % in the amount initially agreed, and proposals for fundamental amendments to be made as a result of difficulties which emerged in implementing projects which have already started, shall be adopted by means of the procedure laid down in Article 8.

Where the overrun referred to in the first paragraph is more than ECU 4 million but less than 20 % of the original commitment, the Committee's opinion shall be sought by simplified and accelerated procedures.

The Commission shall inform the Committee succinctly of financing decisions it intends to take concerning projects and programmes of a value of under ECU 2 million. Such information shall be given at least one week before the decision is taken.

4. All financing agreements or contracts concluded under this Regulation shall provide for on-the-spot checks by the Commission and the Court of Auditors in accordance with the usual arrangements established by the Commission pursuant to the rules in force, in particular those laid down in the Financial Regulation applicable to the general budget of the European Communities.

5. Where operations give rise to financing agreements between the Community and South Africa, such agreements shall stipulate that taxes, duties and charges shall not be borne by the Community.

6. Participation in invitations to tender and contracts shall be open on equal terms to all natural and legal persons in the Member States, South Africa and the ACP States. Participation may be extended to include other developing countries in duly substantiated cases and in order to ensure the best cost-effectiveness ratio.

7. Supplies shall originate in the Member States, South Africa or the ACP States. In duly substantiated exceptional cases, they may originate in other countries.

Article 8

1. The Commission shall be assisted by a committee, consisting of representatives of the Member States and chaired by the representative of the Commission.

2. The Commission representative shall submit to the committee a draft of measures to be adopted. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

3. (a) The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the committee.

(b) If the measures envisaged are not in accordance with the opinion of the committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If, on the expiry of a period of one month, the Council has not acted, the proposed measures shall be adopted by the Commission.

Article 9

After each financial year the Commission shall submit an annual report on implementation of this Regulation to the European Parliament and the Council. The report shall set out the budget turnout with regard to commitments and payments and the projects and programmes financed in the course of the year. It shall contain precise and detailed statistics on contracts awarded for implementing projects and programmes.

The Commission shall regularly appraise operations financed by the Community to determine whether those operations' objectives have been reached and to establish guidelines for improving the effectiveness of future operations. Summaries of appraisal reports shall be forwarded to the Member States. Full reports shall be made available to Member States which request them.

Article 10

This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities and shall expire on 31 December 1999.

The financial reference amount for the implementation of this Regulation for the period from 1 January 1996 to 31 December 1999 shall be ECU 500 million.

The annual appropriations shall be authorized by the budgetary authority within the limits of the financial perspective.

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

Done at Brussels, 22 November 1996.

For the Council

The President

J. BURTON

(1) OJ No C 235, 9. 9. 1995, p. 5.

(2) Opinion of the European Parliament of 10 October 1995 (OJ No C 287, 30. 10. 1995, p. 29), Council Common Position of 19 March 1996 (OJ No C 134, 6. 5. 1996, p. 12) and Decision of the European Parliament of 18 July 1996 (OJ No C 261, 9. 9. 1996, p. 144).

LIST OF PROJECTS APPROVED IN 1999**(Listed by MIP Focal Sector)**

PROJECT	CONTRACT N°	Commitments (Euro)	Payments (Euro)
Basic Social Services			
Sector Support Programme for Community Water Supply & Sanitation	99-73200-017	20,000,000	0
2000 Public Health Sector Support Programme	99-73200-023	38,000,000	0
Support to Urban Sector Network Phase II	99-73200-020	4,500,000	0
Support Programme for Social Housing (1)	99-73200-026	8,990,000	0
Good Governance and Democratisation			
Support to INTERFUND (Capacity-building of NGOs and CBOs)	99-73200-004	4,000,000	0
Consolidating the Trauma Sector in South Africa	99-73200-022	7,510,000	0
Capacity-Building and Institutional Development for SAPS and DSS	99-73200-024	18,500,000	0
2000-2004 Microprojects Programme in Eastern Cape (2)	99-73200-025	8,000,000	0
Private Sector Development			
Support to the Wild Coast Spacial Develop.Initiative	99-73200-019	12,800,000	0
Regional Cooperation			
Regional Monitoring, Control and Surveillance of Fishing Activities	99-73200-018	1,210,000	0

South Africa SADC Regional Drug Control Programme	99-73200-027	1,990,000	0
EU/SA Investment Programme (ESIP)	99-73200-021	2,000,000	0
	TOTAL	127.500.000	0

(1) Approval by Committee of programme total of 20.000.000 €, balance of 11.010.000 € to be committed in 2000

(2) Approval by Committee of programme total of 20.000.000 €, balance of 12.000.000 € to be committed in 2001

COMMITMENTS AND PAYMENTS IN 1999

Commitments: € 127.500.000,00 (12 projects)

Payments: € 99.999.493,63 (174 payments)

INFORMATION ON CONTRACTS AWARDED IN 1999

Project:	97-73200-008	Labour Market Skills Development Programme
Financing Agreement:	Partner	South African Government
	Amount	46,000,000 Euro
Contract 1:	Contractor	GFA-International Management Consulting
	Amount	2,868,310 Euro
Total Paid (1999) :	Amount	570.000 Euro
Contract 2:	Contractor	GOPA-FAS-GTZ
	Amount	3,412,260 Euro
Total Paid (1999):	Amount	682.452 Euro
Contract 3:	Contractor	GOPA-FAS-GTZ
	Amount	1,090,635 Euro
Total Paid (1999):	Amount	218.127 Euro
Contract 5:	Contractor	GOPA-FAS-GTZ
	Amount	3,078,625 Euro
Total Paid (1999):	Amount	615.725 Euro
Contract 6:	Contractor	GOPA-FAS-GTZ
	Amount	2,182,455 Euro
Total Paid (1999):	Amount	436.491 Euro

Project:	96-73200-007	Non-Grid Electrification of Rural Schools
Financing Agreement:	Partner	South African Government
	Amount	15,000,000 Euro
Contract:	Contractor	IT Power Ltd.
	Amount	323,070 Euro
Total Paid (1999):	Amount	0 Euro
Project:	97-73200-010	Strengthening Local Government in Mpumalanga
Financing Agreement:	Partner	South African Government
	Amount	17,900,000 Euro
Contract :	Contractor	SOGES S.p.A.
	Amount	2,188,490 Euro
Total Paid (1999):	Amount	437,698 Euro
Project:	95-73200-007	Technical Assistance Consultancy Programme
Financing Agreement:	Partner	South African Government
	Amount	5,000,000 Euro
Contract:	Contractor	Symonds Group
	Amount	1,554,350 Euro
Total Paid (1999):	Amount	0 Euro