



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 08.05.1996  
COM(96) 213 final

95/0056 (CNS)

Amended proposal for a

Council Regulation (EURATOM, EC)

concerning the provision of assistance to economic reform and recovery in the New Independent States and Mongolia

(presented by the Commission pursuant to Article 189 a (2)  
of the EC-Treaty)



## EXPLANATORY MEMORANDUM

The Commission submitted to the Council a proposal for a new Tacis regulation in early 1995, on which no compromise could be reached. A new proposal was presented by the Italian Presidency, and finally, an agreement could be recorded on 29 January 1996. The Council re-consulted the European Parliament on this new proposal on 5 February 1996, and Parliament adopted its opinion on 19 April 1996.

The Commission accepted 27 out of 36 amendments proposed by Parliament, and is now bound to present a modified Commission proposal consisting of the compromise proposal for a new Tacis Regulation as agreed upon by the General Affairs Council on 29 January 1996 (doc. n° 4546/96) and the amendments voted by EP in its opinion of 19 April 1996 with the exception of numbers 7, 10, 18, 20, 22, 23, 27, 28 and 36 which were rejected by the Commission.

The Commission has been favourable to amendments which

- aim to increase the duration of the Regulation to six years (6, 21),
- strive to ensure proper monitoring, audit and assessment of projects in order to be able to identify and correct implementation problems (12, 34),
- propose to improve reporting requirements of the Commission to the other European institutions (30, 35),
- strive to foster co-ordination between the various donors (5, 16 and 29),
- aim to strengthen co-financing of projects with other donors (15, 19),
- endeavour to expand the scope and to facilitate the procedures for infrastructure investments which is to be allocated, in particular, to border-crossing facilities and in the context of cross-border co-operation (3, 9 and 17),
- strengthen the role of environment and public health in framework of the Tacis programme in order to ensure long-term sustainability of reforms (4, 13),
- endeavour to expand the notion of Tacis "Human Resources" sector, and to include additional aspects like inter-cultural exchanges etc. (8, 31, 32),
- strengthen the conditionality of the assistance and introduces the respect of minority rights and the rights of indigenous peoples as essential element of assistance (1),

- endeavour to further decentralisation of programme management to the recipient countries (14),
- propose to review certain implementation modalities of the Tacis programme (24, 25, 26 and 33), like for example amendment 24 which envisages to maintain the threshold for Direct Agreement contracts at 300,000 Ecu, or amendments 25 and 33 promoting the participation of enterprises from Phare and Tacis countries in the programme.
- aim to strengthen the role of NGOs in the provision of assistance (2),
- attempt to promote multiplier effects and spin-off effects (11).

The Commission was not able to accept amendments which

- prevent the Commission from proposing a modification to the annexes over the whole life-time of the Regulation (7 and 27). These amendments would hinder to adapt the new Regulation to evolving circumstances in the partner countries. Given the rapid change which could be observed in Tacis partner countries over the last years, the Commission considers it necessary to keep some flexibility with regard to modifications of its legal base.
- relate to comitology questions (22 and 28). It is usual Commission practice, owing the nature of the implementing measures concerned, to request assistance of a Management Committee in the implementation of all external assistance programmes. The Tacis Committee's role should not be limited to receiving information, instead of delivering an opinion.
- would require to consult the European Parliament, when Council decides on the proposal of the Commission concerning the suspension of aid (18). This requirement would render the provision, which should allow a fast decision on the suspension of assistance, operationally invalid.
- would allow for the duration of the programme to employ external experts financed from the operational budget only for the purpose of supervision of projects on the spot (20). The Commission currently attempts to establish an Amending and Rectifying Budget which would include additional budget comments allowing Tacis to employ external staff without limiting the tasks and location for these experts.
- would signal to all agents involved in the Tacis programme that the role of technical assistance is strongly reduced (10). The Commission believes that technical assistance should remain the core component of the Tacis programme as i) Tacis provides grant funding, ii) Tacis has gained some experience in this field and iii) a technical assistance programme complements other donors' activities and therefore wishes to keep the threshold of 10 % for exceptional activities.
- propose to modify some other implementation modalities (23 and 36), e.g. the Commission wishes to maintain the present version of the Council proposal with regard to the time limit for submission of offers in open tenders which follows the formula provided for open tenders in the procurement directives in the common market. The Commission also wants to maintain the reference excluding "experience in Tacis" as an evaluation criteria in order to avoid that the programme becomes a 'closed club' in which only those enterprises have a possibility to win a tender which have already been awarded a contract before.

The Commission believes that the present proposal respects a good balance between the institutions, while reinforcing the basis for the continuation of an efficient programme management.

Amended proposal for a

Council Regulation (EURATOM, EC) No .....  
of .....

concerning the provision of assistance to economic reform and recovery in the New Independent States and Mongolia

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community, and in particular Article 235 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 203 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas pursuant to the European Council in Dublin and in Rome in 1990 the European Community introduced a technical assistance programme in favour of economic reform and recovery in the former Union of Soviet Socialist Republics;

Whereas Council Regulation (EURATOM, EEC) No 2053/93 of 19 July 1993 concerning the provision of technical assistance to economic reform and recovery in the New Independent States of the former Soviet Union and Mongolia laid down the conditions for the provision of this technical assistance and foresaw such an operation from 1 January 1993 to 31 December 1995;

Whereas such assistance will be fully effective only in the context of progress towards free and open democratic systems that respect human and minority rights and the rights of indigenous peoples, and towards market-oriented economic systems; whereas this progress is an essential element for the continuation of assistance;

Whereas such assistance has already generated significant impact on reform in the New Independent States and Mongolia, and further assistance is still required to ensure that this reform becomes sustainable, it is necessary to continue this effort.

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 entire duration of the programme, without thereby affecting the powers of the budgetary authority as they are defined by the Treaty;

Whereas the implementation of such assistance should enable conditions favourable to private investment to be established;

Whereas it is appropriate to establish priorities for this assistance;

Whereas Community assistance will be all the more effective where it can be implemented on a decentralised basis within each partner country;

Whereas such assistance may with advantage be provided, in many cases, through non-governmental organisations;

Whereas the development of inter-State economic links and trade flows conducive to economic reform and restructuring should be encouraged;

Whereas in order to properly meet the most acute needs of the New Independent States and Mongolia at the present stage of their economic transformation, it is necessary to permit a limited amount of the financial allocation to be used for small scale infrastructure projects, particularly aimed at the creation or improvement of border-crossing facilities and in the context of cross-border-co-operation;

Whereas the development of small and medium-sized enterprises is a priority in all New Independent States and Mongolia, and it is therefore appropriate to provide equity funding for such companies;

Whereas the dialogue between the social partners should be encouraged;

Whereas the integration of the environment and public health protection aspects into the programme would guarantee the long term sustainability of the economic reforms;

Whereas the European Council at its meeting in Rome also stressed the importance of effective co-ordination by the Commission of the efforts made in the New Independent States of the former Union of Soviet Socialist Republics and in Mongolia by the Community and its Member States acting individually; whereas it is therefore the Commission's duty to ensure such co-ordination;

Whereas it is appropriate that the Commission be assisted in the implementation of Community aid by a committee made up of Member States' representatives;

Whereas the requirements of economic reform and restructuring now in progress, and the effective management of this programme, require a multiannual approach;

Whereas assistance for economic reform and recovery may require specific types of expertise particularly available in the Phare partner countries and in certain other States;

Whereas procedures for tenders shall fully respect the provisions of the financial regulation of the European Communities;

Whereas the widest possible participation under equal conditions in tenders for supplies, works and services shall be ensured;

Whereas the Commission shall ensure the necessary transparency and rigour in application of the selection criteria;

Whereas effective competition amongst firms, organisations and institutions interested in participating in the initiatives financed by the programme shall be ensured;

Whereas, to this end, all relevant information on projects shall be provided, using, when appropriate, the most modern means of communication, so as to ensure that any firm, organisation or institution which may be interested, can express its interest to be considered for an invitation to tender;

Whereas, in the selection process, the Commission shall try to diversify between firms, organisations and institutions;

Whereas the continued provision of assistance will contribute to the attainment of the Community's objectives, notably in the context of the Partnership and Co-operation Agreements;

Whereas the Treaties have not provided, for the adoption of this Regulation, powers other than those of Article 235 of the EEC Treaty and Article 203 of the EAEC Treaty,

HAS ADOPTED THIS REGULATION:

#### Article 1

1. A programme to assist economic reform and recovery in the partner States listed in Annex I (hereinafter called 'the partner States') shall be implemented by the Community from 1 January 1996 to 31 December 2001 in accordance with the criteria laid down in this Regulation.
2. Assistance shall be concentrated on sectors and, where appropriate, on geographic areas in which the partner States have already taken concrete measures to promote reform and/or for which they can present a time-schedule. Criteria for implementation of this regulation are set out in Annex IV, which, if appropriate, may be modified according to the procedure laid down in Article 6 (2) and (3).

#### Article 1a

The financial reference amount for the implementation of this programme for the period 1996-1999 shall be 2.224 Mecu. The financial reference amount for programme implementation for the remaining years will be set up in the framework of the establishment of the next financial perspectives for the budget.

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

## Article 2

1. The programme referred to in Article 1 shall mainly take the form of technical assistance in support of the economic reform in progress in the partner States for measures aimed at bringing about the transition to a market economy and reinforcing democracy, inter alia through support for the development of new structures for the provision of culture, education, health and social welfare programmes and through the encouragement of the dialogue between the social partners.

It shall also, case by case and in accordance with the procedure set out in Article 6 (2) and (3), cover reasonable costs of supplies required in support of the implementation of the technical assistance. In particular cases, such as nuclear safety environmental protection and public health programmes, a significant supply element may be included.

The cost of the project in local currency shall be covered by the Community only to the extent strictly necessary.

2. Assistance may cover costs related to small-scale infrastructure projects in the context of border-crossing facilities referred to in Article 2 (9).

3. The programme shall promote industrial co-operation and support the establishment of joint ventures through the funding of equity investment in small and medium-sized companies.

3a. The allocation to activities mentioned under 2.2 and 2.3 shall not exceed 10 % of the annual Tacis budget.

3b. In all cases, particular attention shall be paid to the potential multiplier and spin-off effects of the projects financed.

4. The assistance shall also cover costs related to the preparation, implementation, monitoring, audit and evaluation of the execution of these operations, as well as costs concerning information.

4a. The Commission shall ensure constant qualitative monitoring, audit and assessment of projects underway, enabling it to identify and correct problems arising during the course of project implementation.

5. The assistance shall be concentrated in particular in the indicative areas referred to in Annex II taking into account the evolving needs of the beneficiaries. Particular emphasis shall be laid on nuclear safety issues. In addition, financial support may be given to environmental impact assessments or eco-audits.

6. When designing and implementing programmes, due regard shall be taken of :

- the promotion of equal opportunities for women in the recipient countries
- the environmental considerations.



7. Operations to be financed pursuant to this Regulation shall be selected taking account, inter alia, of the recipients' preferences and on the basis of an assessment of their effectiveness in achieving the objectives aimed at by the Community assistance.

8. The assistance shall be implemented on a decentralised basis as far as possible. To this end, the final recipients of Community assistance shall be closely involved in the preparation, and execution and, as far as possible, ultimately in the financial management of the projects, and once the national authorities of the partner States have agreed on sectoral policies and strategies, as well as the geographical concentration areas, the identification and preparation of the measures to be supported shall be carried out directly at regional level, wherever possible. The Commission shall establish an appropriate level of local representation to achieve these aims.

Particular attention shall be paid to projects which are co-financed directly by local authorities or economic operators in the countries of Central and Eastern Europe or on their behalf.

Continuous co-ordination shall be established between the Commission, its representative offices in the beneficiary countries and the Member States, including on-the-spot co-ordination in their contacts with the partner States, both in the programme-definition and in the programme-implementation stage.

9. Assistance shall be provided to support measures aimed at promoting inter-state, inter-regional and cross-border co-operation. Particular attention will be paid to cross-border co-operation, including border crossing facilities on borders between the N.I.S. and the Union, and the N.I.S. and Central Europe, to the co-operation on the level of large geographic regions as well as to measures complementary to those undertaken in this field within the Union and the Phare countries. Cross-border projects may be funded jointly by this programme and INTERREG.

10. When an essential element for the continuation of co-operation through assistance is missing, in particular in cases of violation of democratic principles and human rights, the Council may, on a proposal from the Commission, acting by a qualified majority, decide upon appropriate measures concerning the assistance to a partner State.

### Article 3

1. Community assistance shall take the form of grants which shall be released in tranches as projects materialise.

1a. The Community shall provide assistance either independently or on the basis of co-financing in conjunction with Member States, the European Investment Bank, third countries, multilateral agencies or the recipient countries.

2. Financing decisions and any contracts resulting therefrom shall expressly provide for supervision by the Commission and the Court of Auditors, to be carried out on the spot, if necessary.

### Article 4

1. Indicative programmes covering three-year periods shall be established for each of the partner

States in accordance with the procedure provided for in Article 6. These programmes shall define the principal objectives of and guidelines for Community assistance in the indicative areas referred to in Article 2, and shall include financial estimates. They may be amended in accordance with the same procedure during the period of their application. Before the establishment of indicative programmes, the Commission shall inform with the Committee referred to in Article 6, on the priorities identified with the partner States.

2. Action programmes based on these indicative programmes shall be adopted on an annual basis in accordance with the procedure provided for in Article 6 (2) and (3). These action programmes shall include a list of the main projects to be financed within the indicative areas referred to in Article 2. The content of the programmes shall be determined in detail so as to provide the Member States with the relevant information to enable the Committee referred to in Article 6 to deliver its opinion.

#### Article 5

1. The Commission shall implement operations in accordance with the action programmes referred to in Article 4 (2) and in accordance with Title IX of the Financial Regulation applicable to the general budget of the European Communities as well as Articles 5a of this Regulation.

2. Supply and works contracts shall be awarded by means of open invitations to tender except in the cases provided for in Article 116 of the Financial Regulation applicable to the general budget of the European Communities.

Open invitations to tender for the award of supply contracts in accordance with Article 114 of the Financial regulation of the European Communities shall allow for a time limit to submit an offer of not less than 52 days from the date of dispatch of the notice to the Official Journal.

Service contracts shall, as a general rule, be awarded by restricted invitations to tender and by private treaty for operations up to ECU 300 000.

Participation in invitations to tender and contracts shall be open on equal terms to all natural and legal persons in the Member States and in the partner States and the Phare countries.

Participation in invitations to tender by natural and legal persons from Mediterranean countries with traditional economic, trade or geographical links may be authorised by the Commission on a case-by-case basis if the programmes or projects concerned require specific forms of assistance specifically available in such countries.

3. Taxes, duties and the purchase of immovable property shall not be funded by the Community.

4. In the case of co-financing, the participation of third countries concerned in invitations to tender and contracts may be authorised by the Commission, but on a case-by-case basis. In these cases participation of undertakings from third countries shall only be acceptable if reciprocity is granted.

## Article 5 a

The principles governing the application of the present Regulation for the awarding of contracts by means of restricted tendering are contained in Annex III, which may be modified by the Council, acting by qualified majority on a proposal by the Commission.

The Commission shall present to the Council a report on the implementation of these principles by 31 December 1997.

## Article 6

1. The Commission shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission (hereinafter referred to as the 'Committee') to be known as the "Committee for the assistance to the independent States and Mongolia".

2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit 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 EC 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 weighed in the manner set out in that Article. The chairman shall not vote.

3. The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee.

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 three months from the date of referral to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

4. The Committee may examine any other question relating to the implementation of this Regulation which may be put to it by its chairman, including at the request of the representative of a Member State and, in particular, any question relating to general implementation, the administration of the programme, co-financing and the co-ordination referred to in Article 7.

5. The Committee shall adopt its rules of procedure by qualified majority.

6. The Commission shall keep the Committee regularly informed, supplying specific, detailed information on the contracts awarded for the implementation of the projects and programmes. Moreover, for projects expected to be put out for restricted invitations to tender in accordance with Article 5 (2), the Commission shall, before drawing up short-lists, provide in good time advance information which shall include selection and evaluation criteria so as to facilitate participation by economic operators.

7. The European Parliament shall also be kept regularly informed of the implementation of the Tacis programmes.

#### Article 7

The Commission shall ensure the effective co-ordination of the assistance efforts undertaken in the partner States by the Community and individual Member States on the basis of the information supplied by the Member States.

In addition co-ordination and co-operation with the international financial institutions and other donors shall be ensured.

In the framework of the assistance provided pursuant to this Regulation, the Commission shall promote co-financing with public or private bodies in the Member States.

#### Article 8

By 1 September of each year the Commission shall present a comprehensive report evaluating the progress of projects and their impact on the progress of development in each of the partner States to the Member States, the European Parliament, the Council and the Economic and Social Committee and the Committee of the Regions.

#### Article 9

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

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

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## ANNEX I

### Partner States referred to in Article 1:

Armenia  
Azerbaijan  
Belarus  
Georgia  
Kazakhstan  
Kyrgyzstan  
Moldova  
Russian Federation  
Tajikistan  
Turkmenistan  
Ukraine  
Uzbekistan  
Mongolia

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## ANNEX II

### Indicative areas referred to in Article 2

Assistance shall give priority to the following areas:

1. Human Resources Development:
  - education, training including managerial and manpower training, inter-cultural co-operation,
  - restructuring of public administration,
  - employment services and social security advice,
  - strengthening of the civic society, support for democracy and the rule of law,
  - policy and macro-economic advice,
  - legal assistance including approximation of legislation;
2. Enterprise restructuring and development:
  - support for the development of small and medium-sized enterprises,
  - conversion of defence related industries,
  - privatisation and restructuring
  - financial services;
3. Infrastructure:
  - transport
  - telecommunication;
4. Energy, including nuclear safety;
- 4a. Development of the social sector:
  - strengthening the provision of culture, education, health and social welfare,
  - support for institution-building in the field of social welfare
5. Food production, processing and distribution.
6. Environment:
  - institutional strengthening
  - legislation
  - training

## Annex III

### Principles governing the award of contracts by means of tendering, in particular restricted tendering

1. All necessary information shall be made available with the "Invitation to Tenderers" to each of the tenderers which have been registered on the short-list or which so request in reply to the publication of a notice of an open tender. This information shall contain, in particular, the evaluation criteria. The technical evaluation of the tender may include interviews with the persons proposed in the tender.
2. The Commission shall chair all evaluation committees and shall appoint a sufficient number of evaluators before the tenders are launched. One evaluator should come from the recipient institution of the beneficiary countries. All evaluators shall sign a declaration of impartiality.
3. The tender is evaluated on the basis or a weighing of technical quality against price. The weighing of the two criteria shall be announced in each invitation tender<sup>(3)</sup>. The technical evaluation shall be carried out according in particular to the following criteria: organisation, time schedule, methods and plan of work proposed for providing the services, the qualifications, experience, skills of the staff proposed for the provision of the services and the use made of local companies or experts, their integration into the project, and their contribution to the sustainability of the project results. Specific experience of the tenderer in Tacis shall not be taken into account.
4. Unsuccessful tenderers shall be informed by a letter, including an indication of the reasons for their failure and the name of the successful tenderer.
5. Any natural or legal person involved in the preparation of a project shall be excluded from participation in the project implementation. If any participating tenderer employs such persons, in any capacity within six months of the termination of their involvement in the tender process, that tenderer may be excluded from participation in the project. Any tenderer included on a short list shall be excluded from participation in the evaluation of that tender.
6. The Commission shall ensure that all commercially sensitive information relating to a proposed tender remains confidential.
7. Whenever a firm, organization or institution has serious reasons to ask for review of a tender, there will always be the possibility to address the Commission. In that event, a reasoned reply should be given to this request.
8. In the cases of award of contracts after restricted invitations to tender as referred to in Article 116 of the Financial Regulation of the European Communities, all written expressions of interest, shall be registered by the Commission, which will use this registration when drawing up the short-list.

In addition, other information, in particular from the Tacis central consultancy register, may be considered when drawing up the short list. This register shall be open to all interested firms, organisations and institutions for registration.

9. When drawing up the short-list the Commission shall be guided by qualification, interest and availability of the firm, organisation or institution. The number of firms, organisations and institutions

on a shortlist shall depend on the size and the complexity of the project and should offer the widest possible choice with the inclusion of the operators from the recipient states, wherever possible.

Firms, organisations and institutions which have expressed their interest in writing in a project shall be informed whether or not they have been included on the shortlist.

10. Every year the Commission shall give to the Committee a list of the firms, organisations and institutions which have been selected.

11. In highly complex projects, the Commission may suggest to firms, organisations and institutions, which have been retained on a short-list, the formation of consortia among them. In these cases, this suggestion, as well as the complete short-list, shall be transmitted to all firms, organisations and institutions having been retained on it.

12. In restricted tendering there shall be a minimum period of 60 calendar days between the final opinion delivered by the Committee and the launching of the tender. Nevertheless, in case of urgency this period may be shortened by the Commission, provided that a detailed explanation is transmitted to the Committee.

An invitation to a restricted tender shall allow for a time limit of 60 calendar days from the date of delivery of the invitation letter. In urgent cases this period may be reduced, but it may never be less than 40 calendar days. In exceptional cases, this delay may be extended by the Commission, provided that a detailed explanation is transmitted to the Committee. All changes of delay must be duly notified to the firms, organisations or institutions concerned.



## Annex IV

### Criteria for the Implementation of the Regulation

#### 1. Cross-Border Co-operation

Cross-Border Co-operation (CBC) shall primarily serve to assist border regions in overcoming their specific development problems stemming from relative isolation in the national economies, to encourage the creation of co-operation networks and the establishment of links between networks on both sides of the border including border-crossing facilities, and accelerate the transformation process in the N.I.S. by their integration into the co-operation with border regions in the Union or the CEEC.

CBC may take place along all borders between the Union and the N.I.S., the Central and Eastern European Countries and the N.I.S. and the N.I.S. amongst themselves, including maritime borders.

CBC includes both measures in the field of technical assistance and infrastructure. Activities in all priority sectors may be financed under this form of co-operation.

#### 2. Industrial Co-operation, Equity Funding of Joint Ventures (see Art. 2.3.)

In the framework of the assistance provided pursuant to this Regulation, the promotion of industrial co-operation as referred to in Article 2.3 shall be implemented by encouraging pilot co-operation projects between EU and N.I.S. companies and direct inter-industry contacts. Any activity in this context shall fully comply with this Regulation, in particular, the demand-driven approach and the tendering procedures.

In the case of nuclear-safety programmes due account shall be taken in procurement of the commitment of the recipient country to the objectives of technical assistance in nuclear safety.

In addition, a specific facility ("JOPP") shall support the establishment of joint ventures through the funding of equity investments in small and medium-sized companies. This facility will operate along the lines and criteria of "JOPP".

#### 2 bis Contract Information

For the implementation of Article 5 of this regulation, the Commission shall provide upon request to all interested firms, organisations and institutions throughout the Union a documentation on the general aspects of the Tacis programme and the ways and specific requirements for a participation in the programme.

The information on projects, which are going to be tendered, shall be made available, as soon as possible after the project has been submitted to the Member States in the Tacis Committee. This information shall be made available to every interested firm, organisation or institution who registers on the Tacis mailing list.

A publication shall be made available normally on a two-monthly basis to update the above information, and to inform firms, organisations and institutions if projects are still open for expression of interest.

### 3. Supervision, Monitoring and Evaluation

In order to ensure a full implementation of Article 2.4 of this Regulation, the Commission shall always ensure effective control over the whole project cycle.

In order to ensure that the Tacis objectives are being achieved to a level that is satisfactory to all parties concerned an independent Monitoring and Evaluation (M & E) programme shall be implemented.

Expenditure for this purpose may not exceed 3% of total contracts awarded each year.

In the context of the Tacis programme, Monitoring shall consist of preparing\submitting an analytical assessment, carried out at regular intervals in the form of a written detailed summary of Tacis projects in order to indicate the degree to which these have achieved their stated objectives for project management and other involved parties. This shall aim at ascertaining that projects are "on course" and signal "early warning" of potential problems to allow adjustments to be made with the minimal disruption.

The immediate objective of monitoring shall be to provide a regular reporting mechanism to enable more focused project management decisions to be reached in order to ensure that a project remains on course thus achieving its objectives.

Evaluation shall consist of an independent objective examination of the background, objectives, activities, means deployed and results with a view to drawing lessons that may be more widely applicable. A number of objective criteria may be used, for example sustainability, impact and lessons learned.

The system shall be set up and implemented via regional offices and a central M & E section at the Commission.

Monitoring offices are to be established and maintained in the N.I.S. and staffed by European experts and local counterparts monitors which cannot be involved in the preparation of any project according to the criteria laid down in Annex III, point 5, last indents. These offices shall be responsible for all day to day projects Monitoring and providing specific sectoral, country and regional reports as required. These offices shall cover interstate as well as sectoral projects. The European experts will also provide training to the counterpart monitors.

The Monitoring offices will interface with all the participants in the programmes i.e. the Commission (including Delegations), Co-ordinating Units, Project Partners and Contractors. They shall provide Monitoring reports on a systematic and agreed basis to the above participants on projects and prepare regional reports and evaluations as required for the M & E Section in the Commission.

The whole programme shall be co-ordinated by an M & E section established within Tacis services in Brussels. This section shall be responsible for the overall policy and direction of the service and shall provide regular management summaries and evaluation reports on the Tacis programmes to internal services. The European Parliament and the Tacis Committee shall be provided every six months with evaluation summaries and on request with full evaluation reports.

#### 4. Programming

Before drawing up the indicative programmes referred to in Article 4 of this Regulation the Commission shall inform the Committee referred to in Article 6 of the priorities identified with the partner States.

At the beginning of every year the Commission shall provide an indicative timetable for the presentation of the action programmes to the Committee referred to in Article 6 of the Regulation.

The action programmes shall be established in close co-operation with the partner States. In this respect the Co-ordinating Units shall play an important role. These Units should be formed by representatives of the local Government and when necessary they shall be assisted by experts appointed by the Commission. In this case, the Commission will ensure an appropriate selection procedure in order to guarantee their independence, qualifications and a wide representation of the different nationalities.

The action Programmes shall encompass the following information; link between the indicative and the action programme; insertion of the action programme in the reform process underway in the partner State; co-ordination of the action programme with other donors activities; general organisation for the implementation and the management of the programme; list of projects to be funded.

Whenever possible, the objective, recipient and main components of each project shall be specified in the appendix to the action programmes.

For each project above 1 Mecu, a project sheet shall be attached in the appendix to the action programme. For each project above 3 Mecu, a logical framework matrix shall be attached in the appendix to the action programme.

#### 4 bis Co-ordination

For the implementation of Article 7, the Commission shall as a rule and on a quarterly basis hold in those partner countries where a Delegation exists an information meeting on the programmes in order to ensure co-ordination of Community and bilateral efforts on the spot. Member States shall be informed sufficiently in advance of the co-ordination meetings on the spot, in order to ensure that these meetings can be thoroughly prepared and a maximum of Member States can be present.

Co-ordination and co-operation with other donors shall be encouraged. In order to obtain effective co-operation with the International Financing Institutions there shall be regular consultations between the Commission and these institutions on a central as well as a local level <sup>(4)</sup>.

## 5. Reporting

In accordance with Article 8 of this Regulation, the Commission shall provide an annual progress report. This report shall include an overview and relevant data on the implementation of the Tacis programme on a per country basis.

Other aspects of operational or administrative nature which might have an important impact on programme implementation shall be included in the progress report.

The report shall upon request be made available to the general public.

Additional reports shall be made available to the Committee and to the European Parliament on a quarterly basis, containing a review of the position regarding contracts, payment authorisations and commitment authorisations and, in particular:

- (i) list of firms, organisations, institutions and their nationality being awarded contracts in excess of 100.000 Ecu, and procedure followed for award,
- (ii) list concerning the distribution of awarded contracts per country of origin.

The list mentioned under (i) shall be published in the Official Journal according to Art. 117 of the Financial regulation.

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Statements for entry in the Council minutes

- 1) Re: Article 2.10.

Statement by the Member States

"If any delegation so requests, the Council will endeavour, within a reasonable time scale and without prejudice to the procedures provided for in the legal basis of the act, to reach a common view on the respect of human rights and democratic principles in the third country concerned before taking the measure concerning the assistance."

- 2) Re: first paragraph of Article 5

Council statement

"The Council agrees that the Commission will submit to it a report in the event of difficulties in applying the principles set out in Annex III."

- 3) Re: second paragraph of Annex III.3

Commission statement

"The Commission states that in evaluating tenders it will apply as a general rule a weighting of technical quality (70%) against price (30%)."

- 4) Re: second paragraph of Annex IV.4a

Commission statement

"The Commission declares that the European Training Foundation in Turin shall be given a specific role in the implementation of the Tacis programme in the area of vocational training."

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