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**COMMUNICATION FROM THE COMMISSION
TO THE COUNCIL AND THE EUROPEAN PARLIAMENT**

on a Community Action Plan for the Reconstruction of Central America

Communication from the Commission to the Council and the European Parliament on a Community Action Plan for the Reconstruction of Central America

I. BACKGROUND

1. The impact of Hurricane Mitch

1.1 Overall effects

Hurricane Mitch, which struck Central America in the last week of October 1998, must be one of the greatest natural disasters ever to have hit the region.

Floods and landslides caused by unusually protracted torrential rain claimed many lives, especially in the region's poorest countries, Honduras and Nicaragua, destroyed a significant portion of the economic and social infrastructure and greatly reduced the region's production and export capacity in the short and medium terms.

The scale of the disaster was aggravated by the continuing deforestation of the region, the unregulated settlement of exposed areas (river banks, slopes of volcanoes, etc.), the lack of an effective flood-control system, shortcomings in prevention and rapid-intervention systems, and, more generally, a lack of rigour in the implementation of effective welfare policies and action against poverty.

According to the damage assessments by the Economic Commission for Latin America (ECLA) summarised in the tables below, over 10 000 people are known to have died in the hurricane and a similar number remain unaccounted for.

The disaster has directly or indirectly affected almost 6.7 million people, nearly a quarter of the total population of the countries affected. The damage has been put at USD 5.36 billion or 10% of the region's GNP. Of this damage, 26% was to the social sectors and almost 18% to infrastructure.

Mitch destroyed or damaged more than 150 000 homes, nearly 500 bridges and over 3600 schools.

| INDICATORS | Honduras | Nicaragua | Guatemala | El Salvador | Total |
|---------------------|-----------------|------------------|------------------|--------------------|--------------|
| Dead | 7 007 | 2 863 | 268 | 240 | 10 378 |
| Unaccounted for | 8 052 | 948 | 121 | 19 | 9 140 |
| Injured | 11 998 | 388 | 280 | n.a | 12 666 |
| Affected | 4 753 537 | 867 752 | 734 198 | 346 910 | 6 702 397 |
| Total population | 6 203 188 | 4 492 700 | 11 645 900 | 6 075 536 | 28 417 324 |
| Percentage affected | 76.6 | 19.3 | 6.4 | 5.7 | 23.6 |

| SECTOR | DIRECT DAMAGE (*) | INDIRECT DAMAGE (*) | TOTAL DAMAGE(*) |
|---|----------------------|------------------------|--------------------|
| TOTAL | 3 096.5 | 2 264.3 | 5 360.8 |
| SOCIAL SECTORS | 594.5 | 808.9 | 1 403.4 |
| Housing | 444.9 | 707.7 | 1 152.6 |
| Health | 59.7 | 74.1 | 133.8 |
| Water and sanitation | 47.3 | 16.6 | 63.9 |
| Education | 42.5 | 10.5 | 53.0 |
| INFRASTRUCTURE | 562.9 | 413.7 | 976.6 |
| Roads, bridges and railways | 535.4 | 385.1 | 920.5 |
| Energy | 27.7 | 28.6 | 56.3 |
| PRODUCTION | 1 871.7 | 1 041.1 | 2 912.8 |
| Arable and stock farming, fishing, forestry | 1 759.0 | 510.5 | 2 269.5 |
| Manufacturing industry | 32.8 | 301.9 | 334.7 |
| Shops, restaurants and hotels | 79.9 | 228.7 | 308.6 |
| ENVIRONMENT | 67.3 | 0.7 | 68.0 |

(*) USD millions

Source: ECLA

Mitch's repercussions will significantly reduce the results of the region's economic recovery efforts over the past decade. Forecasts for the region's growth in 1999 have had to be revised downwards from 5% to 3%. The two countries hardest hit, Honduras and Nicaragua, will see even lower growth, a rise in trade and budget deficits, and a fall in tax revenue and investment flows.

1.2 Impact in the social sectors

Besides the macroeconomic impact of the disaster, the poor, already severely marginalised before the hurricane, have suffered most. The table below¹ shows the gaps in social provision before Mitch struck.

| | Nicaragua | El Salvador | Honduras | Guatemala |
|----------------------------------|-----------|-------------|----------|-----------|
| HEALTH | | | | |
| Access to drinking water | 61% | 55% | 65% | 60% |
| Access to sanitation | 31% | 68% | 62% | 66% |
| Number of inhabitants per doctor | 1725 | 2261 | 4712 | 4000 |
| EDUCATION | | | | |
| Illiteracy (>15 years) | 34% | 28.5% | 27.3% | 44.4% |
| Public spending as % of GDP | 4% | 1.6% | 4.1% | 1.5% |

In the longer term, a reconstruction programme is needed to assist the transition to a sustainable, decentralised and participatory development model and reduce the region's vulnerability to such disasters.

¹ Sources: World Bank and UNDP.

2. The international response

2.1 International community

The international community's response to the devastation caused by Hurricane Mitch was immediate and massive: most countries and donors acted during the emergency stage and expressed a readiness to contribute to overall reconstruction efforts.

On 10 and 11 December 1998, at a special meeting organised in Washington by the Inter-American Development Bank (IDB) between the main donors and the governments of the countries affected by the disaster, the general wish to help produced pledges for about USD 6.3 billion. This amount is drawn from a diversity of instruments, including emergency relief, reconstruction aid, debt relief, special trade preferences and the temporary suspension of deportations of illegal immigrants from Central America.

Meanwhile, the Advisory Group for Central America is scheduled to meet again in Stockholm from 25 to 28 May to discuss the reconstruction strategies to be drafted by the countries affected, confirm the donors' pledges and agree suitable coordination procedures.

Role of the European Union

Since 1984 the European Union has been closely involved in the process of peace and democratisation in Central America. The San José Dialogue has enabled Europe to play a significant role in the peace efforts of the Contadora Group and Esquipulas II, and in supporting peace agreements and reconciliation processes in Nicaragua, El Salvador and Guatemala.

The Union has also done much to help consolidate the rule of law and human rights in the region, notably under the multiannual programme to promote human rights in Central America, which the parties agreed in 1992 and extended in 1996.

The Union has also backed socio-economic development and regional integration in Central America by means of a large number of regional and bilateral projects and programmes financed under the 1985 and 1993 EU-Central America cooperation agreements, respectively signed in Luxembourg and San Salvador.

The Union has become the main source of grant aid to Central America, accounting for 62% of all official development assistance (ODA) to the region.

The special relationship between parties to the San José Dialogue gives the Union particular responsibility for rehabilitation and reconstruction in a region with high hopes of its solidarity.

The Commission and the Member States have therefore played a significant role in the international community's immediate response to the disaster.

Commission: emergency, humanitarian and food aid

On 4 November 1998 the Commission responded promptly to the emergency by approving an initial EUR 6.8 million emergency programme presented by the European Community Humanitarian Office (ECHO), which provided for the distribution of basic necessities by 11 European NGOs and the Spanish and German Red Cross societies. ECHO also provided EUR 3 million to beef up humanitarian aid projects already under way in the region. On 18 November a further EUR 9.5 million in humanitarian aid was granted for sanitation, health care and shelter.

For the purposes of food aid, the Commission granted over EUR 8 million in Euronaid allocations from unexpended resources (for NGOs providing tools and seed) and made new grants totalling EUR 15 million for agricultural rehabilitation, etc.

Community aid under this heading amounts to about EUR 42.3 million.

Member States

Practically all Member States have contributed to the emergency and humanitarian aid effort for victims of Hurricane Mitch. By the end of last year they had granted more than EUR 200 million.

To this official assistance must be added substantial donations by the European public to help the hurricane victims.

Several Member States have accorded bilateral debt relief to assist reconstruction in the countries hardest hit by Hurricane Mitch, and in particular Honduras and Nicaragua. At the end of last year this relief stood at over EUR 200 million. The Council also got the Paris Club to defer the debt payments of countries affected by the hurricane for three years and encouraged multilateral institutions to take steps to reduce the multilateral debt.

In addition to these measures to meet immediate needs, several Member States have already announced special assistance for reconstruction in Central America.

Similarly, the Council has repeatedly emphasised the need for the Union to support longer-term reconstruction in the region.

At its development meeting on 30 November, the Council asked the Commission to provide it as soon as possible with an action plan for medium- and long-term reconstruction in Central America. This plan was to be discussed in the months ahead at a ministerial meeting with the San José Group.

In December the Vienna European Council confirmed these conclusions and called on the Council and the Commission to consider ways of reducing the external debt burden of the countries concerned.

For its part, the European Parliament adopted a resolution on 19 November (published in OJ No C 379, 7.12.1998) calling on the Commission to draw up a strategy paper concerning a reconstruction plan for the region.

It is on the basis of these guidelines that the Commission is proposing the following Action Plan for the Reconstruction of Central America.

II. ACTION PLAN FOR THE RECONSTRUCTION OF CENTRAL AMERICA

The Action Plan comprises a regional reconstruction programme and ancillary measures.

A. As the key component of the Action Plan, the Commission advocates a Regional Programme for the Reconstruction of Central America (RPRCA) with the following characteristics:

1. General principles

➤ *Type of programme*

The special effort to be made by the Union for the countries affected by Hurricane Mitch should be brought within the scope of current cooperation between the partners in the San José Dialogue (Solemn Declaration of San José XII, Florence 1996). The Commission therefore proposes that the RPRCA be viewed not as a short-term reconstruction operation, but as further assistance for Central America's transition to a more sustainable development model. This programme will be additional to the routine aid operations financed by the Community in the region.

➤ *Regional character*

The Commission proposes that the RPRCA be given a regional character, albeit with due regard for the circumstances and needs of each of the countries concerned. After all, the hurricane has directly or indirectly affected the whole region, which will need joint measures and progress towards integration to be able to take its place in the world economy.

➤ *Consistency*

Given the complexity of reconstruction, Community aid must, if it is to be effective, slot into the recipient countries' national programmes and be properly coordinated with the contributions of the Member States and other major donors.

➤ *Sound and transparent management*

The Commission attaches great importance to good governance. The Commission's requirements in this area are set out in the general clauses of the financing agreements signed with each of the recipient countries. All the donors share this concern and together they will work out the arrangements for coordination in this field.

2. Content and scope

- **Choice of priority sectors**

When embarking on the reconstruction of the region, care should be taken to ensure proper coordination and divide out the sectors to be supported by different donors.

In the interests of efficiency and rationalisation of the overall effort, the main donors should focus on one or more priority areas in which their resources, know-how, etc. give them a comparative advantage.

December's Washington meeting provided an opportunity to note down the first indications in this respect. For instance, The IDB, will concentrate on infrastructure (roads, bridges, etc.) and the Central American Bank for Economic Integration (CABEI) on rehabilitating the production sectors, while Japan has announced *inter alia* quick-disbursing non-project aid.

However, most donors will not be finalising their operations until the Advisory Group's meeting in Stockholm towards the end of May, by which time the priorities fixed in the national reconstruction programmes and the results of their fact-finding missions will be known.

It is likely that many donors, among them the United States, will decide to act in a number of sectors, with no clear indication of their priorities.

To maximise the impact (constitution of a critical mass) and visibility of the Community's contribution, the Commission proposes that it be overwhelmingly used to support social policies, and in particular public health and education.

This choice is based on the following considerations:

- When the San José process was recast in Florence in 1996, support for social policies was designated a priority for future cooperation between the Union and Central America.
- Since 1996 the Commission has been backing education and public health projects in the four countries concerned, thereby acquiring substantial experience of relevance to this exercise.
- The sectors proposed are consistent with Europe's long-standing concern for social welfare, under which the structural adjustment policies introduced by the countries concerned are flanked by measures to cushion the impact of change.
- In February/March the Commission sent several teams of experts to Central America to assess needs and identify priorities for action. Despite the reconstruction efforts already made by the countries concerned and the international community, the experts' interim reports show that the impact of Hurricane Mitch has exacerbated existing social problems, making it even more difficult for the poor to gain access to basic education and health services.

- **Overall objective**

The overall objective of the programme is to help rehabilitate and improve infrastructure, facilities and the administration of education and public health services in the areas hit hardest by the hurricane, and to back the shift towards a more sustainable development model in both sectors.

- **Specific objectives**

In the chosen areas of intervention, the programme will pursue the following specific objectives:

- the rehabilitation, improvement and expansion of education and public health infrastructure and facilities;
- the strengthening of education and public health services to improve their efficiency, quality and accessibility, especially for the poorest sections of the population;
- the improvement of the management capacities of government institutions responsible for education and public health provision;
- the promotion of the drafting and implementation of local rehabilitation and development plans based on public consultation and participation, with priority to decentralising and improving services;
- support for the preparation and introduction of a legal framework aimed at preventing or reducing the impact of natural disasters of this kind.

- **Components**

The programme is based on fact-finding missions carried out by experts for the Commission and the experience of staff involved in humanitarian action and prevention (ECHO).

To determine the programme's areas of intervention and content, the experts sent to the region have drawn up selection criteria taking account of:

- the impact of Hurricane Mitch,
- poverty indicators,
- the vulnerability of the population to natural disasters of this kind,
- the existence of other projects by the Community, the Member States or other donors.

The geographical areas identified are in most cases the basins of rivers or lakes that suffered heavy flooding when Mitch struck.

However, the complexity of the exercise will call for a flexible approach; the content and scope of specific projects for execution in the programme's areas of intervention will have to be analysed and studied in depth during the opening stage of implementation, taking particular account of operations carried out by the Member States and other donors and the situation on the ground during implementation.

In order to achieve the above specific objectives, the programme will be subject to the following guidelines in the areas of intervention chosen:

Health

- **Basic water supply and sanitation systems will be rehabilitated and improved in regions affected by Hurricane Mitch:**

Honduras: in the departments of Valle, Francisco Morazán (including certain districts of Tegucigalpa), El Paraiso, Olancho, Colón, Gracias a Dios, benefiting some 100 000 families;

Nicaragua: in the towns of Ocotal (Nueva Segovia), Esteli, the outskirts of Managua, the North Pacific (Chinandega and León) and the Autonomous Region of the North Atlantic (RAAN), benefiting some 350 000 people;

El Salvador: in the eastern regions (Morazan, San Miguel, la Unión) and centre (San Vicente, la Paz), benefiting some 19 000 families.

- **The primary healthcare system will be rehabilitated and improved, in particular by rebuilding and increasing care facilities, supplying equipment and drugs/vaccines and reinforcing local epidemiological monitoring committees:**

Honduras: Some 200 first-tier facilities will be rebuilt or renovated in marginal rural and urban areas in the programme's areas of intervention, benefiting 280 000 families.

Nicaragua: Health centres and other SILAIS (integrated local health system) facilities will be rehabilitated and strengthened in Managua (1.1 million direct beneficiaries) and Nueva Segovia (40 000 beneficiaries).

El Salvador: 100 first-tier care facilities will be rehabilitated and extended in rural areas of the programme's areas of intervention, benefiting 174 000 families.

Guatemala: SILAIS centres will receive support in 25 towns hit by Mitch (Izabal, Alta and Baja Verapaz).

- **Public housing will be rehabilitated or built in some areas of intervention where the programme provides for the rehabilitation and improvement of basic water supply and sanitation systems, provided fair and transparent criteria can be fixed for allocating housing. The aim would be to improve the beneficiaries' social condition and health to improve the programme's impact and likelihood of success.**

Honduras: 340 public homes will be rebuilt/renovated in rural areas to improve health and sanitary conditions for those affected or displaced.

Nicaragua: 1000 public homes will be rebuilt/renovated in marginal urban districts of Estelí and Managua in order to facilitate the integration of

affected and/or displaced groups and improve sanitary conditions for them.

- Ministries and other bodies responsible for planning and implementing public health policy will be strengthened, as will local authorities and grassroots bodies working in the sector.

Honduras: support for the Health Ministry, water utility (SANAA) and association of local authorities (AMHON).

Nicaragua: support for the Health Ministry (INETER), water agencies (ENACAL, INAA) and the social fund (FISE).

El Salvador: support for the Health Ministry (MSPAS), the water utility (ANDA) and the bodies responsible for local government (ISDEM, COMURES).

Guatemala: establishment of a supervisory system for the water industry (quality standards, training, etc.).

Education

- Schools will be rehabilitated and improved (with an emphasis on primary and rural schools), and teaching materials and furniture supplied.

Honduras: With grassroots involvement, about 675 schools will be completely or partly rebuilt or rehabilitated in the programme's areas of intervention.

Nicaragua: Primary schools will be rehabilitated or improved in the north of the country (Nueva Segovia and Jinotega departments, RAAN).

El Salvador: 150 primary schools will be rebuilt and improved, mainly in the departments of Morazán and San Miguel, in the vicinity of the Rio Lempa and Rio Grande de San Miguel catchment areas.

Guatemala: Primary and secondary schools will be repaired and equipped in the affected regions of Alta Verapaz, Baja Verapaz and Izabal.

- To help cope with the consequences of the hurricane, the quality of technical and vocational education will be improved by teacher training and innovation in the technological and production spheres.

Honduras: The integration of affected groups into the labour market will be assisted by training provided through cooperation with INFOP and the National Pedagogical University.

Nicaragua: Support will be provided for the activities of three vocational training centres in the departments of Nueva Segovia, Matagalpa and Managua.

- Local development agencies and grassroots associations will receive training on health and environmental education, including the prevention of natural risks.

Honduras: Training will be provided for 9600 groups of smallfarmers. 20 local development agencies will be trained in the preparation of early-warning and disaster-prevention plans, etc. by organisations such as FUNDER (a foundation for the development of rural enterprise), COCOCH (a coordinating body for smallfarmers' associations) and AMONH (the association of Honduran local authorities).

Nicaragua: Adults will receive vocational training in rural and marginal urban areas in the departments of Nueva Segovia, Jinotega, RAAN and Managua.

El Salvador: Support will be provided for local administrative capacities, including the prevention of natural and environmental risks in certain villages and towns of the departments of Morazán and San Miguel.

Guatemala: Young people and adults in the Alta Verapaz , Baja Verapaz and Izabal departments will receive training through INTECAP to assist their integration into the labour market and foster community organisation.

• Principles of intervention

The proposed programme will take account of a series of principles which will be applied at every stage of the project cycle:

- Besides the strategic sectoral and geographically integrated action, programme activities must effectively bridge the gap between the emergency stage and development cooperation schemes.
- The programme activities will seek to reduce vulnerability. They will be geared not just to physically repairing infrastructure damaged or destroyed by the hurricane but to remedying the shortcomings of such infrastructure and reinforcing local capacities to handle such natural phenomena. There will also be an effort to create more equitable access to basic social services.
- To increase the programme's impact, activities will be the fruit of consultations taking in the government's priorities and policies and effectively involving civil society (local authorities and associations, NGOs, etc.).

To that end, the programme provides for projects reflecting the government's priorities to be combined with the preparation and execution of local rehabilitation and development activities based on public consultation and

participation. The latter will give priority to decentralising and improving services, strengthening local institutions, reducing vulnerability and managing the environment rationally.

- Generally speaking, the programme will have to identify and promote synergies between the various Community projects under way to avoid needless duplication and enhance the impact of Community cooperation in the countries and areas affected.
- The programme is also intended as part of a wider sustainable development approach. The technical solutions chosen will be appropriate to local circumstances, incorporating measures to protect and reclaim the environment and providing institutional support for central and local authorities in the chosen sectors.
- With due regard for the rules in force, the aim will be to ensure the equitable and transparent allocation of the RPRCA's resources.

• **Financial package**

On the basis of the reports of the experts dispatched to the region, the Commission proposes that the Regional Programme for the Reconstruction of Central America be allocated EUR 250 million from budget heading B7-313 "Rehabilitation and reconstruction operations in developing countries in Latin America", which has its legal basis in Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing countries.

The RPRCA's projects will be funded by annual commitments over a four-year period. Thus, the Commission will be proposing a first tranche of EUR 54.5 million from heading B7-313 for the 1999 budget year, with any shortfall being covered by a transfer within the budget chapter. Subsequently (in 2000, 2001 and 2002) the Commission will submit annual decisions setting out the financial commitments from heading B7-313 needed to guarantee the funding of projects. The provisional breakdown is:

| | |
|-------|------------------|
| 2000: | EUR 50 million |
| 2001: | EUR 75.5 million |
| 2002: | EUR 70 million |

A further three or four years will be needed after 2002 to complete and close the programme's activities.

In order to achieve the programme's objectives, the budgetary authority will have to grant the commitment and payment appropriations necessary to finance the RPRCA's activities.

3. Management procedures

3.1 Financial decision-making

On the basis of the findings of the experts dispatched to the region, the Commission is drawing up a single financing proposal, totalling EUR 250 million, for submission to the Member States under the existing decision-making procedure. This financing proposal will include all the information necessary for the approval of the RPRCA, and in particular the objectives and expected results, and, for the first year of the programme, details of the projects to be funded and the procedures for their implementation.

From the second year of the programme onwards, the Commission will present the Member States and, for its information, the European Parliament with annual implementation and monitoring reports. For 2000, 2001, 2002 the Commission will inform the Member States of projects to be financed within the limits of the budget fixed beforehand. On-the-spot monitoring and supervision by Commission officials will be supplemented by an external evaluation of the whole programme at mid-term.

Should the single financing proposal be approved and the corresponding annual financial commitment granted, the Commission will draw up financing agreements with each of the recipient countries. Responsibility for managing these activities will rest with the Commission.

3.2 Question of human resources and devolved management of tasks involving the exercise of the powers of State

Starting up the RPRCA will require more staff at headquarters but mainly in the delegations in order to ensure sound and transparent management of public resources. This can only be guaranteed by a coordinated and coherent presence in the field.

The RPRCA is an ambitious and complex programme both in terms of funding and the linkage between a large number of operations in four sub-sectors (water-sanitation/education-training) in four countries with different administrative structures and a huge range of different players (civil society, governments, local authorities etc).

It will imply enhanced coordination not only within the EU but also with the other donors from the international community. The reconstruction plans drawn up by the local authorities will also have to be taken into consideration when the programme is started up.

The Commission currently has a limited number of staff both at headquarters and in the delegations who are responsible for "normal" cooperation with the Central American countries. This cooperation amounts to about EUR 500 million for the period 1993-98, in the form of a large number of projects whose implementation the Commission must continue to monitor over the next few years (some 220 projects). In addition, this type of cooperation must be maintained at the same level as at present since the challenges facing the region remain priorities (implementing peace agreements, institutional reforms, strengthening democracy and the rule of law etc). Hence the RPRCA represents a substantial additional effort in favour of the Central

American countries affected by Hurricane Mitch that will require increased manpower as of 2000.

The staff currently available is only able to carry out tasks connected with monitoring operations already under way, executing "normal" cooperation projects and the work on the design and preparation of the RPRCA that is being done in 1999.

Therefore, for the execution of such tasks, which by definition cannot be delegated, and in order to maximise the effectiveness of the RPRCA's execution and ensure the sound management of public resources, the Commission considers it imperative that the management of this programme be devolved.

Devolution implies the transfer of decision-making and management powers from headquarters outwards, in this case to the Commission delegation/office in Central America responsible for implementing the RPRCA.

To do this more staff is needed at headquarters and in the delegations in order to have the technical, administrative or financial skills available where the operations are carried out. Experienced technical staff is needed, whose skills match the different areas of intervention.

The Commission has assessed these staff needs according to the following breakdown:

- a sectoral technical officer in charge of coordinating activities in the education and training sectors for the four countries. Under his authority there will be two people suitably qualified to manage projects in these areas, and an assistant.
- another sectoral technical officer in charge of coordinating activities in the water/sanitation sectors for the four countries. Under his authority there will be two people suitably qualified to manage projects in these areas, and an assistant. While some flexibility will be allowed to adapt to circumstances, there will be a unit consisting of an officer and three people responsible for tenders, contracts and payments who will ensure that the administrative and financial management of activities is sound, effective and transparent.

All this personnel will be come under the responsibility of a coordinator who will have the job of programme director and will be helped by an assistant.

At the same time as deploying personnel in the field, there must be more staff at headquarters to deal with coordination between departments and the different donors, prepare and present annual programmes, keep the Council and Parliament informed and to carry out other activities linked with monitoring the RPRCA (administrative and financial monitoring, evaluation of results, preparation of audits and so on).

Since there are no resources currently available for fulfilling these responsibilities and applying the principle of devolution, there are two possible options:

The first option is for the Commission to second the required number of officials to supervise and monitor the entire cycle of projects in the field, from the start of activities right up to the payment of invoices and the closure of accounts, in

accordance with the tasks described above. The Commission reckons this would require the creation of another 20 statutory posts: 16, with appropriate operating funds, for the Commission delegation/office responsible for the RPRCA and four, divided between DG IB and the SCR, for the headquarters departments involved in overall supervision of the programme. A list of the posts needed is annexed to this document. The Commission considers this the only option that would enhance the programme's effectiveness. On-the-spot monitoring and management by the Commission would fully ensure the requisite coordination and complementarity with the Member States and direct links with the governments and inhabitants of the third countries concerned.

The second option is a fallback solution in case the Commission does not get the additional resources it is asking for. The Commission would then have to rely on a technical assistance office (TAO) working on the spot under the authority of the head of delegation/office responsible for managing the RPRCA. This would require additional funding from Part B of the budget to set up the TAO and cover the management, particularly financial, of the RPRCA's activities. It would, however, be harder in this case to apply the principle of devolution because a TAO is by definition unable to exercise the powers of State. In this scenario, the TAO would be providing administrative back-up for the delegation/office managing the programme and would, under the rules, have to be located off the premises of that delegation/office, which obviously poses problems for the working of the entire team involved in managing the RPRCA (delegation/office + TAO).

This second option could also consist of recruiting local agents (either locally recruited experts who are Member State nationals or local staff) under Part B of the budget but bearing in mind the limits on local recruitment possibilities and the duration of contracts.

These two variants of the second option would still require a small increase (four it is estimated) in the number of officials assigned to the Commission delegation/office responsible for the RPRCA's management and Commission headquarters at Brussels (two officials for the SCR). These officials would ideally be volunteers or redeployed staff.

The attention of the Council and the European Parliament should be drawn to the fact that they must choose one of the two options set out above.

3.3 Technical skills needed in the field: the role of technical assistance staff and criteria for their selection

Carrying out the RPRCA will require considerable technical assistance for the beneficiaries to carry out activities unrelated to the exercise of the powers of the State and requiring specialised skills. The Commission does not have these skills, most of which involve engineering know-how.

This is why the Commission, after obtaining the approval of the Member States meeting within the Committee on ALA developing countries, decided last December to set aside EUR 8.2 million for such technical assistance.

During the first stage of the RPRCA the experts recruited to provide technical assistance will carry out feasibility studies for the projects identified in the fact-finding mission's reports and prepare in detail the activities needed to accomplish the RPRCA's objectives.

During the second stage the experts will provide technical back-up for preparing tender dossiers and monitoring the execution of projects, especially for projects to rehabilitate or rebuild social infrastructure.

Furthermore, where improving public health and education services in the interests of sustainable development plays a major part in a project, technical assistance staff will draw up detailed methods for public participation and the relevant operational programmes.

The RPRCA will provide any further technical assistance necessary for carrying out project activities in the field.

Technical assistance contracts will be awarded according to the Community procedures in force.

3.4 Contracts for services, works and supplies

Contracts will be awarded according to the Community rules in force, and in particular those of the Financial Regulation applicable to the general budget of the European Communities and Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing countries.²

4. Coordination between donors

In view of the scale of the rebuilding and support for reforms required, the limited absorption capacity of the countries concerned and the amount of donor funding potentially available, effective coordination is crucial to the success of the whole exercise.

The Union must ensure the RPRCA's consistency and, wherever possible, its complementarity with the Member States' own projects.

The fact-finding mission dispatched by the Commission was therefore instructed to draw up an inventory of operations under way or planned by the Member States and base its recommendations for the Community programme on that inventory.

To keep abreast of developments, the Commission will set up a permanent coordination system to gather data from the Member States as their main post-Mitch reconstruction schemes take shape.

For this reason and to ensure consistency when reconstruction schemes are being carried out by the Community and the Member States, it has been agreed that a working party of experts from the Member States will be set up in the field to help the

² Without prejudice to any changes in the provisions that the Commission may decide.

Commission and the management unit under it with all relevant matters, and especially the close coordination of activities.

Besides this cooperation within the Union, special attention should be given to coordination between the major donors (IDB, World Bank, UNDP and other UN specialised agencies) and with the recipient countries. In this respect, the Union should back the IDB's moves to set up sectoral working parties on the ground. Under the aegis of the recipient country, these working parties would comprise representatives of the main donors operating in the sector, taking account of existing structures and the activities of specialised bodies, e.g. United Nations agencies.

These working parties would initially help the authorities draw up integrated reconstruction plans and subsequently supervise the consistency of operations.

B. The Commission proposes that the action plan for the reconstruction of Central America include, in addition to the RPRCA described above, a series of ancillary measures designed to help the region return to normality after Hurricane Mitch:

1. Maintaining "normal" Community cooperation with Central America

Adopting the RPRCA would add a considerable sum to the routine cooperation provided by the Community on the basis of the main guidelines agreed at 1996's San José XII meeting in Florence and the priorities fixed in the strategy papers recently approved for individual countries and the region as a whole.

There are plans to finance a series of major schemes in 1999 and subsequent years, notably in the fields of human rights (multiannual programme), the rule of law (strengthening the judicial system, modernising the civil service, fighting crime), the resettlement of uprooted people and the Central American integration process.

Routine aid to Central America should be maintained at similar levels to previous years.

In the countries hit hardest by Mitch (Honduras and Nicaragua) RPRCA projects will obviously account for a much larger share of total programming than in the other countries, where RPRCA projects will represent only a small percentage of total aid.

2. Taking account of the environment

The major environmental damage suffered by the Central American countries has aggravated the effects of the disaster. Environmental issues therefore warrant special attention in the reconstruction action plan.

The Commission is considering financing a regional scheme to protect catchment basins by replanting the worst affected areas with trees.

3. Operations via the Central American Bank for Economic Integration (CABEI)

Since 1985 the Community has been financing through the CABEI a series of programmes to boost small- and medium-sized enterprises (PAPIC/FAPIC) and

promote exportations from the region (FOEXCA) and the least-developed countries (FEPEX).

On the basis of recent discussions between the Commission and the Bank, the funds available for these programmes should be gathered in a single fund and allocated, according to procedures yet to be decided and in the spirit that led to their approval, for the overall reconstruction of the region, and in particular relaunching the production apparatus.

4. Trade measures (GSP)

The disaster caused in Central America by Hurricane Mitch influenced the Commission's decision on 21 December last year not just to renew the special tariff preferences for agricultural exports from Central America but to zero-rate all industrial products from the region.

In doing so, the Union's aim was to improve the access of Central American products to the Community market and thereby help restore the region's production capacity.

5 Debt relief

The Commission considers that the measures taken or planned by a number of Member States to relieve the debt of the Central American countries are a key part of the Action Plan for the Reconstruction of Central America.

Conclusions

The Commission proposes that the European Parliament and the Council approve the action plan for the reconstruction of Central America, and more specifically the principle and broad outline of the Regional Programme for the Reconstruction of Central America (RPRCA).

This proposal could provide a basis for the position to be taken by the Union at the San José XV meeting scheduled for 20 May in Bonn and the meeting of the Advisory Group on Central America scheduled for 24-25 May in Stockholm.

On the basis of the Council's conclusions and Parliament's opinion, the Commission will present as soon as possible the proposals necessary for the implementation of the RPRCA and other measures needed to give substance to the Action Plan for the Reconstruction of Central America.

Annex 1

List of officials

| Title | Grade | No | For the period | |
|--|-------|-----------|----------------|------|
| | | | from | to |
| Officials at the Delegation (2) | | | | |
| Head of project | A | 1 | 2000 | 2006 |
| Technical officer | A | 2 | 2000 | 2006 |
| Education officer | A | 1 | 2000 | 2006 |
| Training officer | A | 1 | 2000 | 2006 |
| Health officer | A | 1 | 2000 | 2006 |
| Water officer | A | 1 | 2000 | 2006 |
| Tenders | B | 1 | 2000 | 2006 |
| Contracts | B | 1 | 2006 | 2006 |
| Payments | B | 1 | 2000 | 2006 |
| Administrative assistant | B | 1 | 2000 | 2006 |
| Assistant | B | 3 | 2000 | 2006 |
| Secretaries | C | 2 | 2000 | 2006 |
| Subtotal | | 16 | | |
| Officials at Headquarters | | | | |
| DG IB Mitch desk officer | A | 1 | 2000 | 2006 |
| DG IB: Assistant | B | 1 | 2000 | 2006 |
| SCR | A | 1 | 2000 | 2006 |
| SCR | B | 1 | 2000 | 2006 |
| Subtotal | | 4 | | |
| TOTAL | | 20 | | |

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Regional Programme for the Reconstruction of Central America (RPRCA): This is a programme for the countries hit by Hurricane Mitch: El Salvador, Guatemala, Honduras and Nicaragua.

2. BUDGET HEADING INVOLVED

B7-3 Cooperation with developing countries in Asia, Latin America and southern Africa, including South Africa

B7-31 Financial and technical cooperation with Latin American developing countries

B7-313 Rehabilitation and reconstruction operations in developing countries in Latin America

3. LEGAL BASIS

Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing countries

4. DESCRIPTION OF OPERATION

4.1. General objective

The programme's overall objective is to help rehabilitate and improve infrastructure, facilities and the management of education and public health services in the areas hit hardest by Hurricane Mitch, and to assist both sectors in their transition to a more sustainable development model.

4.2. Period covered and arrangements for renewal or extension

The activities cover the period 1999-2006.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1. Non-compulsory expenditure: yes

5.2. Differentiated appropriations: yes

5.3. Type of revenue involved:

none

6. TYPE OF EXPENDITURE OR REVENUE

- *100% subsidy*: All operating costs of projects under the programme will be covered by a grant.
- *Subsidy for joint financing with other sources in the public and/or private sector*: There are no plans for cofinancing with other donors, NGOs or the private sector.
- *Interest subsidy*: None
- Other
- *Should the operation prove an economic success, is there provision for all or part of the Community contribution to be reimbursed?* No
- *Will the proposed operation cause any change in the level of revenue? If so, what sort of change and what type of revenue is involved?* No

7. FINANCIAL IMPACT

7.1. Method of calculating total cost of operation (definition of unit costs)

Hurricane Mitch, which hit Central America in the last week of October, caused over EUR 5 billion in damage.

In view of the scale of the damage and the assessments of experts sent to the region, the Commission is proposing a regional reconstruction programme for an indicative sum of EUR 250 million.

This sum will be covered by commitments spread over four years.

For the 1999 budget year, it is proposed that the Commission grant EUR 54.4 million from the resources of the rehabilitation heading (B7-313), making up any shortfall by transfers to that heading from the financial and technical cooperation heading of the same chapter (B7-310).

For the years 2000, 2001 and 2002, the Commission will each year be asked to approve commitments from heading B7-313, as set out in the table in 7.2.

To achieve the objectives laid down in the programme, the budgetary authority will have to approve the commitment and payment appropriations needed to finance activities under the RPRCA.

7.2. Itemised breakdown of cost

This is an indicative annual breakdown (in current euros) for budget heading B7-313 and does not prejudge the outcome of the budget procedure.

Commitment appropriations in current euros (millions)

| Breakdown | 1999 | 2000 | 2001 | 2002 | TOTAL |
|-----------|------|------|------|------|-------|
| | 54.5 | 50 | 75.5 | 70 | 250 |

7.3. Operational expenditure on studies, experts, etc., included in Part B of Budget

Commitment appropriations in current euros (millions)

| | n + 1 | n + 2 | n + 3 | n + 4 | n + 5 and subs. yrs | TOTAL |
|--------------------------------|-------|-------|-------|-------|------------------------|-------|
| - Studies | | | | | | |
| - Meetings of experts | | | | | | |
| - Conferences and congresses | | | | | | |
| - Information and publications | | | | | | |

7.4. Indicative schedule of appropriations

This table sets out payments under the 1999-2005 budgets, excluding those for execution in that period under a previous year's budget.

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | Following | Total |
|--------------------------------------|------|------|------|------|------|------|------|-----------|-------|
| Commitment appropriations(B7 - 313) | 54.5 | 50 | 75.5 | 70 | | | | | 250 |
| Payment appropriations | | | | | | | | | |
| 1999 | 0 | 16 | 14 | 10 | 8 | 6.5 | | | 54.5 |
| 2000 | | 9 | 16 | 13 | 9 | 3 | 0 | | 50 |
| 2001 | | | 25 | 23 | 13 | 9 | 5.5 | | 75.5 |
| 2002 | | | | 19 | 25 | 21.5 | 4.5 | | 70 |
| | | | | | | | | | |
| Total | 0 | 25 | 55 | 65 | 55 | 40 | 10 | | 250 |

8. FRAUD PREVENTION MEASURES

Administrative supervision of contracts and payments will be devolved. There will be close cooperation with the Commission in Brussels. The Commission sees a need for new posts in the different departments involved in preparing and implementing the RPRCA. These officials will be under the responsibility of a Commission Delegation/Office in the region.

Given the scale and complexity of the RPRCA and the tight implementing timetable, devolution will help increase the capacity to monitor and supervise the administrative and financial execution on the ground.

Implementation of the programme will be inspected at every stage of the project cycle by Commission headquarters and, in particular, the Delegation/Office responsible for the RPRCA's implementation (selection, contracts, performance of contracts, payments). Inspections will take account of contractual obligations and the principles of cost/benefit analysis and sound financial management.

Anti-fraud measures will be supplemented by on-the-spot audits and inspections by the SCR, DG XX and the Court of Auditors of spending under the programme and the proper implementation of activities. Particular attention will be given to the nature of spending (eligibility), compliance with budgets (spending actually incurred) and verification of supporting documents (proof of expenditure).

In addition to the Commission's monitoring and supervision of activities, there are plans for an independent mid-term evaluation of the entire programme and a final evaluation.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific and quantified objectives; target population

- Specific objectives: links with general objective

Without losing sight of the general objective set out in 4.1, the scheme is intended to finance wholly or partly programmes pursuing the following main objectives:

- Rehabilitation, improvement and expansion of educational and public health infrastructure and facilities
- Reinforcement of education and public health services to improve their efficiency, quality and accessibility, primarily for the poorest sections of the population
- Improvement of the management capacity of government institutions to provide appropriate education and public health services
- Promotion of the drafting and execution of local rehabilitation and development plans in a climate of public consultation and participation, according priority to decentralising and improving services
- Support for the preparation and introduction of a legal framework for preventing or reducing the impact of such natural disasters

The proposed programme is based on fact-finding missions conducted in the region by experts working for the Commission. However, the complexity of the exercise calls for flexibility: the content and scope of individual projects to be carried out in the programme's areas of intervention will need to be analysed and studied in depth during the first stage of implementation.

- End-beneficiaries

The RPRCA will benefit the inhabitants of the four countries directly or indirectly affected by Hurricane Mitch. The beneficiaries may be government institutions or elements of civil society, e.g. elected local authorities, universities, private development organisations and local associations.

9.2. Grounds for the operation

- Need for Community financial aid

The hurricane that struck Central America in the last week of October is considered one of the greatest natural disasters ever to have struck the region.

The floods and landslides caused by unusually protracted torrential rain claimed many lives, especially in the region's poorest countries, Honduras and Nicaragua,

destroyed a significant portion of the economic and social infrastructure and greatly reduced the region's production and export capacity in the short and medium terms.

Though assessments of the damage vary according to the source and are not always definitive, over 10 000 people are reckoned to have died in the hurricane with a similar number unaccounted for.

The disaster has directly or indirectly affected almost 6.7 million people, about a fifth of the region's total population. The damage has been put at about EUR 5 billion.

Mitch is reckoned to have destroyed or damaged more than 150 000 homes, nearly 500 bridges and over 3600 schools.

Besides the macroeconomic impact of the disaster, the poor, already severely marginalised before the hurricane, have suffered most. The longer-term aim is to support the rehabilitation of social infrastructure, meet housing need and provide vital aid for basic food crops, while seeking to reduce vulnerability to such disasters and fostering the transition towards a sustainable, decentralised and participatory development model.

– Choice of ways and means

The ways and means employed by the RPRCA will vary according to the circumstances of the sectors concerned in each recipient country. A clear assessment of the activities required and feasibility studies are being carried out.

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

Geographically, Central America is seen as a high-risk area: hurricanes, earthquakes, volcanic eruptions and forest fires are regular occurrences. A new natural disaster would obviously directly affect the RPRCA's activities.

Despite the wish and need for coordination between the different donors, the results of certain activities could have to be revised.

9.3. Monitoring and evaluation of the operation

The capacity to monitor operations will be augmented substantially by increasing staffing at the Delegation/Office responsible for implementing the RPRCA.

A computer system will be set up for the monitoring and evaluation of projects carried out under the RPRCA.

An independent evaluation of the programme's activities will be prepared and carried out at mid-term together with a final evaluation in close liaison with the Commission departments involved in implementing the RPRCA.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

This section of the financial statement must be sent to DGs IX and XIX; DG IX will then forward it to DG XIX with its opinion.

Mobilisation of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional amounts authorised by the budgetary authority.

For the execution of tasks involving the exercise of the powers of the State, which by definition cannot be delegated, and in order to maximise the effectiveness of the RPRCA's execution and ensure the sound management of public resources, the Commission considers it imperative that the management of this programme be devolved.

Devolution implies the transfer of decision-making and management powers from headquarters outwards, in this case to the Commission Delegation/Office in Central America responsible for implementing the RPRCA.

There are two ways of applying this principle:

The first option is for the Commission to second the required number of officials to supervise and monitor the entire cycle of projects in the field, from the start of activities right up to the payment of invoices and the closure of accounts. The Commission reckons this would require the creation of another 20 statutory posts: 16, with appropriate operating funds, for the Commission delegation/office responsible for the RPRCA and four, divided between DG IB and the SCR, for the headquarters departments involved in overall supervision of the programme. The Commission considers this the only option conducive to the programme's effectiveness. On-the-spot monitoring and management by the Commission would ensure the requisite coordination and complementarity with the Member States and direct links with the governments and inhabitants of the third countries concerned.

The second option is a fallback solution in case the Commission does not get the additional resources it is asking for. The Commission would then have to rely on a technical assistance office (TAO) working on the spot under the authority of the Head of Delegation/Office responsible for managing the RPRCA. This would require additional funding from Part B of the budget to set up the TAO and cover the management, particularly financial, of the RPRCA's activities. It would, however, be harder in this case to apply the principle of devolution because a TAO is by definition unable to exercise the powers of State. In this scenario, the TAO would be providing administrative back-up for the Delegation/Office managing the programme and would, under the rules, have to be located off the premises of that delegation/office, which obviously poses problems for the working of the entire team involved in managing the RPRCA (delegation/office + TAO).

This second option could also consist of recruiting local agents (either locally recruited experts who are Member State nationals or local staff) under Part B of the budget but bearing in mind the limits on local recruitment possibilities and the duration of contracts.

These two variants of the second option would still require a small increase (four it is estimated) in the number of officials assigned to the Commission delegation/office responsible for the RPRCA's management and Commission headquarters at Brussels (two officials for the SCR). These officials would ideally be volunteers or redeployed staff.

The attention of the Council and the European Parliament should be drawn to the fact that they must choose one of the two options set out above.

10.1. Will the proposed operation involve an increase in the number of Commission staff? If so, how many?

Option 1: devolution with 20 new statutory posts

| Type of post | | Staff required to manage the operation* | | Including | | Duration (years) |
|------------------------------|---|---|-------------------|---|----------------------------|------------------|
| | | Permanent posts | Temporary posts** | using existing resources of the departments concerned | using additional resources | |
| Officials or temporary staff | A | 9 | 0 | 0 | 9 | 7 |
| | B | 9 | 0 | 0 | 9 | 7 |
| | C | 2 | 0 | 0 | 2 | 7 |
| Other resources | | | | | | |
| TOTAL | | 20 | 0 | 0 | 20 | |

* DG IB, DG IA and SCR

** DNE, temporary, auxiliary and casual staff

Option 2: devolution with creation of 6 statutory posts and a 14-expert TAO***/local agents **** financed from Part B of the budget

| Type of post | | Staff required to manage the operation* | | including | | Duration (years) |
|------------------------------|---|---|-------------------|---|----------------------------|------------------|
| | | Permanent posts | Temporary posts** | using existing resources of the departments concerned | using additional resources | |
| Officials or temporary staff | A | 2 | 0 | 0 | 2 | 7 |
| | B | 4 | 0 | 0 | 4 | 7 |
| | C | 0 | 0 | 0 | 0 | |
| Other resources | | | | | | |
| TOTAL | | 6 | 0 | 0 | 6 | |

* DG IB, DG IA and SCR

** DNE, temporary, auxiliary and casual staff

*** A 14-expert TAO at an estimated cost of EUR 3 million, i.e. EUR 21 million for the duration of the programme

**** Local agents (either locally recruited experts who are Member State nationals or local staff) comprising 14 experts at an annual estimated cost of EUR 1 million, i.e. EUR 7 million for the duration of the programme.

10.2. Overall financial impact of additional human resources (in euros)

Option 1: devolution with 20 new statutory posts

In euros

| | Amounts | Method of calculation |
|---|-------------------|-----------------------|
| Officials | 25 872 000 | see Annex 1 |
| Temporary staff | | |
| Other resources (indicate budget heading) | | |
| Total | 25 872 000 | |

The amounts given must express the total cost of additional posts for the entire duration of the operation, if this duration is predetermined, or for 12 months if it is indefinite.

Option 2: devolution with creation of 6 statutory posts and a 14-expert TAO*/local agents financed from Part B of the budget**

In euros

| | Amounts | Method of calculation |
|---|-----------|-----------------------|
| Officials | 7 224 000 | see Annex 2 |
| Temporary staff | | |
| Other resources (indicate budget heading) | | |
| Total | 7 224 000 | |

The amounts given must express the total cost of additional posts for the entire duration of the operation, if this duration is predetermined, or for 12 months if it is indefinite.

* A 14-expert TAO at an estimated cost of EUR 3 million, i.e. EUR 21 million for the duration of the programme

** Local agents (either locally recruited experts who are Member State nationals or local staff) comprising 14 experts at an annual estimated cost of EUR 1 million, i.e. EUR 7 million for the duration of the programme.

10.3. Increase in other administrative expenditure as a result of the operation.

In euros

| Budget heading | Amounts | Method of calculation |
|----------------|---------|-----------------------|
| | | |
| Total | | |

The amounts given must express the total cost of additional posts for the entire duration of the operation, if this duration is predetermined, or for 12 months if it is indefinite.

| Title | Grade | No | For the period | | Average monthly cost (euros) | Average annual cost (euros) | Total cost for the period (euros) |
|--|-------|-----------|----------------|------|------------------------------|-----------------------------|-----------------------------------|
| | | | from | to | | | |
| Officials at the Delegation (2) | | | | | | | |
| Head of project | A | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Technical officer | A | 2 | 2000 | 2006 | 34.000 | 408.000 | 2.856.000 |
| Education officer | A | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Training officer | A | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Health officer | A | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Water officer | A | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Tenders | B | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Contracts | B | 1 | 2006 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Payments | B | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Administrative assistant | B | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Assistant | B | 3 | 2000 | 2006 | 51.000 | 612.000 | 4.284.000 |
| Secretaries | C | 2 | 2000 | 2006 | 34.000 | 408.000 | 2.856.000 |
| Subtotal | | 16 | | | | 3.284.000 | 22.848.000 |
| Officials at Headquarters | | | | | | | |
| DG IB Mitch desk officer | A | 1 | 2000 | 2006 | 9.000 | 108.000 | 756.000 |
| DG IB: Assistant | B | 1 | 2000 | 2006 | 9.000 | 108.000 | 756.000 |
| SCR | A | 1 | 2000 | 2006 | 9.000 | 108.000 | 756.000 |
| SCR | B | 1 | 2000 | 2006 | 9.000 | 108.000 | 756.000 |
| Subtotal | | 4 | | | | 432.000 | 3.024.000 |
| TOTAL | | 20 | | | | | 25.872.000 |

- (1) Average costs reported by DG XIX
(2) Average cost under Title A-6
(3) Average cost under Titles A1, A2, A4 and A5

Annex 2

List of officials

| Title | Grade | No | For the period | | Average monthly cost (euros) | Average annual cost (euros) (1) | Total cost for the period (euros) |
|--|-------|----------|----------------|------|------------------------------|---------------------------------|-----------------------------------|
| | | | de | à | | | |
| Officials at the Delegation (2) | | | | | | | |
| Head of project | A | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Tenders | B | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Contracts | B | 1 | 2006 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Payments | B | 1 | 2000 | 2006 | 17.000 | 204.000 | 1.428.000 |
| Subtotal | | 4 | | | | 816.000 | 5.712.000 |
| Officials at Headquarters (3) | | | | | | | |
| SCR | A | 1 | 2000 | 2006 | 9.000 | 108.000 | 756.000 |
| SCR | B | 1 | 2000 | 2006 | 9.000 | 108.000 | 756.000 |
| Subtotal | | 2 | | | | 216.000 | 1.512.000 |
| TOTAL | | 6 | | | | | 7.224.000 |

- (1) Average costs reported by DG XIX
 (2) Average cost under Title A-6
 (3) Average cost under Titles A1, A2, A4 and A5