

Annex**1. IDENTIFICATION**

Title/Number	Continuation of Support to the Secretariat of the Inter-Regional Co-ordinating Committee (IRCC) 9 ACP RSA 40, CRIS: 20-647 <i>Addendum No 1 to Financing Agreement No 9895/REG</i>		
Total cost (increase in budget)	EUR 973,960 for this measure increasing the Financing Agreement to a total of EUR 2,373,960 (of which EUR 1,400,000 apply to the original Financing Agreement). <i>(0.15% RIP) - EU contribution : 100%</i>		
Extension of the implementation period	<i>Six months extension from 30 June 2010 to 31 December 2010</i>		
Aid method / Method of implementation	Project approach : Partially Decentralised management Delegated partner : Common Market for Eastern and Southern Africa Secretariat		
DAC-code	11430	Sector	Advanced technical and managerial training

**2. CONTEXT**

This Action Fiche is for an addendum to extend the implementation period of the Financing Agreement for six months and to increase the budget of the 9<sup>th</sup> EDF IRCC bridging project with funds from the 10<sup>th</sup> EDF ESA/IO RSP/RIP. This is permissible under the 10<sup>th</sup> EDF. The addendum has the explicit support of the four executive secretaries of the Regional Organisations (ROs), as well as the Heads of the EU Regional delegations.

The original funding under the project amounts to EUR 1,400,000. It is proposed to increase this by EUR 973,960 to EUR 2,373,960. The RAO has also requested an extension of the implementation period from 30 June to 31 December 2010. This will allow it to bridge to the new IRCC project presented under the 10<sup>th</sup> EDF as part of the AAP 2009. The current available financial resources will cover only the day-to-day administrative and operational costs of the Secretariat up to the end of the current programme estimate in February 2010.

No more resources are now available for the key IRCC support activities, such as technical assistance for AAP 2010, IRCC meetings, Monitoring & Evaluation or training. The Secretariat will not be able to continue beyond the end of the PE, even though the implementation period of the Financing Agreement extends to June 2010.

The IRCC has played a fundamental - and well acknowledged - role in co-ordinating activities under the ESA-IO RIP, both under the 9<sup>th</sup> and 10<sup>th</sup> EDF. The continued need for an IRCC Support programme has been reiterated in the 10<sup>th</sup> EDF ESA-IO RIP, where the IRCC Secretariat is envisaged as the hub for effective management and coordination of the ESA-IO EDF allocations.

The original budget allocated to the IRCC bridging has proven too limited in light of subsequent events. The project was intended to act as a bridge to a more substantial IRCC project presented under the 10<sup>th</sup> EDF RIP. However, the signature of the 10<sup>th</sup> EFD RSP/RIP was substantially delayed (due to extended EPA negotiations), so forcing the project resources to be stretched further than planned.

The IRCC role in programme identification and formulation has proven very important, and requires continued resources.

Finally, the IRCC mandate has been enhanced under its new Terms of Reference (ToRs), adopted at the 17<sup>th</sup> IRCC Meeting in January 2009. The IRCC will also be addressing Aid for Trade and regional aid effectiveness initiatives (this role is reinforced by the Lusaka Declaration signed during THE EUROPEAN COMMISSION AND EASTERN AND SOUTHERN AFRICA-INDIAN OCEAN REGIONS high-level seminar in Lusaka on September 15 2009).

The key strategic documents underpinning the EU support to the ESA-IO region include: (i) the EC Communication of 1 October 2008 on regional integration for development in ACP countries, (ii) the Joint Africa-EU Strategy (JAES) adopted in December 2007, and its first Action Plan 2008-2010, in relation to the area of ‘trade and regional integration’; (iii) the EU Aid for Trade Strategy (October 2007); and (iv) the European Consensus on Development (December 2005), notably on the link between trade and development, the support for regional integration and cooperation and the importance of economic infrastructure.

### 3. IMPLEMENTATION ISSUES

#### 3.1. Method of implementation

The method of implementation is “**partially decentralised management**” through the signature of a **financing agreement** with the COMESA Secretariat which assumes the role of Regional Authorising Officer and Contracting Authority.

The Commission controls ex ante all the procurement procedures except in cases where programmes estimates are applied, under which the Commission applies ex ante control for procurement contracts > 50,000 EUR and may apply ex post for procurement contracts • 50,000 EUR. The Commission controls ex ante the contracting procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the beneficiary for operating costs and contracts up to ceilings indicated below.

The responsible Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

Works	Supplies	Services	Grants
< 300,000 EUR	< 150,000 EUR	< 200,000 EUR	• 100,000 EUR

#### 10<sup>th</sup> EDF thresholds

This is an addendum – so the organisation follows that of the original project. The change in the organisation concerns the **support to the IRCC Liaison Officers**: the four ROs will benefit from direct financial assistance from the programme, to support the (existing) IRCC Liaison Officer function. The ROs will specify their needs in order to support the Liaison Officer with its IRCC reporting and management tasks. This replaces the current system of using outside (IRCC) consultants,

who work in parallel to the Liaison Officer, and seeks to improve integration of these activities in the RO.

IOC, IGAD and EAC will obtain a sub-delegation from the RAO (COMESA) to sign PEs with their respective responsible EC Delegations (Mauritius, Djibouti and Tanzania) for this purpose (and nominate an accounting officer and an imprest administrator). For COMESA this will be included as a specific budget line of the PE for the Secretariat and its core tasks (rather than a parallel PE).

The role of the plenary IRCC to act as Steering Committee is also formalised.

### 3.2. Procurement, grant award and programme estimates procedures

#### 1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the 10th EDF financial regulations.

#### 2) Specific rules of grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th EDF. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Union and in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

#### 3) Specific rules on programme estimates:

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question (i.e. the Practical Guide to procedures for programme estimates).

### 3.3. Budget and calendar

<b>Activities</b>	<b>Initial FA Budget EUR</b>	<b>Increase in budget EUR</b>	<b>Revised FA Budget EUR</b>
Project coordination and mgt	727,000	<b>355,160</b>	1,082,160
Project support	95,400	<b>181,800</b>	277,200
Operating costs	537,600	<b>372,400</b>	910,000
Equipment and furniture	0	<b>15,000</b>	15,000
Intranet and Extranet development	0	<b>45,000</b>	45,000
Visibility	0	<b>4,600</b>	4,600
Audit	20,000	<b>0</b>	20,000
Evaluation	20,000	<b>0</b>	20,000

Contingencies	0	0	0
<b>TOTAL</b>	<b>1,400,000</b>	<b>973,960</b>	<b>2,373,960</b>

The total implementation period of the IRCC bridging project is 30 months (24 months initially plus 6 months extension).