EC/South Africa relations: financial, technical and economic cooperation

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PURPOSE : to present the 1998 annual report on the implementation of the European Programme for Research and Development (EPRD) in South Africa. CONTENT : Council Regulation 2259/96/EC established the legal base for development cooperation with South Africa. Article 9 of the Regulation states that the Commission shall submit an annual report on implementation of this Regulation to the European Parliament and the Council. This is the second report established in application of Article 9, covering the financial year 1998. In 1998, 16 programmes were approved by the South African Committee and decided by the Commission. Three extensions to existing programmes were also agreed. This document displays a detailed list of the proportion of resources allocated to the different focal sectors, and the breakdown according to the implementing partner (government or decentralized). The principle of seeking to better focus the use of EPRD resources on a reduced number of programmes with significant impact, was maintained, though applied pragmatically so as not to exclude small but critical projects. The slow rate of disbursement identified as a problem since the beginning of the EPRD is now beginning to be remedied. Nevertheless, during the year delays were still due to some or all of the following: - lack of capacity for implementation; - lack of knowledge and experience (at Department or NGO level) with EU procedures; - conflicting EU and SA tendering procedures; - change of staff within the beneficiaries' management units; - extremely long time taken by the benficiaries to finalize and sign financing agreements; - lack of procedures allowing for local execution of payments; - a major reorganisation of the Commission's External Relations services affecting particulary the project implementation cycle. At the end of the year the South African administration streamlined certain procedures to allow Financing Agreements to be signed more speedily. However, at the end of 1987, a lack of payment credits led to a number of payments being held over to 1999. In addition, the report includes details about the cooperation partners, coordination with the Member States as was set out in the initial proposal. To conclude, in July 1998 the Court of Auditors released a special report on EC development aid to South Africa. These recommendations are being taken into account by the Commission in its preparation of a proposal for the continuation of the EPRD beyond the year 2000. It is also highlighted in the report that the Delegation and the South African Administration will be required to relieve some of the severe pressure on each of the Commission services concerned.