Community external assistance: rules for the access to external assistance instruments, for the eligibility and the origin

2005/0806(CNS) - 21/11/2005 - Final act

PURPOSE: to establish the rules for access to Community external assistance instruments.

LEGISLATIVE ACT: Council Regulation 2112/2005/EC on access to Community external assistance.

BACKGROUND: the practice of tying the granting of aid, directly or indirectly, to the purchase of goods and services procured by means of that aid in the donor country reduces its effectiveness and is not coherent with a pro-poor development policy.

The **untying** of aid is not an aim in itself, but should be used as a tool to cross-fertilise other elements in the fight against poverty, such as ownership, regional integration and capacity building, with a focus on empowering local and regional suppliers of goods and services in developing countries.

This Regulation responds to this objective by setting out the modalities for the untying of external aid based on the principles provided by the Commission in its Communication entitled 'Untying: Enhancing the effectiveness of aid' as well as European Parliament recommendations on the same issue (see INI/2002/2284).

The same principles of untying aid are dealt with in a parallel text, which aims to apply the principle of untying of aid to the main Community instruments for external assistance (thematic or geographical). (See Regulation 2110/2005/EC of the European Parliament and of the Council on access to Community external assistance in procedure reference COD/2004/0099). The present Regulation complements and strengthens the measures provided in the parallel regulation.

CONTENT: this Regulation lays down the rules for access by interested parties to Community external assistance instruments financed by the general budget of the EU, as listed in Annex I of the Regulation. It follows the recommendation, adopted in March 2001, of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) on untying official development assistance to the Least Developed Countries. This recommendation was adopted by Member States and the Commission. The Regulation states that the practice of tying the granting of aid to the purchase of goods and services procured by means of that aid in the donor country reduces its effectiveness and is not coherent with a pro-poor development policy. The untying of aid is not an aim in itself, but should be used as a tool to cross-fertilise other elements in the fight against poverty, such as ownership, regional integration and capacity building, with a focus on empowering local and regional suppliers of goods and services in developing countries. On 4 September 2003, the European Parliament adopted a resolution in which it noted the need to further untie Community aid.

Accordingly, this Regulation addresses several elements in order to define access to Community external assistance.

These include the following:

- rules of eligibility governing access by persons;
- rules governing the hiring of experts and the origin of supplies and materials;

- arrangements for the implementation of reciprocity;
- provisions concerning operations financed through an international organisation; and
- provisions concerning humanitarian aid and NGOs.

The following points should be noted:

- in order to accelerate the eradication of poverty through the promotion of local capacities, markets and purchases, special consideration shall be given to local and regional procurement in partner countries;
- tenderers who have been awarded contracts shall respect internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour;
- a recital states that, when awarding tenders under a Community instrument, special consideration will be given to respect for the following internationally agreed environmental conventions: the Convention on Biological Diversity of 1992, the Cartagena Protocol on Biosafety of 2000 and the Kyoto Protocol to the United Nations Framework Convention on Climate Change of 1997.

ENTRY INTO FORCE: 28/12/2005.