



# Procedure file

Basic information			
SYN - Cooperation procedure (historic) <a href="#">1995/0110(SYN)</a>	Procedure completed		
	EC/South Africa relations: financial, technical and economic cooperation		
	Subject 6.30.02 Financial and technical cooperation and assistance		
	Geographical area South Africa		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>DEVE</b> Development and Cooperation		31/05/1995
		PPE <a href="#">GÜNTHER Maren</a>	
	Former committee responsible		
	<b>DEVE</b> Development and Cooperation		31/05/1995
		PPE <a href="#">GÜNTHER Maren</a>	
	Former committee for opinion		
	<b>AFET</b> Foreign Affairs, Security and Defense Policy		22/06/1995
		V <a href="#">AELVOET Magda G.H.</a>	
	<b>BUDG</b> Budgets		01/06/1995
Council of the European Union		PSE <a href="#">TOMLINSON The Lord John E.</a>	
	<b>RELA</b> External Economic Relations		20/07/1995
		ELDR <a href="#">DE CLERCQ Willy C.E.H.</a>	
	<b>CONT</b> Budgetary Control		21/06/1995
		PSE <a href="#">WYNN Terence</a>	
	Council configuration	Meeting	Date
	Development	<a href="#">1967</a>	22/11/1996
	<a href="#">Agriculture and Fisheries</a>	<a href="#">1908</a>	19/03/1996
	Development	<a href="#">1897</a>	20/12/1995

Key events			
10/05/1995	Legislative proposal published	COM(1995)0174	Summary
07/09/1995	Vote in committee		Summary

07/09/1995	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0208/1995</a>	
18/09/1995	Committee referral announced in Parliament		
09/10/1995	Debate in Parliament		Summary
10/10/1995	Decision by Parliament	T4-0443/1995	Summary
19/03/1996	Council position published	<a href="#">12784/1/1995</a>	Summary
18/04/1996	Committee referral announced in Parliament, 2nd reading		
26/06/1996	Vote in committee, 2nd reading		Summary
26/06/1996	Committee recommendation tabled for plenary, 2nd reading	<a href="#">A4-0214/1996</a>	
18/07/1996	Debate in Parliament		Summary
18/07/1996	Decision by Parliament, 2nd reading	T4-0404/1996	Summary
04/10/1996	Modified legislative proposal published	COM(1996)0459	Summary
22/11/1996	Act adopted by Council after consultation of Parliament		Summary
22/11/1996	End of procedure in Parliament		
28/11/1996	Final act published in Official Journal		

## Technical information

Procedure reference	1995/0110(SYN)
Procedure type	SYN - Cooperation procedure (historic)
Procedure subtype	Legislation
Legal basis	EC before Amsterdam E 130W
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/4/07739

## Documentation gateway

Legislative proposal		COM(1995)0174 <a href="#">OJ C 235 09.09.1995, p. 0005</a>	10/05/1995	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0208/1995</a> <a href="#">OJ C 287 30.10.1995, p. 0004</a>	07/09/1995	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0443/1995 <a href="#">OJ C 287 30.10.1995, p. 0023-0029</a>	10/10/1995	EP	Summary
Council position		<a href="#">12784/1/1995</a> <a href="#">OJ C 134 06.05.1996, p. 0012</a>	19/03/1996	CSL	Summary
Commission communication on Council's position		SEC(1996)0627	15/04/1996	EC	Summary
Committee recommendation tabled for plenary, 2nd reading		<a href="#">A4-0214/1996</a> <a href="#">OJ C 211 22.07.1996, p. 0003</a>	26/06/1996	EP	
Text adopted by Parliament, 2nd reading		T4-0404/1996 <a href="#">OJ C 261 09.09.1996, p.</a>	18/07/1996	EP	Summary

		<a href="#">0124-0144</a>			
Modified legislative proposal		COM(1996)0459	04/10/1996	EC	Summary
Follow-up document		COM(2000)0008	20/01/2000	EC	Summary
Follow-up document		COM(2001)0078	12/02/2001	EC	Summary

#### Additional information

European Commission

[EUR-Lex](#)

#### Final act

[Regulation 1996/2259](#)

[OJ L 306 28.11.1996, p. 0005](#) Summary

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

This proposal for a regulation seeks to implement financial and technical cooperation with South Africa within the framework of a European Programme for Reconstruction and Development in South Africa. The aim of this cooperation is to contribute to South Africa's economic and social development and to consolidate the new foundations laid for a democratic society. It supports in particular the poorest sections of the population in South Africa. The operations to be financed under this programme, in the form of non-repayable aid, focus mainly on the following areas: education, training, health, urban and rural development, the private sector (especially SMEs), strengthening of institutions and organization of local communities, democratization and protection of human rights. They include studies, technical assistance, training, the provision of services and works and audit and monitoring missions. Recipients of financial assistance will be national, regional and local authorities and public bodies, NGOs and local communities, regional and international organizations and private-sector institutes and operators. Local partners and Member States will, where possible, be required to make a financial contribution. The Commission will be in charge of appraising, taking decisions on and managing projects, assisted by a committee of representatives from the Member States. A specific procedure is planned for projects in excess of ECU 2 million or where changes to projects involve a 20% increase in expenditure.?

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

The report by Mrs Maren G-nther on the proposal for a regulation on development cooperation with South Africa adopted by the Committee on Development stressed the need to improve the financial management of programmes and therefore proposed that the head of delegation be authorized to make commitments and payments up to a maximum ceiling of 500,000 ecus. Other amendments included a call for community-based organizations as well as non-governmental organizations to be able to obtain funding. Welcoming the proposal to set up a "South Africa committee", the report called for the Committee on Development to be allowed to attend meetings with observer status.?

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The rapporteur underlined the need to adjust the form and intensity of cooperation with South Africa. Environmental protection should be added to the fields covered by the proposal for a regulation; non-governmental organisations should also receive financial support. Finally, Mrs GÜNTHER asked that consideration be given to all of the regional problems in southern Africa. Commissioner PAPOUTSIS pointed out that the Commission's mandate was to achieve gradual and reciprocal trade liberalisation, which was a long-term objective for South Africa. In the short term, South Africa was hoping for an agreement containing provisions similar to those in the Lomé Convention. As regards the conclusion of a free trade agreement, the Commissioner stated that the EU's was flexible on this issue and that it would have to be approved by the WTO in order to comply with GATT rules. At present, the Commission could not take over Amendment No 4 as it felt that the amount proposed was too high. Similarly, Amendment No 6 contradicted previous decisions of the Council.

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Adopting the report by Mrs Maren G-NTHER (PPE, D) on the proposal for a regulation on development cooperation with South Africa, the European Parliament stressed the need to improve the financial management of programmes and therefore proposed that the head of the Commission delegation in South Africa be authorized, under a procedure yet to be decided, to grant appropriations for projects and actions operations funded under the regulation up to a maximum ceiling of 500,000 ecus. Other amendments by Parliament called for: - locally-based organizations as well as non-governmental organizations to be able to obtain funding; - eligible projects to include the environment; - participation in invitations to tender (including supplies) to be opened to developing countries, particularly in southern Africa; - the implementation of projects to be decided on a multiannual basis following consultation with the National Development Agency, appropriate government departments and partners on the ground. As far as comitology is concerned, Parliament called for its Committee on Development and Cooperation to be allowed to attend meetings of the South Africa committee with observer status.?

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In its common position the Council took up some of Parliament's amendments, including those seeking to: - make provision for environmental protection projects; - enable community-based organizations to obtain funding; - extend eligibility for participation in invitations to tender to the countries of southern Africa (in this respect, the Council goes further than the EP, stipulating that markets will be open to all the ACP countries, not merely those in the region concerned); - involve the South African Government in multi-annual programming activities. The Council rejected the other amendments, which had already been rejected by the Commission. The Council did, however, make the following changes to the Commission text: - in Article 1, it drew attention to the issue of human rights; - it made provision for a new programming procedure similar to that used under the second financial protocol to Lomé IV concerning cooperation with the ACP countries; - it included provisions on transparency, stipulating a degree of information for the Member States on preparations for, funding and assessment of projects similar to that applicable under the EDF; - it inserted an expiry date (31 December 1999) in the Regulation, together with a financial package of ECU 500 million; - lastly, with regard to comitology, the Council made provision for a type IIIa committee (instead of the IIa committee proposed by the Commission), i.e. a regulatory committee rather than a management committee. ?

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The Commission pointed out in its opinion on the Council's common position on this regulation that it was unable to accept the Council's text for the following reasons: - it did not accept the expiry date for the regulation introduced by the Council because it felt that it could send out the wrong political message to South Africa. At the same time, it pointed out that the Council alone was responsible for indicating the financial reference amount and that this did not affect the powers of the budgetary authority in any way; - as far as comitology was concerned (main reason for rejecting the common position), it rejected the regulatory committee introduced by the Council in lieu of the proposed management committee because the procedures involved were complex and could not but reduce the efficiency of cooperation activities implemented in South Africa.?

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Adopting the report by Mme Maren GÜNTHER, the committee approved the regulation laying down the legal basis and modus operandi for managing the financial resources allocated by the Community to the European programme for the reconstruction and development of South Africa. However, the Committee on Development and Cooperation called for the date of expiry of the regulation (31 December 1999), which it felt constituted a constraint on South Africa and could send out the wrong political message, to be deleted. It also called for the reference to a financial reference amount of ECU 500 million for the implementation of the regulation between 1996 and 1999 to be deleted. It considered that this reference could reduce Parliament's powers as an arm of the budgetary authority. The Committee on Development and Cooperation also called for the head of the Commission delegation in South Africa to be able to authorize expenditure for projects and actions funded under this regulation up to a ceiling of ECU 500,000. Finally, it called for a management committee (IIa) rather than a regulatory committee (IIIa), as the Council had wished. It hoped that the Committee on Development and Cooperation would be able to assist this committee as an observer?

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The rapporteur, Mrs Gunther (EPP, D), stressed that in the wake of the free elections and the installation of a new government in South Africa it was now necessary to develop cooperation with that country, particularly in respect of the European Programme for Reconstruction. She also wanted the heads of the Commission delegation in South Africa to be able to authorise expenditure on projects and actions funded under the present regulation up to a maximum limit of ECU 500 000. In addition, the rapporteur called for the reference to an appropriation of ECU 500 million for the implementation of the regulation for the period 1996-99 to be deleted. Commissioner Pinheiro referred to how much Parliament's amendments reflected the similarity of views held by Parliament and the Commission on the subject of actions to be taken in South Africa with a view to strengthening the democratic process currently under way; he also wanted to see greater participation by European and African NGOs. As far as the amendments were concerned, he was opposed to Amendment No 2, which referred to the maximum amount to be spent by the heads of delegation in South Africa, since for the moment there was insufficient personnel. He agreed with Amendment No 3, which recommended setting up a type IIa management committee, rather than a type IIIa regulatory committee. He concluded by stating that he supported Amendment No 4, which proposed not setting a deadline for the expiry of the regulation and deleting any mention of a financial allocation for the implementation of the regulation for the period 1996-99, since such a reference was the responsibility of the budgetary authority.

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In adopting the recommendation for second reading by Mrs Maren GÜNTHER (PPE, D), Parliament approved the proposal for a Regulation subject to the following amendments: - with regard to programming, establishment of a multiannual programme following consultation with the National Development Agency, appropriate government departments, and operational partners (and not on the basis of a strategic document proposed by the Commission and examined by the 'South Africa Committee', on which the latter delivers an opinion in consensus with the Commission), - deletion of the date of expiry of the Regulation (31 December 1999) which was liable, according to the EP, to impose a constraint on South Africa and could send a misleading political signal to that country, - deletion of the financial amount of ECU 500 million for the implementation of this Regulation for the period 1996-1999, which was liable to diminish the power of Parliament as an arm of the budgetary authority, - authorization for the Commission's Head of Delegation in South Africa to grant appropriations for projects and operations financed under this Regulation, up to a maximum amount of ECU 500 000, - in relation to comitology, establishment of a management committee (type IIa) and not, as the Council would prefer, a regulatory committee (type IIIa) and provision for the EP's Committee on Development and Cooperation to attend the meetings of the committee as an observer. ?

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The Commission points out in its amended proposal that it is prepared to accept, in full or in part, 4 amendments approved by the European Parliament at second reading: - it agreed with the reference to dialogue with the South-African government but regretted the explicit reference to the National Development Agency (South-African coordinating NGO for which provision has been made but which has yet to be set up); - it also deleted, as the European Parliament had done, any reference to the financial reference amount for the action and the date of expiry of the regulation from the main body of the text; - it also amended the type of committee in charge of assisting it (IIa rather than IIIa). However, it rejected the amendment seeking to authorize the head of the Commission delegation in South Africa to grant appropriations for projects and actions funded under the regulation, nor did it support the provision for an MEP to attend the committee meetings as an observer.?

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Following the conclusion of the cooperation procedure the Council adopted the regulation which is identical to its common position adopted on 19 March 1996. The Commission shall be responsible for implementing operations covered by the regulation. It will be assisted by a committee composed of representatives of Member States; for decisions relating to grants of more than 2 MECU the Commission will act in accordance with the opinion of the committee (type IIIa - regulatory committee procedure). ?

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

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**OBJECTIVE:** the regulation seeks to implement financial and technical cooperation with South Africa to support the policies and reforms carried out by that country. **COMMUNITY MEASURE:** Council Regulation 2259/96/EC on development cooperation with South Africa. **SUBSTANCE:** the aim of this programme entitled the 'European Programme for Reconstruction and Development in South Africa' is to contribute to that country's economic and social development and to consolidate the foundations laid for a democratic society and a State governed by the rule of law in which human rights and fundamental freedoms are respected. It supports in particular the poorest sections of the population in South Africa. - financial reference amount: ECU 500 million from 1 January 1996 to 31 December 1999; - operations to be undertaken: operations financed under this programme in the form of non-repayable aid concern: support for democratization and the protection of human rights, education and training, health, rural development and urban development (social housing), support of and cooperation with the private sector (in particular SMEs), strengthening of institutions and the organization of local communities, protection of the environment. The Community will take account of the South African Programme for Reconstruction and Development. Measures have been taken to ensure that the Community character of the actions is apparent and to ensure the coherence and complementarity of the steps taken with other activities of the Community and/or the Member States; - programming of operations: multiannual indicative programming is to be undertaken in close cooperation with the South African government. This programming will be based on a strategy document put forward by the Commission and examined by the South Africa Committee; Community financing: financing in local or foreign currency may cover investment (except for the purchase of buildings), and recurrent expenditure (administrative, maintenance and operating costs) for which the beneficiaries should ultimately take responsibility. A financial contribution from the partners will in principle be required for each cooperation operation and from other providers of funds (particularly the Member States). - cooperation partners: those eligible for financial assistance shall be national, provincial and local authorities and public bodies, non-governmental organizations and Community-based organizations, regional and international organizations, institutions and public or private operators. - decision-making procedure: the Commission is to be responsible for appraising, taking decisions on and managing projects. It will be assisted by a regulatory committee (type IIIa) consisting of representatives of the Member States. The Commission is also required to inform the committee succinctly in advance of any decision relating to projects of a value of under ECU 2 million. For decisions relating to larger amounts the decisions will be adopted with the agreement of the committee. - information: an annual report is to be forwarded to the European Parliament and the Council setting out the projects financed during the financial year and an appraisal (projects funded, etc.). appraisal: The Commission is to undertake regular appraisals in order to establish whether the objectives of the regulation have been reached. These appraisals will be made available to the Member States which request them. **ENTRY INTO FORCE:** the regulation will enter into force on 1 December 1996 and will expire on 31 December 1999. ?

## 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 beneficiaries 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 particularly 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. ?

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

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This document presents the 1999 annual report for the European Programme for Reconstruction and Development in South Africa. Council Regulation 2259/96/EC established a legal base for development cooperation with South Africa, the programme being entitled the European Programme for Reconstruction and Development in South Africa (EPRD). 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 third such report, covering financial year 1999, the final year of validity of the legal base, the Regulation expiring on 31 December 1999. The EPRD budget allocation for 1999 was EUR 127.5 million for commitments and EUR 80 million for payments. In its conclusions, the report indicates that cooperation activities had gone through a period of substantial re-direction and restructuring following the agreement of the Strategy Paper and Multi-Annual Indicative Programme in 1997. Both the European Commission and the SA Government engaged in an ongoing exercise to streamline further (procedural aspects, integration with the Lomé Convention) and to consolidate the achievements to date. 1999 was an exceptionally rich year in terms of the European Commission's cooperation programme with South Africa and many lessons were drawn from this programme since 1997 with a view to defining a new cooperation strategy for the next three years, paying particular attention to the strengths and weaknesses of past approaches and the result of this will form the basis of the next cooperation framework. Beyond the implementation of the EPRD, it can be seen that during 1999 much time and effort was given over to defining the framework of future cooperation with South Africa, with a draft Regulation for the period 2000-2006 under discussion, a Strategy document elaborated and approved and a draft MIP 2000-2006 prepared, and a first blue-print for a decentralised form of management of the global development cooperation programme on the table. Lastly, the report also notes that it is necessary to increase the payment credits for the current year (2000) and for 2001 to be able to follow the progress achieved in recent years in the implementation of the EPRD. ?