

USE OF CONTRIBUTION AGREEMENT

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Issues Covered

- Common Features of EDF Rules
- Paris Aid Effectiveness Declaration (and Accra)
- IRCC formation
- Financing Agreement with Contribution Agreement
- Eligibility - Four Pillar Assessment
- Key Features of CA
- Maintaining CA Status and experiences
- Improving CA and Busan Agenda

Common Features of EDF Rules

Common Features of EDF Rules

- EDF Rules too complicated – need experience only gained by EU Officials
- Procurement process complicated
- Control by the EU delegation and await decisions from Brussels for large procurements
- Mostly European Companies and Individuals able to compete effectively

Effect on ROs with EDF Rules

- EDF resources not fully utilized
- Most projects originate from outside
- Institutions (ROs) not able to develop institutional rules and capacity
- Projects are stand alone and not incorporated in RO grand plan – no sustainability once they came to an end

Aid Effectiveness

- Effort to change the way donors and recipient do business together – principle of partnership and 5 principles adopted
- Ownership – d/ing states to manage own development and decide priorities
- Alignment aid to national strategies/plans and use local institutions/procedures/improve predictability
- Harmonisation- donors to coordinate d/ment work – support programme based approaches
- Managing for results

Aid effectiveness - 2

ACCRA

- Mutual accountability – predictability and transparency
- More effective partnerships; achieving development results and openly accounting for them

IRCC formation

- The Interregional Coordinating Committee enabled the RIOs to start sharing the RSS and resource allocation and management
- Increased pressure in sharing and managing resources led to issue of need to review existing system
- Limited utilization of all EDF resources given
- IRCC proposes move towards Paris Aid delivery improvement
- COMESA CA – signed in July 2007 for RISP

Financing Agreement with Contribution Agreement

- The process involved in getting an EU decision to allow a Contribution Agreement previously given to UN Institutions Only
- Financing decision of EDF Committee allows for CA – Agreement between Delegation and RAO – derogation from EDF Rules
- General Conditions , Special Conditions, Work Plan and Budget for first year attached to CA
- Derogations relate to procurement; financial rules, audit process , programming and other terms and conditions

Eligibility - Four Pillar Assessment

- EU agrees to allow REC to use its own Rules provided the REC fulfils the Four Pillar Assessment
- Internal controls
- Procurement
- Programming
- Accounting
- IDENTIFY weaknesses and inbuilt method to address them

Benefits of CA

- Strengthening of COMESA Systems
- Faster implementation of Integration Agenda
- Increased use of regional capacity – hence more regional experts build integration process
- Easier to monitor progress
- Increased ownership of programmes - generating more relevant interventions
- Institutional Memory kept in Institution rather than out

Success Factors for COMESA

- COMESA had sufficient and predictable financing from Member States
- Mature Institution – staff/budget/systems
- Able to use own funds when there is delay
- Internal CA Committee
- Well functioning support services – audit;budget; M&E
- Efficient Coordinator
- Implementation Procedures - flexible



Challenges of CA

- Timely reporting at the end of the year – delay often affects replenishment
- Completion of Accounts for the year
- Increased reliance on staff supported under CA could undermine sustainability of programme when funding comes to an end
- Maintaining 4 pillar requirements requires very efficient team operations

Maintaining CA

Status and experiences

- Ensuring continued eligibility by the REC
- Internal CA Committee – functions include regular review of CA Conformity
- Regular meetings with the delegation (monthly) to monitor implementation
- Ensuring Budget/Audit/Procurement/Programming functions are well staffed and resourced
- Effective coordination – especially programming and reporting

Features of CA

- Financing Agreement allowing for CA
- Use of RECs systems ENABLED – Special Regulations giving derogation from EDF Rules
- Four Pillar conformity
- Relations with delegation – Adoption of Work Plan and Budget for a financial year
- Budget requirements for the whole year provided
- Reporting – quarterly and annual
- Implementation Agreements – in case of sub-grants

Improving CA and Busan Agenda

- CA not perfect - need to make it more effective
- Need to spread reporting to longer period and not tie resource replenishment to annual report
- Move towards BUDGET SUPPORT
- Ensuring the Busan 2011 Aid Effectiveness Agenda includes the regional dimension



Thank you for your attention

