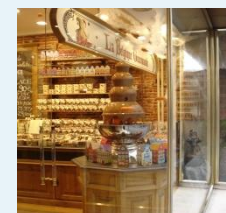
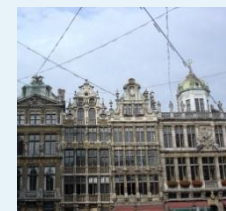


Guidelines on participation in EU External Aid Programmes

by Raphael Zayat, Managing Director of COWI Belgium



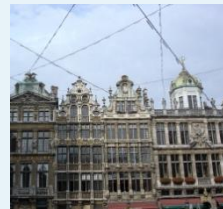
Outline of the Presentation

- COWI brief
- The EU External aid programmes
- The Procurement guidelines
- The shortlisting and tendering process for service contracts
- The contractor experience and suggestions

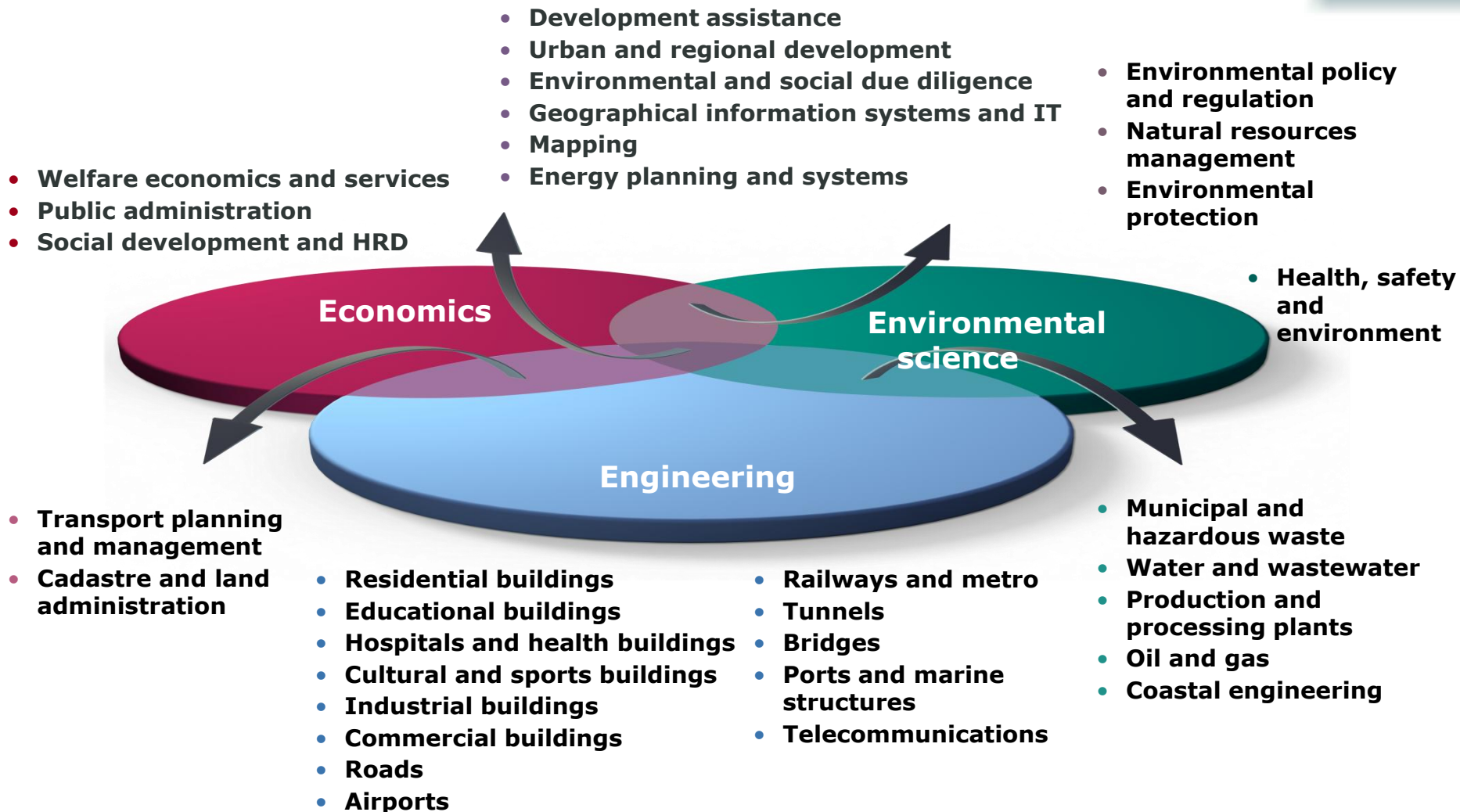


COWI is one of the leading international Consultants in Northern Europe

- **6000** employees generating a turnover close to **600 MEUR** in 2010; with more than half of employees are based outside Denmark
- COWI is **independent**. The COWI Foundation is the major shareholder together with the employees.
- COWI provides **consultancy services** of highest quality within **engineering, environmental science and economics**
- They work in **20 subsidiaries**, in several project and branch offices abroad
- Permanent presence in Brussels since 1997 (COWI Belgium)
- More than half of the turnover is generated outside Denmark and less than **5%** with the Commission
- Activities in **100 countries** around the world



COWI's 33 services



The Legal Base

- The European Treaty and Agreements
- EU international commitments and obligations toward development aid targets (OECD-DAC, MDGs, Paris Declaration, Accra Agenda, etc..)
- EU Financial Regulation (FR) applicable to the general budget of the European Communities, 2007; new FR in mid-2012
- Practical Guide to Contract procedures for EU external actions (PRAG), 2010; New PRAG in 2012



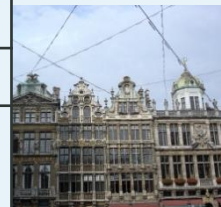
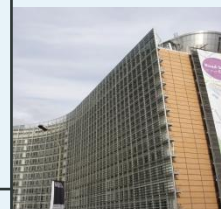
EU Key Donor of Official Development Aid (ODA)

- The EU is the world's most ambitious group of donors, committed to providing 0.7% of its collective GNI in ODA by 2015, in line with the long-standing UN goal.
- Over the period 2004–2010, the EU and its Member States accounted for 57 % of net ODA to developing countries from all OECD DAC (EUR 53.8 billion in 2010)
- Partners: more than 150 States, Territories and Regional organisations
- Geographical programmes
- Thematic programmes: food aid, humanitarian aid, democracy & human rights, co- financing with NGOs, environment, tropical forests, refugees, ...
- A network of more than 120 Delegations and Representations in the world (Aid managers and diplomats - EEAS)



EU External Aid Programmes 2007-2013 (10 BEUR/year)

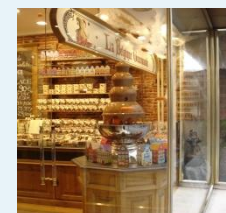
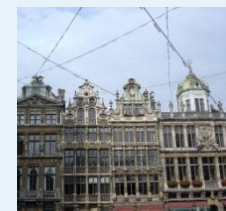
	Instrument for Pre Accession Assistance (IPA)	European Neighbourhood & Partnership Instrument (ENPI)	Development Cooperation & Economic Cooperation policy (DCI)	European Development Fund (10th EDF)
Geography	Western Balkan , Turkey and Iceland	Mashrek, Magreb, Ukraine,Belarus ,Moldova, Caucasus	ALA, Central Asia, Gulf	ACP
Years	2007-2013	2007-2013	2007-2013	2008-2013
Budget	€ 11 B	€ 13 B	€ 10 B	€ 24 B
Relevant Project Areas	Assist Transition and Institution Building Cross-Border and Regional Co operation Regional, Human Resources and Rural Development	Finance “joint programmes” with MS and partners sharing a joint border Infrastructure Development, Energy Sustainability etc.	Support all forms of cooperation that helps to achieve Millenium Development goals and reduce poverty, infrastructure and energy (particularly for the “stans”)	Economic, social and cultural development: Education Infrastructure Energy Facility



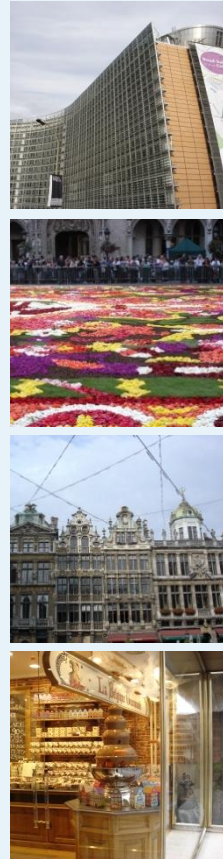
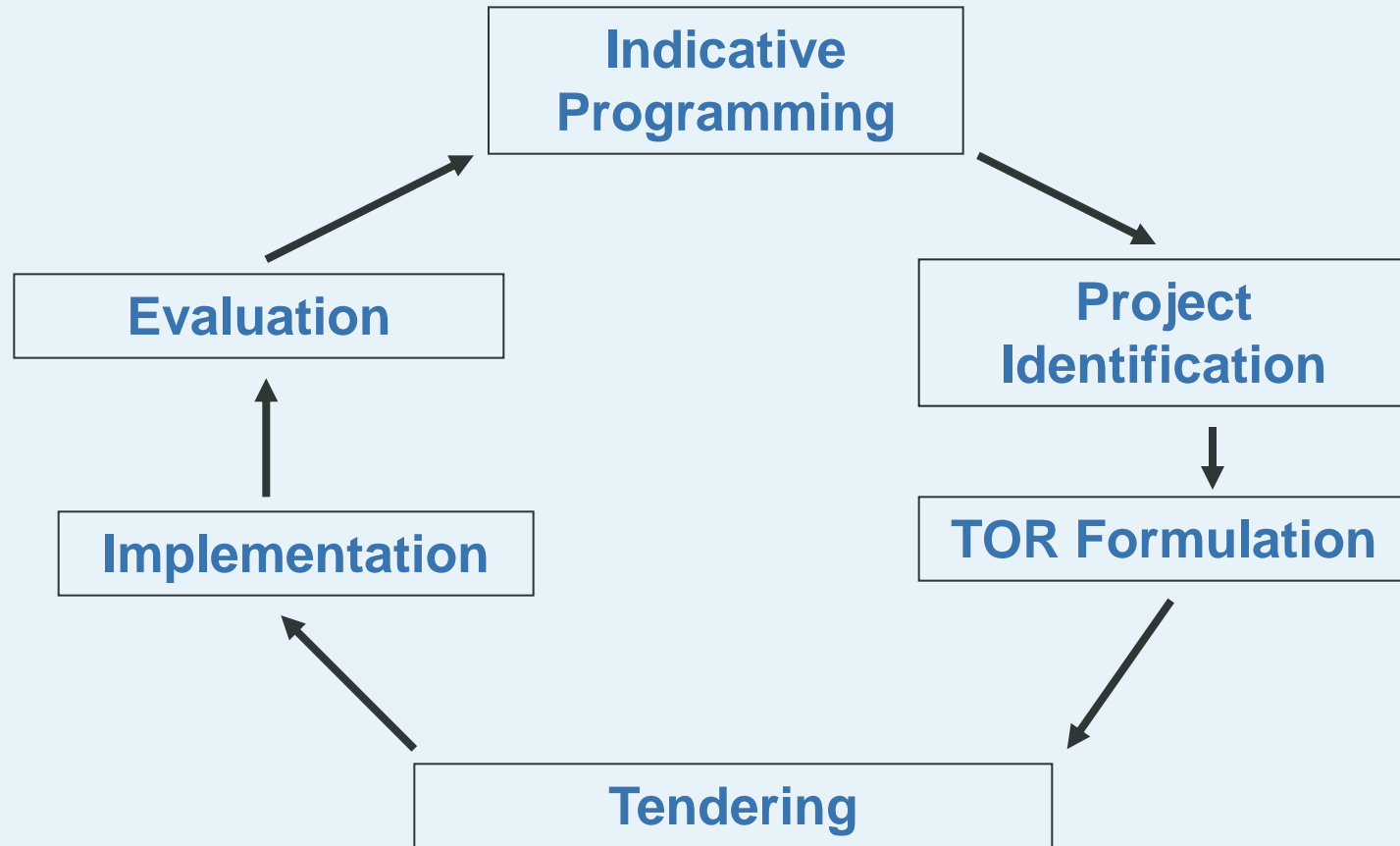
What does the EU fund ?

- Studies (feasibility impact assessment etc.)
- Technical assistance / capacity building
- Publication support
- Conferences / Seminars
- Networks
- Evaluation / Monitoring
- Supplies and equipment
- Civil Works
- (Global and Sectoral) Budget support:

Commitments in € billion	General BS	Sectoral BS	Total BS	BS/total ODA
2009	0,87	1,56	2,42	32%
2008	2,3	1,5	3,86	39%

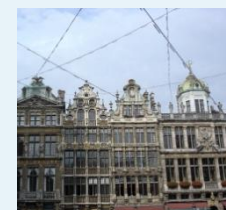


The EU Project Cycle

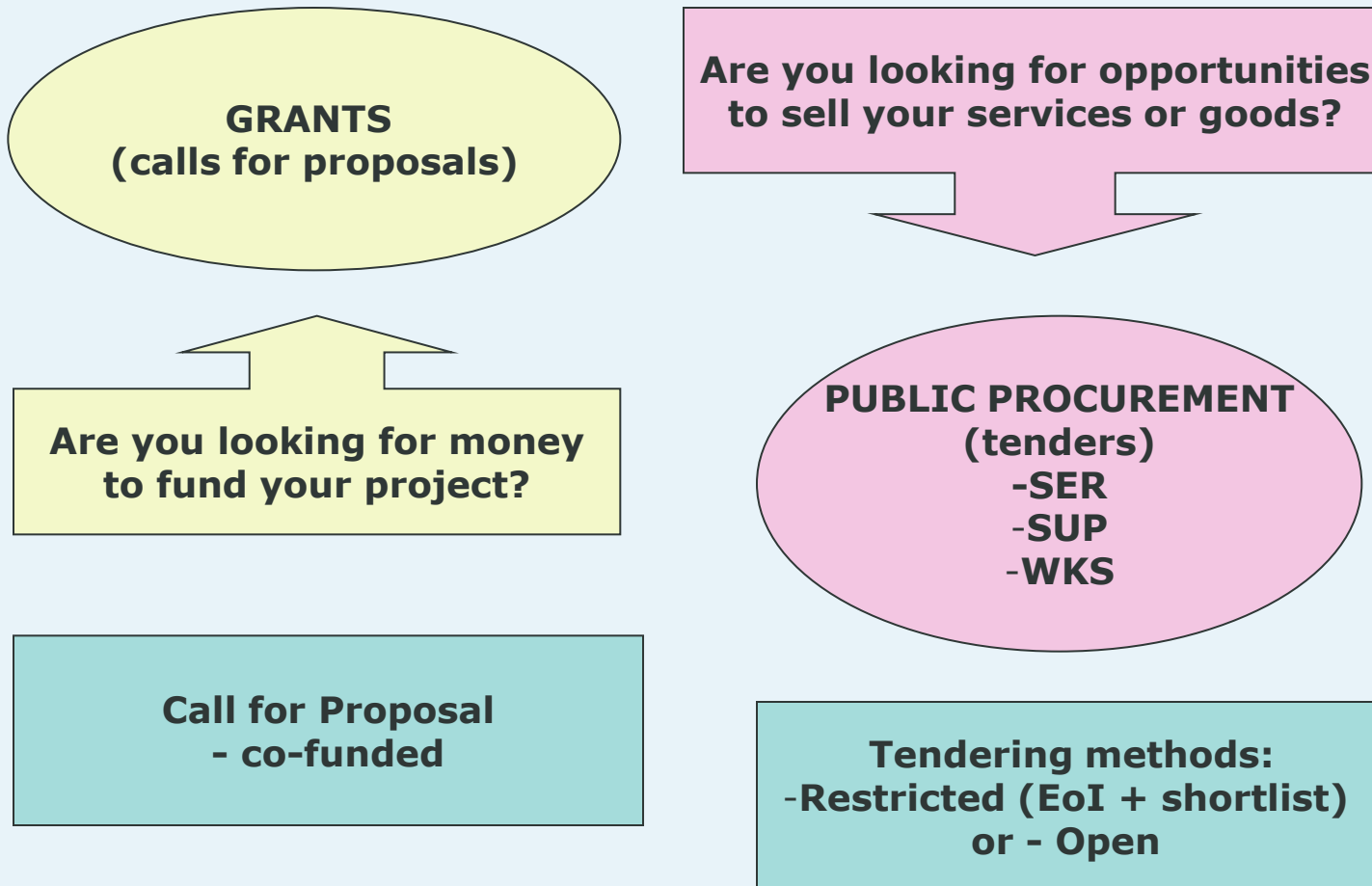


EU Tendering

- Types of Contracts:
 - Services
 - Supplies
 - Works
 - Grants
- Types of tendering:
 - Restricted
 - Call for expression of interest + restricted (IRTP)
 - Open tender
 - Call for Proposal

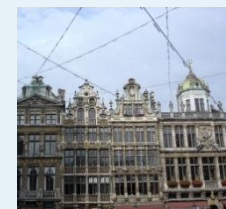


Forms of Financing: bottom up and top-down



Current Financial Thresholds

Services	≥ €200.000 International restricted tender procedure	< €200.000 but > €10.000 1. Framework contracts 2. Competitive negotiated procedure		≤ €10.000 Single tender
Supplies	≥ €150.000 International open tender procedure	< €150.000 but ≥ €60.000 Local open tender procedure	< €60.000 but > €10.000 Competitive negotiated procedure	
Works	1. ≥5.000.000 International open tender procedure	< €5.000.000 but ≥ €300.000	< €300.000 but > €10.000 Competitive negotiated procedure	
	2. International restricted tender procedure	Local open tender procedure		



Future changes in EU Fin Regulation: new financial thresholds for procurement of services

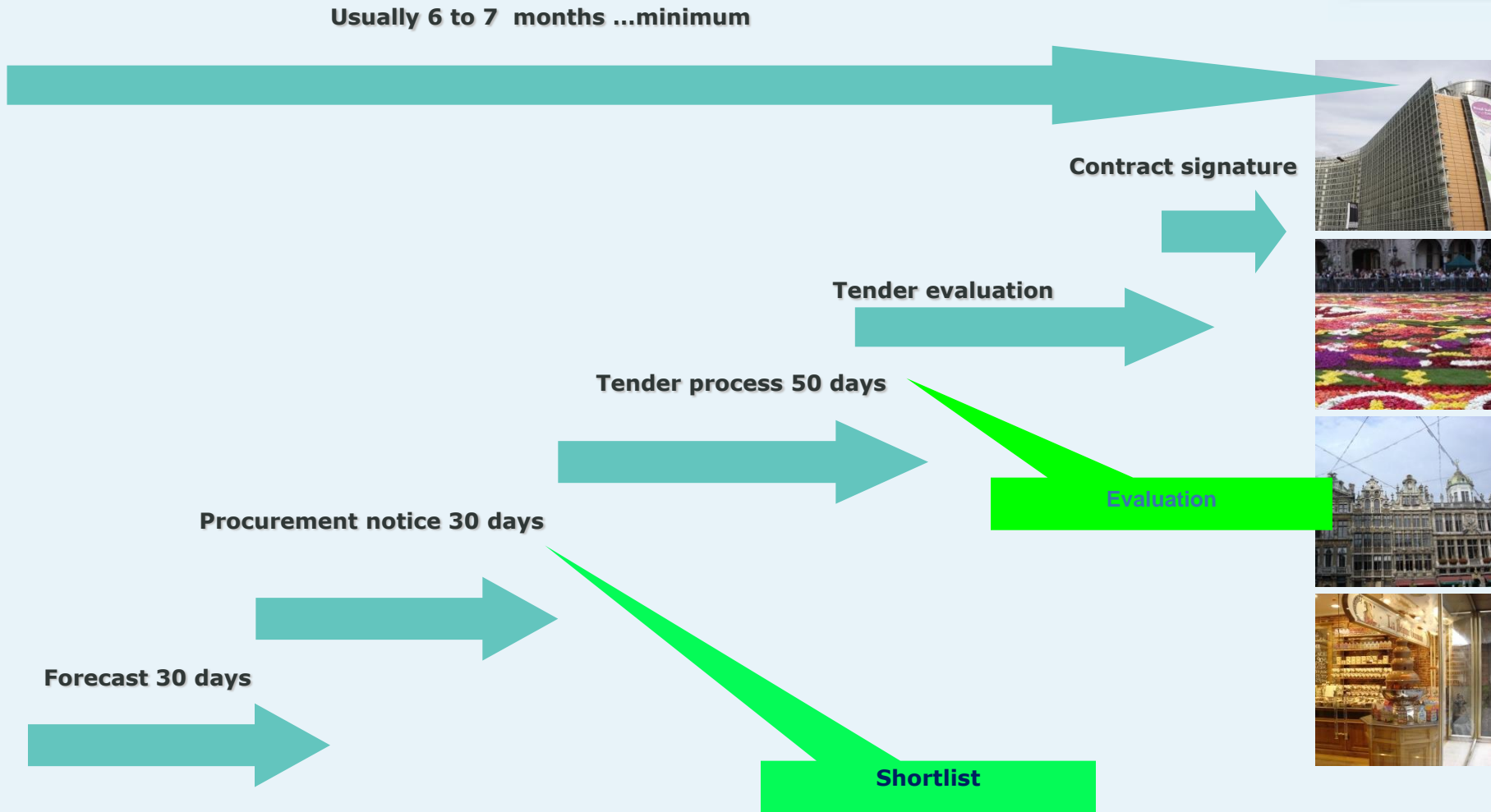
CURRENT THRESHOLDS

PROPOSED THRESHOLDS

> 200,000	International restricted	> 300,000	International restricted
10,000 – 200, 000	FWC (where possible) / Competitive Negotiated	20,000-300,000	FWC / Competitive negotiated / AMI
0 – 10,000	Single tender	2,500-20,000	Single tender
		0-2,500	Invoice



Tendering procedure timeline for service contracts (IRTP)



DEVCO Internet site

Project opportunities can be found at :

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?do=publi.welcome>

The screenshot displays the European Commission's 'External cooperation programmes' website. The main heading is 'Call for proposals & Procurement notices'. Below this, there are three tabs: 'Latest Publications', 'Search by reference', and 'Advanced Search'. The 'Advanced Search' tab is currently selected. The search interface includes a 'Programme' dropdown menu, a 'Geographical Zone' dropdown menu, and a 'Type' section with checkboxes for 'Grants', 'Supplies', 'Services', and 'Works'. There is also a 'Status' section with checkboxes for 'Closed', 'Open', and 'Forecast'. A 'Published After' and 'Published before' date range selector is present, along with a 'Search' button. A 'Help' button is located in the top right corner of the search area. Below the search fields, there are three bullet points providing instructions on how to use the search tabs. The website's header includes the European Commission logo and navigation links for 'Search', 'Sitemap', 'Contacts', 'Legal notice', and 'English (en)'. The footer of the page shows the 'EuropeAid' logo.



Evaluations

- Services
 - Shortlisting 4-8 candidates
 - Tender evaluation
 - Administrative
 - Technical
 - Financial



Some advice for services contracts: shortlisting

Always check if your company/consortium meets the selection criteria !

- Pay attention to the project description
- Use or not letters of undertakings
- Straightforward process. Usually can be done in 1 day
- Evaluation Committee
- Main legal document: Procurement Notice (PN)
- Documents to be submitted by the candidate: Submission Form (SF) together with sworn statements (point 15 of the PN)
- Main features:
 - Selection and award criteria (point 21 of the PN)
 - Re-Examination (if more than 8 compatible applications)



Some advice for services contracts: shortlisting

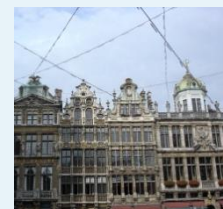
EXAMPLE FOR TECHNICAL CAPACITY

21. Selection criteria

Usually for criteria 1) and 2) the applications are compliant

3) Technical capacity of candidate

A. Candidate has completed **successfully in the last 3 years (2008, 2009 and 2010) and this year until the submission deadline mentioned in item 23 of this procurement notice the implementation of at least 1 project in a ACP country with a budget of minimum EUR 1 million (and the candidate having performed at least 50% of the budget) in the field of private sector development.**



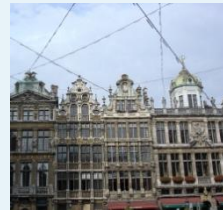
EXAMPLE FOR TECHNICAL CAPACITY

Candidate has completed successfully in the **last 3 years (2008, 2009 and 2010) and this year** until the submission deadline mentioned in item 23 of this procurement notice the implementation of at least 1 project **in a ACP country** with a budget of minimum EUR 1 million (and the candidate having performed at least 50% of the budget) in the field of private sector development.

→ Dates (start/end)

Mali	2005 – <u>2007</u>	NOT Compliant
Togo	2005 – 12/2011	NOT Compliant (deadline for SF: May 2011)
Mali	2003– <u>2008</u>	YES, Compliant

Note: both country and dates (start/end) are part of the table in
“6. Experience” of the SF



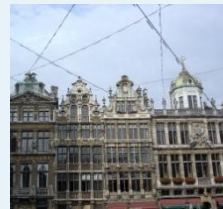
Some advice for services contracts: shortlisting

EXAMPLE FOR TECHNICAL CAPACITY

Candidate has completed successfully in the last 3 years (2008, 2009 and 2010) and this year until the submission deadline mentioned in item 23 of this procurement notice the implementation of at least 1 project in a ACP country with a budget of **minimum EUR 1 million (and the candidate having performed at least 50% of the budget)** in the field of private sector development.

→ Overall project value (EUR)	Proportion carried out by legal ent. (%)	
1 million	30%	NOT Compliant
1 million	55%	YES, Compliant
12 million	40%	NOT Compliant

Note: both overall project value and proportion carried are part of the table in "6. Experience" of the SF



Some advice for services contracts

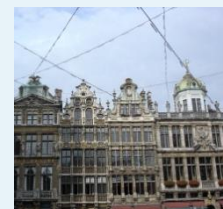
(Preparing a proposal)

- Preparing a proposal
 - Requires people who know how to write well
 - Requires good CVs
 - is costly (20000 to 40000 €)
- Importance of conforming with the TOR, including the annexes
- Don't hesitate to ask questions
- What is not prohibited is allowed.
- The number of companies in a consortium can be freely decided but the rationale needs to be explained.
- The companies that have not been awarded the project, can always ask for the reason why. They will receive an answer



Some advice for services contracts (Preparing a proposal)

- Opening, Administrative, Technical and Financial Evaluation
- Proceedings conducted in camera from the opening to the final award notice
- Role of the evaluators : assess each bid, complete individually one evaluation grid per bid, discuss discrepancies in the scores (usually if higher than 20%), adjust scores
- Minimum 80 points in average to be technically compliant
- *80/20 basis to rank the compliant bids and select the winner*



Some advice for services contracts

(Preparing a proposal)

EXAMPLE FOR KEY EXPERTS

Qualifications and skills (Max 4 points)

Strong economic/financial background – minimum a master degree in relevant field

General professional experience (Max 4 points)

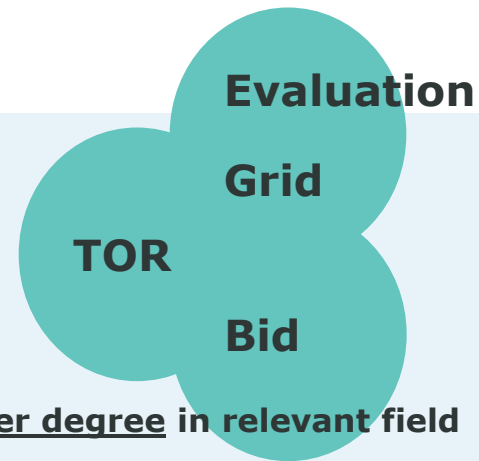
Min 10 years of general professional experience

Experience in implementing projects in the region

Specific professional experience (Max 10 points)

Min 3 years work experience in the mortgage market

Very good understanding of institutional structures supporting the development of a modern mortgage market



Note: copies of the diploma(s) and the work certificates or references need to be included in the application.

Some advice for services contracts (Preparing a proposal)

EXAMPLE FOR KEY EXPERTS

	<i>Bid A</i>	<i>Bid B</i>	<i>Average Points</i>
QS	PHD	Masters	A: 4 – B: 2
GPE	12 years	20 years	A: 3 – B: 4
SPE	3 years	10 years	A: 6 – B: 10
			A: 13 – B: 16

TOR

Evaluation

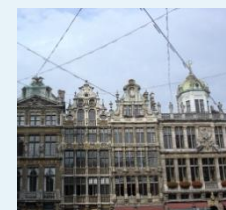
Grid

Bid



What appeal possibilities?

- Accept to lose on fair procedure
- Before or after contract award?
- Formal channels
 - Ombudsman
 - National court
 - OLAF
- Informal channels
 - MEPs
 - EC vs beneficiary
 - Permanent Representations
- Need of facts / basis of argumentation



Experience from contractors: Tendering and Selection Process

- Unbalanced partnership
- Scattered fragmented consulting industry
- Too much focus on CVs and Long term posting in tender requirements creating excessive dependence on Independent consultants
- This expert-oriented selection procedure has lead over the past years to a large development of “bodyshopping companies” which are not equipped to deliver quality control and backstopping services. Additionally, the current procurement system tends to develop and encourage the “subcontracting in cascade” which does not favour the capitalization of expertise and experience.
- Consequences of PRAG 2010 new version of the Statement of Exclusivity and Availability :clarification that change of the experts situation includes the signature of another SoEA+ that if an expert is not available the offer will be rejected + clarified that the expert will have to notify the CA+tenderers if they sign a SoEA lateron.



STATEMENT OF EXCLUSIVITY AND AVAILABILITY

PUBLICATION REF: _____

I, the undersigned, hereby declare that I agree to participate exclusively with the tenderer < tenderer name > in the above-mentioned service tender procedure. I further declare that I am able and willing to work for the period(s) foreseen for the position for which my CV has been included in the event that this tender is successful, namely:

From	To	Availability
< start of period 1 >	< end of period 1 >	< full time/part time >
< start of period 2 >	< end of period 2 >	< full time/part time >

I confirm that I do not have a confirmed engagement as key expert in another EU/EDF-funded project, or any other professional activity incompatible in terms of capacity and timing with the above engagements .

By making this declaration, I understand that I am not allowed to present myself as an expert to any other tenderer submitting a tender to this tender procedure. I am fully aware that if I do so, I will be excluded from this tender procedure, the tenders will be rejected, and I may also be subject to exclusion from other tender procedures and contracts funded by the EU/EDF.

Furthermore, should this tender be successful, I am fully aware that if I am not available at the expected start date of my services for reasons other than ill-health, force majeure or, if applicable, a received confirmed engagement in one of the tenders mentioned below, the tenderer may be subject to exclusion from other tender procedures and contracts funded by the EU/EDF and that the notification of award of contract to the tenderer may be rendered null and void.

Additionally I declare that I am not in a situation of conflict of interest or unavailability and commit to inform the Contracting Authority as well as the tenderer(s) of any change in my situation, e.g. if I sign another Statement of Exclusivity and Availability after the signature of this Statement of Exclusivity and Availability.

[For information I have signed a Statement of Exclusivity and Availability for the following tender(s):

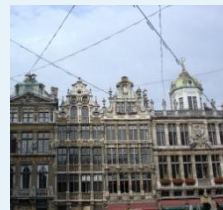
Tender reference	Submission deadline for the tender	Tendered engagement
< tender reference >	< date >	< full time/part time >

Should I receive a confirmed engagement I declare that I will accept the first engagement which is offered to me chronologically. Furthermore I will notify the tenderer and the Contracting Authority immediately of my unavailability. The consequence is that the tender, for which this Statement of Exclusivity and Availability is submitted, shall be rejected.]



Experience from contractors: Implementation challenges:

- Long delay between project identification (and TORs) , award decision and and start of implementation often lead to difficult inception period:
 - expected baseline differs from current reality
 - decision makers have changed
 - stakeholders have lost ownership and commitment
- Misconception generates over-expectations or change of focus
- Gap between the expectations of the task manager to the flexibility to adjust the projects and the willingness/flexibility of the financial department to accept the financial consequences of the required changes
 - Somehow bureaucratic approach in the management of project to accomodate criticisms raise by MS and CoA:
 - Negative effects on implementation of projects that by nature require flexibility
 - Insufficient staffing in CFCAs or EU delegations.



Experience from contractors:

Suggestions for improvements:

- Favour performance based contracts where company can demonstrate added value
- Contracting authority should evaluate CV of a core team only and then rest of the team to be recruited (& interviewed) by Beneficiary and contracting Authority during inception period.
- Foresee sufficient time for inception/mobilisation period to regain political acceptance and ownership by stakeholders
- When possible simplify control and clearance procedures of CFCUs or EU delegations and increase staffing.



ECIC- FEACO set of seven (7) measures

- Remove the last sentence of the new SOEA: “the consequence is that the tender, for which this SOEA is submitted, shall be rejected”;
- Allow company/firm to replace a key expert in the event s/he is not available any longer having a confirmed engagement for another EU/EDF funded project. Indeed, a company/firm cannot be held responsible of a key expert receiving another confirmed engagement from the European Commission;
- Shorten the period during which key experts are on hold: it means informing all tenderers as soon as the evaluation committee has completed the technical evaluation. Indeed tenderers below the technical threshold of 80 pts are eliminated;
- Set the emphasis on firm/company capacity and methodology and not on key experts; it means that methodology should have 70% of the marks and experts 30; Amongst experts the TL should have the majority (20 %) and the rest should be for other key experts;
- Limit the number of key experts and limit the use of the SOEA to the key expert 1 (Team leader);
- Have only Statement of Exclusivity for other key experts;
- Give a clear weight in the methodology to (i) non key experts and (ii) company/firm expertise and past experience as they represent the capacity of the company to implement the project.

