

European Commission
Directorate-General for Development
and Cooperation - EuropeAid

PROCUREMENT AND GRANTS
FOR EUROPEAN UNION EXTERNAL ACTIONS
A Practical Guide

[applicable to any procedure to be launched as of 15 January 2016](#)

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1. Introduction

1.1 Introduction

This Practical Guide explains the contracting procedures applying to all EU external actions financed from the EU general budget (the EU budget) and the European Development Fund (EDF). The financing of external actions is governed by the applicable EU and EDF Financial Regulation, the common rules and procedures for the implementation of the Union's instruments for financing external action (CIR) and by the relevant basic acts, for example, the programme regulation, such as the DCI, ENI, IPA II, or EIDHR for actions financed from the EU budget, and the Cotonou Agreement for actions financed from the EDF. This Practical Guide is used by the Directorates General and Commission Services in charge of the instruments financing and implementing external actions, mainly DG DEVCO (development aid through geographic, thematic or mixed instruments, such as DCI, EDF, EIDHR, NSCI), DG NEAR (Instrument for Pre-accession assistance, IPA II, ENI) or the FPI (in the implementation of the Instrument contributing to stability and peace, ICSP, and Partnership Instrument, PI)¹.

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In March 2014, a regulation establishing the Common Rules and Procedures for the Implementation of the Union's instruments for External Action (CIR) was adopted. The CIR provides a set of common rules for the DCI, EIDHR, ENI, ISP, IPA II, PI and NSCI² consistent with the Financial Regulation of the Union's budget. As from the adoption of the revision of Annex IV to the Cotonou Agreement in 2008, procurement contracts and grants financed under 10th and successive EDF have been awarded and implemented in accordance with EU rules and (except in cases provided for in those rules) in accordance with the procedures and standard documents laid down and published by the European Commission for the implementation of cooperation operations with third countries, in force at the time of the launch of the procedure in question.

Deleted: For what this guide is concerned, the main impact of the CIR are the new rules on nationality and origin for public procurement and grant award procedures are the main impact of the CIR.

The eligibility rules applicable to the EDF have been aligned as much as possible with those of the EU budget since the entry into force of the amended Cotonou Agreement in November 2010. They are also included in Annex IV to the Cotonou Agreement which was lately amended on 20 June 2014.

For contracts financed under the 9th EDF, please refer to the 2007 version of this Practical Guide (which explains the Decision No 2/2002 of the ACP-EC Council Ministers of 7 October 2002 governing the preparation and awarding of contracts financed from the EDF from 2002 to 2008) except where the relevant Financing Agreements have been amended to apply the revised version of Annex IV of the Cotonou Agreement.

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This Practical Guide provides users with the comprehensive information necessary to undertake procurement or grant procedures from the very first steps to the award, signature and implementation of contracts. The annexes cover both the award phase and the execution of contracts. This Practical Guide outlines the contracting procedures to be used in direct management and indirect management with ex-ante approval or with ex-post controls by the European Commission.

¹ Furthermore, DG REGIO is in charge of IPA and of the instrument of financial support for encouraging the economic development of the Turkish Cypriot community (Council Regulation No 389/2006).

² According to NSCI recital 18, implementation of the regulation will follow the CIR where required.

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Although the procurement and grant award procedures applicable to the EU budget, to the 10th and the 11th EDF are quite similar, some remaining differences are featured in this Practical Guide and its annexes. Chapter 7 lists the relevant legal texts, Annex A1 includes a glossary of the terms used in this Practical Guide.

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Direct labour operations are programmes executed by public or public-private agencies or services of the partner country, if that country's administration possesses qualified managers. They use a programme estimate: a document laying down the human and material resources required, the budget and the detailed technical and administrative implementing arrangements for execution of a project over a specified period by direct labour and possibly also by means of public procurement and the award of specific grants. Specific procedures for direct labour contracts and programme estimates are set out in a separate guide (Practical guide to procedures for programme estimates - project approach) although most of the procurement procedures described in this Practical Guide also apply.

Following the revision of the EU Financial Regulation in 2016, the scope of the Practical Guide is extended over procurement and grant award procedures managed by the European Commission acting as contracting authority in shared interest with partner countries.

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What does the Practical Guide not cover?

It does not apply to contracts for which the European Commission acts as contracting authority on its own account and in its sole interest, This situation usually comes under Part One, Title V, Chapters 1 and 2, of the EU Financial Regulation, and European Commission staff must use in-house public procurement procedures and models (the *Vade-mecum on Public Procurement*) to deal with them. However, in case of service contracts in the Commission's sole interest, and irrespective of the procedure used, the authorising officer may decide to use the DEVCO standard service contract which is more suitable for actions located outside of the EU. It is therefore recommended to check case by case.

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This Practical Guide does not apply to humanitarian crisis management aid, civil protection operation and humanitarian aid operations carried out by ECHO.

Nor does it apply to contracting authorities such as partner countries, international organisations and national bodies which the European Commission has authorised to use their own procurement/grant award procedures, or procurement/grant award procedures agreed among donors according to the relevant regulation, nor to grant beneficiaries which must follow the procurement provisions of Annex IV of the standard grant contract.

Twinning is a dedicated institution building tool providing expertise from Member States administrations to the public institutions of candidate, pre-candidate and Neighbourhood countries. Twinning is made of grant contracts signed with Member States public institutions. Twinning operations obey specific rules that are described in the "Common Twinning Manual"³.

Furthermore, the application of this Practical Guide to cross border cooperation programmes is subject to their relevant basic acts.

3 DEVCO twinning English: https://ec.europa.eu/europeaid/institution-building-framework-european-union-policies-common-twinning-manual-revision-2012_en

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All references to “days” in this Practical Guide are to calendar days, unless otherwise specified.

1.2 List of annexes

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