

European Consulting Engineering Industry's position on the use of new financial instruments in European External Aid

In line with the Agenda for Change that promotes the use of innovative financial instruments in European External Action, 7 + 1 regional blending facilities have been created since 2007 to leverage the use of EU grants and attract additional public and private financing, making projects with a high economic and social return but insufficient financial return possible.

Blending is an increasingly important instrument to deliver EU grants to partner countries and it is estimated that it could represent up to 10% of European Budget for External Action in the 2014-2020 financing period, compared to the 2% of the 2007-2013 period. This is a significant increase, and it will focus primarily on infrastructure projects, which is why this instrument is particularly relevant for European consulting engineers operating in External Action financing instruments.

To date, the blending instrument has been consolidated from an institutional perspective, but it remains a distant and complicated instrument for European service-providers aiming at contributing to the preparation, implementation and evaluation of External Actions. EU funding must be used in the best possible way to get real value for money, quality and visibility, and the blending instrument has to improve these aspects to become a key financing instrument in EU external relations.

In line with the Court of Auditors recommendations in their 2014 Report on the effectiveness of blending, the European Commission should ensure that the projects receiving EU grants are well prepared, that the process is transparent, that there is more grant money used for technical assistance and that there is an appropriate monitoring and evaluation of the use of the grants.

European consulting engineers have extensive experience in the sectors and regions covered by the EU Blending Facilities but their participation has been limited to date. The reasons are mainly the reduction of the number of contracting opportunities (compared to direct management), the lack of information on the proposed and approved projects and the difficulty of tracking and preparing tenders for a multiplying number of bilateral European financial institutions.

In order to contribute to the transparency, efficiency and effectiveness of the blending instrument, as well as to promoting the participation of the private sector, EFCA proposes the following concrete actions:

- For each approved project, **disclose a full Procurement Plan**, including the names and contacts of the financial institutions managing procurements;
- **Use a single set of harmonised procurement rules in all blending-funded projects**, even in indirect management. EFCA believes it should be the PRAG (or aligned with it, to preserve principles such as the 80-20 quality-cost ratio);
- **Have a single source of information offering the same type of information:** procurement plans, forecasts, calls for tenders and proposals, shortlists and awards should be published in the Supplement to the Official Journal of the EU (TED);

To convey this and other proposals that contribute to the improvement of European External financing instruments, EFCA should engage in a regular dialogue with the *EU Platform for Blending in External Cooperation* as a legitimate representative of private sector organizations.