2. Would it be possible for the Commission to address this situation by offering financial assistance to the University of Malta so that the above course is run on a full-time basis, thus enabling Maltese interpreters and translators to qualify in a shorter space of time?

**Answer given by Mr Verheugen on behalf of the Commission**

(5 March 2004)

The Commission shares the view that diversity of languages and cultures is an asset for the Union that should be preserved. The recognition of the Maltese language as an EU official language reflects this principle.

The organisation and content of training is the responsibility of the national authorities. In the framework of enlargement preparations the Commission has had a number of contacts with the Maltese authorities and interested bodies over the last two years on the subject of training interpreters and translators. These discussions emphasised the need for appropriate and timely preparations in order to ensure the supply of suitably qualified translators and particularly interpreters since there was no tradition of interpreting in Maltese.

The severity of the shortage of qualified translators and interpreters in the Maltese language only became fully evident to the Commission when it launched a call for applications mid-2003. The limited number of qualified applications received gave concrete evidence of this shortcoming, obviously related to the small size of the Maltese population. At the same time, the Commission undertook to set up in Malta a translation field office in order to assist the Maltese authorities in finding a solution to this problem.

The Commission is currently considering supporting the Maltese authorities, with financial assistance, in organising training courses for interpreters and translators. However the Commission's experience shows that these courses need to be organised carefully and to full professional standards if the trained translators and interpreters are to have the qualifications required by EU institutions. The Commission is working with the Maltese authorities to ensure, as quickly as possible, this outcome.

(2004/C 88 E/0501) **WRITTEN QUESTION E-0202/04**

by Michl Ebner (PPE-DE) to the Commission

(29 January 2004)

Subject: Lack of clarity in the rules excluding firms from applying for projects funded by the EU

The 'Practical Guide to contract procedures financed from the general budget of the European Communities in the context of external actions' sets out the rules on application and selection procedures for projects funded by the EU.

Despite being revised in 2003, this guide is, in part, too stringent, and yet it leaves too much room for interpretation with regard to applications by companies and experts. On conflicts of interest for example, Section 2.3.6 is so strict that it excludes firms that had participated in the preparation of a project from participating in tenders based on this preparatory work. This criterion applies to all firms within the same legal group, including international firms, regardless of the share one may have in the other, even when this is as low as 1%. It is entirely possible that precisely these applicants would achieve the best results.

Furthermore, a number of rules are ambiguously worded, and different delegations therefore interpret them in different ways, leading to misunderstandings in the selection procedure, which means that the best possible results are not necessarily achieved.
Has the Commission studied all the legal ramifications and the correct interpretation of the 'Practical Guide' in all language versions? If not, what does the Commission intend to do to clarify these grey areas?

Answer given by Mr Patten on behalf of the Commission

(15 March 2004)

The principles on which the 'Practical Guide' is based are defined in Article 89 § 1 of the Financial Regulation of 25 June 2002 applicable to the general budget of the European Communities. All public contracts financed in whole or in part by the budget, must comply with the principles of transparency, proportionality, equal treatment and non-discrimination. According to article 94 a) of the Financial Regulation, contracts may not be awarded to candidates or tenderers who, during the procurement procedure, are subject to a 'conflict of interest'.

For external actions, these principles have been implemented as follows:

- according to Articles 237 and 238 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002, laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, the implementation of procurement procedures for external actions is decided by the Commission. The Commission Decision, 'Rules and procedures for service, supply and works contracts financed from the general budget', was adopted on 25 March 2003. This Decision replaces the Manual of Instructions adopted in 1999 by the Commission, with the unanimous agreement of Member States;

- in the new Commission Decision, the 'conflict of interest' is defined as 'Any event influencing the capacity of a candidate, tenderer or contractor to given an objective and impartial professional opinion, or preventing it, at any moment, from giving priority to the interests of the contracting authority. Any consideration relating to possible contracts in the future or conflict with other commitments, past or present, of a candidate, tenderer or contractor. These restrictions also apply to subcontractor and employees of the candidate, tenderer or contractor'. It must be underlined that the same definition applied already in the Manual of Instructions;

- on the basis of this new Commission Decision, the 'Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions' has been adopted by EuropeAid. The translation in Spanish, Portuguese and English of this Practical Guide has been done by the relevant services of the Commission;

- the provision on conflict of interests of section 2.3.6 of this Practical Guide reads as follows: 'Fair competition: To avoid any conflict of interest, any firm (including firms within the same legal group, other members of the same consortium, and subcontractors) or expert participating in the preparation of a project must be excluded from participating in tenders based on this preparatory work'. Consequently, the provision of 'conflict of interest' the Honourable Member refers to is legally binding on the basis of the Commission Decision;

- the prohibition of a firm or expert participating in the preparation of a project is derived inter alia from the criticisms made by the Court of Auditors in its special report 16/2000 on tendering for service contracts under the Phare and Tacis programmes. This provision is desirable from a competition point of view to avoid irregularities that occurred in the past. Moreover it is proportional and necessary to its main objective, which is to avoid fraud and unfair tendering. The Commission's intention is to avoid collusion between bidders. Considering the very complex nature of multinational groups, the prohibition has to be very broad in order to be effective and not to be bypassed through the use of affiliate companies;
this provision has now been implemented for more than three years in external aid projects. It was drafted to take into account the interests of the various actors as well as the legal context. The Commission's major concern has been to harmonise all its award procedures to make the rules more transparent and to rationalise management. On the basis of acquired experience, the specific issue of conflict of interest will be examined during the next revision of the rules. The Commission will, of course, continue to insist on the principles of fair and equal participation in tenders and contracts and of transparency, which underlie the contract award procedures in the field of Community external aid.


(2004/C 88 E/0502) WRITTEN QUESTION E-0226/04
by Margrietus van den Berg (PSE) to the Commission
(2 February 2004)

Subject: Starch factories and developing countries

On a working visit to Veendam, I was informed about the possibilities of starch being produced from cassava in developing countries and about the factors which are hampering progress in that area. In many developing countries, cassava is frequently a local crop which thrives in the natural environment and is very suitable for use in the production of starch. Starch is a raw material for the food, textiles and paper industries. Construction of a starch factory may create a large number of jobs in the rural parts of developing countries which frequently have to cope with high rates of unemployment. Many jobs can be created in agriculture, in industry and in small private businesses. It costs between EUR 4 and 5 million to construct a factory of this nature. That is an affordable investment which can give a real positive boost to local economies in developing countries. Private investors are interested in participating in the projects with venture capital, but that is not sufficient for the implementation of the projects. Banks, too, must participate by granting loans, but they are less cooperative. Participating banks want guarantees for the amounts that they lend. The provision by the European Union of bank guarantees in respect of such projects would be very valuable and would encourage the banks to participate. That would result in the green light being given for considerable small-scale investments with a huge economic spin-off in the local economy of developing countries.

1. Is the Commission aware of the possibilities which the starch industry offers with regard to job-creation in developing countries, and has it already noted the problems that are occurring in respect of bank guarantees?

2. Does the Commission acknowledge that the absence of bank guarantees is creating an obstacle to these valuable projects?

3. Is the Commission prepared to make a contribution to a possible solution to this problem, for example by providing bank guarantees?

Answer given by Mr Nielson on behalf of the Commission
(12 March 2004)

1. The starch industry is generally a capital intensive sector; however, whilst contributing to the economic development in the rural areas producing cassava, it will insure some valuable job creation. While the Commission has no specific experience in the starch industry in developing countries, one of our main private sector development instruments, the Center for Enterprise Development (CDE), has had some selected projects in this sector. A contact person at the CDE is M. Touré (Tel. 0032-2-6791905, e-mail: cto@cde.int).