

# EUROPEAN PARLIAMENT

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*Committee on Budgets*

13.3.2007

## **NOTICE TO MEMBERS**

**Subject: Report of the Delegation of the Committee on Budgets to Algeria from 27 February 2007 to 1 March 2007.**

Kyösti Virrankoski, Catherine Guy-Quint and Francesco Musotto

On 11 December 2006, the Conference of Presidents authorised a delegation of the committee on Budgets to form a delegation to Algeria from 28 February to 3 March 2007 and gave extraordinary permission by letter of 9 February for the delegation to travel already on 27 February 2007, due to calendar constraints in the host country.

The delegation, which travelled from 27 February to 2 March 2007, was composed of Kyösti VIRRANKOSKI, First Vice-Chairman (ALDE, Head of Delegation), Catherine GUY-QUINT (PSE) and Francesco MUSOTTO (EPP). It was accompanied by Udo BUX, administrator and Gudrun CORTS, secretary from the secretariat of the committee on Budgets and Xavier DUTRENIT and Carol PERRIN from the PSE and ALDE groups and two interpreters, Sirpa REHN-TOMASSOV and E. PUTTONEN.

The delegation would like to express its thanks to the staff of the European Commission Delegation in Algiers, particularly to Jacques OZIER, the chargé d'affaires and Safia OUAHMED, Human rights and Democracy programme manager, as well as to Nadia CHELLAFA of the Algeria desk in DG AIDCO, Brussels.

The work of the delegation concentrated on the following areas, of particular interest to the committee on Budgets:

- possible problems linked to particular slow implementation rates in Algeria, compared to other MEDA countries
- visibility of the EU financed projects in Algeria and their appreciation by the "public" and the citizen?
- effects of recent deconcentration of the management of the programmes (shift of centralised management by the headquarters of DG AIDCO in Brussels to management by the Commission Delegation in Algiers)
- frequency and authors of audits in order to avoid mis-mangement or fraud

## I. Political Background

Algeria lives a gradual transition from military and one party rule towards civilian and multi-party governance. Parliamentary elections are expected for May 2007. The government under President Abdelaziz Bouteflika (re-elected in 2004 for a second 5-years term) will remain committed to economic liberalisation and solicitation of foreign investment. Due to high oil prices for some years now, Algeria has not only paid off most of its foreign debt but is expected to have a large fiscal surplus in 2007.

## II. EU intervention in Algeria

### 1. Government

Due to the relative wealth of Algeria compared to other countries under the new Instrument of Partnership and Neighbourhood, the Algerian government is less interested in financial transfers, but mainly technical assistance and European expertise, an attitude which was perceptible during the meeting with Mr. Mouloud HAMAÏ, Director General "Europe" in charge of the relation with "EU Member states, central and east European countries, Baltic States and the CIS" (according to the Ministry's organigram).

During the visit at the "Ecole supérieure des Banques", a Directorate of the Algerian State Bank the delegation learned that despite the financial resources existing currently in Algeria, human capacity and resources mainly ensure that funds are efficiently used in order to get sustainable results. For this purpose, 3000 man-days have been provided in the framework of the MEDA/AMSFA- line (Appui à la Modernisation du Secteur Financier Algérien), corresponding to EUR 2,5 mio.

## 2. Non-governmental organisations

On the other hand, European aid in all its forms seems to be highly appreciated by non-governmental organisations. During the two meetings with NGOs in the premises of the European Commission in Algiers and in the rural Mitidja area the delegation of the committee on Budgets became the impression that any help or contact with the European Union and its people was very much welcome.

The NGOs present at the meeting in the European Commission (a list of the associations present can be found in the annex) all benefit from a Community grant, managed by the Commission delegation in Algiers. Although there seems to be overall satisfaction with the Communities intervention, some representatives stressed the heaviness of procedures when applying for a Community grant and the slow payment by the Commission. Two examples were cited: Line B7-4100, EUR 5.000.000 million, "Appui aux journalistes et aux médias algériens", implementation period from 13/01/01 to 31/12/07, where there is a RAL of EUR 4.152.547 as of 28 February 2007. The second example cited concerned the TEMPUS programme, where in 2005 Algeria was excluded together with Lebanon and Palestine from submission of tenders without further explanation.

The visit of the delegation at the "collectif Bnet Nsoumer" in Bougara was especially fruitful. Bougara is situated in the Mitidja plain, approximately 50 kilometres south of Algiers, in an area which was harshly affected by the violent events of the mid-90ies. EUR 90.655,42 have been committed for the "Yadala" project covering eight cities and aiming at assisting and accompanying women and children having suffered violence and helping them to be re-inserted into civil life under the rule of Law. Listening to the witnesses of the different social workers, psychologists and lawyers, all women, made it very clear to the delegation how important the EU involvement in the field was and how effective the EU contribution can be spent, if all efforts are made during the tender procedure.

It has also to be mentioned that the visit at the "collectif Bnet Nsoumer" was organised by the European Commission representation after a specific request by the delegation of the committee on Budgets and which had been brought to its attention by the EUROMED secretariat of DG EXPOL.

### 3. Mixed project structures

Also the visit of the delegation to the project "Projet d'Appui à la réforme de la Justice" had been well prepared by the programme managers on the spot. This mixed EU- Algerian structure is co-financed EUR 15 Mio / 2 mio by the EU and Algerian authorities. Its objectives are consolidation of the State of Law, improving the capacity and organisation of the Algerian judicial system, better professional qualification of the actors, enhanced use of IT in court and better service-orientated functioning of the public service in the field of justice.

The main problem raised by the project managers concerned a significant delay of 17 months between the grant agreement (4 October 2004) and the actual signing of the contract between the Commission and the main service provider (6 February 2006). This reduced the initial delay of 33 months for the subcontracting of equipment and services down to 16 months. Therefore, in the meanwhile, the Algerian Department of Justice had to mobilize its own resources in order to ensure the kick-off of the project within a reasonable time limit.

### III. Conclusion

The delegation has contributed to help to better understand the different forms of the EU assistance to Algeria. The complexity of the social-political situation of the country makes it sometime difficult to understand how the transfer of resources contributes to improvements.

In general it seems that in case that a project is (co-)financed by the European Union, there is a good visibility for the EU contribution. By various means (letter paper, signs etc.) the beneficiary on the spot tries to underline the EU contribution.

It has to be said that especially the contributions by the non-governmental organisations which could be recollected during the visit were enlightening and made it clear to the delegation that despite many efforts by the European Commission to simplify procedures in the field of foreign aid still much has to be done to ensure a better implementation of the budgetary decisions made under Heading 4 of the General Budget.

Kyösti Virrankoski  
1st Vice-President of the committee on Budgets  
Chairman of the Delegation

## **Annex - programme of the delegation visit**

### **Tuesday , 27 February**

19:00 h Briefing by the Chargé d'affaires of Commission Delegation in Algeria, Mr. Jacques Ozier, at Houari Boumediene Airport, Algiers  
Bus transfer to HOTEL EL-DJAZAIR

### **Wednesday 28 February**

9:30 h Meeting at the Foreign Office, co-ordinating the co-operation of MEDA actions in Algeria, Director General Europe, Mr. Mouloud HAMAÏ

11:00 h Meeting with director responsible for the MEDA project "Appui à la réforme de la justice" and with **Technical Assistance Unit ("Unité d'Appui au Projet " -UAP)**, Mr. Salah Rahmani

16:30 h **Meeting in the "Ecole Supérieure de Banque"** benefiting of technical assistance in the framework of MEDA action "Modernising the Financial Sector"

20:00 h **Working dinner** with representatives of university staff dealing with TEMPUS project

### **Thursday 1 March**

9:00 h Meeting with NGOs in the premises of the UE Representation in Algeria, having benefited of grants in the framework of MEDA action or another thematic line:

14:00 h visit of YADALA project in the Mitidja plain rural area (Collectif BENT NSOUMER)

20:00 h **Working dinner** with representatives from the cultural and audiovisual sphere

### **Friday 2 March**

09:05 Flights back Algiers - Brussels

### **Non-governmental organisations**

M. Abdelmoumene Kelil, Ligue Algérienne pour la Défense des Droits de l'homme (LADDH)  
- Tizi Ouzou

Mme Yamina Zerrouk, Femmes en communication - Alger

M. Mustapha Khiati, Fondation Nationale pour la Promotion de la Santé et le développement  
de la recherche FOREM - Alger

M. El Hachemi Touzene et Mme Moussaoui Faroudja, Association AMUSNAW - Tizi Ouzou

Mme Saliha Kebbas, Ligue de Prévention et de Sauvegarde de la Jeunesse et de  
l'Enfance LPSJE - Tizi Ouzou

Mme Nadia Ait-Zai , Directrice du Centre d'information sur les droits de l'enfant et de la  
Femme, CIDEF - Alger

### **Yadala Project in the Mitidja Plain, Bougara**

Mme Dalila Zekal, Presidente du collectif Bent Nsoumer

Maître Asma Cherifi, Avocate

Mme Akila Ouared