



## PRACTITIONERS' NETWORK FOR EUROPEAN DEVELOPMENT COOPERATION

### Annual Meeting of the Practitioners' Network for European Development Cooperation Vienna, 21-22 April 2008

#### Minutes

#### 21 April

The meeting was opened by Ms Ambassador Öppinger-Walchshofer, Managing Director of ADA, who welcomed the participants, thanked the speakers and stressed the importance of the network for implementing and operationalising the political decisions of the Paris declaration. She insisted on the need to link old and new organisations and explained that ADA itself has made of its collaboration with Eastern European donors one of its priorities. She underlined that the Network can and should also be a place for such cooperation. **Mr Zeiner then gave a brief introduction to the meeting**, recalling the motives and the history of the network, its objectives and organisation and mentioning the first outcomes so far.

#### **The way to Accra and beyond: Key note speech by Mr Jan Cedergren** (ppt presentation available on the website)

Mr Cedergren's presentation was structured along the following lines: he first reminded the participants of what the Paris declaration is about, notably how it implies a change in mentalities and methods; he then gave some indications on the Accra High Level Forum of September 2008 and underlined the importance of the preparation process. Further, he highlighted some of the main challenges ahead: dealing with the "new donors" (how to create space for them when we harmonise or coordinate between donors), developing programme-based approaches (not only as budget support, but also as sector support or even project financing), measuring the risks of PBAs, measuring impacts in order to develop results orientation, reforming our way of providing technical assistance (more demand driven, untying TA...), creating incentives in our organisations to implement the Paris declaration principles. Finally, Mr Cedergren gave its point of view of what can be the role of practitioners in the Accra process: transmission of good practice, bridging the gap between the political level and the field, providing the politicians with a long term vision, refraining them from the temptation of always creating new institutions instead of using the existing ones...

In the subsequent debate, it appeared for instance that there are not enough incentives to harmonise or coordinate with other donors in our organisations. In the country offices, the transaction costs are often perceived as too high. In the case of EDFI and the EFP mechanism, the participating organisations have come to a stage where it is time-saving to rely on another organisation's work.

#### **Input note by Luc Bagur** (ppt presentation available on the website) **and debate on co-financing**

Mr Bagur presented the Commission's principles for delegated cooperation, both where the EC receives funds from a bilateral organisation and where it delegates funds to a Member State's organisation.

The panellists were then invited to comment on Mr Bagur's intervention and to expose their own organisation's experience and positioning on co-financing. **Ms Barton (DFID)** stressed that within the Nordic+ group, increased progress has been made on joint planning and joint donor offices, but that more has to be done on co-financing. She announced DFID's intention to apply for the necessary



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assessment procedures (in the framework of the Indirect Centralised Management mode) by the EC. She further indicated that the draft of the new DFID European strategy was at the participants' disposal and that comments would be welcome.

**Mr Charpentier (AFD)** noted that it is time to develop co-financing, having now the Commission's legal instruments and trust funds and the EU Code of Conduct on Division of Labour. He indicated that AFD's current strategic plan fixes a target of 60% of approved operations to be co-financed until 2012 (?), he mentioned its experience of co-financing with other donors (KfW, DFID) and the EDFI experience with the EFP mechanism. He also pointed out some recent AFD initiatives such as a survey in country offices about the status of implementation of the Code of Conduct, the dissemination of a guide on cofinancing with the Commission and AFD's work with KfW on mutual recognition of procedures. Figuring out some further steps for cofinancing, he recommended to progress towards mutual recognition of procedures and to consider the interest of mixing different instruments (such as loans and grants).

**Mr Cho (SlovakAid)** pointed out the difficulties faced by a small donor. The Commission's procedures are perceived as too complicated to enable a small country to enter into co-financing. SlovakAid is rather looking for cooperation with small agencies like ADA. He stressed that even with small amounts of aid (SlovakAid budget for 2008 is € 5.5 million), it is possible to be more efficient and visible than some big donors (e.g. on Western Balkans where Slovak Aid has a comparative advantage).

**Mr García** explained that on the one hand **AECID** was still in the middle of a deep institutional reform. It has to manage a strongly increased budget (€ 970 million for this year). On the other hand, there is an increased demand for quality. Cooperating with European partner organisations is considered as a means of achieving this, but AECID first has to complete its procedural changes. A co-financing programme is on-going with GTZ, possible common action is being considered with AFD and a MoU on exchange of information has been recently signed with the Portuguese counterpart.

**Ms Kampmann (GTZ)** underlined that we should be optimistic: we already have some positive experience, there is a donor coordination in a number of sectors and countries. However, she pointed out some challenges. In particular, we have to be aware of and take into account the point of view of non DAC donors (notably the south-south relationship), we have to learn and be more flexible.

**Ineke van de Pol (Minbuza, NL)** pointed out some of the sectors or issues where it is difficult to find financing, such as human rights and gender. The Minbuza, having observed a decline in worldwide financing of gender equalities, has decided to launch a vertical fund. Furthermore, Ms van de Pol warned that, while having a demand driven approach, we should examine how the demand from partner countries is taken into account and if women are involved in that demand.

Luc Bagur agreed on the complexity of the Commission's procedures and documents, but indicated that the Commission's rules are decided by the MS. He urged the practitioners to help EuropeAid convince the finance ministers and the permanent representations that the rules should be simplified.

Equally, focussing on priority countries is a very political decision. Whether the Commission has to concentrate on a fewer number of countries, has to be decided in close cooperation with the Member States. This goes along with joint European strategies, which are responses to the mandates. If regional strategies do not include the European bilateral donors, then Aidco alone has to cover the whole mandate i.e. to be present in all EU partner countries.

Following a remark by Mr Bellot (AFD), Mr Engel, the moderator, asked whether it would promote co-financing if all organisations received the green light from the Commission. Although Mr Charpentier felt confident that we could easily trust each other for identified parts of our project cycles, other participants



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expressed some scepticism. Ms Kampmann pointed out the problem of management fee acceptance with the Nordic + group of donors. In any case, mutual trust would be the main driver. However, mutual recognition was considered by most participants as more realistic than harmonisation of procedures.

Representatives of small donors underlined that the rules set by the Commission are for large donors. Delegated cooperation is supposed to be reserved to large programmes. All participants agreed upon the need to try and articulate the interventions of both small and large donors. Organisations from Eastern countries can bring in a specific experience, such as dealing with the EU external assistance in a transition period.

Mr Cedergren acknowledged the difficulties of working together but encouraged the participants to look at the reasons for doing it, notably reducing the burden for partner countries, and to consider that lots of things have already been done.

Mr de Cazotte (AFD) suggested some concrete steps such as implementing a statistical monitoring of co-financed projects/programmes, establishing common offices, training of new donor organisations by bigger ones or implementing staff exchanges. He reminded that one overall objective is to create European visibility and considered that we should communicate on what has already been done. The participants gave a number of examples of programmes where cooperation between two or more European organisation has given way to cost savings or greater coherence.

Questioned about what they consider as major challenges for tomorrow, the panellists mentioned the implementation of the principles of division of labour beyond the EU, valuing the small and new EU donors' contribution, broadening the scope of capacity development and peer (south-south) learning, financing local entities/administrations within partner countries, self-assessing comparative advantage and convincing our staff that delegated cooperation may imply more work, but produce better results.

In conclusion, Mr Engel insisted on the importance of finding concrete incentives within our organisations for working together with other donors. He recalled the importance of the role of the partner country and of checking that there is true ownership (is it just the government or the MoF, is there a broader demand and real needs). He finally questioned if we have done enough to publish our different positive experiences.

### 22 April

**Mr Zeiner** briefly summarised the first day. He pointed out some important issues that were raised in the panel discussion and would need to be followed-up by practitioners in the Network:

- Ownership: How is Ownership constructed in partner countries and how do practitioners understand it? Is the civil society, are women, adequately involved?
- Incentives: What are the incentives that should be used to promote the Aid Effectiveness Agenda?
- Visibility of best practices: Are we doing enough to make best practices of cooperation visible and build on them within the Network?
- Flexible approaches: different partner countries, different organisational and financial capacities and structures of network member need flexible approaches
- New EU MS: How to use their special knowledge and expertise, how to support them (Capacity Development)?

**Mr Gauges (KfW)** introduced the presentation of the charter, which would have to be approved by the participants, and announced that KfW decided to provide support for the secretariat by dedicating parts of Mr Mauduit's time to this task.



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**Mr Schoen (KfW)** summarised the content of the charter. Following a question on the purposes of working groups, it was agreed that things should be kept flexible and that each WG has to decide what its output and outcomes are. The Participants approved the charter, with the agreement that, under "Membership", it should be made clearer that participants with purely commercial purpose cannot be members.

**Mr de Cazotte** presented a new draft leaflet prepared by AFD and welcomed suggestions and comments. Once the final draft will be ready, AFD will print a number of units (to be determined with the secretariat) and will send the pdf file to all members.

Further, Mr de Cazotte introduced the theme of the forthcoming European Development Days, in view of the preparation of the Network's side event. The subject being "local governance and MDGs", he suggested to invite one or two heads of local authorities to express their needs, in order to show what answers and what complementarities our institutions can provide. The idea has to be debated and further elaborated.

### Reports from break-out groups

Following the break-out group meetings (individual reports to be found on the website), each working group leader made a summary of the debates and conclusions from the session.

The **WG on Division of Labour and Modes of Delivery** put forward a set of suggestions:

- The Commission could ask the delegations to report on the implementation of DoL, in order to get a clearer picture from the field and some recommendations on further steps, which can be different from one country to another. Ideally, we would expect joint reports from the delegations and the MS. The lack of involvement by the partner country should not be an excuse for not doing more in this respect.
- A comprehensive mapping of who is doing what in each partner country is necessary. Existing information should be completed accordingly.
- Clarification of some concepts is expected (such as how to define a comparative advantage), which could be provided in the toolkit announced by Aidco.

The next step could be to organise the last Technical Seminar to be organised by the CE before summer on the preparation of the Accra High Level Meeting and the working group jointly. After Accra, the WG can probably take over the momentum created by the technical seminars. However, a new meeting of the WG alone does also make sense when the Aidco toolkit will be ready and when reports from the field will have been collected.

The **WG on climate change, energy efficiency and renewable energies** was once again joined by only a small number of interested organisations. However, AECID expressed its interest in joining the group. It was agreed to redefine the group into a "thematic" rather than "working" group, meaning that it will be expected to be a facilitator rather than a direct producer of technical outputs. Its mission would be to identify and select topics, and try to gather the relevant people to work on them, for example: climate proofing of projects, what are relevant indicators and methodologies. If there is an interest from member organisations, the WG would organise a workshop further to which a working group could continue if necessary. The objective would be to organise 2 workshops per year. However, Mr Werner insisted on the necessity that participants advertise the network within their organisations.

The **WG**, originally called "ex-Ante Quality Assurance" was renamed into **quality management** because it was felt that one could not deal with the issue of quality without having an overview of quality at all stages of the project cycle. The WG would be able to create task forces dedicated to specific topics, starting with ex-ante quality. Further recommendations and conclusions were that:



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- Have everything under the one umbrella meaning that it will build on the work already done, in particular by the DAC
- Objectives are not to harmonise but rather exchange information on best practice. Learning from each other will finally lead to greater coherence.
- The WG will not only be looking at best practices within network but also outside the EU (such as World Bank)
- The website should offer an effective working space to store documents and to place a forum. The WG will start by determining the filing structure to make documents easily accessible to WG members. It is also proposed to revisit the ToR, following the discussion. Finally, WG members are invited to provide feedback on the draft work programme provided by Aidco.

Concerning the **WG on institutional development and human resources**, there was a common understanding that emphasis should be placed on HR, because participants felt there was a real need for exchange of information in this domain. This WG should also be used as a facilitator for demands on training, HR development in new member states and other HR related topics. Initially, the WG could deal with generalist or specialised subjects on a case by case basis. The next step will be to organise a new seminar of the WG.

The breakout **group on Civil society development**, led by Mr de Cazotte, included 7 interested institutions from 6 different countries. It was agreed to launch a new WG on this theme. It will concentrate on operational coordination with, and support to civil society organisations: how do we help civil society organisations from the South, how to coordinate with NGOs from the North, how to adapt our tools, the role of civil society organisations in SWAPs or BS.

In the subsequent discussions, it was made clear that duplication of efforts should be avoided at different levels:

- we have to co-ordinate with other networks, especially Train4Dev and EUNIDA
- before creating new skills, we should ask ourselves if this will not duplicate skills that other donors have already developed and if that duplication is opportune
- the cost of developing certain methodologies such as quality valuation is very high. Working group should enable small institutions to have access to those methodologies.

Further, it was considered that all working groups should have clear commitments and terms of reference which will be posted on the website.

The conclusion was that the overall aim of the Network is to create relationship and that it takes time. Participants were encouraged to go on making progress step by step, slowly but surely.

### The way forward

**Mr Jelinek** made a short presentation (available on the website) containing proposals for future discussion. He announced that the next annual meeting would be hosted by the Czech Development Agency in Prague.