



## **Report from the Annual Meeting of the Practitioners' Network for European Development Cooperation**

**Prag, the 12<sup>th</sup> and 13<sup>th</sup> of May, 2009**

The annual meeting of the Practitioners' Network for European Development Cooperation was attended by more than 40 participants from 14 European development organisations.

The **opening speech by Mr Karfik, Director for Development Cooperation at the Czech MFA**, demonstrated the willingness of the Czech Government to support CzDA involvement in the Network and its commitment to implementing the principles of the Paris declaration, the Accra Agenda for Action and the European Code of conduct on division of labour.

***“The global crisis: What challenges lie ahead of us,  
what implications on our priorities and operating methods?”***

(Keynote speech by Mr Kurt Bayer, Director, EBRD and panel discussion)

After mentioning some of the main consequences of the global crisis for developing and emerging countries in terms of financial flows and poverty increase, Mr Bayer mentioned some of the measures and initiatives already taken by multinational and regional development banks. More importantly, he advocated a change in our development models, which should focus more on mobilising partner countries' own financial resources and at fostering an SME-driven growth, based on the development of regional markets, than on international trade. As a consequence, the role of development agencies should be to support SME development and transition from the informal to the official sector, to help develop local, national and regional value chains, but also to support NGOs and country-led strategy formulation through technical cooperation and capacity building.

The panellists (Ms Elcarte of AECID, Mr Smith of DFID, Mr Moineville of AFD and Mr Ottolenghi of the EIB) broadly shared Mr Bayer's analysis and recommendations and added some comments from the point of view of their respective organisations. Among remarks and ideas shared, were the following:

- The problems we are facing in developing countries are not completely new, and the underlying fundamentals for growth remain unchanged, but what is new with the crisis is its depth and the urgency. Our institutions are usually slow, we have procedures, but now we must be able to respond more rapidly..
- The crisis prompts us to be more effective, to speed up implementation of the Paris Declaration, donor coordination and division of labour, to develop reporting on development results, etc. But, for this to happen incentives should be created within our institutions.
- Partner countries are expecting support to revenue generating activities at well as social sectors.
- The development agencies and development finance institutions today have an obvious counter-cyclical role to play. They have to fulfil functions that the market does not, such as providing or facilitating local currency lending.
- As revenues from exports are going to decrease, we may have to emphasise support to some specific sectors such as food production, urban infrastructure, etc.
- DFIs may have to widen their financing criteria, e.g. by
  - providing finance to SMEs not only for capital expenditure, but also for overheads,
  - financing heavy maintenance of infrastructures.

- To support local growth, the action of donors will also be much needed in sectors such as public infrastructure, social protection, capacity development, and generally helping partner states better service their population.
- Establishing partnerships between development actors will be crucial.
- The recovery should be global, green and shared. Indeed, growth will be coming from the emerging and developing economies. In addition, the environmental challenge we are facing can be seen as an opportunity to link North and South in a common effort.
- Although there is more pressure for results in a crisis situation, donors need to keep supporting long term development processes. They should then develop means to show intermediate results.

Concerning the idea of privileging the regional dimension, it was felt necessary to distinguish two types of regional programs: support to regional integration on the one side, where some scepticism was expressed, due to lack of ownership in many cases, and regional focus of projects and programmes on the other side. For a number of issues, the regional dimension is relevant, such as economic infrastructure. Also, a lot of natural resources are regional (water, fish, energy etc.) and there is a need to organise a regional management and regional markets if we want to avoid conflicts.

In addition, participants expressed some concern about the evolution of ODA, with the recession in OECD countries putting budgets under pressure. In this period, it will be of great importance to gain broad support in our countries for development aid, and therefore, public opinion should be made aware of the close links that exist between what happens in the South and in the North with the consequences of financial shortage, poverty, climate change, unsustainable development models etc.

Participants also felt the need to communicate about the European dimension, the rationale for a European development cooperation.

### **Options for the Future of the Network** (plenary session, 12 May)

Mr Gauges reported from an informal meeting that took place between directors of Network members that a consensus clearly emerged about the need for a permanent secretariat. In addition, most directors could already indicate the readiness --in principle— of their institution to make the necessary financial contribution.

This derives from what we want in our Network, which goes beyond the implementation of political commitments. We also want to have influence on our politicians so that they make decisions based on solid evidence and rigorous analysis that we can provide. We want to propose initiatives for collaboration with each other in a flexible way, we want more effective communication between members, and we want the network to be more efficient.

The need was felt to define a clear and detailed agenda for the year to come, so as to fit and evaluate the secretariat accordingly. Some of the ideas expressed were the following:

- Growth of the Network is an objective as such
- The process is as important as the results: that is, the network fulfils certain needs (exchange, space to consider joint ventures, etc.) that may not be quantifiable as results.
- It is necessary to increase the sharing of ideas and proposals between agencies, including specific initiatives such as responses to the crisis
- It would be useful to prepare a communication tool to explain how working together between Europeans brings added value
- Each member institution should communicate more systematically on what they are doing which is of relevance to the network.
- It might be useful to organise a meeting at high-management level

## Workshops

On 13 May, workshops gathered participants around various subjects of common interest with practical implications. This report only provides a quick overview of conclusions. A dedicated report/summary will be available for each workshop.

### ***Division of Labour***

1<sup>st</sup> session: Follow-up on the conclusions of the working group meeting on March 17 in Brussels, notably:

- Participants expressed interest in having a global overview of the present activities of delegated cooperation and the ones in the pipeline or under discussion. The working group should create a “market place for co-financing” by putting available information on the Network’s website in a transparent way
- Participants would be interested in an inventory of legal challenges they face with the EuropeAid templates for delegated cooperation. A meeting of legal services of EuropeAid together with the bilateral agencies could be organised.
- Practitioners should use as far as possible EuropeAid’s audits of bilateral donors’ procedures for their own assessment of other European donor organisations (mutual recognition of procedures) in order to avoid a multiplication of audits and assessments.
- Fast Track Initiative: discussions on division of labour / code of conduct should be held at field level. EuropeAid will distribute information on the workshop in Ethiopia.
- Communicate on 4 additional EU objectives which the EU agreed at the 3<sup>rd</sup> High Level Forum in Paris, 2005

2<sup>nd</sup> session: presentation of the “Transparent Aid” platform.

The EC Joint Research Centre presented the TR-AID project, whose first objective is to support sharing of information across major international donors with the aim to using aid funds most effectively. TR-AID will be more up-to-date, forward looking and will include more details than current aid databases like the OECD/DAC’s. It could become a tool for division of labour by providing time series of data on donor involvement in countries and sectors. The system now needs to receive data from the donor databases to become fully operational.

⇒ Network Members will check how they would be able to provide data to TR-AID. EuropeAid is in the process of doing this and can be consulted for any further questions.

### ***Quality Management (Joint Monitoring)***

Results from the January Seminar and work done in the meantime to gather information on existing monitoring systems were presented. Participants agreed to have another seminar in September or October.

### ***Human Resources***

Two proposals were made :

- Implementation of a flexible, à la carte staff exchange and staff secondment programme between European practitioners for periods of 1 or 2 weeks (or more). This could be an objective of the Network for 2009.
- Elaboration of a joint AFD/InWent proposal of a 2 or 3 day training programme designed for new European donors (notably new member state agencies). First proposal to be presented on or before the EDD.

### ***Climate Change, Energy Efficiency and Renewable Energies***

Thematic group activities and the summary results of the two workshops organized by the TG in 2008/2009 were briefly presented. This was followed by a discussion of possible topics/areas of interest, which could be covered in the context of the two workshops the TG intends to organize during the upcoming period 2009/2010. Most participants expressed their interest in the topic “Exchange on experiences related to the integration of CDM into development cooperation.”

### **Civil Society**

After discussion of the terms of reference and a presentation by SIDA on DAC-related Reference Group on Civil Society, it was decided not to formally establish a thematic group on this subject within the Network.

However, there was an agreement to keep the issue as an open subject. It could be envisaged to organise one workshop for practitioners to exchange where we are in terms of relationship with CSO, what are our instruments etc.

### **Closing session:** (final plenary, 13 May)

Michal Prochazka (CzDA) reminded participants of what has been achieved so far within the network, upon which further collaboration can be developed, and hinted at the further steps and proposals that have been initiated within the thematic workshops.

Finally, Miriam Álvarez de la Rosa (representing AECID) thanked the Czech agency for having successfully organised the annual meeting, valued the contents of discussions which have taken place and summarised the first priorities for AECID as new President of the Network : to shape a new Secretariat according to the option which will be chosen by the majority and to organise a “parallel event” during the European Development Days.

Participants will be invited next year in Madrid to the forthcoming annual meeting of the Network.