



## PRACTITIONERS' NETWORK FOR EUROPEAN DEVELOPMENT COOPERATION

### Lunch for Directors and senior personnel at the 2009 European Development Days, Stockholm: 22 October

#### Attendees

*Please see attached spreadsheet*

1. The Practitioners Network for European Development Cooperation hosted a lunch for Directors and/or senior personnel of Network members (and also potential future members) on 22 October at the European Development Days in Stockholm. The agenda was divided between a *tour de table* to provide an indication of financial commitments by members for the funding of the Network's future permanent Coordinator position; and then a discussion on Delegated Cooperation which featured a key note oral presentation by Koos Richelle (Director General, EuropeAid).

2. The lunch was chaired by the current Presidency of the Network AECID. DFID sponsored this event in its capacity as the future Presidency of the Network with effect from May 2010.

#### 1) Network Secretariat Arrangements

3. AECID welcomed the participants to the lunch including several representatives of actors that are not yet full time members of the Network (i.e., EIB, SIDA, Portugal). AECID recalled that the Network has much expanded in terms of programme and members since its origins in 2007 and noted that there was a strong momentum to develop the Network further. Up to now KfW has generously funded the provision of a Secretariat for the Network and, as a result, the Network has greatly benefited from the appointment of Mr Benoit Mauduit (of AFD but seconded to KfW) as Secretary. However (as agreed) this appointment and financial arrangement will end in May 2010 and the Network now needs to think about how to manage secretarial and coordination arrangements after this date.

4. The basis for future arrangements for the Secretariat were set out in the attached papers prepared by Mr Mauduit and endorsed by the Network Core Group. In essence it has been agreed that the Network will engage a permanent Coordinator (on a half time basis) to be located in the AFD/KfW multi stakeholder office in Brussels. Funding for the position will be provided from a Network membership fee to be levied at the rate of € 15,000 per annum for the more established practitioners and at € 3,000 per annum for newer or (currently) less established practitioners. The initial commitment will be for two years.

5. The following practitioners pledged a financial commitment, or potential interest in joining the Network and/or providing a financial commitment pursuant to internal discussions.

Practitioner	Pledge ( in euros)
ADA	3,000
AECID	15,000
AFD	15,000
BTC	In principle, but level of contribution to be agreed internally
CzDA	3,000 in principle but pending successful passage of development legislation:- currently in second reading of Parliament.
DFID	15,000 but plea for no legally binding MoU
EIB	Considering membership.
EuropeAid	15,000
GTZ	15,000
InWent	3,000
IPAD (Portugal)	Considering membership. Level of any contribution to be agreed internally
KfW	15,000
Lux-Development	3,000
Polish Aid	Agreement in principle but feasibility and level of any contribution to be checked internally
SIDA	Considering membership. Level of any contribution to be agreed internally
SlovakAid	No objection in principle to participate but membership to the Network was initiated by a predecessor and renewed commitment has to be discussed internally first
<b>Total</b>	<b>99,000 firm commitments</b> , plus CzDA subject to confirmation

6. KfW announced at the lunch that they would be willing to take on the role of manager of the new Coordinator position (within the joint KfW and AFD office in Brussels). KfW will therefore open and administer a common account for the receipt of the pledged contributions by current and potential Network members.

## 2) Delegated Cooperation

7. The second half of the lunch was dedicated to the subject of Delegated Co-operation (therefore following on from the meeting in Brussels on 16 October of the Network's thematic group on Division of Labour and Aid Modalities). Mr Koos Richelle (Director General, EC EuropeAid) gave the keynote oral presentation.

8. Koos Richelle began with an overview of progress so far on Delegated Co-operation. Nine development agencies/ministries were now accredited by the Commission for management of EC funds and another seven agencies/ministries were currently undergoing assessment. EuropeAid has made the decision to deal only with agencies/ministries that are wholly focused on development (i.e., not ministries dealing with development-relevant sectors such as Environment). The assessment process was the same for all agencies based on standardised terms of reference. Currently On the one hand, some €215 million of delegated activities (from the European Commission to Member States) are foreseen, a few of them being already formalised by Delegation Agreements. On the other hand, the foreseen transfers from Member States to the European Commission share amount to about €121 million.

9. EuropeAid has the following concerns or questions about Delegated Co-operation:

- **Reciprocity.** The Commission would like to see one euro from Member States matched to every two euros of from the Commission. EuropeAid does not want to see a 're-nationalisation' of funds via Delegated Co-operation.
- **Size of the commitments.** So far the process has involved relatively small amounts, except for one project delegated by AFD to the Commission. This involves a lot of bureaucracy for limited expenditure and does not really contribute to Division of Labour.
- **Decentralised management** (ie. use of country systems). This could be problematic for the Commission if it is not involved in the assessment of recipient country financial and public administration systems because under current regulations the Commission is responsible for end use of any funds.
- Linked to the above how can we share **Risk**?
- How could co- financing be applied to fragile states?
- How to avoid co financing being used to **reduce funding** by Member States in certain recipient countries?
- Not much evidence of genuine interest or **ownership** of Delegated Co-operation and Division of Labour within recipient countries.

10. However (notwithstanding the above points) it should be recognised that Delegated Co-operation is still a policy area that is in development.

11. Lunch recipients were invited by AECID to respond:

- AFD felt that Delegated Co-operation was a mechanism for working together rather than a 're-nationalisation' of aid. Co Financing and Division of Labour should be based on the best mixture of money and competencies. But we need to decide on whether we can cooperate (via Delegated Co-operation) on a large scale.
- ADA has been accredited by the European Commission and is undertaking its first delegated co-financing activities. A central issue must be the willingness to use country or regional systems.
- DFID is currently undergoing the assessment process. We would like the principle of Delegated Co-operation to succeed and want to be able to channel funds through the EC (and *vice versa*). Within the next five years we should aim to do this as much as we currently do with the World Bank. DFID perceives the 're-Europeanisation' rather than 're-nationalisation' of aid as the goal, and a legitimate part of an exit from a bilateral relationship.
- AECID felt that Delegated Cooperation was a big challenge for all but that it was also an area of opportunity to move forward on. There were two big questions: how to engage with countries that were unenthusiastic about division of labour; and how to assess the success of co-financed projects.
- KfW felt that we should recognise that Delegated Co-operation and Division of Labour involved political as well as pragmatic decisions. The German Parliament will debate Delegated Cooperation within the overall framework of external relations.

- At the end of the discussion DFID noted that we still needed to ensure ownership of Division of Labour within recipient countries. For instance Ethiopia appeared to be ambivalent about Division of Labour in spite of its status as a 'fast track' country. Ghana was more promising and it was good to have other potential Fast Track countries.

12. In partial response to some of these points Mr Richelle was able to provide some additional information and/or thoughts.

- EuropeAid will inform the Practitioners Network immediately of any amendments to current financial regulations that may simplify Delegated Co-operation.
- Current EC financial regulations do not permit the opening of Trust Funds.
- The European Commission is accountable to the European Court of Auditors and the European Parliament. It will be necessary to review delegated co-financing activities (including an assessment of partners), but probably not for 3 to 4 years.
- Mr Richelle, as co-chair of the DAC-Aid effectiveness Working Party, is hoping to target nine or ten countries as pilots for aid effectiveness, division of labour and co-financing (Ghana was highlighted).
- The Council of Ministers will be informed by the Commission of the current fragmentation of Aidco-financing and Division of Labour activities. The Spanish Presidency has agreed to take forward any follow-up and in particular "cross-country" Division of Labour.
- We should look for a 'European face' rather than 'national face' for external assistance.

13. AECID concluded the lunch and thanked the participants for their pledges of financial commitments to the Network.

#### Next Steps

14. The Network Secretary (Mr Benoit Mauduit) will now draft an exchange of letters for consideration by Network members as a vehicle for transmitting funds to KfW (in their capacity as managers of the new Coordinator position). Mr Mauduit will also inform Network members about the process agreed by the Network Core Group for recruiting the Coordinator.

Simon Williams  
Policy Officer

Europe Department  
UK Department for International Development

## Practitioners' Network Directors' Meeting - 22 October 2009

**List of participants**

Organisation	Participant	Function
ADA	Ms. Emb. Brigitte Öppinger-Walchshofer	Managing Director
	Mr. Robert Zeiner	Director Programmes and Projects International
AECID	Ms. Soraya Rodríguez	State Secretary for International Cooperation and President of AECID
	Mr Fernando Fernandez-Aguayo	Director of cabinet
AFD	Mr. Jean-Michel Debrat	Deputy Director General
	Mr. Henry de Cazotte	Director of External Relations and Communication
BTC	Ms Regine Debrabandere	International Coordinator
CzDA	Mr. Michal Pastvinský	Director
	Mr. Martin Náprstek	Deputy Director
DFID	Ms Tamsyn Barton	Head, Europe Department
	Mr. Simon Williams	Policy Officer - European Union Department
EIB	Mr. Martin Curwen	Director General, Operations outside the EU & Candidate Countries
EuropeAid	Mr. Koos Richelle	Director-General
	Mr. Luc Bagur	Head of Unit
GTZ	Mr. Bernd Eisenblätter	Managing Director
	Ms. Martina Kampmann	Director Global Partnerships
INWENT	Mr. Dr. Sebastian Paust	Managing Director
	Ms. Carola Donner-Reichle	Head of Division Social Development
IPAD	Mr. Augusto Manuel Correia	President
KfW	Mr. Norbert Kloppenburg	Managing Director
	Mr. Michael Wehinger	Head of Policy Department
Lux-Development	Mr. Gaston Schwartz	Managing Director
Polish Aid	Mr. Marek Ziókowski	Director
SIDA	Mr. Nils-Olof Malmer	Chief Controller, Quality Team Director, Corporate Management
SlovakAid	Ms. Eva Kolesárová	Director
KfW	Mr Benoît Mauduit	Secretary of the Practitioners' Network