



DG INTPA and PN Annual Inclusiveness Event

Effective partnerships between European implementers and Development Finance Institutions (DFIs):
bridging the financing gap in developing countries

Outcome Document

OPENING PLENARY

- In order to make the European Union (EU) cooperation more effective and maximise its impact, there is a need to work better together as Team Europe (TE) in the context of the Global Gateway (GG).
- The TE approach is an opportunity to **combine the most appropriate mix of modalities and instruments** maintain EU member States (EUMS) ownership and make the best use of respective comparative advantages.
- **Transparency** and awareness about what everyone needs and can contribute are key to building partnerships, even more so in complex contexts – it creates opportunities for cooperation.
- We need to learn how to manage **complexity**, making sure we do not eliminate **diversity**.
- There is no need to do everything together - **coordination has an opportunity cost**. We should ensure complementarities as a starting point and aim for enhanced coordination when opportunity costs allow it but always with efficiency.
- We are not working *for* developing countries but *with* them (emphasising mutual learning and shared global challenges), by establishing **partnerships**. 'Working with' (and not 'for') and in partner countries requires greater attention to dialogue and local ownership.

RECOMMENDATIONS GATHERED DURING THE THEMATIC SESSION

These recommendations were identified by the participants of the event after the presentation of eight (8) different examples of coordination between DFIs, MSOs, EC, and public development banks. The participants were asked to exchange based on guiding questions on the ambitions, good practices and challenges encountered in the design and implementation of the joint programs presented.

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Foster greater collaboration between technical cooperation and financial providers during programming, implementation, monitoring and evaluation phases.

At the institutional level:

- Consider setting an explicit mandate for coordination.
- Share information on respective competencies and responsibilities.
- Embrace peer learning to get to know each other better.
- Set harmonised or common methodology and standards.
- Establish harmonised or common goals and indicators.
- Consider short-term staff exchanges/secondment between partner institutions.

At the country / field level:

- Enhance local presence by using existing networks or developing new networks (where appropriate).
- Address systemic issues (e.g., market development) of partner countries in a holistic manner.
- Conduct joint analyses of a country's situation and needs (e.g., country priorities).
- Identify financing gaps based on Integrated National Financing Frameworks (INFFs).
- Include different national/local stakeholders (e.g., government, CSOs, LAs, and the private sector) in both processes.
- Uses existing governance and management structures of Team Europe Initiatives (TEIs) (where appropriate).

The added value of technical and financial cooperation working together is:

- To improve the feasibility, social and political sustainability of investments.
- To enhance the inclusiveness and participation of all actors (regardless of their organisation's size, etc.).
- To strengthen the capacities and expertise of stakeholders.
- To reduce transaction costs and enhance transformational impact.



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- To develop “public policy roadmaps” and improve regulatory / policy frameworks.

CLOSING PLENARY AND CONCLUSIONS

Key bottlenecks to address:

- Implementing agencies, financial institutions, EU institutions, and development banks, **have different internal cultures and speak different languages**. Recognising and understanding these differences is challenging, but important.
- Although there is an emerging European Cooperation System, EU development cooperation is still **highly fragmented**. There is still some competition instead of coordination among EU Member States and institutions.
- The potential of Technical Assistance in facilitating policy dialogues, especially in the context of Team Europe Initiatives, is **not yet fully exploited**.

What can we do about it?

- Willingness to understand each other is key.
- Promote multistakeholder partnerships and not only bilateral ones.
- While the diversity and rich variety of actors may be beneficial to broaden the offer, unnecessary competition among actors should be avoided and complementarities strengthened. Expertise should be leveraged to achieve something new and better, while aligning and orienting our action towards partners' needs.
- Prioritising country ownership and leveraging country systems (or building capacity where there is not) is key. South-South cooperation should be promoted.
- Consider more systematically ‘Team Europe’ as a rallying point and branding approach for collective actions of EU Member States and institutions.
- Respond to people's growing needs, in addition to global shocks, as well as poverty, digital and gender gaps, forced displacement in several partner countries vs. declining budgets (decline in regular ODA). This calls for more effective collaboration.
- Identify what each actor does best, building on their respective comparative advantage. Coordination requires thinking and acting like a team, thinking upstream, designing together, implementing together, avoiding duplication, and overlapping among EU actors. For efficiency purpose, the European Commission has a facilitating role in this coordination mechanism.



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- Frame actions as “collective contribution to outcomes” and less as “attribution of inputs.”
- Address legal and administrative heterogeneity (e.g., common rules for procurement.)