

Practitioners' Network Views and Suggestions # 2

Reflecting upon Joint Implementation

January 2017

The Practitioners' Network aims to strengthen cooperation, links and complementarity between European development players with a public service mission, creating opportunities for cooperation and synergies at the implementation level. It enables the exchange of information and experience between practitioners and provides feedback on European development policies from a practitioner's perspective, while enhancing the visibility of its Members. The *Views and Suggestions Series* results from the work and collective reflection of the Members on the Practitioners' Network strategic priorities. It reflects common views in a concise format for dissemination towards EU Institutions and an extended audience.

For more information: <http://www.dev-practitioners.eu/>

Introduction

Building from earlier work with a draft concept note entitled *Working Together: Cooperation and Coordination in Implementation - A challenging yet rewarding dynamic for more effective development* (December 2014), this note results from a collective reflection of the Practitioners' Network (PN) Members in views of the CEO Summit that took place in Brussels (November 8, 2016, Brussels). The Summit resulted in the adoption of the PN Declaration on Joint Implementation committing to enhancing the quality of joint implementation between the EU and the members of the PN. This note sheds light on a few preliminary considerations. It recalls the current European context in which to operate and it highlights how to move forward on major challenges. The PN Members have committed to a timeline to take this work forward and calls upon the European Commission to engage accordingly (first phase: November 2016 – May 2017).

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1. Context

The new European Consensus, Agenda 2030 and the Sustainable Development Goals present an ambitious development policy framework for the European Union. European national development cooperation organisations are instrumental in achieving the implementation of these ambitions in response to partners' expectations.

The European Institutions promote measures to increase the effectiveness of European development cooperation, and Joint Implementation has emerged as an important element of this agenda. Council conclusions on Stepping up Joint Programming, adopted on 12 May 2016, acknowledge the benefits

of joint implementation, calling on the European Commission and the EEAS to encourage the voluntary joint implementation initiatives of EU Member States, with a specific reference to the experience of Member State agencies. Joint implementation between multiple organisations is complex and the burden is on European national development cooperation organisations and their national authorities to find practical solutions to challenges ahead. The revision of the European Consensus on Development provides the Practitioners' Network (PN) with the opportunity to contribute to **defining the principles and parameters of Joint Implementation** and to offer **recommendations to the European Institutions on how to create an enabling environment for European organisations to effectively and efficiently implement the European development agenda**, in the framework of the Agenda 2030. On 8 November 2016, the Chief Executives of the PN Members made a joint Declaration, addressed to the European Commission, committing to work together and with the European Institutions to further the potential of Joint Implementation. Below are some preliminary considerations made by the PN which it will further explore in the coming months.

2. Some Principles of Joint Implementation

The PN considers that Joint Implementation refers to the combined effort of European countries and EU Institutions to address increasingly global challenges of climate change, peace, security and sustainable development, on a voluntary basis. It is underpinned by a political commitment which fosters a partnership of trust between European national organisations, and with the EU. It requires the will of relevant authorities, in both Europe and partner countries, and must be financially viable. It has to demonstrate the clear added value of European expertise, including drawing upon public and private sector expertise, and combining our bilateral political influence. It is built around the enhanced cost effectiveness of combining resources, both financial and human, to optimise results achieved. The conditions for effective joint implementation are based on local demand and improved by joint planning, starting early on at the identification of the action with the analysis of the local demand and following all the way through, feeding back into the following programming exercise.

3. Enhancing the Joint Implementation Environment

The Council Conclusions of May related to stepping up Joint Programming call upon the Commission services and EEAS to focus their attention on joint implementation in terms of defining its meaning and modalities to effectively take it forward. The Practitioners Network is currently composed of 14 organisations from 12 Member States. Given that it includes both financial and technical organisations that are already successfully engaged in Joint Implementation, the PN is in a strong position to contribute to the discussion and propose direction on the subject.

PN, particularly the working groups on “Effective Partnerships” and “Crisis, Fragility and Migration”, explore, among other things, experience in joint implementation and ways of strengthening mutual knowledge and understanding in order to enhance existing coordination practices and develop others.

Many joint implementation programmes have already been realised or are in progress, and these reap the benefits of greater aid effectiveness, demonstrate the clear comparative advantage of European expertise and enhanced European visibility.

The process, however, is complex and the PN would divide it into the following challenging areas:

a) Between Members of the PN – Members already work together and whilst we recognise there are some shortcomings, we are committed to optimising the potential of Joint Implementation:

- i) As mentioned above, PN Members have already worked together in joint implementation activities and there is much to be learned from these actions. The PN will review these cases and draw from them the lessons learned on good practices. We will formulate concrete recommendations on the way we can improve the enabling environment to optimise joint implementation and define modalities for it.
- ii) Whilst much binds us as peers in terms of operational objectives and ultimate goals, we are structured and mandated differently which inevitably complicates the creation of a common framework within which to cooperate. This often leads to lengthy inter-agency negotiation periods. It also requires an additional and costly effort within the negotiation and implementation period, to enable us to work with and around these varying systems. The PN commits to investigating ways to go beyond this barrier looking at creating a set of standard operating arrangements to be used in joint implementation.
- iii) We all have our own distinct systems, yet through the pillar assessment, the EU has recognised our systems individually. Members of the PN will investigate the possibilities to recognise each other's systems, i.e. rules and procedures.
- iv) Many Joint implementation opportunities lie untapped in partner countries. Whilst the PN is strong at a Brussels level, many of our organisations are decentralised. To enable joint implementation to thrive, the strong relationship at central level requires to be replicated in the countries we operate, and to start as early as possible in the programme/project cycle, i.e. identification of the action. The PN commits to investigating ways to encourage this to happen, in close coordination with the partner countries.

b) Working with the European Institutions:

- i) The EU employs many modalities to foster joint implementation, one being via delegated cooperation with PN members, as pillar assessed organisations. The PN recognises that the current PAGODA 2 framework is much improved and acknowledges the European Commission for having actively engaged the PN in its development. Also encouraging is the revision of the Financial Regulation which may offer a more conducive environment - simplification, flexibility, partnership and a stronger reliance on an expanded pillar assessment.

Within the PAGOda 2 frame, PAGOda Co was designed by the European Commission as a contractual framework to facilitate joint implementation initiatives with EU funds among pillar assessed organisations. Positive is that it creates the possibility of partnership amongst pillar assessed organisations within a shared liability framework. It remains, however, light in defining the co-delegatee obligations and suppresses financial incentive for organisations to lead PAGOda Co implementation partnerships.

The PN commits to addressing the issue of partner obligation by developing a set of standard contractual arrangements for operating joint implementation initiatives.

The issue of financial incentive of PAGOda Co, is linked generally to the principle of financial viability. The European Commission benefits from our pillar assessed systems but there are associated costs with such systems. The PN highlights that 7% tends not to cover the actual indirect costs of an action. The issue is exacerbated where in contract negotiations, EU Delegations push more of our direct costs into the indirect category. Practitioners are thus forced to find a third party willing to cover the shortfall. It is problematic to find a third party willing to cover indirect costs, in particular for those which are not recognised in the contract, and this reduces the required will of some European authorities. The PN requests the European Commission to recognise the actual value of indirect costs and to investigate with the PN innovative ways to address this issue.

ii) Another instrument used by the EU to foster joint implementation are the trust funds which have a huge potential of contributing to building up the European aid architecture -delivered in a more efficient and visible manner- and of allowing flexibility to act fast in contexts of crisis and fragility. Through these trust funds, the EU has been able to make available large envelopes to jointly deliver EU aid on specific objectives and regions, going beyond coordination, mutualizing under a common umbrella analysis and implementing capacity of European actors. This makes the trust funds one of the most advanced tools available to joint implementation. The PN has begun to collate experiences of implementing the EU trust funds. Evidence thus far highlights the need to strengthen the dialogue between all the actors involved -and all along the project cycle- and to clarify the decision making processes and management procedures for all the trust funds, in order to achieve the true potential of this instrument:

- There is a need for transparent and clear information on the response strategies of the Trust Funds, and of their related windows, through strengthening dialogue between all actors involved. This includes enhancing the linkages between political and technical dialogue at programming, identification and implementation stages; but also having clear and transparent project identification and selection processes; and harmonised communication channels with the European Commission.
- The PN calls upon the Commission to ensure that EU Delegations locally give greater recognition to the added-value of combined European expertise and its political weight.

- There is a need for common and clarified rules among trust funds based on speed, flexibility and consistency. The PN calls upon the European Commission to clarify the role of each actor (EUDs, EC Headquarters, Member States agencies, local partners...) and to guarantee a consistent and flexible application of the PAGoDA framework and its FA to all the trust funds.
- It is important to provide envelopes on project preparation and to recognize the need for a higher remuneration that takes into account the fragile environments and the complexity of the administrative and financial current procedures. The PN calls for the European Commission to maximise the flexibility and eligibility of costs and to create special derogations for implementation under the trust funds.