

Practitioners' Network Views and Suggestions # 3

on European Union Trust Funds

February 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.

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Introduction

The present note outlines the main issues and recommendations shared by the Members of the Practitioners' Network (PN) towards the implementation of projects under the European Union trust funds. The below messages are the outcomes of the capitalisation's workshop held in Brussels on 5 December 2016. These points are drawn from our experiences with the following trust funds: the Bêkou trust fund; the Madad trust fund; and the three windows of the migration emergency trust fund for Africa (North of Africa, Sahel and Lake Chad, and Horn of Africa). The present document aims at sharing the points discussed during the workshop in order to establish the basis for constructive dialogue, enabling the improvement of the collaboration between PN Members and the European Commission (EC) on trust fund actions in the future.

The PN recognises and appreciates the trust funds' huge potential for contributing to building up efficient and visible European aid architecture, while providing the 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 in target regions, sharing analysis and implementing capacities under a common umbrella of a variety of European actors. This makes the trust funds one of the most advanced tools available for joint implementation

In the framework of the SDGs and the shared objective to deliver on the 2030 Agenda, the PN commits to the principles of ownership and sustainability. These can be fulfilled through alignment to national strategies, bottom-up and multi-actor approaches. Here as well, the PN believes that trust funds can be an important tool to achieve these goals.

In a PN Declaration on Joint Implementation to the ECⁱ, the PN Members committed on 8 November 2016 to respond to the call of the European Union and its Member States, by enhancing their coordination and harmonisation, including within the framework of joint implementation. The PN Members agreed to seek ways to widen the scope of their mutual recognition of systems, including respective rules and procedures, to facilitate joint implementation efforts. These commitments apply to EU trust funds as stated in the PN Declaration on Joint Implementation.

I. Seize the EU trust funds' potential to strengthen EU response in terms of efficiency, impact, influence and visibility

The PN acknowledges the huge potential of TF in the context of crisis and fragility in terms of contributing to the enhancement of the European aid architecture, delivering aid in a more efficient, visible manner while promoting European values.

Main suggestions:

- Improve clarity and transparency of strategy and selection process (clearly defined objectives for each TF and respective windows) and communicate them consistently. Provide precise criteria for the attribution of projects to the different pillars of the EU trust funds.
In this respect, the PN welcomes the incremental adoption of the strategic frameworks of the different windows of the EU Emergency Migration Trust Fund. The PN members believe the EC should extend this practice to all the trust funds and ensure that these strategic frameworks are updated, detailed and communicated continuously and homogeneously.
- Incentivise collective European action and pool various European actors' capacities (shared analysis, capacity building and joint implementation) through the provision by the EC of the appropriate human and financial resources.
- Further ease flexibility to ensure fastest possible implementation. Notably regarding contractual frameworks for implementing partnerships.
- The PN appreciates the effort undertaken by the EC in favour of a more balanced approach between IOs, MS agencies and Civil Society organisations regarding the choice of the implementing partners of the Trust funds. Therefore the PN calls upon retaining this approach and for a greater recognition of the combined European expertise and its added value.
- Maintain a balance between quick commitments and high quality standards in the implementation itself to ensure a results-oriented approach.
- Align bilateral and EU action through EU trust funds to achieve maximum efficiency and impact (*For example through the reinforcement of upfront coordination, joint programming mechanisms or by means of co-financing*).

II. Strengthen dialogue between all actors involved throughout the project cycle

The PN appreciates the availability, proximity and responsiveness of trust funds' managers, which allows for an enhanced dialogue. Nonetheless the PN believes that communication can be improved at all levels.

Main suggestions:

- Regarding shared analysis, the PN welcomes the creation of research and evidence facilities within the EU Migration Emergency trust funds and is committed to better understand the way MS agencies can both contribute, and make use of this tool.
- The EC could set up a platform together with all TF actors involved to foster knowledge sharing, learning and innovation: Institutionalise exchange between the TFs (EC and Delegations), MSA (via PN) and local partners.
- Enhance technical dialogue and trust throughout programming, identification and implementation stages. *For example when a non-objection opinion by the EC is necessary before modifying indicators in the log-frame or when the EC requests to take part in overseeing calls for tender's procedures, the implementation is slowed down.*

III. Clarified decision process rules and procedures for all the Trust Funds

The PN welcomes the announced simplification of EC internal procedures for trust funds' actions and the good and constructive collaboration with the EC and in particular with DEVCO R3.

Main suggestions:

- There are still some concerns deriving from the Financial Regulation (FR). The PN would like the revised FR to take into account the specificities of actions in context of crisis and fragility.
- Clarify the role and commitments of each actor (EUDs, Headquarters, Member States agencies and local partners). There is a need to clarify which channel of dialogue the MS agencies favour between EUD and EC headquarters at the different stages of the project cycle. *Depending on the capacities of the trust fund managers, the main interlocutor for PN agencies may vary country to country, i.e. for some it is the EUD and others it is HQ. This can complicate identification and coordination efforts, especially due to uneven understanding of latest procedures.*
- Adopt, apply and communicate consistent, equal and transparent rules and procedures within each trust fund. The PN faces the significant discrepancies of decision making processes applying to the different trust funds, or even to the different windows of the same trust fund. This includes difficulty to access clear information on the rules applying to each fund/window. *For instance, under the same trust fund the contract agreement framework to be used can vary between IMDA and PAGoDA 2. Furthermore, diverging action fiche templates are used upon the different trust funds.*
The adopted rules and procedures should also prepare for the future of the trust funds, that are per se time-constrained instruments. In particular, there is a necessity to clarify and make sure that the lifetime of the Trust Fund matches with the project implementation time for projects that will be presented in 2017 and later.
- Ensure good understanding of existing and updated contractual procedures (PAGoDA 2 and FA) by all EU delegations (Joint training for Del and MSA Staff on Pagoda2). The EC should ensure that the EUDs are

updated on the negotiated templates of contractual frameworks, to ensure that the same rules are applied consistently to all MSAs.

IV. Increased costs for the implementation of the EU trust funds in fragile contexts

The fragile context of trust funds' actions implies higher risks at the implementation stage resulting in higher costs for the implementing partner.

Main suggestions:

- Recognise additional implementation related costs and thus the need for a higher remuneration. This should take into account the risks inherent to the fragile environments such as the volatility of prices, inflation, the need to locate on compounds, higher staff turnover etc. and the complexity of the administrative and financial procedures. Additionally, maximise the flexibility and eligibility of costs under PAGODA and create special derogations for implementation under EU trust funds. *For example: regional risk managers which may - under PAGODA rules – not be necessarily directly attributable to the action, but must be included to comply with MSA security management rules.*
- Provide envelopes for project preparation to ensure the best fit with the trust funds strategic frameworks, and the highest standards of quality for the selected actions. Confirm the retroactive eligibility of costs during the preparation phase of trust fund actions.

Conclusion

The elaboration by the EC of a procedural manual describing the functioning, the project cycle, the action documents templates required, the decision making processes etc. for the different trust funds would be welcomed by the PN.

The PN members recognise their own required improvements' on the issues underlined in the present note and commit to work together and with the EC towards:

- Adapting whenever possible their own procedures to the new frameworks offered by trust funds ;
- Strengthening inter-agency coordination ; in particular working on the elaboration of a contractual template that could be signed among co-delegatees in the case of a PAGODA Co, as to clarify the detailed share of responsibilities of their cooperation ;
- Engaging in an open dialogue with the EC on the basis of the present note to improve European cooperation on future trust funds actions.

ⁱ For more information you can contact the PN coordinator : gwen.corre@dev-practitioners.eu