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Evaluation of the EU aid delivery mechanism of delegated cooperation (2007-2014)

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*The opinions expressed in this document represent the authors' points of view
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List of abbreviations

3Cs	Coordination, Complementarity and Coherence
AAP	Annual Action Programme
ACP	Africa, Caribbean and the Pacific
ADA	Austrian Development Agency
ADETEF	Assistance au Développement des Echanges Technologiques, Economiques et Financières
AECID	Agencia Espanola de Cooperacion Internacional al Desarrollo
AIDCO	Directorate-general of the EC charged with development cooperation (till 2010)
AFD	Agence Française de Développement
BMZ	Federal Ministry for Economic Co-operation and Development (Germany)
BTC	Belgian Technical Cooperation
CICL	Camoos Instituto da Cooperacao e da Lingua
CRIS	Common Relex Information System
CSP	Country strategy paper
DA	Delegation agreement
DAC	Development Assistance Committee
DANIDA	Danish agency for international development
DBSA	Development Bank of South Africa
DC	Delegated cooperation
DCI	Development cooperation instrument
DEVCO	Directorate-general of the EC charged with development cooperation
DFID	UK Department for International Development
DG	Director General
DP	Development partner
DRC	Democratic Republic of Congo
EC	European Commission
EDF	European Development Fund
EEAS	European External Action Service
EIB	European Investment Bank
ENP	European Neighbourhood Policy
EU	European Union
EUD	EU Delegation
EQ	Evaluation question
FEI	France Expertise Internationale
FIIAP	Fundacion Internacional y Iberoamerica de Administracion y politicas publicas
FR	Financial Regulation
GBS	General budget support
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICM	Indirect centralised management
IED	Intended Effects Diagram
IcSP	Instrument contributing to Stability and Peace
IfS	Instrument for Stability
IMDA	Indirect Management Delegation Agreement
IPA	Instrument for Pre-accession Assistance
JC	Judgement criterion
JP	Joint programming
KFW	Kreditanstalt für Wiederaufbau
MDG	Millennium development goal
MoFA	Ministry of Foreign Affairs
MS	EU Member State

M&E	Monitoring and evaluation
NIP	National indicative programme
OCT	Overseas countries and territories
ODA	Official Development Assistance
OECD	Organisation of Economic Cooperation and Development
PBA	Programme based approach
PCM	Project cycle management
PAGODA	Pillar Assessed Grant Or Delegation Agreement
PEGASE	Palestino - Européen de Gestion et d'Aide Socio-Economique
RG	Reference Group
ROM	Results oriented monitoring
RRM	Rapid Reaction Mechanism
SBS	Sector budget support
SDGs	Sustainable Development Goals
SONA	Stichting Ontwikkelingssamenwerking Nederlandse Antillen
TA	Transfer agreement
TFEU	Treaty of the Functioning of the EU
ToR	Terms of Reference
USA	United States of America

Executive summary

Purpose and scope of the evaluation

This evaluation studies the European Union (EU) aid delivery mechanism of delegated cooperation (DC) with EU Member States and third donor countries during the period 2007-2014. The main objectives of the evaluation are to provide an overall independent assessment of DC and to formulate recommendations to improve DC in the future.

There are two types of delegated cooperation, namely:

- Delegation Agreements (DAs): funds entrusted by the European Commission to development cooperation entities from EU Member States or other donors; and
- Transfer Agreements (TAs): funds entrusted to the Commission by EU Member States, other governments, organisations or public donors.

This evaluation covers DAs and TAs signed by the Commission during the years 2007-2014, except DAs which are part of financial blending arrangements and DAs funded with resources from the Instrument for Pre-accession Assistance (IPA), the Instrument contributing to Stability and Peace (IcSP), the Instrument for Stability (IfS) and the Rapid Reaction Mechanism. All regions where DAs and TAs have been or are being implemented - except pre-accession countries - are part of the geographical scope of this evaluation. Contribution agreements concluded with international organisations are not covered in this evaluation.

Background to the evaluation

Two main developments have given rise to DC as an EU aid delivery mechanism:

1. *The evolving aid effectiveness agenda*

The introduction of DC by the European Commission was closely related to the international aid effectiveness agenda which emerged from 2002 onwards. This agenda was initially focused on joint and aligned country-led approaches to development assistance. The EU, as a major player in the aid effectiveness debate, focused on improving the division of labour and increasing joint EU activities and co-financing. Especially from 2008 onwards, the international agenda has changed in response to fundamental changes in the global economy and development cooperation strategies, with the latter focusing less explicitly on reducing aid fragmentation and more on new financing mechanisms. In line with these changes, the EU also set different priorities such as the convergence of European policies as regards foreign affairs, development cooperation and other policies. Joint Programming has been introduced as a new priority and refers to the joint planning of development cooperation by the European development partners working in a partner country. Furthermore, the EU started paying more attention to blending of grants and loans and risk-sharing mechanisms to leverage more resources for development and thus increase impact.

2. *Strengthening the relations between the EU and the Member States*

The Maastricht Treaty (1992) and the Lisbon Treaty (2007) have provided the broad basis for possible delegation of development cooperation projects to Member States. A change in the Financial Regulation of the Commission was required and was implemented before the EU could start to use Delegated Cooperation.

The analysis of the various DC policy and programming documents showed the close linkages between the aid effectiveness agenda and DC as an EU aid delivery mechanism. The intended outputs were related to the increased use of comparative advantages of the various donors, improved coordination and harmonisation; improved division of labour;

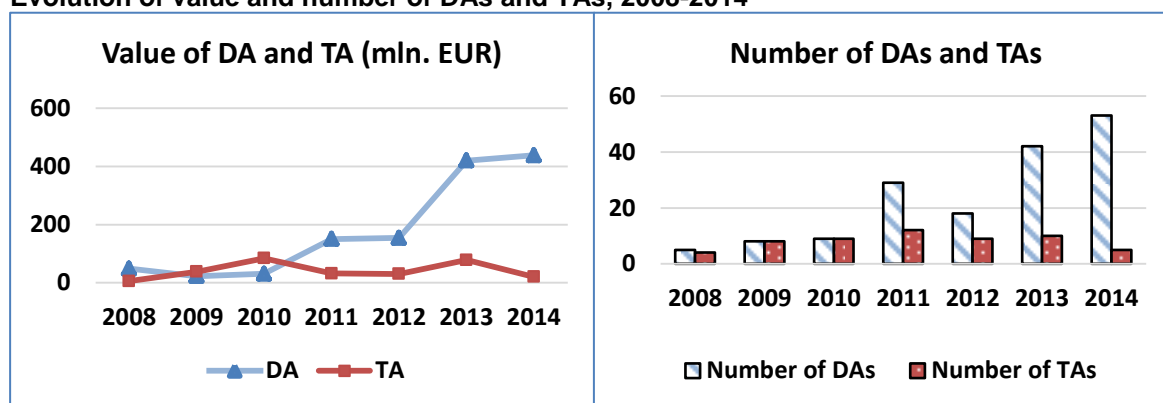
more co-financing; larger projects and programmes; single management systems; and reduced number of donors active per sector. These envisaged outputs were expected to contribute to the following five outcomes:

- Strengthened complementarity and increased added value of the EU and other DC partners;
- Reduced aid fragmentation;
- Reduced transactions costs;
- Strengthened ownership and leadership by the partner country; and
- Strengthened alignment with partner countries' policies and implementation systems.

Factual information

In line with the scope of the evaluation as set out above, a total of 164 DAs with a total value of €1,263 million and 59 TAs with a total value of €291 million are covered in this evaluation. All these agreements have been concluded in the period 2008-2014 and are managed by DG DEVCO. The average value of a DA and TA covered in this evaluation amounted to €7.7 million and €4.9 million respectively. There is an overall imbalance between DAs and TAs which has increased over time. The evolution of the number and value of TAs and DAs is shown in the following figures:

Evolution of value and number of DAs and TAs, 2008-2014



Despite the increasing number and value of DAs, the share of DC in overall EU and Member States' development cooperation remains small: less than 1% of the total budget.

The evaluation has considered a broad range of stakeholders such as the TA partners - EU and non-EU - having entrusted funds to the Commission, the governments and the implementing agencies in partner countries involved in the implementation of the DA and TA projects and programmes, and the DA partners, being responsible for the execution of the DAs. The DA partners can be distinguished in four categories:

1. 'Pure' implementing agencies from EU Member States;
2. Implementing organisations from EU Member States also having a financial role;
3. Ministries from EU Member States that combine policy and funding responsibility with implementation; and
4. Non-EU institutions.

Methodology

Nine evaluation questions have been formulated, of which five questions are directly related to the five outcomes (and the underlying outputs), while four other questions deal with implementation and process issues such as the visibility, the balance between DAs and TAs, and the cooperation between DC partners. The nine evaluation questions and the policy analysis are linked to the five main evaluation criteria – relevance, effectiveness, impact, efficiency and sustainability- and to the additional criteria of EU visibility, added value and the three Cs (coherence, coordination and complementarity).

The following data collection tools have been used: portfolio analysis of all DAs and TAs concluded during the period 2008-2014; literature review; interviews at a strategic level; web-based questionnaire of 46 EU Delegations (76% response rate); nine country case studies (Benin, Ghana, Haiti, Mali, Mozambique, Nicaragua, Palestine, Tanzania, and Timor-Leste); and one thematic case study of the DC agreements linked to the Global Climate Change Alliance (GCCA). The case studies have covered a total of 44 DAs and 40 TAs covering in total 46 projects and programmes representing 35% of the volume of the total portfolio.

Triangulation of findings from the use of multiple data collection methods and from using data from multiple sources has been carried out to draw robust and firm conclusions. The combination of these two triangulation approaches has enhanced the validity and reliability of the findings and has allowed the corroboration of different evidence.

The evaluation has been confronted with some methodological challenges. The first related to the different interpretations by the various stakeholders of the various concepts related to DC. This challenge has been addressed by using a list with uniform definitions. A second challenge related to the evaluation focus in terms of width versus depth of the analyses. The portfolio analysis, the literature review, the web-based questionnaire and the interviews at a strategic level focused on width, while the case studies have provided additional depth by focussing on issues that required a more detailed examination at country, sector and project/programme level. A third challenge concerned the analysis of factors explaining why specific intended outputs and outcomes have been achieved or not. For this, a political economy analysis approach has been applied to shed more light on the explanatory factors. Finally, a fourth evaluation challenge related to the dynamics and the complexity of the evaluation subject. Therefore, due attention has been paid in the evaluation to a political economy analysis in relation to the dynamics of DC in the context of the evolving aid effectiveness agenda.

Overall conclusion

The impact of Delegated Cooperation on aid efficiency and effectiveness has been limited. DC was introduced in the context of the aid effectiveness debate with the aim of contributing to improved aid effectiveness and efficiency. However, DC has been tailored and operationalised in such a way that only parts of the aid effectiveness agenda could be supported. Moreover, the linkages with the evolving aid effectiveness agenda have not been articulated, which has reduced the relevance of DC. In fact, DC has mainly been designed and used as an operational tool contributing to strengthened relations between EU institutions and the Member States, in particular the relations between the EU and some implementing agencies. The changed focus of DC over time on more operational issues such as co-financing, larger projects and programmes, a single management system etc. has meant that DC only effectively contributed to some specific elements of the aid effectiveness agenda. In addition, only small efficiency gains have been found at the project and programme level. As a consequence, the contribution of DC to the intermediate impact of improved aid effectiveness and efficiency has been limited. The limited impact is also linked to the relatively low value of DC funding compared to the total EU and Member States' official development aid commitments, which has always represented less than 1% of total ODA commitments.

Relevance

The EU initially presented DC as an instrument for improving the division of labour in a given country. In its design process, however, DC was expanded to the entire aid effectiveness agenda, although the linkages between DC and the fundamental principles of this agenda were never operationalised. This points to the limited relevance of DC as an appropriate instrument to implement the entire aid effectiveness agenda. Furthermore, DC has not been aligned to the evolving aid effectiveness agenda and the new EU priorities such as the creation of stronger links between political dialogue and

development cooperation objectives and the introduction of Joint Programming and new funding instruments. The lack of articulated linkages between DC and these new instruments and initiatives has further limited the overall relevance of DC.

Strengthening the relations between EU institutions and Member States has been another main driver for the use of DC, although this was never formalised. The focus regarding the relations with the Member States was primarily on operational issues such as joint co-financing. The EU has never put DC high on the agenda in its discussions with Member States and therefore they still consider DC as an EU instrument and not as a joint tool.

Effectiveness, efficiency and sustainability

DC has mainly been designed and used as an operational tool to improve efficiency within sectors of cooperation. DC has been effective in reducing transaction costs and realising efficiency gains in the implementation of DC-supported projects. This positive contribution is directly related to the effect of DC on three operational outputs, i.e. creating larger programmes, more co-financing and making more use of single management systems. Nevertheless, it was not possible to determine whether the savings made on transaction costs during project implementation offset the additional costs made during the preparation of the DC agreements. Despite repeated calls for co-financing in the guidance and policy documents related to DC, 26 percent of all DAs have not been co-financed. Thus, these projects or programmes were fully financed by the EU and therefore in these cases no larger programmes were created.

In practice, the effect of DC on the workload of the EU Delegation has also been quite variable. Most donors preferred to keep 'a seat at the table'. They have been reluctant to become silent partner and therefore the number of active donors in a sector has not significantly reduced. The EU never became a silent partner.

There were no built-in mechanisms in DC to stimulate ownership and leadership of partner countries and it therefore did not produce positive effects in this respect. The involvement of the partner country, either through sub-delegation or through Project Steering Committees, depended primarily on the aid modality and on the working methods of the DA partner. Project aid was the dominant DC aid modality. When management systems of DA partners without sub-delegation were used, the involvement of partner countries has remained rather limited. This is further illustrated by the varying levels of systems alignment. Systems alignment has been stronger in the case of DC partners using partner country systems than in the case of DC partners using their own systems. DC agreements have never been a trigger or starting point for alignment processes and did not contribute to the sustainability of results.

Coherence, complementarity, coordination and added value

There is limited reciprocity between the EU and the Member States in using DC, although the two types of DC agreements, DAs and TAs, would suggest a kind of equal partnership. Differences in contractual obligations, conditions and procedures regarding TAs and DAs however seem to imply that the partners are not at the same level. The DA-related obligations are much heavier than the obligations to be respected by the Commission in case of TAs. Furthermore, the 'heavy' pillar assessments of DA partners cannot be considered as a sign of equal partnership.

The Commission has paid insufficient attention to political economy considerations related to the interests of the various stakeholders in the guidance and implementation of DC. The different modes of operation of the DA partners, varying from 'pure' implementing agencies on the one hand to Ministries of Member States, combining policy development, funding and implementation functions on the other, have not been sufficiently considered and elaborated in the guidance and implementation of DC. Those DA partners working primarily on the basis of sub-delegation contracts with partner country institutions, which potentially contribute more towards partner country ownership and leadership, face more

challenges than DA partners that use their parallel systems, weakly or non-aligned with procedures and systems of the partner country.

There have been many differences between DA partners in terms of level of involvement. On the one hand, some DA partners, in particular the 'pure' implementing agencies, have shown a keen interest to increase their project portfolio and have been eager to implement several DC projects. On the other hand, Ministries of Member States have not been actively looking for opportunities to collaborate in DA projects and programmes and therefore they have been relatively underrepresented. The imbalance among Member States is even larger when the TAs are also taken into account. While Germany and France are responsible for almost two-thirds of DAs, they have not been very interested in concluding TAs with the EU on top of their regular contributions to the EU budget and the EDF. Some smaller Member States such as Belgium, Denmark and Luxembourg have shown a more equal balance between DAs and TAs. TAs appear to have been most attractive to smaller Member States with limited implementation capacity.

DC has had positive effects on complementarity and added value, in particular at sector level. The positive effects were primarily related to making good use of the comparative advantages based on specific expertise and/or previous experience *within* the sector concerned. In this way, the EU and its DC partners created added value to their support at sector level, as compared to a situation without DC. This also implies that DC made a positive contribution to the Maastricht and Lisbon Treaty precepts: coordination, complementarity and coherence (3Cs). In politically sensitive situations and when it comes to sharing risks, there are also good examples where the EU had a clear comparative advantage to implement programmes or provide financial support.

Visibility

The increased focus of the EU and the DC partners on visibility has come at the expense of aid effectiveness principles, in particular country ownership and leadership. The EU has formulated strict visibility requirements that need to be respected by DA partners and in the majority of cases EU visibility was ensured. Overall, DC did not have a significant positive effect on visibility, but this was also not expected in view of the nature of the instrument, which is about stimulating partnerships and a less prominent presence of individual donors.

Recommendations

Recommendation 1. The DC policy framework should be revised and more realistic and clear objectives should be set

The present DC policy framework largely reflects the realities of the 2000s with broad linkages to the entire aid effectiveness agenda but without a proper operationalisation of most of its fundamental principles. The objectives of DC need to be redefined in line with the evolving aid effectiveness agenda, and also in line with the operational evolution of this aid delivery mechanism on the ground. Furthermore, some key features of DC, such as co-financing or use of comparative advantage, will need to be reaffirmed to improve its operational efficiency and/or redefined if DC is to achieve its envisaged broader objectives.

Recommendation 2. DC needs to be adapted to the evolving EU aid effectiveness agenda

In response to the recent changes in the aid effectiveness agenda, the DC instrument needs to be adapted over the coming years. Some aid effectiveness initiatives such as Joint Programming were not present at the time DC was established, but nowadays they have important practical implications for the use of DC. In this adaptation process, careful consideration should be given to the links between DC and other aid effectiveness

initiatives and tools. This reflection is particularly relevant in a development context where new issues emerge (climate change/migration) which are non-sectoral by nature.

Recommendation 3. DC should be more explicitly geared towards strengthening the partnership between the EU and the Member States

In line with the increased emphasis on more comprehensive policies and Joint Programming by the EU and the Member States, DC should be turned into a stronger joint instrument. The 'partnership' approach could be reinforced through involving a broad and representative group of Member States in the re-design of the DC instrument, both at the strategic and operational levels. This should also enhance the interest in DC of Member States that have to date hardly been involved in DAs and TAs.

Recommendation 4. The strengthened partnership should also ensure more reciprocity between DA and TA partners

A strengthening of the partnership dimension of DC also implies taking a broader view on reciprocity, and addressing some of the operational issues raised by DA and TA partners in the implementation of DC. From that perspective, the EU should be better aware of and act upon the differences between the various DA and TA partners. More reciprocity should be ensured between the contractual requirements for DAs and TAs in terms of assessment and reporting on implementation.

Recommendation 5. The tension between encouraging visibility and aid effectiveness principles should be addressed

Visibility requirements should be carefully assessed. For some DC partners, an excessive focus on visibility may limit the attractiveness of DC and can undermine the effectiveness of cooperation. Furthermore, a shift of focus, away from banners, billboards and logos towards a stronger focus on joint activities, such as conferences or knowledge sharing events should be considered.

Recommendation 6. The operational instructions of DC should be revised, in particular for co-financing

In order to address the operational deficiencies observed in the implementation of DC, the operational instructions should be revised. The DC instructions should also pay attention to limiting the transaction costs of preparing DC agreements to a reasonable level and reaffirming co-financing as a mandatory characteristic.

Recommendation 7. More consideration should be given to aspects that are important to partner countries such as systems alignment and ownership

When designing DCs at country level, more attention is required to assess the possibility of using local systems in order to achieve more sustainable results. Currently the majority of DC partners, especially the ones with their own implementing capacity, prefer to use their own systems and rarely sub-delegate. There are no incentives or instructions in the system to sub-delegate or to use the systems of the partner country. In this regard, more consideration should be given to systems alignment and ownership in the operational guidance, with one implication being that operational obstacles/challenges discouraging the use of sub-delegation in DC should be reduced.

Résumé exécutif

Objectif et champ de l'évaluation

Cette évaluation étudie le mécanisme de Coopération Déléguée de l'Union européenne (UE) avec les Etats membres de l'UE et d'autres pays donateurs au cours de la période 2007-2014. Les principaux objectifs de l'étude sont de fournir une évaluation globale indépendante de la Coopération Déléguée et de formuler des recommandations visant à améliorer ce mécanisme à l'avenir.

Il existe deux types de Coopération Déléguée, à savoir :

- Conventions de délégation (CDs) : fonds confiés par la Commission européenne aux agences de coopération des Etats membres de l'UE ou d'autres donateurs ; et
- Conventions de transfert (CTs) : fonds confiés à la Commission par les États membres de l'UE, d'autres gouvernements, des organisations ou des donateurs publics.

Cette évaluation couvre les CDs et CTs signées par la Commission au cours des années 2007-2014, à l'exception des CDs faisant partie des opérations de mixage (blending) et des CDs financées avec des ressources de l'Instrument d'Aide de Préadhésion (IAP), l'Instrument contribuant à la Stabilité et à la Paix (IcSP), l'Instrument de Stabilité (IdS) et le Mécanisme de Réaction Rapide. Toutes les régions où des CDs et des CTs ont été ou sont mises en œuvre – à l'exception des pays en préadhésion – sont couvertes par la présente évaluation. Les conventions de contribution conclues avec des organisations internationales ne font pas partie du champ de l'évaluation.

Contexte de l'évaluation

Deux développements principaux ont donné lieu à de la Coopération Déléguée comme mécanisme de coopération de l'UE:

1. *L'évolution de l'Agenda de l'efficacité de l'aide*

L'introduction de la Coopération Déléguée par la Commission européenne était étroitement liée à l'Agenda international sur l'efficacité de l'aide qui a émergé à partir de 2002. Cet agenda portait initialement sur des approches conjointes et alignées d'aide publique au développement (APD), appropriées par les pays bénéficiaires. L'UE, en tant qu'acteur majeur dans le débat sur l'efficacité de l'aide, a mis l'accent sur l'amélioration de la division du travail et sur l'augmentation de ses activités réalisées conjointement ou en cofinancement. Or, à partir de 2008, l'agenda international a évolué en réponse à des changements fondamentaux dans l'économie mondiale et dans les stratégies de coopération au développement, ces dernières mettant moins l'accent sur la réduction de la fragmentation de l'aide, et davantage sur les nouveaux mécanismes de financement. En lien avec ces changements, l'UE a également défini des priorités différentes telles que la convergence des politiques européennes en ce qui concerne les affaires étrangères, la coopération au développement et d'autres politiques. C'est dans ce cadre que la Programmation Conjointe a été présentée comme une nouvelle priorité qui consiste à effectuer une planification conjointe de la coopération au développement par les partenaires au développement européens dans un pays donné. En outre, l'UE a commencé à accorder plus d'attention au mixage des subventions et des prêts, ainsi qu'aux mécanismes de partage des risques, qui permettent de mobiliser davantage de ressources pour le développement et accroître ainsi l'impact.

2. Renforcer les relations entre l'UE et les États membres

Le Traité de Maastricht (1992) et le Traité de Lisbonne (2007) ont fourni une base permettant de déléguer la coopération au développement aux États membres. Un changement dans le Règlement Financier de la Commission a été nécessaire et a été mis en place avant que l'UE puisse utiliser la Coopération Déléguée.

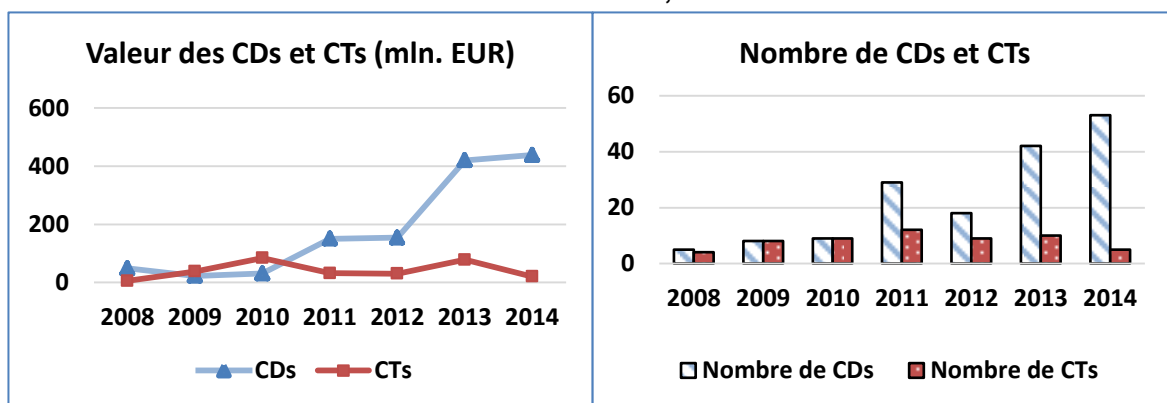
L'analyse des diverses politiques de Coopération Déléguée et des documents de programmation a mis en lumière les liens étroits entre l'Agenda de l'efficacité de l'aide et la Coopération Déléguée en tant que mécanisme de coopération de l'UE. Les réalisations attendues étaient l'utilisation accrue des avantages comparatifs des différents donateurs, une meilleure coordination et harmonisation ; une meilleure division du travail ; plus de cofinancement ; des projets et programmes de plus grande taille ; des systèmes de gestion unique ; et la réduction du nombre de donateurs actifs par secteur. Ces réalisations attendues devaient contribuer aux cinq résultats suivants :

- Complémentarité renforcée et augmentation de la valeur ajoutée de l'UE et des autres partenaires de la Coopération Déléguée ;
- Réduction de la fragmentation de l'aide ;
- Coûts de transaction réduits ;
- Appropriation et leadership du pays partenaire renforcés ; et
- Alignement renforcé avec les politiques et les systèmes de mise en œuvre du pays partenaire.

Informations factuelles

Conformément au champ de l'évaluation mentionné ci-dessus, un total de 164 CDs ayant une valeur totale de €1,263 millions et 59 CTs ayant une valeur totale de €291 millions sont couvertes par cette évaluation. Toutes ces conventions ont été conclues durant la période 2008-2014 et sont gérées par la DG DEVCO. La valeur moyenne des CDs et CTs couvertes par la présente évaluation s'élève respectivement à €7,7 millions et €4,9 millions. Un déséquilibre global entre les CDs et CTs peut être observé, qui a augmenté au fil du temps. L'évolution du nombre et de la valeur de CTs et CDs est représentée sur les graphiques suivants :

Evolution de la valeur et du nombre des CDs et CTs, 2008-2014



Malgré l'accroissement du nombre et de la valeur des CDs, la part de Coopération Déléguée dans la coopération globale au développement de l'UE et des Etats membres reste faible : moins de 1 % du budget total.

L'évaluation a mobilisé un large éventail de parties prenantes telles que les partenaires des CTs - UE et non-UE – qui ont confié des fonds à la Commission, les gouvernements et les agences d'exécution dans les pays partenaires impliqués dans la mise en œuvre des projets et programmes des CDs et des CTs, ainsi que les partenaires des CDs,

responsables de l'exécution des CD. Les partenaires des CD peuvent être répartis en quatre catégories :

1. Agences de mise en œuvre « pures » des Etats membres de l'UE ;
2. Agences de mise en œuvre des Etats membres de l'UE ayant également un rôle financier ;
3. Ministères des Etats membres de l'UE qui combinent des rôles politiques et de financement avec la mise en œuvre ; et
4. Institutions non européennes.

Méthodologie

Neuf questions d'évaluation ont été formulées, dont cinq sont directement liées aux cinq résultats (et aux réalisations sous-jacentes), les quatre autres portant sur les questions de mise en œuvre et de processus telles que la visibilité, l'équilibre entre les CD et CTs, ainsi que sur la coopération entre les partenaires de la Coopération Déléguée. Les neuf questions d'évaluation et l'analyse des politiques sont liées aux cinq principaux critères d'évaluation - pertinence, efficacité, impact, efficacité et durabilité - et aux critères supplémentaires de visibilité de l'UE, la valeur ajoutée, et les trois C (cohérence, coordination, et complémentarité).

Les outils de collecte de données suivants ont été utilisés : analyse du portefeuille de toutes les CD et CTs conclues au cours de la période 2008-2014; revue de la littérature; entretiens à un niveau stratégique; questionnaire en ligne auprès de 46 délégations de l'UE (taux de réponse de 76 %); neuf études de cas de pays (Benin, Ghana, Haïti Mali, Mozambique, Nicaragua, Palestine, Tanzanie et Timor Oriental); et une étude de cas thématique des conventions de Coopération Déléguée liées à l'Alliance Mondiale contre le Changement Climatique (AMCC). Les études de cas ont porté sur un total de 44 CD et 40 CTs, couvrant au total 46 projets et programmes représentant 35 % du volume du portefeuille total.

La triangulation des constats obtenus par l'utilisation de plusieurs méthodes de collecte de données et par l'utilisation de données provenant de sources multiples a été effectuée pour tirer des conclusions solides et fermes. La combinaison de ces deux approches de triangulation a permis d'améliorer la validité et la fiabilité des constats et a permis de corroborer les différents éléments de preuve.

L'évaluation a été confrontée à des défis méthodologiques. Le premier a porté sur les différentes interprétations par les parties prenantes des différents concepts associés à la Coopération Déléguée. Ce défi a été atténué par l'utilisation d'une liste de définitions uniformes. Un deuxième défi était lié à la question de l'étendue par rapport à la profondeur des analyses. L'analyse de portefeuille, la revue de la littérature, le questionnaire en ligne et les entretiens à un niveau stratégique se sont focalisés sur l'étendue, tandis que les études de cas ont fourni une profondeur supplémentaire en mettant l'accent sur les questions nécessitant un examen plus approfondi au niveau des pays, du secteur et du projet / programme. Un troisième défi a concerné l'analyse des facteurs expliquant pourquoi les réalisations et résultats attendus ont été atteints ou pas. Pour ce faire, une approche d'analyse d'économie politique a été appliquée pour apporter un éclairage supplémentaire sur les facteurs explicatifs. Enfin, un quatrième défi a été celui de la dynamique et la complexité du sujet d'évaluation. Par conséquent, une attention particulière a été accordée dans l'évaluation à une analyse de l'économie politique en relation avec la dynamique de la Coopération Déléguée en lien avec l'évolution de l'Agenda de l'efficacité de l'aide.

Conclusion générale

L'impact de la Coopération Déléguée sur l'efficacité et l'efficacité de l'aide a été limité. La Coopération Déléguée a été introduite dans le cadre du débat sur l'efficacité de l'aide dans le but de contribuer à l'amélioration de l'efficacité et de l'efficacité. Cependant, la Coopération Déléguée a été adaptée et opérationnalisée de telle manière que seuls

certaines éléments de l'Agenda de l'efficacité de l'aide pouvaient être appuyés. En outre, il n'y a pas eu d'articulation avec l'évolution de l'Agenda de l'efficacité de l'aide, ce qui a réduit la pertinence de la Coopération Déléguée. De fait, la Coopération Déléguée a été principalement construite et utilisée comme un outil opérationnel contribuant à renforcer les relations entre les institutions européennes et les Etats membres, en particulier les relations entre l'UE et certaines agences de mise en œuvre. La focalisation de la Coopération Déléguée a changé au fil du temps sur plusieurs questions opérationnelles telles que le cofinancement, le volume des projets et programmes, les systèmes de gestion uniques etc., ce qui a induit une contribution limitée de la Coopération Déléguée à certains éléments spécifiques de l'Agenda. En outre, seuls de faibles gains d'efficacité ont été constatés au niveau des projets et programmes. En conséquence, la contribution de la Coopération Déléguée à l'impact intermédiaire d'amélioration de l'efficacité et de l'efficience de l'aide a été limitée. La faiblesse de l'impact est aussi liée à la valeur relativement faible du financement de la Coopération Déléguée par rapport à l'engagement financier de l'UE et des Etats membres, qui a toujours représenté moins de 1% du total de l'aide publique au développement.

Pertinence

L'UE a initialement présenté la Coopération Déléguée comme un instrument visant l'amélioration de la division du travail dans un pays donné. Dans son processus de construction, cependant, la Coopération Déléguée a été élargie à l'Agenda de l'Efficacité de l'aide dans son ensemble, même si les liens entre la Coopération Déléguée et les principes fondamentaux de cet Agenda n'ont jamais été opérationnalisés. Cela souligne la pertinence limitée de la Coopération Déléguée comme instrument approprié pour mettre en œuvre l'ensemble de l'Agenda. En outre, la Coopération Déléguée n'a pas été alignée à l'évolution de l'Agenda et aux nouvelles priorités de l'UE comme la création de liens plus étroits entre le dialogue politique et les objectifs de coopération au développement, l'introduction de la Programmation Conjointe et de nouveaux instruments financiers. Le manque d'articulation entre la Coopération Déléguée et ces nouveaux instruments et initiatives a encore plus limité la pertinence globale du mécanisme.

Le renforcement des relations entre les institutions européennes et les Etats membres a été un autre facteur important pour l'utilisation de la Coopération Déléguée, bien que cela n'ait jamais été formalisé. L'accent sur les relations avec les Etats membres a porté principalement sur des questions opérationnelles telles que le cofinancement ou la mise en œuvre conjointe. L'UE n'a jamais placé la Coopération Déléguée au sommet de l'agenda lors des discussions avec les Etats membres et par conséquent, ceux-ci considèrent encore la Coopération Déléguée comme un instrument de l'UE et non comme un outil commun.

Efficacité, efficience, et durabilité

La Coopération Déléguée a été principalement conçue et utilisée comme un outil opérationnel pour améliorer l'efficience dans les secteurs de la coopération. Le mécanisme a contribué à la réduction des coûts de transaction et a permis de réaliser des gains d'efficience dans la mise en œuvre des projets appuyés. Cette contribution positive est directement liée à l'effet de la Coopération Déléguée sur trois réalisations opérationnelles, à savoir la création de programmes de plus grande taille, plus de cofinancement, et une utilisation plus importante de systèmes de gestion conjoints. Néanmoins, il n'a pas été possible de déterminer si les économies réalisées sur les coûts de transaction au cours de la mise en œuvre des projets compensent les coûts additionnels encourus pour la préparation des CDs ou des CTs. Malgré des demandes répétées de cofinancement dans les documents d'orientation et de stratégie associés à la Coopération Déléguée, 26% de tous les CDs n'ont pas été cofinancés. Ainsi, ces projets ou programmes ont été entièrement financés par l'UE et donc, dans ces cas, aucun programme de plus grande taille n'a été créé.

Dans la pratique, l'effet de la Coopération Déléguée sur la charge de travail des Délégations de l'UE a également été très variable. La plupart des donateurs ont préféré garder « un siège autour de la table ». Ils ont été réticents à devenir des partenaires silencieux; le nombre de donateurs actifs par secteur n'a donc pas diminué significativement. L'UE n'a jamais été un partenaire silencieux.

Il n'y a eu de mécanisme permettant à la Coopération Déléguée de stimuler l'appropriation et le leadership des pays partenaires. La Coopération Déléguée n'a donc pas eu d'effets positifs à cet égard. La participation du pays partenaire, soit par l'intermédiaire d'une subdélégation ou par les comités de pilotage des projets, a été principalement liée à la modalité de l'aide utilisée et aux méthodes de travail du partenaire de CDs. L'aide projets a été la modalité d'assistance dominante de la Coopération Déléguée. Lorsque les systèmes de gestion des partenaires de CDs n'utilisant pas la subdélégation ont été mis en œuvre, la participation des pays partenaires est restée plutôt limitée. Cela est aussi illustré par les différents niveaux d'alignement des systèmes. Celui-ci a été plus fort dans le cas des partenaires de CDs utilisant les systèmes pays que dans le cas de partenaires de CDs utilisant leurs propres systèmes. Les conventions de Coopération Déléguée n'ont jamais été un déclencheur ni un point de départ pour des processus d'alignement et n'ont pas contribué à la durabilité des résultats.

Cohérence, complémentarité, coordination, et valeur ajoutée

La réciprocité entre l'UE et les Etats membres dans l'utilisation de la Coopération Déléguée a été limitée, bien que l'existence de deux types de conventions, les CDs et les CTs, suggère une forme de partenariat égalitaire. Les différences dans les obligations contractuelles et les conditions et les procédures concernant les CTs et les CDs semblent cependant indiquer que les partenaires de la Coopération Déléguée ne sont pas au même niveau. Les obligations relatives aux CDs sont beaucoup plus lourdes que les obligations à respecter par la Commission dans le cas des CTs. En outre, les lourds audits ex-ante « 6 piliers » des partenaires de CDs, ne peuvent pas être considérés comme un signe de partenariat à parts égales.

La Commission n'a pas accordé suffisamment d'attention à la problématique de l'économie politique liée aux intérêts des divers intervenants dans l'orientation et la mise en œuvre de la Coopération Déléguée. Les différents modes de fonctionnement des partenaires de CDs, variant entre agences de mise en œuvre « pures » d'une part, et des ministères des Etats membres combinant des fonctions de développement des politiques, de financement, et de mise en œuvre d'autre part, n'ont pas été suffisamment pris en compte dans l'orientation et la mise en œuvre de la Coopération Déléguée. Les partenaires des CDs travaillant principalement avec des contrats de subdélégation avec les institutions des pays partenaires, et qui contribuent potentiellement plus à l'appropriation et au leadership par le pays partenaire, font face à plus de défis que les partenaires de CDs qui utilisent leurs systèmes parallèles, faiblement ou non alignés avec les procédures et systèmes du pays partenaire.

Il y a eu beaucoup de différences entre les partenaires de Coopération Déléguée en termes de participation au mécanisme. D'une part, certains partenaires des CDs, en particulier les agences de mise en œuvre « pures », ont montré un vif intérêt à accroître leur portefeuille de projets et ont souhaité mettre en œuvre de nombreux projets de CDs. En revanche, les ministères des Etats membres n'ont pas activement recherché des occasions de collaborer à des projets et programmes de CDs et ont, par conséquent, été relativement sous-représentés. Le déséquilibre entre les Etats membres est encore plus grand lorsque les CTs sont pris en compte. Alors que l'Allemagne et la France sont responsables de près des deux tiers des CDs, les deux pays n'ont pas été très intéressés à conclure des CTs avec l'UE en plus de leurs contributions régulières au budget de l'UE et au FED. Certains Etats membres plus petits, tels que la Belgique, le Danemark, et le Luxembourg, ont utilisé les CDs et CTs de manière plus équilibrée. Il semble que les CTs

aient été particulièrement attrayantes pour les Etats membres plus petits avec une capacité de mise en œuvre limitée.

La Coopération Déléguée a eu des effets positifs sur la complémentarité et la valeur ajoutée, en particulier au niveau sectoriel. Les effets positifs ont concerné principalement le bon usage des avantages comparatifs basés sur une expertise spécifique et / ou des expériences antérieures *au sein du* secteur concerné. De cette façon, l'UE et ses partenaires de Coopération Déléguée ont créé de la valeur ajoutée au niveau sectoriel, par rapport à une situation sans Coopération Déléguée. Ceci implique également que le mécanisme a apporté une contribution positive aux éléments suivants des traités de Maastricht et de Lisbonne : coordination, complémentarité, et cohérence (3Cs). Dans des situations politiquement sensibles et lorsqu'un partage des risques est nécessaire, des exemples positifs ont été observés dans lesquels l'UE avait un avantage comparatif clair pour mettre en œuvre des programmes ou pour fournir un soutien financier.

Visibilité

L'accent accru de l'UE et des partenaires de Coopération Déléguée placé sur la visibilité s'est fait au détriment des principes de l'efficacité de l'aide, en particulier l'appropriation et le leadership des pays partenaires. L'Union européenne a formulé des exigences strictes de visibilité à respecter par les partenaires de CDs, et, dans la majorité des cas, la visibilité de l'UE a été assurée. Dans l'ensemble, la Coopération Déléguée n'a pas eu d'effet positif significatif sur la visibilité; cela n'était toutefois pas attendu, compte tenu de la nature de l'instrument, qui cherche à stimuler des partenariats avec une présence individuelle des donateurs moins importante.

Recommandations

Recommandation 1. Le cadre de la politique de Coopération Déléguée doit être révisé et il convient de prévoir des objectifs plus réalistes et clairs

Le cadre actuel de la politique de Coopération Déléguée reflète en grande partie les réalités des années 2000 avec des liens généraux vers l'ensemble de l'Agenda de l'Efficacité de l'aide, mais sans opérationnalisation appropriée de la plupart de ses principes fondamentaux. Les objectifs de la Coopération Déléguée doivent être redéfinis conformément à l'évolution de l'Agenda de l'Efficacité de l'aide et en lien avec l'évolution opérationnelle de ce mécanisme de coopération constatée sur le terrain. En outre, certaines caractéristiques principales de la Coopération Déléguée, telles que le cofinancement ou l'utilisation des avantages comparatifs, devront être réaffirmées pour améliorer son efficacité opérationnelle et / ou redéfinies si le mécanisme souhaite atteindre ses objectifs plus larges attendus initialement.

Recommandation 2. La Coopération Déléguée doit être adaptée à l'Agenda de l'efficacité d'aide européen en constante évolution

En réponse aux changements récents dans l'Agenda de l'efficacité de l'aide, l'instrument de Coopération Déléguée doit être adapté dans les années à venir. Certaines initiatives d'efficacité de l'aide telles que la Programmation Conjointe n'étaient pas présentes au moment où la Coopération Déléguée a été établie, mais leur présence actuelle a des implications pratiques importantes pour l'utilisation du mécanisme. Dans ce processus d'adaptation, une attention particulière devra être portée aux liens entre la Coopération Déléguée et d'autres initiatives et outils d'efficacité de l'aide. Cette réflexion est particulièrement pertinente dans un contexte de coopération au développement où des nouvelles problématiques émergent (changement climatique / migrations) qui sont non sectorielles par nature.

Recommandation 3. La Coopération Déléguée devrait viser plus explicitement à renforcer le partenariat entre l'UE et les Etats membres

Conformément à l'accent mis sur des politiques plus intégrées et la Programmation Conjointe de l'Union européenne et des Etats membres, la Coopération Déléguée devrait être transformée en un instrument conjoint plus fort. L'approche de « partenariat » pourrait être renforcée par l'implication d'un large groupe d'Etats membres dans la redéfinition de l'instrument, tant au niveau stratégique qu'opérationnel. Cela devrait aussi accroître l'intérêt pour la Coopération Déléguée des Etats membres qui n'ont jusqu'à présent guère été impliqués dans des CDs et CTs.

Recommandation 4. Le partenariat renforcé devrait également assurer une plus grande réciprocité entre les partenaires de CDs et de CTs

Un renforcement de la dimension de partenariat de la Coopération Déléguée implique également d'avoir une vue plus large sur la réciprocité, et de s'attaquer à certaines des questions opérationnelles soulevées par les partenaires de CDs et de CTs dans la mise en œuvre du mécanisme. A ce titre, l'UE devrait mieux s'informer et prendre en compte les différences entre les différents partenaires de CDs et de CTs. Plus de réciprocité devrait être assurée au niveau des exigences contractuelles pour les CDs et les CTs en termes d'audit ex-ante et de reporting de la mise en œuvre.

Recommandation 5. Une attention particulière doit être portée à la tension existante entre l'exigence de visibilité et le respect des principes d'efficacité de l'aide

Les exigences de visibilité doivent faire l'objet d'une analyse approfondie. Pour certains partenaires de la Coopération Déléguée, un accent excessif placé sur la visibilité peut limiter l'attractivité du mécanisme et peut compromettre l'efficacité de la coopération. En outre, une évolution des actions de visibilité devrait être considérée, en mettant plus l'accent sur des activités communes, telles que des conférences ou des événements de partage des connaissances, au détriment des approches classiques comme les banderoles, panneaux d'affichage et logos.

Recommandation 6. Les instructions opérationnelles sur la Coopération Déléguée devraient être revues, en particulier en ce qui concerne le cofinancement

Afin de remédier aux lacunes opérationnelles observées dans la mise en œuvre de la Coopération Déléguée, les instructions opérationnelles devraient être revues. Celles-ci devraient aussi s'attacher à limiter à un niveau raisonnable les coûts de transaction dans la préparation des CDs et CTs et à réaffirmer le cofinancement comme une caractéristique obligatoire.

Recommandation 7. Les aspects qui sont importants pour les pays partenaires, tels que l'alignement des systèmes et l'appropriation, devraient recevoir plus d'attention

Lors de la conception d'une opération de Coopération Déléguée au niveau pays, la possibilité d'utiliser des systèmes locaux afin d'obtenir des résultats plus durables devrait être davantage encouragée. Actuellement, la majorité des partenaires de Coopération Déléguée, en particulier ceux qui possèdent leur propre capacité d'exécution, préfèrent utiliser leurs propres systèmes, et ne subdélèguent que rarement. Il n'y a aucun encouragement ou instruction dans le système à subdéléguer ou utiliser les systèmes des pays partenaires. A cet égard, une plus grande attention devrait être accordée à l'alignement des systèmes et à l'appropriation dans les documents de guidance opérationnelle, ce qui devrait permettre de réduire les obstacles à l'utilisation de la subdélégation dans la Coopération Déléguée.

Resumen ejecutivo

Propósito y alcance de la evaluación

La presente evaluación estudia el mecanismo de cooperación delegada (CD) de la Unión Europea (UE), con los Estados miembros de la UE y terceros países donantes, durante el periodo 2007-2014. Los principales objetivos de la evaluación son: proporcionar una apreciación general independiente de la CD y formular recomendaciones para mejorar la CD en el futuro.

Existen dos tipos de cooperación delegada, a saber:

- Acuerdos de Delegación (AD): fondos aportados por la Comisión Europea a entidades de cooperación para el desarrollo pertenecientes a los Estados miembros de la UE u a otros donantes; y
- Acuerdos de Transferencia (AT): fondos aportados a la Comisión por los Estados miembros de la UE, otros gobiernos, organizaciones o donantes públicos.

Esta evaluación abarca los AD y los AT firmados por la Comisión durante los años 2007-2014 —con excepción de los AD que forman parte de acuerdos de combinación financiera (blending) y los AD financiados con recursos provenientes del Instrumento de Ayuda de Preadhesión (IAP)—, el Instrumento en pro de la estabilidad y la paz (IcSP), el Instrumento de Estabilidad (IfS) y el Mecanismo de Reacción Rápida. Todas las regiones donde los AD y los AT han sido o están siendo implementados —con excepción de los países candidatos a la adhesión— forman parte del alcance geográfico de la presente evaluación. Los acuerdos de contribución firmados con organizaciones internacionales no están incluidos en esta evaluación.

Contexto de la evaluación

Dos factores han contribuido principalmente al desarrollo de la CD como mecanismo de cooperación de la UE:

1. La evolución de la agenda de eficacia de la ayuda

La introducción de la CD por parte de la Comisión Europea estuvo estrechamente ligada a la agenda de eficacia de la ayuda internacional, cuya ejecución comenzó en el año 2002. En sus inicios, esta agenda se concentró en proporcionar una ayuda para el desarrollo conjunta y alineada, enfocada en el liderazgo de los países socios. La Unión Europea, desempeñando un papel significativo dentro del debate sobre la eficacia de la ayuda, se centró en mejorar la división del trabajo y en incrementar sus actividades conjuntas y de cofinanciamiento. Especialmente a partir del año 2008, la agenda internacional se ha modificado en respuesta a los considerables cambios en la economía global y en las estrategias de cooperación para el desarrollo, estando estas últimas cada vez menos enfocadas explícitamente en la reducción de la fragmentación de la ayuda y más en los nuevos mecanismos de financiamiento. En consonancia con estos cambios, la UE también estableció distintas prioridades, tales como la convergencia de las políticas europeas en materia de relaciones exteriores, cooperación al desarrollo y otras políticas. La Programación Conjunta ha sido introducida como una nueva prioridad y se refiere al diseño conjunto de la cooperación para el desarrollo llevado a cabo por los países europeos que trabajan en un país socio. Además, la UE empezó a prestar más atención a la combinación de donaciones y préstamos, así como a los mecanismos de riesgo compartido para movilizar más recursos para el desarrollo y, por lo tanto, aumentar el impacto.

2. El fortalecimiento de las relaciones entre la UE y los Estados miembros

El Tratado de Maastricht (1992) y el Tratado de Lisboa (2007) proporcionaron una amplia base para delegar proyectos de cooperación para el desarrollo a los Estados miembros. Para ello, se requería un cambio en el reglamento financiero de la Comisión que fue implementado antes de que la UE pudiese comenzar a utilizar la Cooperación Delegada.

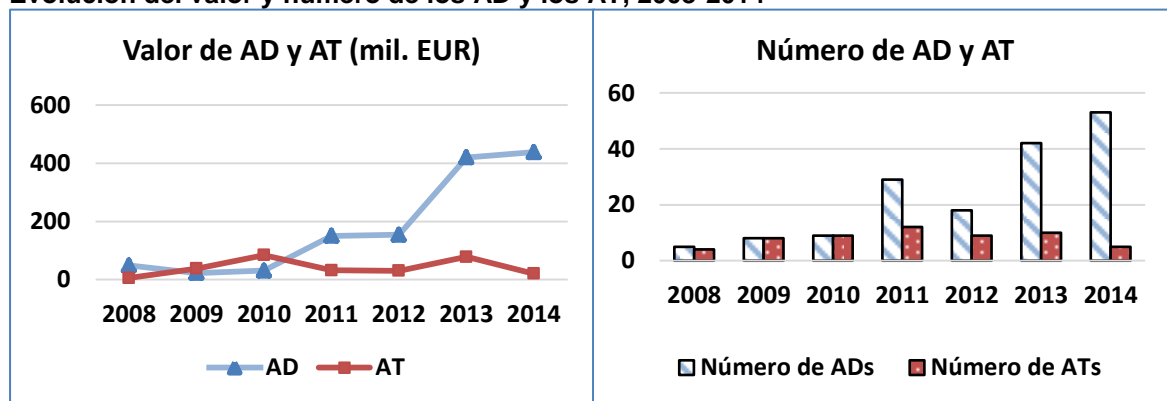
El análisis de las diversas políticas y documentos de programación de la CD puso de manifiesto los estrechos vínculos entre la agenda para la eficacia de la ayuda y la CD como mecanismo de prestación de ayuda de la UE. Los resultados previstos estaban relacionados con el incremento en el uso de las ventajas comparativas de los distintos donantes, la mejora de la coordinación y la armonización, una mejor división del trabajo, un mayor cofinanciamiento, proyectos y programas de mayor escala, sistemas de gestión únicos y un número reducido de donantes activos por sector. A su vez, se esperaba que estos resultados contribuyesen a alcanzar los cinco efectos directos siguientes:

- El fortalecimiento de la complementariedad, así como el aumento del valor añadido de la UE y otros socios de la CD;
- La disminución de la fragmentación de la ayuda;
- La reducción de los costes de transacción;
- La consolidación de la apropiación y del liderazgo del país socio; y
- El fortalecimiento de la alineación con las políticas y los sistemas de implementación de los países socios.

Información fáctica

De acuerdo con el campo de estudio de esta evaluación presentado anteriormente, ésta cubre un total de 164 AD, representando un valor total de 1263 millones de euros y 59 AT, por un valor total de 291 millones de euros. Todos estos acuerdos fueron concertados entre 2008 y 2014 y gestionados por la DG DEVCO. Los valores promedio de los AD y los AT considerados para esta evaluación ascienden a 7.7 millones de euros y 4.9 millones de euros, respectivamente. En términos generales, existe un desequilibrio entre los AD y los AT, el cual ha aumentado con el paso del tiempo. Las siguientes figuras reflejan la evolución en número y valor de los AT y los AD:

Evolución del valor y número de los AD y los AT, 2008-2014



A pesar del creciente número y valor de los AD, la proporción de la CD respecto al total de la cooperación para el desarrollo prestada por la UE y los Estados miembros continúa siendo pequeña: menos del 1% del presupuesto total.

La evaluación ha considerado una amplia gama de actores, por ejemplo, los socios de los AT —sean o no países de la Unión Europea— que han aportado fondos a la Comisión, los gobiernos y las agencias ejecutoras de los países asociados que participan en la implementación de los proyectos y programas de los AD y AT, y los socios de los AD responsables de la ejecución de tales acuerdos. Los socios de los AD pueden clasificarse en las siguientes categorías:

1. Las agencias de los Estados miembros de la UE dedicadas meramente a la implementación;
2. Las organizaciones de implementación de los Estados miembros de la UE que también desempeñan una función financiera;
3. Los ministerios de los Estados miembros de la UE que combinan la implementación con sus responsabilidades en materia de política y financiación; y
4. Las instituciones de los países no pertenecientes a la UE.

Metodología

En el caso de esta evaluación se han formulado nueve preguntas, de las cuales cinco se relacionan directamente con los cinco efectos directos (y sus resultados subyacentes), mientras que las otras cuatro preguntas se refieren a cuestiones de implementación y procedimientos, tales como la visibilidad, el equilibrio entre los AD y los AT y la cooperación entre los socios de la CD. Las nueve preguntas de evaluación y el análisis de las políticas están vinculados a los cinco principales criterios de evaluación — pertinencia, eficacia, impacto, eficiencia y sostenibilidad— así como también a los criterios adicionales de visibilidad de la UE, valor agregado y las “3 C” (coherencia, coordinación y complementariedad).

Se han utilizado las siguientes herramientas de recopilación de datos: análisis de todos los AD y AT concertados durante el período 2008-2014; revisión de la literatura; entrevistas a nivel estratégico; cuestionario *on-line* a 46 delegaciones de la UE (con una tasa de respuesta del 76%); nueve estudios de casos (Benín, Ghana, Haití, Malí, Mozambique, Nicaragua, Palestina, Tanzania y Timor Oriental) y un estudio de caso temático sobre los acuerdos de la CD vinculados a la Alianza Mundial contra el Cambio Climático (AMCC). Los estudios de casos han cubierto un total de 44 AD y 40 AT, abarcando un total de 46 programas y proyectos, representando el 35% del volumen de toda la cartera de proyectos.

La triangulación de la información obtenida tanto mediante los distintos métodos de recopilación de datos, como la procedente de múltiples fuentes, ha permitido obtener conclusiones robustas. La combinación de estas dos metodologías de triangulación ha aumentado la validez y fiabilidad de los hallazgos y ha permitido corroborar diversas hipótesis.

La evaluación estuvo confrontada con algunos desafíos metodológicos. El primero se relacionó con las diferentes interpretaciones que los actores tienen de los diversos conceptos relacionados con la CD. Este desafío ha sido abordado utilizando una lista de definiciones uniformes. Un segundo desafío estuvo relacionado con el enfoque de la evaluación, es decir, la amplitud *versus* la profundidad del análisis. En este sentido, el análisis de cartera, la revisión de la literatura, el cuestionario *on-line* y las entrevistas a nivel estratégico se centraron en la amplitud, mientras que los estudios de caso proporcionaron una profundidad adicional en cuestiones que requerían un examen más detallado según el país, el sector o el programa / proyecto. Un tercer desafío se refería al análisis de los factores que debían explicar por qué se habían logrado o no los productos previstos y sus efectos directos. Para este último, se utilizó un análisis de la economía política de manera a obtener información sobre los factores explicativos. Finalmente, el cuarto desafío de la evaluación está relacionado con la dinámica y la complejidad del objeto de la evaluación. En este sentido, la evaluación ha prestado la debida atención al análisis de la economía política en relación con las dinámicas de la CD dentro del contexto cambiante de la agenda de la eficacia de la ayuda.

Conclusión general

El impacto de la Cooperación Delegada en la eficiencia y eficacia de la ayuda ha sido limitado. La CD fue introducida en el contexto del debate sobre la eficacia de la ayuda con el objetivo de contribuir a mejorar la eficacia y la eficiencia de la ayuda. Sin embargo,

la CD ha sido adaptada y definida operacionalmente de tal manera que solamente algunas partes de la agenda de eficacia de la ayuda han podido ser apoyadas. Además, no se han articulado los vínculos con la cambiante agenda de eficacia de la ayuda, lo cual ha reducido la relevancia de la CD. De hecho, la CD se ha diseñado y utilizado principalmente como instrumento operativo para contribuir al fortalecimiento de las relaciones entre las instituciones de la UE y los Estados miembros, en particular las relaciones entre la UE y algunas agencias ejecutoras. El cambio en el enfoque de la CD a lo largo del tiempo hacia aspectos más operacionales, como por ejemplo el cofinanciamiento, la implementación de proyectos y programas de mayor escala, un sistema de gestión único, etcétera, han hecho que la CD solamente contribuyera efectivamente a algunos elementos específicos de la agenda de eficacia de la ayuda. Además, solo se han obtenido pequeñas mejoras de eficiencia al nivel de programas y proyectos. Como consecuencia, la contribución de la CD al impacto a mediano plazo para mejorar la eficacia y la eficiencia de la ayuda ha sido limitada. Este impacto limitado está también relacionado con el valor relativamente pequeño de la financiación de la CD en comparación con los compromisos de ayuda oficial al desarrollo de la UE y de los Estados miembros, que siempre han representado menos del 1% de los compromisos totales de la AOD.

Pertinencia

Inicialmente, la UE introdujo la CD como un instrumento para mejorar la división del trabajo en un país determinado. Sin embargo, durante su proceso de diseño, la CD se amplió a toda la agenda de eficacia de la ayuda, aunque los vínculos entre la CD y los principios fundamentales de esta agenda nunca llegaron a definirse operacionalmente. Esto pone de manifiesto la limitada pertinencia de la CD como instrumento para la implementación de la globalidad de la agenda de eficacia de la ayuda. Además, la CD no se alineó con la cambiante agenda de la eficacia de la ayuda ni con las nuevas prioridades de la UE, como por ejemplo la creación de vínculos más estrechos entre el diálogo político y los objetivos de cooperación al desarrollo o la introducción de la Programación Conjunta y de los nuevos instrumentos de financiación. La falta de vínculos articulados entre la CD y estos nuevos instrumentos e iniciativas ha limitado aún más la pertinencia global de la CD.

El fortalecimiento de las relaciones entre las instituciones de la UE y los Estados miembros ha sido otro de los principales impulsores del uso de la CD, aunque esto nunca fue formalizado. El enfoque en las relaciones con los Estados miembros se centró primariamente en cuestiones operativas, como el cofinanciamiento conjunto. La UE nunca ha considerado la CD como prioritaria en el diálogo con los Estados miembros y, por lo tanto, todavía la CD sigue siendo considerada como un instrumento de la UE y no como un instrumento compartido.

Eficacia, eficiencia y sostenibilidad

La CD ha sido principalmente diseñada y utilizada como una herramienta operacional para mejorar la eficiencia dentro de los sectores de cooperación. La CD ha sido efectiva para reducir los costes de transacción y lograr mejoras en la eficiencia de la implementación de proyectos respaldados por la misma. Esta contribución positiva es el efecto directo de tres productos de la CD a nivel operacional: la creación de programas más amplios, mayor cofinanciamiento y un mayor uso de los sistemas de gestión únicos. Sin embargo, no fue posible determinar si los ahorros logrados en los costes de transacción durante la implementación del proyecto compensaron los costes adicionales generados durante la preparación de los acuerdos de CD. A pesar de las reiteradas solicitudes en los documentos de orientación y de políticas relativos a la CD para realizar cofinanciamientos, el 26% de los AD no ha sido cofinanciado. Por lo tanto, estos programas o proyectos fueron financiados íntegramente por la UE, por lo que en estos casos no se crearon programas de mayor envergadura.

En la práctica, el efecto de la CD sobre la carga de trabajo de la Delegación de la UE también ha sido bastante variable. La mayoría de los donantes se han mostrado reacios a convertirse en socios “silenciosos” y, consiguientemente, el número de donantes activos en un sector no se ha reducido significativamente. La UE nunca se convirtió en un socio “silencioso”.

Dado que no había mecanismos integrados en la CD para estimular la apropiación y el liderazgo de los países socios, no se produjeron efectos positivos en este respecto. La participación del país socio, ya sea a través de la subdelegación o a través de los comités directivos de proyecto, dependía principalmente de la modalidad de cooperación y de los métodos de trabajo del país socio del AD. La ayuda a proyectos fue la modalidad dominante de la CD. Cuando se utilizaron los sistemas de gestión de los socios del AD sin subdelegación, la participación de los países socios fue bastante limitada. Esto se ilustra también en los niveles variables de alineación de los sistemas. Esta última ha sido más fuerte en el caso de los socios de la CD que han utilizado los sistemas de los países socios, que en el caso donde han utilizado sus propios sistemas. Los acuerdos de la CD nunca han sido un desencadenante o un punto de partida para los procesos de alineación y no contribuyeron a la sostenibilidad de los resultados.

Coherencia, complementariedad, coordinación y valor añadido

Existe una limitada reciprocidad entre la UE y los Estados miembros en cuanto a la utilización de la CD, aunque los dos tipos de acuerdos de la CD —los AD y los AT— sugieren una suerte de alianza equitativa. Sin embargo, las diferencias en las obligaciones contractuales, las condiciones y los procedimientos relativos a los AT y los AD parecen implicar que los socios no están al mismo nivel. Las obligaciones de los AD son mucho más exigentes que las obligaciones que debe cumplir la Comisión en el caso de los AT. Además, las “densas” auditorías ex ante de los socios de la AD no pueden considerarse como un signo de alianza equitativa.

La Comisión no ha prestado suficiente atención a las consideraciones político-económicas relacionadas con los intereses de los distintos actores en la orientación y la implementación de la CD. Los modos de funcionamiento de los socios del AD varían notablemente, de agencias “meramente” ejecutoras a ministerios de los Estados miembros que combinan funciones de desarrollo de políticas, financiación y ejecución, y no han sido suficientemente considerados ni elaborados en la orientación e implementación de la CD. Aquellos socios del AD que trabajan principalmente con contratos de subdelegación con las instituciones de los países socios —lo que potencialmente contribuye más a la propiedad y al liderazgo de los países socios—, enfrentan más retos que los que utilizan sus sistemas paralelos, ya estén éstos débil o nulamente alineados con los procedimientos y sistemas de los países socios.

Ha habido diferencias notables en términos de nivel de participación de los socios del AD. Por una parte, algunos socios del AD, en particular las agencias “meramente” ejecutoras, han mostrado un gran interés en aumentar su cartera de proyectos y han estado ansiosos por implementar varios proyectos de la CD. Por otra parte, los ministerios de los Estados miembros no han estado buscando activamente oportunidades para colaborar en programas y proyectos de AD y por lo tanto han estado relativamente poco representados. El desequilibrio entre los Estados miembros es aún mayor cuando se toman en consideración también los AT. Si bien Alemania y Francia son responsables de casi dos tercios de los AD, no han estado muy interesados en concluir AT con la UE, adicionalmente a sus contribuciones regulares al presupuesto de la UE y al FED (Fondo Europeo de Desarrollo). Algunos Estados miembros más pequeños, como Bélgica, Dinamarca y Luxemburgo, han mostrado un mayor equilibrio entre los AD y los AT. Los AT parecen haber sido más atractivos para los Estados miembros más pequeños con capacidad de ejecución limitada.

La CD ha tenido efectos positivos sobre la complementariedad y el valor añadido, en particular a nivel sectorial. Los efectos positivos se relacionaron principalmente con el aprovechamiento de las ventajas comparativas basadas en conocimientos específicos o la experiencia previa dentro del sector correspondiente. De esta manera, la UE y sus socios de CD generaron valor añadido en su apoyo a nivel sectorial, en comparación con una situación sin CD. Esto también implica que la CD contribuyó positivamente a los preceptos del Tratado de Maastricht y del Tratado de Lisboa: coordinación, complementariedad y coherencia (las "3 C"). En situaciones políticamente sensibles y en lo que se refiere a compartir riesgos, también hay buenos ejemplos en los que la UE tuvo una clara ventaja comparativa para implementar programas o proporcionar apoyo financiero.

Visibilidad

El creciente interés de la UE y de los socios de la CD en la visibilidad se ha hecho a expensas de los principios de la eficacia de la ayuda, en particular la apropiación y el liderazgo por parte de los países socios. La UE ha formulado requisitos de visibilidad estrictos que deben ser respetados por los socios del AD y en la mayoría de los casos la visibilidad de la UE estuvo garantizada. De manera general, la CD no tuvo un efecto positivo significativo en la visibilidad, aunque este no era un resultado esperado debido a la naturaleza del instrumento, que consiste en estimular asociaciones y una presencia menos prominente de los donantes individuales.

Recomendaciones

Recomendación 1. Revisión del marco de política de la CD y adopción de objetivos más realistas y claros

El actual marco de política de la CD refleja en gran medida la realidad de los años 2000, fuertemente vinculado a la agenda de eficacia de la ayuda, pero sin una traducción operacional de la mayoría de los principios fundamentales de ésta. Es necesario redefinir los objetivos de la CD teniendo en consideración la evolución de la agenda de la eficacia de la ayuda y también la evolución operacional de este mecanismo de cooperación en el terreno. Además, algunas de las características claves de la CD, como el cofinanciamiento o el uso de la ventaja comparativa, deben ser reafirmadas para mejorar su eficiencia operacional, y/o redefinidas, con el fin de que la CD logre los objetivos más amplios para los que ha sido concebida.

Recomendación 2. La CD necesita ser adaptada a la evolución de la agenda de eficacia de la ayuda de la UE

En respuesta a los recientes cambios en la agenda de eficacia de la ayuda, el instrumento de la CD necesita ser adaptado en los próximos años. Algunas iniciativas de eficacia de la ayuda, como por ejemplo la Programación Conjunta, no existían en el momento en que se estableció la CD, pero hoy en día tienen importantes implicaciones prácticas para el uso de la CD. En este proceso de adaptación, se deberían considerar cuidadosamente los vínculos entre la CD y otras iniciativas y herramientas de eficacia de la ayuda. Esta reflexión es particularmente pertinente en un contexto de desarrollo en el que surgen nuevas temáticas (cambio climático, migración) que no son sectoriales por naturaleza.

Recomendación 3. La CD debería centrarse más explícitamente en el refuerzo de la asociación entre la UE y los Estados miembros

En consonancia con un mayor énfasis en políticas más integradas y en la Programación Conjunta por parte de la UE y de los Estados miembros, la CD debería transformarse en un instrumento conjunto más sólido. El enfoque de "asociación" podría reforzarse mediante la participación de un grupo amplio y representativo de los Estados miembros en el rediseño del instrumento de la CD, tanto a nivel estratégico como operacional. Esto

también debería aumentar el interés de aquellos Estados miembros que hasta la fecha apenas han participado en los AD y los AT.

Recomendación 4. El fortalecimiento de la asociación también debería garantizar una mayor reciprocidad entre los socios de los AD y los AT

El fortalecimiento de la dimensión de asociación de la CD también implica tener una visión más amplia de la reciprocidad y abordar ciertos problemas operacionales planteados por los socios de los AD y los AT en la implementación de la CD. Desde esta perspectiva, la UE debería estar más consciente de las diferencias existentes entre los diversos socios de los AD y de los AT y actuar en consecuencia. Debe garantizarse una mayor reciprocidad entre los requisitos contractuales para los AD y las AT en términos de auditoría ex-ante y presentación de informes de ejecución.

Recomendación 5. La tensión entre el fomento de la visibilidad y los principios de eficacia de la ayuda debería ser abordada

Los requisitos de visibilidad deben evaluarse cuidadosamente. Para algunos socios de la CD, un enfoque excesivo en la visibilidad puede limitar el atractivo de la CD y puede socavar la eficacia de la cooperación. Además, debe ser considerado un cambio de enfoque, lejos de los carteles, vallas publicitarias y logotipos, hacia un enfoque más fuerte en actividades conjuntas, como conferencias o eventos de intercambio de conocimientos.

Recomendación 6. Deben revisarse las instrucciones operacionales de la CD, en particular para el cofinanciamiento

Con el fin de superar las deficiencias operacionales observadas en la implementación de la CD, las instrucciones operacionales deben ser revisadas. Las instrucciones de la CD deben también prestar atención en la reducción de los costes de transacción al preparar los contratos de la CD a un nivel razonable y reafirmar el cofinanciamiento como una característica obligatoria.

Recomendación 7. Debe prestarse mayor consideración a aspectos que son importantes para los países asociados, como el alineamiento de los sistemas y la apropiación

Al diseñar la CD a nivel nacional, se necesita más atención para evaluar la posibilidad de utilizar sistemas locales con la finalidad de alcanzar resultados más sostenibles. Actualmente, la mayoría de los socios de la CD, especialmente los que tienen su propia capacidad de implementación, prefieren usar sus propios sistemas y rara vez subdelegar. No hay incentivos o instrucciones en el sistema para subdelegar o utilizar los sistemas del país. En este sentido, debería prestarse mayor atención al alineamiento de los sistemas y la apropiación en los documentos de orientación operativa, reduciendo así los obstáculos o desafíos operacionales que desincentivan el uso de la subdelegación en la CD.

1 Introduction

1.1 Objectives and scope of the evaluation

The main objectives of this evaluation of the European Union (EU) aid delivery mechanism of delegated cooperation (DC) with EU Member States and third donor countries are¹:

- to provide the relevant external co-operation services of the EU and the wider public with an overall independent assessment of DC over the period 2007-2014; and²
- to identify key lessons and to produce recommendations to improve current and inform future choices of cooperation strategies and delivery.

There are two types of delegated cooperation, namely³:

- Delegation Agreements (DAs): funds entrusted by the European Commission to development cooperation entities from EU Member States or other donors; and
- Transfer Agreements (TAs): funds entrusted to the Commission by EU Member States, other governments, organisations and public donors⁴.

This evaluation covers DAs and TAs signed by the Commission during the years 2007-2014, except DAs which are part of financial blending arrangements and DAs funded with resources from the Instrument for Pre-accession Assistance (IPA), the Instrument contributing to Stability and Peace (IcSP), the Instrument for Stability (IfS) and the Rapid Reaction Mechanism. All regions where DAs and TAs have been or are being implemented - except pre-accession countries - are part of the geographical scope of this evaluation.

As the majority of DAs and TAs has been concluded with EU Member States, the main focus is on DC with Member States. However, DC with other countries is also taken into account. Contribution agreements concluded with international organisations are not part of the scope of this evaluation.

DAs and TAs signed up to December 2013 were subject to the EU Financial Regulations of 2002 applicable up to the end of December 2013, while those signed in 2014 are subject to the EU Financial Regulations of 2012 applicable from January 2014 onwards. The so-called PAGODA (Pillar Assessed Grants Or Delegated Agreements), which became effective from 2015 onwards, have been referred to where relevant.

The evaluation involves a broad range of stakeholders, in particular:

- the DA partners being responsible for the execution of the DA, of which the most important ones are implementing agencies such as GIZ (Germany), AECID (Spain), BTC (Belgium), CICL (Portugal), ADA (Austria) and Lux-Dev (Luxembourg); implementing organisations which also have a financial role, such as KfW (Germany) and AFD (France); and also Ministries of Foreign Affairs or Development Cooperation of Member States, which combine policy and funding

¹ See Terms of Reference (ToR), page 1 (included in Volume 2, section 2.1).

² The ToR refer to the period 2007-2013 but during the kick-off meeting it was agreed to include 2014 as well.

³ See ToR, page 3.

⁴ See DEVCO Companion, section 3.1.3: "The co-financing donor may be an EU Member State (or its entity operating at national or federal level), or in exceptional and duly justified cases, any other donor country (including its public and semi-public agencies), international organisations or even a private entity."

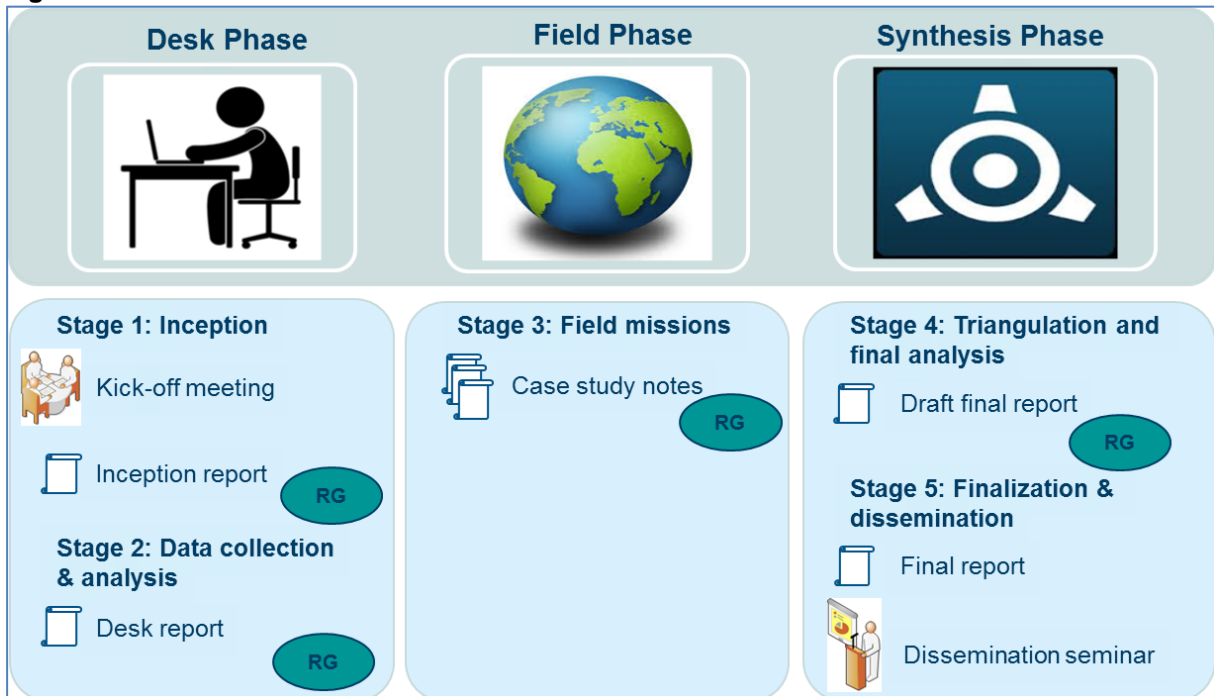
responsibility with implementation such as DFID (UK), Danida (Denmark) and the Netherlands Ministry of Foreign Affairs;

- the TA partners having entrusted funds to the Commission, such as the Governments of Belgium, France, Ireland, Sweden, the UK, etc. represented by their Ministries of Foreign Affairs or Development Cooperation;
- the partner country governments, being the beneficiaries of the projects and programmes (partly) financed by the DA and TA funds;
- other implementing agencies in partner countries to which parts of the implementation of the projects and programmes (partly) financed by the DA and TA funds have been sub-delegated, such as water authorities⁵.

1.2 Overview of the evaluation process

This evaluation consisted of three phases, namely: (i) the desk phase, (ii) the field phase and (iii) the synthesis phase, as illustrated in the following figure. Four Reference Groups (RGs) were organised.

Figure 1.1 Overview of Evaluation Phases



This evaluation was launched in September 2014. It has been subject to delays, due to changes of the evaluation management within the Evaluation Unit and changes in the composition of the Evaluation Team.

A draft final report was submitted on 30 June 2016 and discussed in a RG on 14 July 2016. RG members and a Consultative group consisting of four Member States (France, Germany, Luxembourg, Portugal) provided comments on the draft final report. The Evaluation Team addressed the comments in the final report accompanied by a response sheet indicating how the comments have been addressed.

⁵ DC does not allow for subcontracting, but institutions in partner countries may be formally involved in the implementation of DC projects and programmes through sub-delegation agreements.

1.3 Formulation of the Evaluation Questions

During the inception stage a reconstructed Intended Effects Diagram (IED) was made (see figure 1.2) on the basis of the collection and analysis of the official policy and programming documents (see Chapter 2 for an overview of the DC policy framework and Volume 2, section 2.4 for the list of documents) and interviews with key stakeholders (see Volume 2, section 2.5 for a list of persons consulted).

From the various DC policy and programming documents (see Chapter 2), the following seven DC outputs have been derived (see figure 1.2)⁶:

- increased use of the comparative advantages of the various donors;
- improved coordination and harmonisation of donor approaches and procedures;
- improved division of labour among donors;
- more co-financing;
- larger projects and programmes;
- single management systems; and
- reduced number of donors active per sector.

The envisaged outputs were expected to contribute to the following five outcomes⁷:

- strengthened complementarity and increased added value of the EU and other DC partners;
- reduced aid fragmentation;
- reduced transactions costs;
- strengthened ownership and leadership by the partner country; and
- strengthened alignment with partner countries' policies and implementation systems.

The envisaged cause-effect relationships between outputs and outcomes are shown in the IED. There are various other (horizontal) linkages between the various outputs, which cannot all be shown in the IED and some outputs partly overlap.

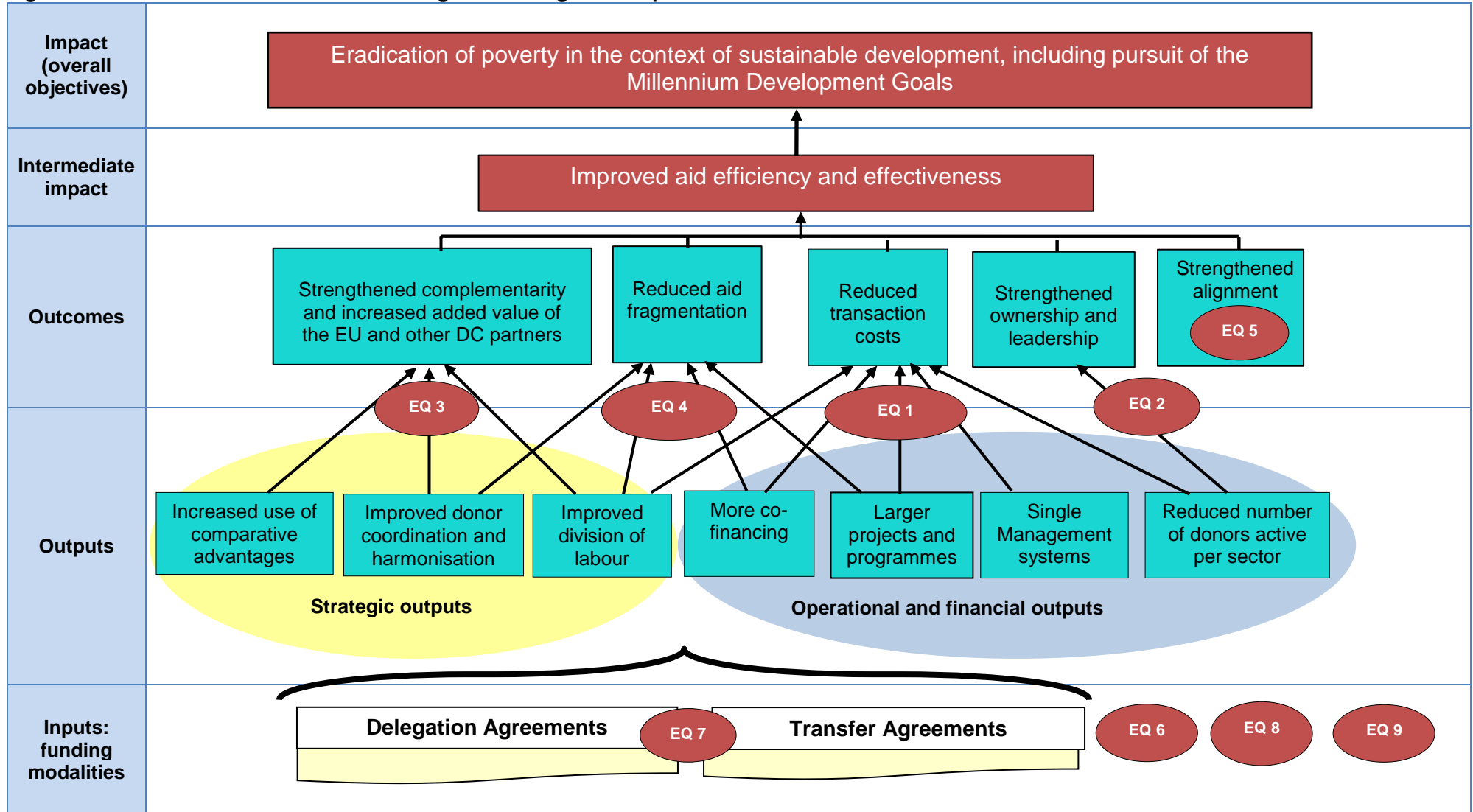
The five DC outcomes are envisaged (and assumed) to contribute to improving the efficiency and effectiveness of aid delivery (see the intermediate impact level of the reconstructed IED, figure 1.2). These envisaged intermediate impacts are directly linked with the objectives of the Paris Declaration on Aid Effectiveness (2005), the subsequent Accra Agenda for Action (2008) and the Busan Partnership for Effective Development Cooperation (2011). These intermediate impacts should ultimately contribute to achieving the “primary and overarching objective” of the EU’s development cooperation policy which is “the eradication of poverty in the context of sustainable development, including pursuit of the Millennium Development Goals”⁸.

⁶ Definitions of various terms used in this section and the IED are presented in Volume 2, section 2.7 of this document.

⁷ See also Volume 2, section 2.7 for definitions of the outcomes.

⁸ Quote from the “European Consensus on Development” part I, section 1, paragraph 5 (2005). This “overarching objective” was reconfirmed in 2011 in the “Agenda for Change”. See Com (2011) 637 final, page 5.

Figure 1.2 Reconstructed Intended Effects Diagram of Delegated Cooperation



Text box 1.1 below presents the nine Evaluation Questions (EQs). Five EQs are directly related to the five outcomes (and the underlying outputs), while four other EQs deal with implementation and process issues.

Text box 1.1 The Evaluation Questions

EQs focusing on outcomes

EQ 1: To what extent has DC reduced transaction costs?

EQ 2: To what extent has DC strengthened the ownership and leadership of the partner countries as regards DC-funded projects and programmes and the policy formulation and implementation in the sector of the DC project or programme?

EQ 3: To what extent has DC strengthened complementarity and added value of the support provided by the EU and other DC partners?

EQ 4: To what extent has DC reduced the fragmentation of aid?

EQ 5: To what extent has DC strengthened the alignment of aid with policies and procedures of the recipient country?

EQs analysing implementation and process issues

EQ 6: To what extent has visibility of the EU and other participating donors been ensured in case of projects and programmes funded via DC?

EQ 7: What have been the main reasons why to date, the number and value of TAs have been much lower than the number and value of DAs?

EQ 8: What has been the quality of the decision making process and the assessment of DC proposals in view of the DC objectives and assessment criteria as defined by the EU?

EQ 9: What has been the scope and quality of the cooperation between the EU, the DC partner and the implementing entity in the partner country during implementation of the project/programme (partly) funded through DC?

Each EQ is broken down into judgment criteria (JCs) and indicators. A judgement criterion specifies an aspect/element of the EQ. Indicators refer to information and data which have been collected in order to answer the judgement criteria and the EQs.

The ToR presented a series of indicative evaluation questions that were considered in the inception stage and formed the basis for the nine EQs presented above. For example, the ToR contains an indicative question regarding the impact of DC. In line with the IED (figure 1.2), it was decided at the end of the inception stage that the combined answers to the EQs would lead to an overall conclusion regarding impact. Other indicative questions were included in the overall analysis.

Analysis of DC in light of the evaluation criteria

The ToR (see Volume 2, section 2.1) specified that the five standard OECD/DAC evaluation criteria, namely relevance, effectiveness, efficiency, impact and sustainability should be taken into account. In addition, added value, the 3Cs (coordination complementarity and coherence)⁹ and EU visibility should be addressed. The link between the evaluation criteria and the analysis presented in this report is shown in table 1.1.

⁹ The Maastricht Treaty (1992) introduced the precepts of coordination, complementarity and coherence (3Cs) in the EU's development co-operation policies and operations. Co-ordination has been defined as 'activities of two or more development partners that are intended to mobilise aid resources or to harmonise their policies, programmes, procedures and practices so as to maximise the development effectiveness of aid resource. Complementarity is intended to ensure that Community development policy 'shall be complementary to the policies pursued by the Member States. Coherence, is defined as: 'The non-occurrence of effects of policy that are contrary to the intended results or aims of policy' (<http://www.three-cs.net/3cs-defined.html>)

Table 1.1. Evaluation criteria in relation to the analysis presented in this report

<i>Evaluation criteria</i>	DC analysis	EQ1	EQ2	EQ3	EQ4	EQ5	EQ6	EQ7	EQ8	EQ9	Conclusions
Relevance	●							●	●		●
Effectiveness		●	●	●	●	●					●
Efficiency		●			●	●			●		●
Impact											●
Sustainability			●			●					●
EU added value				●							●
3Cs				●				●		●	●
EU visibility							●				●

Prior to the presentation of the answers to the evaluation questions in chapter 3, an analysis of the evolution of DC from 2007 onwards is presented in chapter 2. The analysis of the dynamics of the DC mechanism focuses on the relevance of the instrument. In chapter 3 the nine EQs are answered. The first five EQs focus on the five main outcomes and underlying outputs, which implies that for these five EQs effectiveness is the main evaluation criterion. In addition, some of these results-oriented EQs focus on other evaluation criteria, such as efficiency (EQ1 on transaction costs and EQ4 on reduced aid fragmentation) and on EU added value and the 3Cs (EQ4 on added value and complementarity).

The four EQs focusing on process and implementation issues (EQ6-9) also relate to the evaluation criteria in various ways. EQ6 focuses exclusively on visibility issues, while the other EQs deal with various evaluation criteria as indicated in table 1.1.

EQ1 to EQ5 specifically focus on the relationship between outputs and outcomes, and therefore the primary focus of these five EQs is on effectiveness. Two other EQs cover some aspects of relevance: EQ 7 (DA/TA balance) and EQ8 (quality of decision making in view of DC objectives), while the main assessment of relevance is based on the analysis of the dynamics of DC, presented in chapter 2.

Impact is the only criterion that is not dealt with in any particular EQ, but the contribution of DC to improved aid effectiveness and aid efficiency (see intermediate impact in the IED, figure 1.2) is dealt with in the overall conclusions (see chapter 4).

1.4 Methodological approach and challenges

1.4.1 Main data collection instruments

Portfolio analysis

During the inception phase an inventory was made of all DAs and TAs signed with the DC partner up to the end of December 2014. The inventory is based on information extracted from DEVCO's Common Relex Information System (CRIS) database and cross-checked with the "Report on Delegated Cooperation with EU Member States – December 2014"¹⁰. Consistency of the data was checked in the case studies and through the questionnaire. During the desk phase additional key characteristics of the portfolio were collected and analysed. The purpose of the portfolio analysis was to present the evolution of the use of the DC instrument. Therefore, the main findings of the portfolio analysis are presented in

¹⁰ This report is compiled by the DEVCO Planning and Budget Unit and accompanied by an excel file.

chapter 2 as part of the analysis of the evolution and use of DC, while additional information can be found in in Volume 2, section 2.8.

Literature review

The purpose of the literature review was to find information in the literature on aid effectiveness and in particular on the DC mechanism or related mechanisms. The literature review also served to develop a robust evaluation design by making use of methodological approaches developed and implemented in similar studies or evaluations. In addition, literature findings formed one of the building blocks for answering the EQs. During all phases of the evaluation, relevant literature, both EU policy and guidance notes regarding DC but also studies and evaluations of division of labour and other related aid effectiveness topics, has been analysed and collected. In addition, documents from other donors and academic research has been collected and analysed (see Volume 2, section 2.4 with the bibliography).

Interviews at strategic level

In-depth interviews were conducted with staff from the Commission, the main DA and TA partners and representatives of some Ministries of Foreign Affairs or Development Cooperation of EU Member States (see Volume 2, section 2.5 for list of interviews). These interviews at a strategic level were needed to develop a robust evaluation design, but also formed one of the information sources for the analyses presented in this report.

Web-based questionnaire

A web-based questionnaire was launched to collect information and views from a broad range of the 61 EU Delegations (EUDs) that are involved in DC agreements, which also include the case study countries. The country level questionnaire was sent to 46 EUDs of which 35 have actually filled in the questionnaire (76% response rate). The purpose of the questionnaire was to collect views from a large number of EUDs on issues related to the EQs in addition to the case studies.

Case studies based on sampling approach

The Terms of Reference (see Volume 2, section 2.1) already specified that the Evaluation Team should carry out ten case studies in ten different countries, which was considered as a main source of information to answer the EQs. The selection of case studies is explained in detail in Volume 2, section 2.6. This led to the selection of nine country case studies and one thematic study of the Global Climate Change Alliance (GCCA), with a total of 44 DAs and 31 TAs in nine countries covering in total 46 projects and programmes, plus an additional nine TAs being part of the GCCA programme¹¹, which are presented in table 1.2. Based on this sampling, the case studies covered 35% of the volume of the total portfolio.

For eight of the country case studies, field visits were carried out, while the two remaining case studies, Haiti and GCCA, were desk-based including some telephone interviews. The full methodology used in the field missions is described in Volume 2, section 2.6. All case study notes are included in Volume 4, including the lists of documents related to the case studies and the interviews conducted.

¹¹ More precisely, seven GCCA TAs have been signed supporting 12 GCCA projects. Because the EU regards them as separate TAs in the DC inventory, in this report they are also treated as 12 individual TAs as they relate to 12 different projects. Three TAs were covered in the country case studies, which explains the “additional” nine.

Table 1.2 Overview of coverage of case studies

Case studies	No. of DAs	No. of TAs	No. of DC programmes	Total volume of DC
Palestine	9	15	12	90,228,105
Mali	8	4	4	71,640,922
Benin	7	4	7	58,920,175
Mozambique	4	3	6	51,297,000
Timor-Leste	6	1	4	21,740,148
Tanzania	2	2	4	68,399,416
Nicaragua	4	-	4	29,780,000
Ghana	2	1	2	55,826,732
Haiti	2	1	3	64,467,000
Sub-total country cases	44	31	46	512,299,497
GCCA	-	9*	-	26,161,972*
Total case studies	44	40	46	538,461,469

*excluding the number and value of the three TAs covered in the country case studies.

1.4.2 Data analysis

Scoring

In some countries, multiple DAs and/or TAs were part of the same project or programme. As DC outputs and outcomes can only be related to the full projects and programmes that are partly or fully funded by DAs and TAs, and not to individual DAs and TAs, during the case studies the DC supported projects and programmes became the subject of the analysis. The scoring has subsequently been done for 46 DC-supported projects and programmes, and not for the 44 DAs and 31 TAs individually. For the GCCA, a desk-based assessment of all 12 related TAs has been made. The scoring for three of the TAs, which were part of a country case study, is included in the 46 DC-supported projects and programmes. For the other nine TAs, no separate scoring has been done.

In order to create a coherent and comparable evidence base, the DC projects and programmes included in the case studies were scored on a four-point scale regarding the seven outputs and nine EQs. In addition to the comments from the stakeholders on the scores, the Evaluation Team reviewed (internally) the scores of all case studies for each output, outcome and other criteria in order to ensure consistency. The reviewed scores constitute a solid basis for the evidence collected, but qualitative findings are equally important to explain and interpret the given scores in the specific context.

Counterfactual analysis

The evaluation did not allow for a full counterfactual analysis, however a comparison of DC with other aid delivery mechanisms such as direct management was undertaken in the case studies. In these, the counterfactual has been determined in a systematic way on a case-by-case basis, i.e. what would have happened at project or programme level in the absence of DC (assessment of the most likely situation and a comparison between that situation and the situation with DC). By doing so, the evaluation has compared DC with other aid delivery modalities - those most likely to have been used in the absence of DC.

Political economy analysis

DC is a mechanism involving various groups of stakeholders with different interests. The mechanism has been developed and used by these different stakeholders. Therefore, in chapter 2 where the origins of DC and the evolution of DC during the evaluation period as

well as the main characteristics of its use are analysed, political economy analysis¹² has been used to present the dynamic evolution of DC. In addition, political economy analysis has been applied in the case studies and for answering the evaluation questions. The interaction among stakeholders and the analysis of the different interests of stakeholders are important explanatory factors behind the positive or negative outcomes (EQ1, 2, 3, 4 and 5). Furthermore, some EQs and in particular EQ7 (DA/TA ratio) and EQ9 (quality of cooperation) focus on the relationship between stakeholders, which also requires political economy analysis.

Triangulation

Triangulation of findings from the use of multiple data collection methods and from the use of data from multiple sources is important to draw robust and firm conclusions. The combination of these two triangulation strategies has enhanced the validity and reliability of the findings and has allowed the corroboration of different evidence.

With regards to the use of multiple data collection methods, the evidence base per EQ and per JC is presented in Volume 3, where findings from the following data collection tools are presented and triangulated in order to answer the EQs:

- the literature review;
- the portfolio analysis;
- interviews at the strategic level;
- the analysis of case studies; and
- the questionnaire.

In addition to this triangulation of information through the use of several methodological tools for each EQ, data triangulation was also applied through the use of information collected from multiple sources and stakeholders. As a matter of example, triangulation of perspectives from the different stakeholders involved in DC (EUDs, EU Member States, other donors and partner governments) was systematically applied within the case study analysis. For each of those stakeholders, more than one interview was often conducted per selected DC project, in order to collect a wide range of perspectives.

In some respects, the 'partnership' nature of DC has facilitated the systematic triangulation of information across sources, as assessing the cooperation between DC partners required per definition to confront the views of the cooperating parties.

In volume 2, section 2.10, we have categorised the quality of evidence used for each of the 30 JCs, using a four-point scale (high, satisfactory, limited and weak). The quality of the evidence was assessed as either high or satisfactory for most JCs (out of 30 JCs, it was categorised as high for 22 JCs and satisfactory for 6 JCs). For two JCs (JCs 8.3 and 8.4 on DC Assessment Fiches), the evidence was assessed as weak, given the limited availability of those fiches.

1.4.3 Methodological challenges

Definition of concepts and different interpretations

As reflected in the seven outputs and five outcomes as well as in the nine EQs, DC is a mechanism surrounded by many concepts. Sometimes these concepts are overlapping and the definitions in policy notes, guidance papers and literature are not always uniform. This has affected the evaluation as the Evaluation Team had to agree on uniform definitions, but stakeholders sometimes had different interpretations of the often complex

¹² Political Economy most commonly refers to interdisciplinary studies drawing upon economics, political science, law, history, sociology and other disciplines in explaining the crucial role of political factors in determining economic outcomes.

concepts. These differences in interpretations did affect their responses in interviews and the questionnaire, but this did not affect the validity of the findings given the triangulation approaches applied.

Width versus depth

In most strategic evaluations, the challenge of width versus depth needs to be addressed. The intention was to collect as much as information as possible on the entire portfolio in the desk phase, but it rapidly emerged that important information to answer the EQs was not easily available in CRIS. It also became clear that for some outputs, such as comparative advantage, an assessment could not be made for each of the 164 DAs and 59 TAs, as it required some context-related research. A questionnaire among a limited number of EUDs involved in DC was part of the original methodological proposal, in addition to the case study approach. However, it was decided to broaden the evidence basis, by sending the questionnaire to 46 EUDs.

Explanatory factors

The EQs are focused on outcomes (and underlying outputs), processes and implementation issues. It is important to assess the outcomes as clearly as possible, but it is equally important to provide clear explanation whether specific outputs were realised, partially realised or not realised. Therefore, due attention has been given to the specific country context, EU programming processes including Joint Programming, the sector context etc. Different views from stakeholders were taken into account to feed the political economy analysis.

Delegated cooperation: a challenging evaluation subject

Many strategic goals have been attached to DC, while in practice DC was also considered as an intermittent step in a process towards improved aid effectiveness. Hence, the goals have probably been overambitious as already indicated in 2007¹³. This evaluation has worked on the basis of a reconstructed intended effects diagram, taking into consideration the objectives of DC reflected in the policy documents at that time. However, it appeared that not all formulated outputs and outcomes were equally applicable on DC as an operational instrument. It was often difficult to establish the effect of DC to these high-level outputs, because of the relatively modest size of DC. This was underscored by the respondents to the EUD questionnaire. The feedback received through the questionnaire have been carefully used, given its methodological limitations. First, it was difficult for respondents to make general statements on DC on the basis of only one or two DC agreements. Furthermore, some of the respondents gave 'average' answers to the questions, i.e. the answers were based on more than one DC agreement, which might have led to bias.

Another challenge related to distinguishing the evaluation of DC from the evaluation of the DC-related project. While it was not within the scope of the evaluation to evaluate each DC project per se, the approach has been to take the results of DC-related projects or programmes (when available) into consideration in the analysis of DC. Project evaluation reports provided often useful information related to the achievement of aid effectiveness criteria (e.g. on alignment, coordination etc.) which could inform the analysis of the effect of DC with regards to those criteria.

¹³ Note from the Director General of AIDCO to the attention of the Heads of Delegation, AIDCO D(2007) 24585, dd, 04.12.2007. This is further elaborated in Chapter 2, section 2.2.

1.5 Structure of the report

Chapter two provides an overview of the policy framework of DC and the key information of the DC portfolio. Chapter three consists of the responses to the nine EQs. In chapter four, the main strategic issues affecting the DC instrument are discussed.

Volume two of the evaluation consists of all annexes relevant to volume one. Volume three includes the Evaluation Matrices for all EQs. Volume four consists of the ten case study reports and the questionnaire.

2 Evolution of the Delegated Cooperation mechanism

This chapter presents an analysis of the evolution of DC against the evolving context for the aid effectiveness agenda. It starts with a brief introduction of the evolving aid effectiveness context (section 2.1) that set the scene for the development of DC. In section 2.2 the origin of DC and the rationale for the development of DC are presented. In section 2.3 the policy analysis, including the legal framework and the operational guidance, is discussed. The use and evolution of DC based on the portfolio analysis is presented in section 2.4, including a political economy analysis of the interaction between the various groups of stakeholders¹⁴. Finally section 2.5 covers the relationship between DC and new approaches and tools.

In this way, the dynamics of the DC mechanism are analysed, which provides an adequate framework to answer the EQs in the next chapter. More detailed information regarding the DC legal and policy framework is included in Volume 2: the details of the DC policy guidance and legal framework are presented in Volume 2, section 2.7, a comprehensive portfolio analysis is provided in Volume 2, section 2.8 and key events and dynamics of DC are presented in Volume 2, section 2.9.

2.1 The evolving aid effectiveness context for Delegated Cooperation

2.1.1 The global aid effectiveness agenda

The international aid effectiveness agenda initially focused on joint and aligned country-led approaches to development assistance

The introduction of DC by the Commission was closely related to the aid effectiveness agenda as developed since 2002 by various consecutive High Level Fora on aid effectiveness¹⁵. The Paris Declaration on Aid Effectiveness (2005) outlined the following five fundamental principles for making aid more effective:

1. Ownership: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption;
2. Alignment: Donor countries align behind these objectives and use local systems;
3. Harmonisation: donor countries coordinate, simplify procedures and share information to avoid duplication;
4. Results: Developing countries and donors shift focus to development results and results get measured;
5. Mutual accountability: Donors and partners are accountable for development results.

The focus of the aid effectiveness agenda was predominantly on improved country ownership and leadership, improved division of labour, leading to less active donors per sector and more use of aligned aid modalities such as budget support.

¹⁴ Section 2.4 and Volume 2, section 2.8 provide a summary of the inventory of all DAs and TAs signed with DC partners during the evaluation period, from the first agreement in 2008 up to the end of December 2014. This inventory is based on information extracted from the EC's CRIS database and cross-checked with the data of the "Report on Delegated Cooperation with EU Member States – December 2014" made by the DEVCO Planning and Budget Unit.

¹⁵ The Monterrey Conference on Financing for Development took place in 2002. The first High Level Forum on Harmonisation was held in Rome in 2003. In the same year OECD/DAC published a document entitled 'Harmonising donor practices for effective aid delivery' with one chapter devoted to DC. The aid effectiveness principles and strategies were further developed at three international conferences, namely the Paris Declaration (2005), the Accra Agenda for Action (2008) and the Busan Partnership for effective Development Cooperation (2011).

In 2008, the international conference on aid effectiveness in Accra adopted the Accra Agenda for Action. That Agenda contained a few relevant statements about reducing aid fragmentation and the division of labour and complementarity¹⁶.

However, the aid effectiveness agenda changed in response to the global recession in 2008 and the fundamental changes in the global economy and the development landscape

The 4th High Level Forum on Aid Effectiveness held in Busan in 2011 reiterated the five aid effectiveness principles of the Paris Declaration¹⁷. In Busan, it was generally concluded that fundamental changes have taken place in the global economy and the development landscape since 2008. In response, changes in priorities were embodied in a shift to four principles for achieving common development goals: ownership, focus on results, inclusive development partnerships and transparency and accountability. An OECD evaluation in 2011 concluded “that of the five principles, country ownership has advanced farthest, with alignment and harmonisation progressing more unevenly, and managing for development results and mutual accountability advancing least”¹⁸.

In line with the evolving international context, reducing aid fragmentation has received less attention in the aid effectiveness debate¹⁹. This is related to the range of (also new) actors that joined the development partnerships, the different roles some of them play and the increase in humanitarian aid and changing aid modality preferences. Budget support, which initially became an important aid modality for several donors within the framework of aid effectiveness, has been less used in recent years. Several bilateral donors have stopped providing General Budget Support and moved back to less aligned modalities. Furthermore, budgets for development co-operation among many OECD-DAC members have stagnated and political visibility of donors and better linkages between foreign affairs, trade, defence and development cooperation policies of donors have become more prominent. The OECD Progress Report of 2014²⁰ stressed the challenges to achieve the Paris and Accra targets under unfavourable conditions for development co-operation in many provider countries. After Busan, the Global Partnership for Effective Development Co-operation became responsible for the monitoring of progress regarding the aid effectiveness agenda. This Global Partnership is also responsible for realising the 2030 Agenda for Sustainable Development i.e. the Sustainable Development Goals (SDGs)²¹. This indicates a shift in the original aid effectiveness agenda, which focused initially on process and principles, towards a broader, more inclusive agenda.

2.1.2 The role of the EU in the aid effectiveness agenda

The focus of the EU was initially on division of labour via the three focal-sector approach

The EU has been a major player in the aid effectiveness debate. In 2005, the European Consensus on Development was published, indicating how the EU adhered to the five principles of aid effectiveness as agreed in the Paris Declaration. It also underlined the importance of reducing the transaction costs of delivering aid, strengthening the complementarity of the various donor contributions and making better use of the

¹⁶ The Accra Agenda for Action (2008).

¹⁷ Busan Partnership for effective development co-operation, (2011).

¹⁸ OECD, Evaluation of the Paris Declaration, Phase 2, Main Report, May 2011, p. xii.

¹⁹ In 2011, the OECD confirms this in its ‘Report on division of labour: Addressing cross-country fragmentation of aid, November 2011’. It concluded that aid fragmentation within and across countries was increasing but stated that there are no ‘ideal’ concentration or fragmentation levels per donor or per partner country.

²⁰ OECD, Making Development Cooperation More Effective, 2014-Progress Report, 2014.

²¹ The Global Partnership for Effective Development Co-operation provides a unique platform to advance the effectiveness of development efforts by all actors, to deliver results that are long-lasting and contribute to the achievement of the SDGs. It supports and ensures accountability for the implementation of shared principles and differentiated commitments at the political level (<http://effectivecooperation.org/about/about-the-partnership/> accessed on 19 August 2016).

comparative advantages and added value of EU support²². In March 2006, the Commission issued a Communication entitled: “EU aid: delivering more, better and faster”. This document contained an action plan on how the EU envisaged to enhance aid effectiveness and elaborated on enhancing the division of labour and increasing joint EU activities and co-financing²³.

The next significant EU publication on aid effectiveness was the “EU Code of Conduct on Complementarity and Division of Labour in Development Policy”, which was adopted by the EU Council in May 2007. This Code of Conduct focused primarily on the general aid effectiveness principles and stressed the need for complementarity and division of labour within the international harmonisation and alignment process. The Annex to this Code of Conduct elaborated eleven general principles to which European donors (Member States and the Commission) should commit themselves. The first two principles dealt primarily with this division of labour. Guiding principle 1 stressed that European donors “will aim at focussing their active involvement in a partner country on a maximum of three focal sectors.” Guiding principle 2 described “three options as regards the support previously provided to non-focal sectors: i) stay financially engaged in the sector through the use of Delegated Cooperation/partnership arrangement; ii) redeploy the freed-up resources into General Budget Support; and iii) exit from the sector in a responsible manner, while using the freed-up resources for scaling up support to the focal sectors.” Guiding principle 4 focused exclusively on DC as an instrument to deal with the division of labour and is therefore discussed in detail in section 2.2 below²⁴.

The EU, as a major player in the aid effectiveness debate, has gradually modified its approach and priorities and has developed new instruments

In October 2011 the Commission sent a Communication to the European Parliament entitled “Increasing the impact of EU Development Policy: an Agenda for Change”²⁵. That Agenda was not meant to rewrite basic development cooperation policies, but to reiterate and update the major orientations already set out in the European Consensus. As regards aid effectiveness, division of labour and delegated cooperation, the document contained the following relevant observations and statements:

- Concentration: EU development aid should be concentrated on a maximum of three sectors in a given partner country;
- Joint EU and Member States response strategies with a sectoral division of labour should be made, based on the partner country’s own development strategies;
- Coordination: the EU must take more leadership to reduce aid fragmentation and proliferation and to make European aid more effective;
- The EU will endeavour to develop single joint programming documents with the partner country and the EU Member States, which should indicate the sectoral division of labour and financial allocations per sector and donor;
- The EU and Member States should make use of aid modalities that facilitate joint action such as budget support (under a single EU contract), EU trust funds and delegated cooperation.

Thus, the Commission has continued to concentrate its support on three focal sectors per partner country, but not all European donors did adhere to this principle. Furthermore, broad sector definitions allowed donors to be active in various sub-sectors, thus affecting the three-focal sector approach. The EU institutions have actively promoted convergence of the policies of the EU and the Member States as regards aid and development cooperation but without central pooling of their resources and competences. Joint

²² See in particular pp, 16-17 of the “European consensus on development”.

²³ “EU aid: delivering more, better and faster”.

²⁴ Council conclusions 9558/07, dd. 15 May 2007. Those conclusions stem from a Communication entitled ‘EU Code of Conduct on the Division of Labour in Development Policy’²⁴ sent by the European Commission to the European Council and the European Parliament on 28.02.2007, COM (2007) 72 final.

²⁵ COM (2011) 673 final dd. 13.10.2011.

Programming has been introduced as a new priority and refers to the joint planning of development cooperation by the EU development partners working in a partner country²⁶. This underscores the increased attention of the Commission to strengthening the relationship and coordination with the Member States in development cooperation. Furthermore, the EU started paying more attention to blending of grants and loans and other risk-sharing mechanisms to leverage further resources for development and thus increase impact. In 2011, the EU also prepared a Common Position for Busan, in which these new priorities were highlighted²⁷.

2.2 Origins of Delegated Cooperation

Strengthening the relations between the EU institutions and the Member States was an important driver for the creation of Delegated Cooperation

The basis as regards the role of the EU in development cooperation is laid down in the Maastricht Treaty (1992). This Treaty introduced the concepts of complementarity and coordination in development policies²⁸. The Lisbon Treaty (2007) confirmed this basis and added that the Union's development cooperation policy and that of the Member States should complement and reinforce each other²⁹. In this way, the Maastricht Treaty and the Lisbon Treaty have provided the broad basis for delegated cooperation with Member States.

The question of how the relations between the Commission and Member States should be strengthened was an issue for debate for some time. The Financial Regulation (FR) 2002 foresaw the possibility for the Commission under the indirect centralised management mode to delegate budget implementation tasks to national public-sector bodies or bodies governed by private law with a public-service mission that offer adequate financial guarantees. Within the framework of the FR-2002 the Commission started signing contribution agreements with international organisations under the joint management mode. Delegation to Member States was still difficult, because the task and responsibilities of Member States were not yet clearly defined. The revision of the FR in 2006 set out these tasks and responsibilities in more detail, laying the groundwork for cooperation with the Member States in DC³⁰.

The implementation of the aid effectiveness agenda was another EU motive for Delegated Cooperation

In 2003, the OECD/DAC document 'Harmonising donor practices for effective aid delivery' devoted one chapter to DC. DC was presented as an instrument to reduce transaction costs and enhance aid effectiveness through greater use of the comparative advantage of

²⁶ Joint programming was first elaborated in the EU Common Position for Busan in 2011. Joint Programming is seen as a process whereby the EU and Member States, and other interested donors and partners, take strategic decisions based on a comprehensive and shared view of donors' support to a given partner country. Its core elements are a Joint Analysis and a Joint Response to a partner country's national development strategy identifying priority sectors of intervention.

²⁷ Council of the European Union, EU Common Position for the Fourth High Level Forum on Aid Effectiveness, Council Conclusions, November 2011.

²⁸ Article 130x of the Treaty obliged Member States and the Community to coordinate their policies on development to consult each other, while Articles 130u stipulated that Community policy in the sphere of development cooperation should be complementary to the policies pursued by the Member States.

²⁹ Article 208 of the Treaty of the Functioning of the European Union (TFEU) added that the 'Union's development cooperation policy and that of the Member States complement and reinforce each other'. Article 210 of the TFEU further stated that 'the Union and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes', and that 'the Commission may take any useful initiative to promote the coordination'.

³⁰ COUNCIL REGULATION (EC, EURATOM) No 1995/2006 of 13 December 2006 amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

individual donors³¹. The Nordic+ were the first group of donors which launched DC in 2006 in the context of increasing aid effectiveness and more intensive cooperation with like-minded donors³². Within this same aid effectiveness context, the EU mentioned DC for the first time in the report of the EU Ad-hoc Working Party on Harmonisation in November 2004. Later, DC was further explained in the 'EU Code of Conduct (2007) focusing on division of labour. As mentioned in section 2.1, principle 4 of the eleven general principles, which is presented in textbox 2.1, focused exclusively on DC.

Text box 2.1 Principle 4 of the Code of Conduct

Delegated cooperation/partnership:

If a given sector is regarded as strategic for the partner country or the donor, European donors may enter into a Delegated Cooperation/ partnership arrangement with another donor, and thereby delegate authority to the other donor to act on its behalf in terms of administration of funds and/or sector policy dialogue with the partner government. Delegating donors should be enabled to review policies and procedures of the lead donor relevant to their delegating agreements. A Delegated Cooperation/partnership role in a sector will be considered as additional to the maximum of three sectors in which a given donor is engaged. The delegation of cooperation from the Commission to other donors will follow the provisions of financial and implementation regulations of Community Budget and the EDF.

The decision to consider a delegated role in a sector as additional to the three focal sectors was important for the use of DC within the discussion on division of labour. Although the Code of Conduct has a broader scope than just DC, the Code has set the scene for DC between the Commission and Member States and other bilateral donors.

2.3 Analysis of Delegated Cooperation Guidance from 2007 onwards

Up to 2012, the Commission provided basic operational and strategic guidance regarding Delegated Cooperation mainly through four internal Guidance Notes

After the launch of the Code of Conduct in May 2007, the Commission provided further guidance on the DC instrument. The Director General of AIDCO issued four internal Guidance Notes to "help EuropeAid and the EC Delegations to operationalise DC" in 2007, 2008 and two in 2009. The first Guidance Note³³, which explicitly built on the Code of Conduct, was by far the most comprehensive one. It stressed in particular the connection between joint co-financing and DC and mentioned five 'objectives', pre-conditions or reasons why and when DC should be considered³⁴:

- "To promote ownership and leadership of development programmes by partner countries;
- To deliver aid more efficiently by sharing and maximising use of technical and financial management capacity and systems;
- To encourage use of common monitoring, evaluation and accounting procedures;
- To promote the role of the EU, particularly when Member States wish to delegate authority to the Commission (through transfer agreements); and
- To promote 'good donorship' practices with the wider donor group outside the EU."

This Note further emphasised that DC should result in political visibility gains for the EU as well as efficiency gains and reduced transaction costs for partner countries. The efficiency gains can be increased by using DC for larger programmes, not for funding part of a

³¹ OECD/DAC (2003), Harmonising donor practices for effective aid delivery, DAC guidelines and reference series, chapter 6.

³² The Nordic + group consists of Denmark, Finland, Ireland, Norway, Sweden, the UK, and the Netherlands. The group, which is informal, was particularly active in the 2000s, when it launched a series of initiatives around aid effectiveness.

³³ Note from the Director General of AIDCO to the attention of the Heads of Delegation, AIDCO D(2007) 24585, dd, 04.12.2007.

³⁴ The exact formulation in the 2007 Guidance Note is: "Delegated Cooperation should be considered in order to".

project identified by another donor. The Note also described some minimum conditions for entering into a DC agreement such as the willingness of two or more donors to (co-)finance the same programme owned by the partner country; the agreement of the partner country with the DC; one donor willing to become the fund managing donor with well-established technical and financial management capacity and a commitment to remain in the programme/sector in the near future. It was further noted that appropriate visibility of each of the involved donors should be ensured. Finally, DC should not be one way only – reciprocity should be envisaged.

The EU could only delegate implementation tasks to other organisations after they have been subject to an ex-ante Pillar Assessment

The candidate entity to be entrusted with the budget implementation tasks by the Commission should demonstrate a level of financial management and protection of the EU financial interests equivalent to that of the Commission. This is verified by carrying out an *ex-ante* assessment of the entity, a so-called Pillar Assessment. The financial guarantees were specified in the FR 2002³⁵ and in the 10th EDF: delegation partners have to comply with six criteria, namely:

- transparent procurement and grant award procedures;
- an effective and efficient internal control system for management operations;
- an accounting system enabling the correct use of EU funds;
- an independent external audit;
- public access to information at the level provided for in Community Regulations; and
- adequate annual *ex-post* publication of beneficiaries of EU funds.

Three additional Guidance Notes dealt with specific challenges that occurred while using DC

The second Guidance Note from July 2008 specified a number of practical issues such as the use of DAs³⁶. In principle, DAs should be used for (joint) co-financing of large projects and not for small projects solely financed by the EU. The third Guidance Note from February 2009³⁷ intended to limit the number of entities eligible for DAs, because it was feared that too many entities (from both within and outside the EU) would apply for the *ex-ante* Pillar Assessment to become eligible for the DA funding modality³⁸. According to this Note, in principle only “national public sector bodies or bodies governed by private law with a public-service mission” from the then EU-27 would qualify for DAs. Entities from third countries “should only be accepted in exceptional cases and when justified”. The fourth Note from October 2009 observed that the number of DAs ‘realised, on-going or foreseen’ was increasing substantially, while the number of TAs was lagging behind. The Note presented indicative criteria for ‘compliance with an adequate balance’, first between DAs and TAs (at global and entity level) and secondly between delegated entities³⁹.

Linkages between the DC Guidance Notes and the aid effectiveness principles were incomplete

With regard to the five aid effectiveness principles as stated in the Paris Declaration (see section 2.1), the first Note explicitly mentioned ownership but did not elaborate on this. Regarding alignment, aligning to the policies of partner countries was mentioned (policy

³⁵ COUNCIL REGULATION (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, article 56.

³⁶ Note du Directeur Général d’AIDCO à l’attention du DG adjoint d’AIDCO, des directeurs, des chefs d’unités et des Chefs de Délégation concernant les nouveaux accords standards pour la coopération déléguée et le cofinancement: Convention de Délégation et Convention de Transfert. AIDCO/G&KR/nvD/(2008) 9523, dd. 08.07.2008.

³⁷ Note from the Director General of AIDCO to the attention of the Head of Cabinet of the Commissioner for Development Cooperation, AIDCO D(2009) 4160, dd. 27.02.2009.

³⁸ The financial guarantees are specified in the FR 2002 and in the 10th EDF.

³⁹ At the global level the total amount of TAs should represent (in principle) at least half the total amount of DAs, while at the level of Member States, the total amount of TAs of a Member State should represent (in principle) at least half the total amount of DAs to the entities in this Member State.

alignment), but no explicit attention was paid to the use of country systems (system alignment). The first Note paid attention to harmonising donor practices through joint co-financing and the delegation of authority to other donors. However, the focus on results was barely discussed in the four Notes while mutual accountability was also not elaborated. Clear references to other overall aid effectiveness objectives such as reduced aid fragmentation were missing. Therefore, an in-depth analysis of these Notes in combination with interviews indicates that DC does not seem to have been tailored to become the most appropriate instrument to contribute to the five principles of aid effectiveness. As 'improved aid effectiveness' was seen as the intermediate impact of DC (see IED, figure 1.2), the strategic relevance of DC was not very high.

An assessment of the outputs of the IED is another way to evaluate the relevance of DC. The first Note was directly related to the Code of Conduct and therefore recalled the division of labour principles i.e. the three focal sector approach. However, it was not further specified how this focal sector approach should be dealt with in the context of preparing new DAs and TAs. The first and second Note also paid much attention to (joint) co-financing. Delegations were encouraged to move towards larger programmes in line with partner country policies. A single management system was aimed to be achieved mainly through joint co-financing. Donor coordination and harmonisation were linked to joint co-financing. Comparative advantage was covered in the Notes, by stressing the need to maximise the use of technical and management capacity and systems. Particular attention was paid to issues of co-financing, larger programmes, single management systems and comparative advantage, while other outputs such as a reduced number of donors and improved division of labour received less focus.

Over time, more attention was given to the role of Delegated Cooperation in strengthening the relations between the EU and its Member States

The Notes primarily focused on the relation between the Commission and the Member States, although it was mentioned that DC agreements may also take place with other donor countries or international organisations. The fourth Note indicated that, in principle, only bodies from Member States would qualify for DAs. The fourth reason or objective was "to promote the role of the EU" and focused on TAs and the role of the Commission and EUDs. Reciprocity of the relation between the EU and Member States was not stressed in the early DC guidance. This was also reflected in the fact that the four Guidance Notes were internal documents that were not directly shared with the Member States, but this changed in 2012. The increased attention of the EU to strengthening the relations with its Member States has increased the strategic relevance of DC.

From 2012 onwards, the Commission provided more consistent operational guidance

The key features of the main EU guidance and policy documents related to DC are presented in table 2.1. This table includes the four Guidance Notes, the Guidance Paper published in 2012 and the DEVCO Companion updated in 2014.

Following an internal review earlier in the year⁴⁰, in September 2012 the Commission issued a "Guidance Paper on Delegated Cooperation with Member States". This Paper repeated in a formal and more systematic manner the DC issues covered in the four internal Guidance Notes. It also linked DC to new policy developments being the result of a changing aid environment which emerged after the global economic crisis. Building on the Agenda for Change (see section 2.1), an explicit link was made, for instance, to Joint Programming of the EU's and Member States' development cooperation that "is increasingly becoming a reality as from 2012 onward." The Guidance Paper also

⁴⁰ Report on Delegated Cooperation 2007-2012, pp.1-2, ARES(2012) 388917, dd. 30.03.12. See also Volume 2, section 2.7.

postulated that “Joint Programming will result in a complementarity of actions where Delegated Cooperation will be less relevant” (see also section 2.5).

Table 2.1 Main EU guidance and policy documents related to DC

Document	Date	Key features
Guidance Note 1: 'Guidance on Joint Co-financing with member states and other bilateral donors'	December 2007	<ul style="list-style-type: none"> • Stressed the close connection between joint co-financing and DC; • Recalled (from the Code of Conduct) and operationalised how DC can be used to improve division of labour; • Encouraged EUDs to move towards larger programmes; • Stressed to role of DC to maximising use of technical and management capacity; • Five 'reasons' for considering DC are introduced; • Attention to visibility of the EU; • First reference to reciprocity: DC should not be one way only.
Guidance Note 2: 'New standard agreements for delegated cooperation and co-financing: DAs and TAs	July 2008	<ul style="list-style-type: none"> • Restricted the use of DAs: DAs should, in principle, only be used for (joint) co-financing of large projects.
Guidance Note 3: 'Indirect Centralised Management: eligible entities of the EU Member States'	February 2009	<ul style="list-style-type: none"> • Delimited the number of entities eligible for DAs.
Guidance Note 4: 'DC – framework'	October 2009	<ul style="list-style-type: none"> • Presented indicative criteria for 'compliance with an adequate balance', first between DAs and TAs (at global and entity level) and secondly between delegated entities.
'DC Guidance Paper'	September 2012	<ul style="list-style-type: none"> • Exclusive focus on DAs between the Commission and Member States; • Same five 'reasons' for considering DC are repeated (see first Guidance Note); • Mentioned ten criteria (pre-requisites) for DC; • Abandoned the DA/TA balance criteria; • Made explicit links to Joint Programming of the EU's and Member States' development cooperation; • Indicated that DC might become less relevant due to Joint Programming; • Repeated the call to use DC as joint co-financing modality to move towards larger programmes; • Threshold introduced: the amount of a DA should not be less than €3m ; • Encouraged Member States strongly to delegate funds to the Commission and participate in innovative forms of cooperation such as EU Trust Funds; • Budget Support operations are explicitly mentioned as best fit for delegation to the Commission.
DEVCO Companion to financial and contractual procedures (Version 4.0)	March 2014 (updated several times)	<ul style="list-style-type: none"> • Provide operational and legal guidance for DC; • The five 'reasons' for considering DC are repeated again; • Repeated also ten criteria (pre-requisites) for DC.

The Guidance Paper repeated the same five reasons for considering DC as those in the Guidance Note of 2007. Furthermore, the DA/TA balance criteria, formulated in the fourth Note (see above), was abandoned. However, to keep a certain balance “Member States are strongly encouraged to delegate funds to the Commission (in particular for budget support operations) and participate in other innovative forms of cooperation with the Commission, such as the EU Trust Funds.”

In line with the earlier Notes, the Paper explicitly presented DC as “a joint co-financing modality” to “move towards larger programmes”, which should result in less aid fragmentation and reduction in transaction costs⁴¹. Therefore a threshold for delegated EC amounts was also introduced and set at €3 million. The Paper further reconfirmed that the Code of Conduct remained the main EU reference document on division of labour and concentration of activities in a limited number of sectors⁴². The Paper also presented ten criteria for DC, covering issues like ownership of the partner country, creation of larger programmes, co-financing, appropriate visibility of each of the donors involved and reduced transaction cost of both the EU and the partner country. Many of these criteria, including those which are easy to assess such as co-financing, larger programmes, were not clearly specified in the new DC assessment forms that had to be filled in for each new DA or TA.

In organisational terms as well, an important change was made. In March 2013, decision-making for DAs was sub-delegated from the Director-General to the level of the geographical units, and management and monitoring of the DC instrument was spread out to different units within DG DEVCO⁴³.

Despite an increased focus on Delegated Cooperation with Member States, Delegated Cooperation has not been put high on the agenda in discussions with Member States

Contrary to the internal Guidance Notes, the Guidance Paper (which focused exclusively on DAs between the Commission and Member States, but with possible exceptions) was accessible to Member States. This could be interpreted as a step towards focussing the use of the DC instrument more on strengthening relations between the EU and the Member States. This focus is in line with the overall recent emphasis on convergence of EU policies (see section 2.1). Nevertheless, even after the publication of this Guidance Paper in 2012, there has hardly been any communication with or consultation of the Member States and they have not become actively involved in the further development of the DC instrument.

DC related issues have been discussed in the Practitioners' Network for European Development Cooperation created in 2007 as part of a Franco-German initiative. This is a platform for exchange, coordination and harmonisation open to European development cooperation organisations with a public service mission to implement European or bilateral development assistance⁴⁴. In fact, this platform regroups some, but not all, DA

⁴¹ Guidance Paper on Delegated Cooperation, 2012, page 1.

⁴² The Guidance Paper did not provide further guidance regarding the (perceived) contradiction between a strategy focused on supporting three focal sectors, and promoting DC allowing to support additional sectors, although this was recommended in the internal review of DC earlier in 2012.

⁴³ Initially the DEVCO Communication and Transparency Unit supported the DG with development and monitoring of the DC policy and decision making as regards individual DC agreements. In March 2013, DG-DEVCO decided that the decision as regards individual DC agreements should no longer be taken at DG level. Decision-making was delegated to the level of the Geographical Directorates. DC policy development and monitoring was transferred to the Aid and Development Effectiveness and Financing Unit, while statistical monitoring was transferred from the Planning and Budget Unit and legal/contractual issues to the Legal Affairs Unit. Monitoring is thus spread out over two units.

⁴⁴ <http://www.dev-practitioners.eu/>.

partners/implementing agencies as members⁴⁵. The Network has currently 13 regular members while the Commission has an observer status. It was regular member from 2007 onwards but in 2016 it changed its status for legal reasons. The Steering Committee of the Network meets on a monthly or bi-monthly basis.

The Network brings together a group of DA partners, mainly 'pure' implementing agencies⁴⁶. Ministries of Member States involved in DAs are in general not a member of the Network, mainly because they have other channels of exchange with the Commission. DFID was an exception, but left the Network in 2015. The fact that the large majority of the network members are mainly 'pure' implementing agencies may lead to a bias in addressing DC-related operational and policy issues. Some DA partners indicated in interviews that they felt that the EU considered them as service providers (consultancy companies).

After 2012, the Commission provided further operational guidance on legal issues

Over time the Commission has made improvements in the regulations, but some challenges remain. On the positive side, earlier confusion, such as on the definition of a DC 'action', have been clarified. Meanwhile, the introduction of a seventh pillar assessment was partly aimed at facilitating sub-delegation of the implementation of DAs⁴⁷. The DEVCO Companion⁴⁸, which has been updated on a regular basis, has provided internal guidance on development cooperation modalities, instruments and procedures. On the other hand, complicated rules such as the D+3⁴⁹, have continued to be a source of operational challenges for DA partners.

The Commission has not developed a comprehensive DC policy framework and this has negatively affected the relevance of DC

As indicated above, a clear and comprehensive DC policy and strategy framework with a coherent set of objectives and a well-elaborated implementation strategy has not been designed. This has had important consequences for how the DC modality has been used so far. The strategic relevance of DC also appears to have decreased over time. This has been reflected in the sub-delegation of the management of DC within the Commission from the level of the Director General to the geographic Directorates in March 2013. Due to this sub-delegation, no central mechanism exists anymore responsible for monitoring, overseeing and steering the use of the DC mechanisms.

Some strategic objectives/outcomes of DC have been beyond the scope of DC

Some of the envisaged DC outcomes were beyond the scope of what realistically could be achieved with DC. First, DC has no built-in mechanisms to strengthen country ownership and leadership and to strengthen policy alignment. Secondly, the DC modality itself cannot improve the inter-sector division of labour or reduce aid fragmentation, as DC is primarily an implementation tool. Also in the preparation and assessment of DC proposals these issues are not consistently assessed.

⁴⁵ The 13 regular members are : ADA (Austria), AECID (Spain), AFD (France), British Council (United Kingdom), BTC/CTB (Belgium), CzDA (Czech Republic) , Experise France (France), FIIAPP (Spain), GIZ (Germany), LuxDevelopment (Luxembourg), SIDA (Sweden), SlovakAid (Slovakia), SNV (The Netherlands).

⁴⁶ There are a few exceptions. Some organisations, like FIIAPP, have a financing role. KfW was initially also member, but resigned in 2016.

⁴⁷ A new methodology for Pillar Assessments was introduced in 2014. As part of that new approach, a 7th pillar concerning sub-delegation was added, which needs to be complied with by agencies which sub-delegate their project implementation.

⁴⁸ DEVCO Companion to Financial and Contractual Procedures, applicable to external actions financed from the general budget of the EU and from the 10th EDF, European Commission, Directorate-General for Development and Cooperation – EuropeAid, version 4.0, March 2014.

⁴⁹ According to the D+3 rule all expenditures have to be contracted within 3 years after the signature of the Financing Agreement.

No clear communication on DC guidance

The objectives of DC with regard to improving inter-sector division of labour were not clearly communicated to the Member States and other DC partners. The Commission also paid little attention to the focal sector strategy when signing DC agreements. The limited use of the DC instrument to implement the focal sector strategy and thereby improving division of labour should be placed in a wider context of often quite broad sector definitions and limited adherence to focal sectors in general, not only by the EU but also by other donors.

Despite the general commitment of Member States to coordinate their aid interventions and the initiatives launched for that purpose, the reality on the ground is often more complex. Progress in coordination is hampered by strategic interests, political factors and institutional and procedural features of European donors.

2.4 Evolution of DAs and TAs and the main motives of DC partners

DC really took off as from 2008 when the Commission started to promote the concept with the Member States and their implementing entities. This momentum was also favourable for the Member States within the context of the financial crisis affecting aid budgets.

2.4.1 Development of DAs

A gradually increasing number of DAs, of which almost three quarters is co-financed

In the evaluation period 2008-2014, 297 DAs were concluded of which 164 were within the scope of this evaluation⁵⁰ (see Volume 2, section 2.8 for more detailed information on the portfolio). These 164 DAs amounted to €1,263 million which means an average contract value of €7.7 million (see table 2.2). This average value was significantly higher in the last three years than in the three previous years. Still, a quarter of all DAs had a value of less than €3 million, which was the formal threshold introduced in 2012. In spite of this threshold, 18 DAs (19%) were nevertheless concluded in 2013 and 2014 with a value of less than €3 million. Furthermore, 14 DAs had a value of more than €20 million, of which one above €50 million.

Table 2.2 DAs 2008-2014 - overview

Year	Number of DAs	o/w co-financed	DAs < € 3m	Value (mil. €)	Average value
2008	5	4	1	48.3	9.7
2009	8	6	4	22.4	2.8
2010	9	9	4	31.1	3.5
2011	29	22	10	150.1	5.2
2012	18	14	4	154.1	8.6
2013	42	30	10	419.7	10.0
2014	53	37	8	437.7	8.3
TOTAL	164	122	41	1,263.4	7.7

⁵⁰ From the 133 DAs outside the scope of this evaluation, 90 DAs were funded with resources from Investment Facilities which are financial mechanisms aimed at mobilising funding for specific investment needs. Another 19 DAs were financed either by the Instrument contributing to Stability and Peace (IcSP), the Instrument for Stability (IfS) or the Rapid Reaction Mechanism (RRM), while the other 24 DAs were funded by the Instrument for Pre-accession Assistance (IPA).

For 2015, the year after the evaluation period, incomplete information suggests that the positive trend in the number of DAs has been (temporarily) discontinued⁵¹. Explanations for a possible drop in DAs in 2015 compared with the previous years are the slow start of the 11th EDF and some postponement in signing DAs waiting the introduction of a revised PAGODA-II template (which has been introduced in May 2016). Interviews, however, did suggest that the number of DAs would continue to increase after 2014.

Since the start of DC, the Commission paid a lot of attention in its Guidance Notes to (joint) co-financing, in particular in its second Guidance Note (July 2008). Nevertheless, the portfolio analysis shows that only 74% of DAs were effectively co-financed and there has not been a clear trend over the years (see table 2.2). The interviews underscored that the implementing entities and donors have different views on co-financing. GIZ indicated, for instance, that DAs implemented by German entities are always co-financed (either joint or parallel) by Germany, but this also includes BMZ funding of additional overhead costs beyond the maximum of 7% covered by the Commission in cases where the project costs are not co-funded. For Belgium/BTC, co-financing was not the preferred option given its multi-annual joint strategic planning with partner countries. Belgium prefers to use its available funds for the projects planned together with the partner countries. Therefore, only one of the eight DAs implemented by BTC was co-financed (in Tanzania).

As explained above, candidate entities interested in DAs have to demonstrate a level of financial management and control verified by a so-called ex-ante Pillar Assessment. At the start of the implementation of DC in 2008, 14 entities expressed interest in the Pillar Assessment and the first six (ADA, AFD, BTC, GIZ, KfW and SONA) passed the assessment (see also 'dynamics of DC' as presented in Volume 2, section 2.9). In 2009, another six entities were assessed positively (IPAD, Lux-Development, NL MoFA, DFID, Finnish MoFA and DANIDA) while in 2010 no new entities were added. By September 2014, 24 entities had been assessed positively, out of which 22 were EU entities (see Volume 2, section 2.3 for the full list)⁵².

Within this group of potential DA partners a distinction can be made between:

1. 'Pure' implementing agencies from Member States such as the Austrian Development Agency (ADA), Belgian Technical Cooperation (BTC), Lux-Development SA, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ);
2. Implementing organisations from Member States that also have a financial role such as the Kreditanstalt für Wiederaufbau (KfW) and the Agence Française de Développement (AFD);
3. Ministries from Member States that combine policy and funding responsibility with implementation such as the UK Department for International Development (DFID), Ministry of Foreign Affairs of Italy and the Netherlands Ministry of Foreign Affairs; and
4. Non-EU institutions: for instance Development Bank of South Africa (DBSA) and the Australian Development Agency (AusAid)⁵³.

The first DA was signed in April 2008 with BTC in Rwanda for an amount of €1.2 million, shortly after BTC passed the ex-ante Pillar Assessment (March 2008). At that time, only the first Guidance Note had been released and many operational issues with regard to DAs were still unclear, such as the contract format and the status of BTC. In 2008, another DA was signed with GIZ, and three larger DAs were signed with SONA for projects in the Netherlands Antilles⁵⁴, where the EU does not have a representative office.

⁵¹ Information from the Summary Sheet for DEVCO Management Meeting, Report on Delegation and Transfer Agreements – Status on 31/12/2015, which excludes the ENPI region and which could not be cross-checked, points out to a drop in the number of DAs from 37 in 2014 (amounting to €255.5 million) to 19 in 2015 (€182.3 million).

⁵² The two non-EU pillar assessed organisations are AusAid and the Development Bank of South Africa (DBSA).

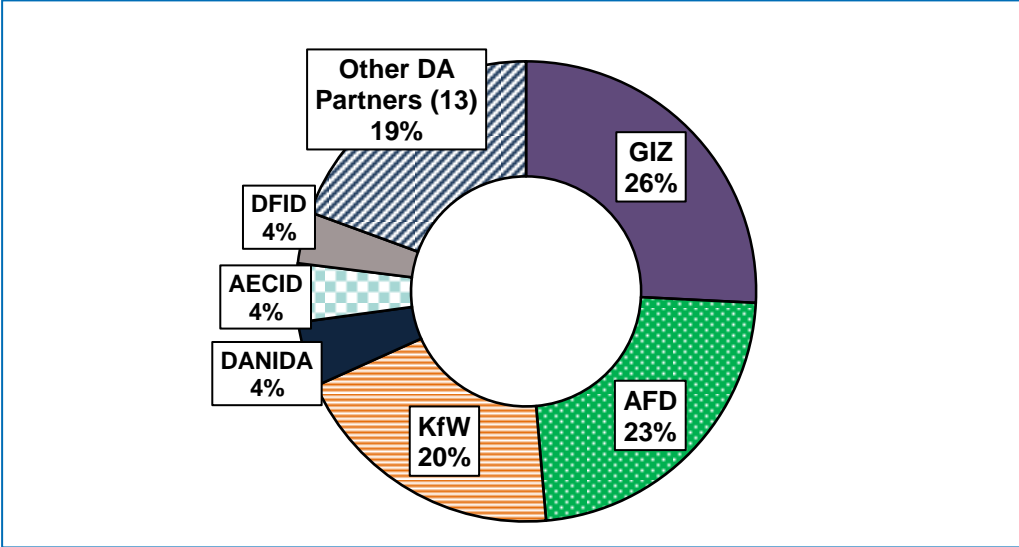
⁵³ Australia reorganised its aid structure and AusAid was integrated in the Department of Foreign Affairs and Trade (DFAT).

⁵⁴ These three projects were co-financed by the Netherlands Ministry of Foreign Affairs.

After 2010, the number and value of DAs really took off, with more and different entities involved.

Up to the end of 2014, DAs have been signed with 19 different DA partners, including one non-European partner (AusAid)⁵⁵. Three DA partners accounted for a large share (69%) of the total amount of contracted DAs, namely GIZ, AFD and KfW (see figure 2.1). In terms of number of DAs, GIZ is the clear lead DA partner as it is signatory of 56 of the 164 DAs i.e. 34%.

Figure 2.1 Share of DA partners in % of total value of DAs, 2008-2014



In the period 2008-2014, 87% of the DAs representing 92% of the total portfolio (€1,144 million) were devoted to geographical programmes and the remaining 8% of the portfolio to thematic programmes, mainly focused on environment. The large majority of these geographical programmes supported by DAs were located in ACP countries (59% of the total amount), and less in ENPI (24%), Latin America (7%) and Asia (3%). The highest number of DAs was implemented in Palestine, Mali and Benin (see Volume 2, section 2.8 for details). Most DAs have taken place in the EU focal sectors⁵⁶. The three main sectors for DC have been 1) water and sanitation, 2) agriculture and 3) government and civil society.

DA partners have different motives to conclude DAs, which explains the large variation in involvement of the various DA partners

Usually, the EU has approached an entity to ask whether it is interested to implement a DA project. Some entities, especially the ‘pure’ implementing agencies, have made their involvement in several DAs an important area of focus and in some cases active acquisition took place to arrange the DA. Other entities, especially in Portugal and Spain, have been particularly successful in concluding DAs in countries where they have cultural (language) and historical links, like former colonies. Therefore, interviews indicate that the interest of ‘pure’ and financing implementing agencies to increase their turnover and historical and cultural relations with partner countries are the main factors explaining the high shares of some DA partners. Ministries of Development Cooperation or Foreign Affairs that combine a policy and funding role do not pro-actively seek DC opportunities. However, when an opportunity to join forces emerges in a specific partner country on the basis of similarities in programming and complementarity, then they are interested to do so. This explains why the shares of some ministries of Member States such as the UK,

⁵⁵ A €4 million DA with AusAid in Fiji on vocational training.
⁵⁶ The “Report on Delegated Cooperation, 2007-2012”, which was an internal EU review of DC in 2012, also underlined that DC activities should be covered by EU focal sectors.

Sweden and the Netherlands have remained relatively small. The different motives for concluding DAs may also explain the differences in co-financing: in the case of ministries of Member States being the DA partner there is almost systematically co-financing, while this is not always the case with 'pure' implementing agencies.

Furthermore, in the interviews with the headquarters of the implementing entities some representatives indicated that their interest to conclude DA contracts has reduced over time. In this context, they mentioned the long and time-consuming negotiations in the run-up to signing DAs, the monitoring efforts and the need to deal with derogations (such as those linked to the D+3 rule) and that the financial compensation for management costs provided by the EU was not sufficient to cover the actual costs, especially in case of a new project without co-financing (i.e. not linked to an own project).

2.4.2 Development of TAs

The number and value of Transfer Agreements has been relatively low and stable over the evaluation period

In the period 2008-2014, the EU concluded 59 TAs for a total amount of €291 million (see table 2.3). Compared to the number and value of DAs, the number and value of TAs has been much more stable over time (see figure 2.2). In late 2008, the first three TAs were concluded: two under the GCCA programme (with Sweden and the Czech Republic) and another one with Austria. The year 2010 showed the highest value of TAs mainly due to four large TAs: one with France in Haiti (€39 million) and the others with Spain (€12 million), the UK (€12 million) and Ireland (€11 million). In 2011, the number of TAs increased, but the overall value was much lower because none of the TAs had a value above €5 million. In 2013, another large TA with the EIB (€48 million) explains the outlier that year. In 2014 and 2015, the total value of TAs concluded dropped to around €20 million per year.

The majority of the TAs (59%) had a value of less than €3 million (see table 2.3). All TAs were co-financed by the EU, except five TAs linked to GCCA⁵⁷.

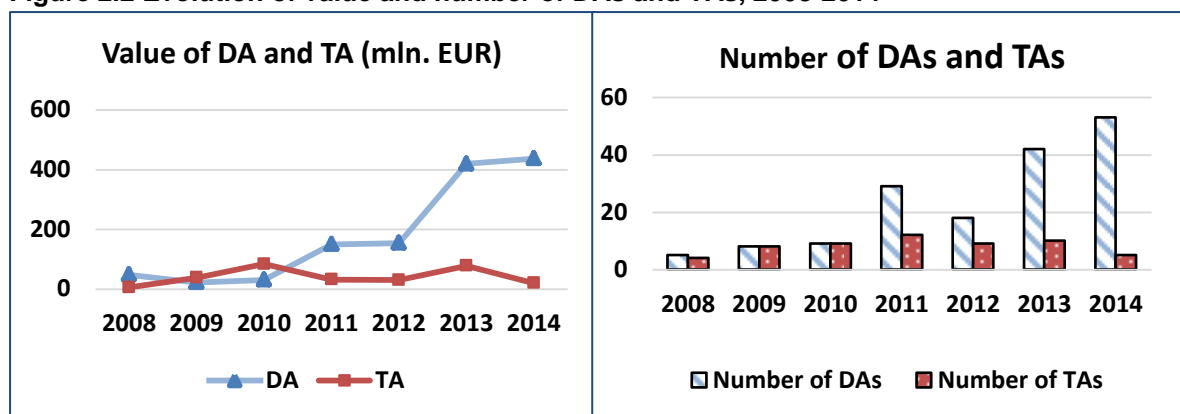
Table 2.3 TAs 2008-2014 – overview

Year	Number of TAs	o/w co-financed	TAs < € 3m	Value (mil. €)	Average value
2008	4	3	4	5.8	1.5
2009	8	8	5	38.3	4.8
2010	9	7	4	84.2	9.4
2011	12	10	7	31.9	2.7
2012	9	9	5	30.4	3.3
2013	10	10	5	78.1	7.8
2014	5	5	3	20.3	4.1
TOTAL	59*	54	35*	291.2*	4.9*

*Including two TAs from Luxembourg, of €1 million each. These TAs were found during the field mission; it could not be clarified in which year they were signed.

⁵⁷ In 2015, outside the evaluation period, four TAs were signed, two with The Netherlands and one with the United Kingdom and one with Sweden for a total amount of €21.7 million.

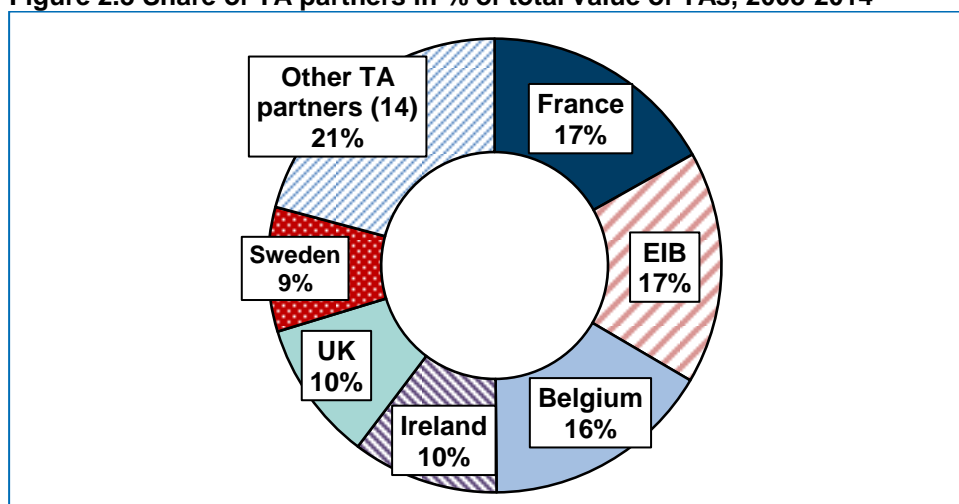
Figure 2.2 Evolution of value and number of DAs and TAs, 2008-2014



The smaller Member States have signed Transfer Agreements on a regular basis while the larger Member States have used this tool to a lesser extent

In the period 2008-2014, TAs have been concluded with 20 different entities, including 15 EU Member States. The top-six transferring entities account for 79% of the transferred amounts, namely: France, the EIB, Belgium, Ireland, the UK and Sweden (see figure 2.3). However, it should be kept in mind that France and EIB are in the top-six only because they provided one large single TA. None of the larger Member States – Germany, France, Italy, Spain, UK and Poland- have provided more than four TAs and together they are responsible for only 10 of the 59 TAs (representing 17% of the total number of TAs and 32% of the total value). Germany only concluded one TA representing 2% of the total value of TAs. Some of the smaller Member States like Belgium (9 TAs), Austria (7), Ireland (6) and Sweden (6) dominated in terms of numbers of TAs, but the average value was relatively small. Member States that joined the EU more recently (after 2003) are responsible for only four TAs with a low average value (Cyprus, the Czech Republic and Estonia). Five TAs were concluded with four different entities outside the Member States: Australia, Canada, Japan and Switzerland. In one exceptional case, the EIB concluded one large TA (€ 48 million) to support a budget support operation in Ghana. The reasons for the relatively low number and value of TAs are analysed in EQ7 (see section 3.7).

Figure 2.3 Share of TA partners in % of total value of TAs, 2008-2014



TAs have barely been used for budget support operations

Contrary to earlier expectations of the Commission when the DC modality was developed, Member States have shown limited interest in using TAs for co-financing budget support

operations. Only two budget support related TAs, in Mozambique (Belgium, 2009) and Ghana (EIB, 2013), were concluded for a total amount of €60.5 million.

In the period 2008-2014, 81% of the TAs representing 86% of the total portfolio (€249 million) was devoted to geographical programmes and the remaining 14% of the portfolio to thematic programmes on sustainable growth and development. The majority of these geographical programmes with TAs were located in ACP countries (52% of the total amount), and less in the Neighbourhood countries (24%), Latin America (13%) and Asia (8%).

2.4.3 Balance between DAs and TAs

The overall imbalance between DAs and TAs has increased over time, mainly due to the rise in the number of DAs

The growing imbalance between TAs and DAs was not only caused by a stagnating number of TAs signed per year, but also by a substantial increase of the number of DAs signed per year (see table 2.4). In terms of value, the balance was in favour of TAs only in 2009 and 2010. In all the other years the amount of TAs was less than 50% of the amount of DAs (which was the target set by the Commission in Guidance Note 4 in 2009, but abolished in 2012). Not only in terms of number of TAs compared to the number of DAs, but especially in terms of value, the imbalance changed dramatically in 2011 given the fivefold increase of the total DA value concluded in 2011 to €150 million from €31 million the year before. In 2012 and 2013 this global imbalance in value terms between TAs and DAs remained roughly the same, but deteriorated again in 2014. See section 3.7 for the analysis of the DA/TA ratio and volume 2, section 2.8 for the portfolio analysis.

Table 2.4 TA/DA ratios per year, 2008-2014

Year	Number of contracts			Amounts (millions of €)		
	DA	TA*	% TA of DA	DA	TA*	% TA of DA
2008	5	4	80%	48.3	5.8	12%
2009	8	8	100%	22.4	38.3	171%
2010	9	9	100%	31.1	84.2	271%
2011	29	12	41%	150.1	31.9	21%
2012	18	9	50%	154.1	30.4	20%
2013	42	10	24%	419.7	78.1	19%
2014	53	5	9%	437.7	20.3	5%
Total	164	59	36%	1,263	291	23%

*Note: TA figures excluding two TAs concluded with Luxembourg for projects/programmes in Palestine with a total value of €2 million, of which the year of concluding the agreements could not be retrieved. However, the numbers are included in the total number of TAs and total volume of TAs.

The imbalance between DAs and TAs is particularly high in the case of some large Member States with strong implementing agencies, while some smaller Member States show a reasonable balance

At Member States level, there was a particular large imbalance for Germany (one TA versus 56 DAs for GIZ and 16 for KfW) and France (two TAs versus 30 DAs for AFD plus five other DAs for three other French implementing agencies, see Volume 2, section 2.8). Other large Member States such as the UK and Spain also show an imbalance, but less pronounced. A more equal balance between DAs and TAs can be observed for some smaller Member States like Belgium (nine TAs and eight DAs), Denmark (four TAs and seven DAs) and Luxembourg (five TAs and two DAs). There are also smaller Member States such as Ireland and Austria that have provided TAs only, respectively six and seven TAs during the evaluation period, and no DAs.

A large spread of DAs and TAs over various regions and countries

DAs and TAs in the period 2008-2014 have been implemented in 63 partner countries. In 20 countries, both DAs and TAs have been used, while in 37 countries only DAs were

implemented and another six countries only participated in TAs. Palestine was the country with most DC agreements: nine DAs and 15 TAs, followed by Mali (eight DAs and four TAs) and Benin (seven DAs and four TAs). 25 DAs and three TAs had a regional dimension i.e. benefitting more than one country. This type of regional contracts make up 13% of the total DC volume (see Annex 2.8 for more details).

The share of DC in the overall EU development cooperation has remained small: less than 1%

The contracted value of DC funding is relatively small compared to the total EU Official Development Assistance (ODA) commitments. Nevertheless, the value increased significantly from 0.2% of the ODA commitments of the EU-DAC members and EU institutions in 2010 to 0.8% in 2013. Therefore, despite the increasing number and value of DAs and TAs, the share of DC in overall EU development cooperation remains small.

2.5 The relation between DC and new aid approaches and tools

The view within the Commission with regard to the links between Joint Programming and DC has changed in the last five years

In the context of DC, the cooperation between the Commission and the Member States in development cooperation and the convergence of European policies regarding development cooperation and joint implementation have in recent years been put higher on the EU agenda. As indicated above (see section 2.1), Joint Programming has only been mentioned once in the DC policy, programming and guidance documents, namely in the DC Guidance Paper issued in 2012, where it was stated that Joint Programming would make DC less relevant. However, in April 2015, the Commission has presented a more advanced position in a document entitled “EU Joint Programming Guidance Pack”⁵⁸. This document stated that “where multiple donors who are participating in Joint Programming do want to contribute to the same sector, it can be useful to consider joint implementation options such as sector-wide approaches, pooled funding and delegated cooperation”. The Council Conclusions of 12 May 2016 on “Stepping up Joint Programming”⁵⁹ confirm this view to promote “EU and Member States joint implementation activities, for example through co-financing and delegated cooperation”. The position in 2012 and in 2015 seem to be contradictory to a certain extent, or at least based on different assumptions and/or expectations, and they also show the changing view within the Commission with regard to the links between the Joint Programming and DC. Nevertheless, the different positions of the EU regarding the linkages between DC and Joint Programming point to the lack of clearly articulated linkages between DC and Joint Programming.

The EU has also introduced new innovative financing instruments to strengthen the cooperation with the Member States in development cooperation

New innovative financing instruments have been introduced in recent years in line with the evolving aid effectiveness agenda, such as EU Trust Funds and blending of financial instruments, which are worth mentioning even if they are outside the scope of this evaluation. The EU Trust Fund⁶⁰, in particular the Emergency Trust Fund⁶¹ is a new development tool of the EU. This tool pools together resources from different donors in order to enable a quick, flexible, and collective EU response to address emergency,

⁵⁸ <http://capacity4dev.ec.europa.eu/joint-programming/minisite/eu-joint-programming-guidance-pack-2015>.

⁵⁹ Stepping up Joint Programming - Council conclusions (12 May 2016).

⁶⁰ In 2014, the first two EU Trust Funds were created: the Bêkou EU Trust Fund (€108 million), focusing on the stabilisation and reconstruction of the Central African Republic and the Madad Fund (€542 million), dealing with the response to the Syrian crisis. Late 2015, the EU started a new Trust Fund, the EU Emergency Trust Fund for Africa.

⁶¹ A Trust Fund is a development tool under the EU's Financial Regulation that pools together resources from different donors in order to enable a quick, flexible, and collective EU response to the different dimensions of an emergency situation.

fragility and thematic priorities and was made possible with the new FR of 2012. The largest part of the contributions to these Trust Funds have come so far from the EU budget and the EDF with some contributions of the Member States. Blending is based on the principle of combining EU grants with loans or equity from public and private financiers. Blending in relation to DC is becoming increasingly important in recent years.

3 Answers to Evaluation Questions

In the sections of this chapter the answers to the EQs are presented, as well as the main findings on which each answer is based. Findings are not presented in priority order, but they are grouped per EQ. They are based upon judgement criteria (JC) which are set out in full in the evaluation matrices in Volume 3. The main findings presented here are not necessarily based on a single JC nor do all findings refer only to a single EQ, but all links between findings and JCs have been verified. Findings are based on evidence from different sources: the literature review, portfolio analysis and interviews that took place in the desk phase; the interviews and additional data collection from the field phase; and the findings from the questionnaire. The evaluation team has triangulated all information collected through the data collection phase, compiling information in an evaluation grid structured by EQ, JC and Indicators. Evaluation findings have been drawn only after a thorough cross-checking and triangulation of all information related to each EQ⁶². In addition, the answers to the EQs also include explanatory factors why certain results have taken place and others not, including political economy factors.

3.1 Transaction costs (EQ1)

Answer to EQ1: To what extent has Delegated Cooperation reduced transaction costs?

It is very likely that Delegated Cooperation (DC) has led to reduction of transaction costs during implementation, although this reduction cannot be precisely quantified because assessing transaction costs is notoriously difficult.

This positive outcome is related to the positive contribution of DC to three more operational outputs i.e. larger programmes, more co-financing and the use of single management systems. An improved division of labour *within* the sectors of the DC projects and programmes also contributed positively. DC did not contribute to the more strategic outputs such as an improved division of labour *across* sectors and a reduced number of donors per sector. It means that in practice the instrument has been used more pragmatically than strategically.

DC might have contributed to shifting part of the transaction costs of the donors to the project budget, with the result that those costs became project management costs. Additional transaction costs related to the preparation of the DC agreements and the adherence to EU procedures were observed, but could not be quantified so as to determine whether DC has led to overall costs savings.

Overall, the DC instrument has been effective in achieving reduced transaction costs and efficiency gains in the implementation of the DC-supported projects. Nevertheless, it was not possible to determine whether the savings made during the implementation offset the additional costs incurred during the preparation.

⁶² Section 1.4 provides an overview of the methodological approach used, including triangulation. Annex 2.6, meanwhile, explains the methodology used in the case studies.

As explained in chapter 2, DC had its origins in the Code of Conduct. It was expected that costs would be saved when DC was used to promote a strategic division of labour *across* sectors, thereby contributing to the reduction of donors per sector. Operationally, DC would contribute to saving transaction costs by stimulating aid provision through co-financed and larger programmes, managed under a single management system.

In addition to the five strategic and operational outputs (Volume 3, sections 1.4-1.8), other factors contributing to transaction costs have also been taken into account (volume 3, section 1.9). As illustrated in table 1.1 (chapter 1), this EQ contributes to the assessment of the efficiency and effectiveness of the DC instrument.

Assessing transaction costs is notoriously difficult and the findings of this EQ should be treated with caution

The challenges with assessing transaction costs are widely documented in the literature (Volume 3, section 3.1.1). These are partly related to the lack of a uniform, internationally agreed definition of transaction costs and the difficulties related to quantitative measurement. Such challenges have been encountered in this evaluation as well, as it has been very difficult to collect quantifiable information on the preparation of DC contracts. Therefore, a pragmatic approach has been applied in the analysis of transaction costs as part of this evaluation, based on collecting views and perceptions as expressed in documents and reports and by interviewing stakeholders.

The case studies and questionnaire show a positive contribution of DC to reducing transaction costs during project implementation

In table 3.1, the scores of the 46 DC projects and programmes of the case studies are presented, broken down by country and by TA/DA-supported programmes. These scores provide a relatively positive picture for 70% (32 out of 46) of all DC projects and programmes of the case studies. In just over a quarter of the cases (12 out of 46) strong positive effects were found, while in 43% of the projects the effects were modest and 10% showed a negative effect. There were no main differences between the scores of TA and DA projects and programmes. Nicaragua is a negative outlier, because budget support was suspended and DC provided a flexible alternative with swift implementation possibilities, which however resulted in mixed and multiple management systems and programmes without any co-financing. This led, in this specific case, to an increase in transaction costs for the EU, the DC partners and the partner country government. The positive findings from the case studies on transaction costs are confirmed by the responses to the questionnaire where 72% of the EUDs indicated a positive effect of DC on reduction of transaction costs.

Table 3.1 Effect of DC agreements on reducing transaction costs

Country	Strong Effect	Modest effect	No change	Negative effect	Total
Benin	1	2	3	1	7
Ghana	1	2	0	0	3
Mali	1	2	1	0	4
Mozambique	4	2	0	0	6
Nicaragua	1	0	0	3	4
Palestine	3	7	1	1	12
Tanzania	1	2	0	0	3
Timor-Leste	0	0	4	0	4
Haiti	0	3	0	0	3
Total 9 countries	12	20	9	5	46
<i>Of which DAs</i>	9	12	7	5	33
<i>Of which TAs</i>	3	8	2	0	13

No clear effect can be observed on the transaction costs of the partner country

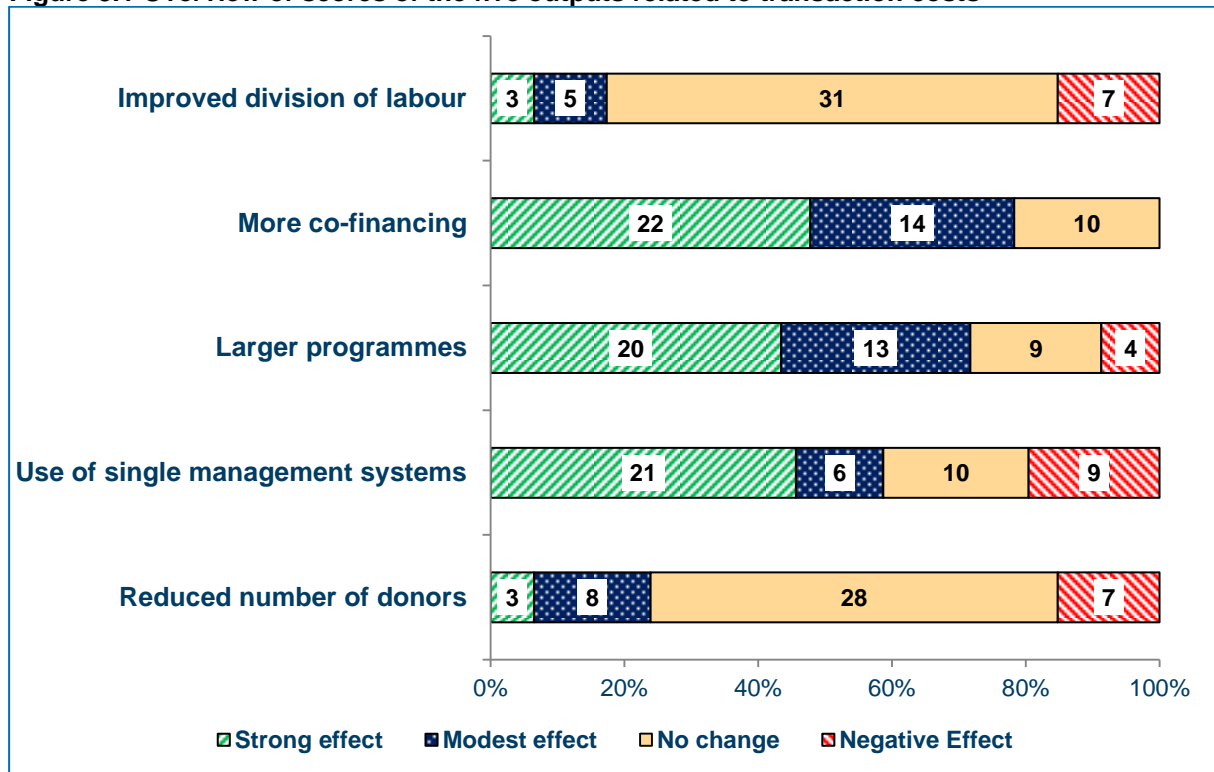
When analysing transaction costs, it is important to make a clear distinction between transaction costs at the level of the EU, the DC partners and the partner country. Due attention was paid to the perceptions of the partner country during the field missions. However, it was found that the interviewed government officials experienced very limited to no effect on their transaction costs (Volume 3, section 3.1.3). This was often related to their relatively modest level of involvement in the DC programmes (as further explained in EQ 2).

Reduced transaction costs are directly related to the more operational outputs: more co-financing, larger programmes and use of single management systems

Figure 3.1 presents the scores on the five underlying outputs. It shows a mixed picture. The positive contribution of DC on reducing transaction costs is primarily due to the positive scores in the case studies on co-financing, larger projects and programmes and use of single management systems. These can be considered as more operational outputs, while improved division of labour and a reduced number of donors are more strategic outputs which show low scores.

The Commission has consistently associated DC with promoting joint and parallel co-financing throughout the period 2007-2012 (see Chapter 2). However, the desk portfolio analysis and the case studies pointed out that in practice an important proportion of the DC programmes was not co-financed. These projects and programmes were fully financed by the EU. The DA partner did not provide any financial resources and only implemented the project (Volume 3, section 3.1.5). Nevertheless, there was a clear expectation that pooling of resources through co-financing arrangements would contribute to reducing transaction costs. This would specifically apply to joint co-financing and to a lesser extent to parallel co-financing.

Figure 3.1 Overview of scores of the five outputs related to transaction costs⁶³



The desk study of all 164 DAs showed that about 74% of the DAs were part of a co-financing arrangement (joint and/or parallel) with one or more other donors (see section 2.4). In principle, TAs are always co-financed⁶⁴. While in the desk analysis no distinction could be made between joint and parallel co-financing, this has been done for the case studies. Among the 46 DC projects and programmes of the case studies, 22 (48%) were jointly co-financed, 14 (30%) had parallel co-financing, and 10 (22%) were not co-financed⁶⁵. There are large differences between the countries. In two countries, Nicaragua and Timor-Leste, there was no co-financing at all, which can be explained by the need to find an alternative for the suspended budget support without increasing the EUD's workload (Nicaragua), and the very limited capacity of the EUD in Timor-Leste for a long period of time. It was observed that visibility was sometimes a reason to prefer parallel co-financing above joint co-financing. In five other countries (Ghana, Haiti, Mali, Mozambique and Tanzania) all DC projects have been co-financed.

Regarding the output of creating larger projects and programmes, this has been achieved in the case of 72% (33 out of 46) of the DC projects and programmes of the case studies. The desk analysis of the entire portfolio indicated that the average size of the supported projects and programmes has been much larger than the average size of the DAs (€7.7 million) and of the TAs (€4.9 million)⁶⁶. There have been 41 DAs (25%) and 35 TAs (59%) with a budget below the threshold of €3 million (fixed in 2012). Overall, it is clear that DC has had a positive effect on creating larger projects and programmes (Volume 3, section 3.1.6), which is in line with the findings on co-financing.

⁶³ In case of 'more co-financing', strong effect means joint co-financing; modest effect means parallel co-financing; and no change means no co-financing.

⁶⁴ Except for the five TAs part of the GCCA programme.

⁶⁵ The financial contribution of the partner country is not considered as co-financing of DC projects and programmes; as DC focuses explicitly on co-financing by DC partners.

⁶⁶ The average budget size of 89 DA projects and programmes amounted to €15.9 million, with 37 having a budget of less than €10 million.

The findings on the use of single management systems have also been mainly positive (59% of the DC projects and programmes in the case studies showed positive effects), which has contributed to reduced transaction costs (Volume 3, section 3.1.7). These effects are closely linked to joint or parallel co-financing and larger programmes; through joint co-financing, a larger programme is created that is managed by one partner. All observed negative effects were related to a set-up in which multiple DAs were concluded with several different partners for one and the same project or programme. This led to the use of mixed or multiple management systems within one programme, which – compared to a counterfactual without DC – would not have taken place.

...but lower scores were recorded for the more strategic outputs

The effects of DC on improving the inter-sector division of labour and on reducing the number of active donors per sector have been very limited (see figure 3.1). The debate on aid effectiveness was focused for a certain time on the optimum number of donors per sector based on a good inter-sector division of labour. The related strategic assumption was that DC could contribute to an improved division of labour and to less donors per sector as European donors were supposed to focus their aid on a maximum of three sectors⁶⁷. However, in practice only a limited number of European donors have adhered to that principle. In the entire portfolio, DAs and TAs have been signed in both focal and non-focal sectors, as well as for global or regional programmes, where the focal sectors principle is not applicable. The desk study of all DAs and TAs has shown that the focal sector principle only applied to one third of the contracts (Volume 3, section 3.1.4).

The case studies have confirmed these findings (Volume 3, section 3.1.4) and showed that even if the EU signed a DA in a non-focal sector, it rarely became a ‘silent partner’ – often it remained active in the sector. This implies that the number of donors per sector was not reduced. This was less the case for TA partners, as they more often took a passive role when they delegated funds to the EU. The case studies furthermore showed that sector definitions were often not clear. In many cases very broad definitions were used, which did not facilitate the division of labour. Even when the DA contracts were part of a focal sector as was the case in Nicaragua and Palestine, these sectors were so broadly defined (e.g. ‘economic and trade issues’) that this led the EU to become active in a new (sub-) sector (e.g. ‘tourism’). However, the case studies also found that sometimes the delegation within a focal sector had positive results, because the EU could focus on other priorities. In some cases, such as in Timor-Leste, the fact that it delegated the implementation of projects to DA partners allowed the EU to become more active in the policy dialogue, which was appreciated by all stakeholders.

In addition to the lack of clear policy guidance on how DC should be used in order to promote division of labour, political realities have contributed to the limited effect of DC, as explained in chapter 2. The wish of donors, including the EU, to be visible and to have a ‘seat at the table’ has hindered progress regarding inter-sector division of labour and the reduction of number of active donors per sector.

In practice, pragmatic solutions have been adopted leading to reduced transaction costs

The overriding argument for concluding DC agreements has been to make use of comparative advantages within sectors, and thus to divide the labour within the sector. Reducing the EUD workload was an important additional argument in the case of DAs (Volume 3, section 3.1.9), and also to realise operational outputs that contribute to reducing transaction costs. In this context, the positive DC effects that were found in the case studies on the intra-sector division of labour deserve to be mentioned. This indicates that donors and implementing agencies work better together within the sectors with DC projects and programmes. In fact, the improved intra-sector division of labour - contrary to

⁶⁷ As specified in the Code of Conduct (see chapter 2).

the inter-sector division of labour - can be considered as an important output of DC (Volume 3, sections 3.1.4 and 3.3.5).

Additional transaction costs were observed in the preparation of DC agreements

In the interviews at HQ during the desk phase, it was indicated by various DC partners that additional transaction costs were caused by the lengthy and bureaucratic procedures to be followed prior to signing a DC agreement. The frequent changes in templates were seen as creating unnecessary additional work in the preparation. Some DC partners also mentioned the high costs of the Pillar Assessment. In addition, the requirement to comply with the EU Financial Regulations was sometimes a burden (for example, adhering to the D+3 rule). Although difficult to quantify, the main perception of the EU and DC partners was that these costs did not offset the savings made during implementation (section 3.9 and Volume 3, section 3.1.9).

DC might have contributed to shifting part of the transaction costs of the donors to the project budget, with the result that those costs became project management costs

A common feature of DAs is that the management load has been partly shifted from the EUD to the DA partner that is the agency implementing the project, and that management costs are then made part of the project budget. This is theoretically (in view of the definition of transaction costs) a saving of total transaction costs, but those 'transferred' costs could be called 'hidden transaction costs' covered by the project budget. The various DA partners have different working methods that lead to a different level of overhead costs. The EU compensates only up to a maximum of 7% overhead costs. Some DA partners indicated that 7% is insufficient to cover all overhead costs; in some cases, additional overhead costs are incurred by the DA partner which are not reflected in the budget (Volume 3, section 3.1.9)⁶⁸.

Quantification of the reduction of transaction costs and the precise DC contribution is not possible

Although this evaluation found a positive effect of DC on reduced transaction costs, these findings should be interpreted with care. As indicated at the beginning of this section, the assessment of transaction costs is based on perceptions and the effects cannot be quantified. It should also be repeated that the scoring of the case studies was primarily focused on transaction costs of the donors during project implementation. For transaction costs incurred during the preparation of the DAs and TAs, the field visits could not provide much information. The main source of information was interviews with HQ during the desk study.

DC was effective in achieving its intended outcome of reducing transaction costs and contributed to efficiency gains during project implementation

Most studies on transaction costs focused on strategic issues, including the inter-sector division of labour and number of donors per sector. These studies did not find positive effects of changes in aid modalities or in the division of labour on reducing transaction costs. However, this evaluation of DC has shown that DC had a positive effect on operational issues such as creating larger programmes and more co-financing, which are generally conceived as means to reduce transaction costs (Volume 3, literature review for sections 3.1.4-3.1.6).

The overall positive assessment of the JCs of this EQ suggests that DC has been to some extent effective in achieving this intended outcome: a reduction of transaction costs. The findings also point at certain efficiency gains as a result of DC.

⁶⁸ In the case of GIZ, which is not a funding agency, BMZ structurally pays these additional overhead costs even in the case of standalone projects that are not co-funded by BMZ. There have been cases where the BMZ funding of additional overhead costs was considered as co-funding by Germany, but the EU did not consider this as co-funding.

3.2 Country ownership and leadership (EQ2)

Answer to EQ2: To what extent has DC strengthened the ownership and leadership of the partner countries?

DC was not effective in strengthening partner country ownership and leadership, which has implications for the sustainability of its results. This can be explained primarily by the fact that there were no built-in mechanisms in DC to stimulate country ownership and leadership. Nevertheless, partner country governments have been involved in various ways in the formulation, implementation and monitoring of DC projects and programmes. The type of involvement, either through sub-delegation or through Project Steering Committees, depended on the aid modality and on the working methods of the DA partners. It was found that ownership was accommodated by DA partners which made use of country systems. Other explanatory factors for the limited effects of DC on strengthening ownership are the use of project aid as the dominant DC aid modality and weak government capacity.

Strengthened ownership and leadership of the partner countries have been identified as an envisaged outcome of DC in various DC documents. However, as indicated in chapter 2, it was not clearly indicated how DC would improve ownership and leadership. The intended reduction of donors would contribute to strengthening the position of the partner country vis-à-vis the donors. The evaluation looked in particular at the level of government involvement at different stages of the project/programme cycle (i.e. formulation, implementation and monitoring) and assessed the DC contribution in strengthening the government's ownership and leadership.

DC had no effect on strengthened ownership and leadership

In a majority (two-thirds, 28 out of 42) of the DC projects and programmes, no effect on strengthened ownership and leadership has been observed, while a small positive effect was shown in 24% of the projects (10 projects). The case studies did not find any DC project or programme with a strong positive effect, while for 10% of the projects (four projects) even a negative effect has been found.

Table 3.2 Effect of DC agreements on strengthening ownership and leadership of the partner country

Country	Strong effect	Modest effect	No change	Negative effect	Total
Benin	0	3	3	0	6
Ghana	0	0	1	0	1
Mali	0	1	2	0	3
Mozambique	0	1	5	0	6
Nicaragua	0	1	0	3	4
Palestine	0	0	12	0	12
Tanzania	0	2	0	1	3
Timor-Leste	0	0	4	0	4
Haiti	0	2	1	0	3
Total 9 countries	0	10	28	4	42
<i>of which DAs</i>	0	8	19	4	31
<i>of which TAs</i>	0	2	9	0	11

* Four project or programmes (2 in Ghana, 1 in Mali and 1 in Benin) have not been scored because the Government was not at all or hardly involved.

The findings on ownership and leadership are to some extent specific per country and per DA partner

Three of the four projects that contributed negatively to strengthened ownership and leadership were located in Nicaragua. After the suspension of Budget Support, the EU has made use of DAs to delegate project implementation without co-funding to various DA-partners, which have been using their own procedures⁶⁹.

The ten projects and programmes that did have a modest positive effect on strengthened ownership were found in different countries with sometimes a strong (Tanzania) and sometimes a weaker (Benin and Haiti) aid effectiveness agenda. Positive effects in Benin occurred, because the DA was used to transfer EU funds to DA partners which were using country systems when implementing the project (i.e. the Netherlands Ministry of Foreign Affairs and Danida). These programmes included small implementation units (staffed by an external service provider), mostly having an advisory function and fully integrated in the government's institutional structures. The support to the Ministry of Interior in Mozambique implemented by CICL is another project with a positive contribution to ownership, given the use of a twinning arrangement, the historical links and the mutual understanding between the Governments of Mozambique and Portugal. This indicates that the working methods of the various DA partners affect the level of country ownership and leadership to a large extent (Volume 3, section 3.2.5).

Partner country involvement in formulation, implementation and monitoring has been ensured in most cases

In most cases the Government has been consulted and it has endorsed the delegation of funds from one donor to another. In implementation and monitoring, Project Steering Committees have been quite common in DC projects and programmes (76% i.e. 35 out of 46 DC projects). They have been responsible for strategic oversight and the direction of the project/programme. They have usually also played an important role in monitoring the implementation of the project, among others by reviewing annual implementation reports and approving annual work plans and budgets (Volume 3, section 3.2.5). This finding is not specific to DC projects though – Project Steering Committees have been similarly present in other non-DC projects in the case study countries.

The feedback from the respondents to the questionnaire regarding the perceived overall impact of DCs on strengthened ownership is modestly positive. This score is much more positive than the consolidated findings of the case studies. A possible explanation for this difference in scores is that the evaluation has tried to answer what DC has contributed, while the EUDs have assessed the ownership as regards the projects concerned (Volume 4, section 4.11).

Despite partner country government involvement in the formulation, implementation and monitoring of DC projects and programmes, there is insufficient evidence that DC has strengthened ownership and leadership

While partner country involvement was ensured in each stage, as described above, this involvement was not necessarily stronger compared to a counterfactual situation in which DC would not have taken place. Overall, DC does not appear to be the most appropriate instrument to strengthen partner country ownership (see Chapter 2 on the relevance of DC).

⁶⁹ This led to the set-up of parallel, mixed management systems, resulting in less involvement of the counterpart institutions in project implementation than in a situation where another modality (e.g. direct management) would have been used (volume 3, section 3.1.7). One DA in Nicaragua had a modest positive effect, as in this area, there was a (relatively strong) national policy in place led by a competent and focussed national counterpart that was familiar with the working methods implied by the DA modality (AECID procedures) (volume 3, section 3.3.5).

It is mostly the working methods of the DC partner which have determined the effects on country ownership and leadership

Each DC partner has to apply its own internal rules and procedures. In this context a distinction can be made between different types of DA partners. On the one hand, there are DA partners with their own implementing capacity such as GIZ and BTC, which have used and/or tend to use their own (parallel) systems to an important extent. On the other hand there are DA partners that can also provide own funding such as KfW, AFD and Danida, which are used to sub-delegating essential parts of project implementation, especially the procurement, to partner country organisations. In these cases, the partner country government plays an important role in project implementation, while this is less the case with DA partners which use their own systems. Without stating that the latter cannot improve ownership, it was observed that the greater use of country systems by some donors accommodated a greater sense of ownership by the partner country (Volume 3, section 3.2.5). There is also little evidence to suggest that the nature of the DC instrument per se has had much influence on the choice of entering into DC agreements with certain types of DC partners, as opposed to others.

Weak government capacity has been another reason for the limited results

A structurally weak capacity of the central government has also been assessed as a limitation for government ownership, as for instance concluded in the Benin case study. Furthermore, frequent reorganisations in the ministries have also hindered strengthening country ownership and leadership (Volume 3, section 3.2.4).

Strengthened ownership and leadership has not been a prime DC objective and there were no built-in mechanism to promote this, which explains the limited results

So far, no evidence has been found suggesting that the DC funding modality has a built-in mechanism promoting strengthened country ownership and leadership. Furthermore, project aid has been the dominant aid modality of DC with often limited country ownership and leadership. Finally, the assumption that DC would contribute to a reduced number of donors per sector and in this way to influenced partner country ownership and leadership, could not be validated as DC did not lead to less donors per sector (Volume 3, section 3.2.6).

DC was not effective in achieving its intended outcome of strengthening ownership, which has implications for the sustainability of results

The findings as regards this EQ indicate that DC was not effective in achieving this intended outcome: strengthening ownership. This is not very surprising, as the policy analysis in chapter 2 indicated that it is not clear how DC would have been able to influence ownership. The linkage with of this outcome with the envisaged output of reduced number of donors is questionable at best, as the literature has shown repeatedly that the optimal number of donors is very country- and even sector-specific (see Volume 3, section 3.1.8).

Ownership is one of the key principles of aid effectiveness, which should lead to more sustainable, partner-country-led aid. The limited effect of DC on this intended outcome – which negatively affects the relevance of the instrument - suggests that the results that have been achieved by DC might not be sustainable, as they are not systematically supported by a strong sense of ownership.

3.3 Complementarity and added value (EQ3)

Answer to EQ3: To what extent has Delegated Cooperation strengthened complementarity and added value of the support provided by the EU and other Delegated Cooperation partners?

DC has contributed substantially to strengthened complementarity and increased added value. This is primarily related to making good use of comparative advantages of the EU and DC partners and an improved division of labour *within* sectors (but not *across* sectors). In the case of DAs, the EUD did in most cases not become a silent partner, but remained active in the policy dialogue and in monitoring the DA supported projects. As a result, DC was effective in increasing complementarity and added value of support – but this effect remained limited to the sector level.

Strengthened complementarity and added value were main considerations for launching the DC funding modality. DC was a direct result of the Code of Conduct but strengthening complementarity and increasing the added value of the EU and other DC partners (mostly Member States or agencies from the Member States) has fitted into the broader political EU agenda of harmonising development cooperation strategies of the EU and its Member States and strengthening the (policy) coherence within the EU.

The assessment of the effects of DC on strengthening complementarity and increasing added value is based on the assumption that division of labour is organised according to the comparative advantages of the respective development partners. This is expected to improve the added value⁷⁰ of the support of each of them and the complementarity of the entire support provided by the EU and the other DC partners. In addition improved donor coordination and harmonisation is focussed on improving the division of labour which should strengthen the complementarity and increase the added value of the support provided by the EU and other DC partners.

DC did positively contribute to strengthened complementarity and increased added value

The findings of the case studies show that DC has strengthened complementarity and increased the added value of the EU and the other DC partners, as illustrated in table 3.3. The case studies concluded that the effects were strong in 43% (20 of the 46) of the DC projects and programmes and modest in 50% (23 out of 46) of the cases. This implies that DC has contributed positively to focusing the assistance of donors on areas where they can add most value. Only in one case a negative effect has been reported where a DC partner did not have previous expertise in the sector concerned and the project did not fit into the scope of the DC partner's focal sectors.

⁷⁰ This definition is different from EuropeAid's evaluation criterion "community added value", which is defined as the additional benefits the EU support will generate compared to "what would have resulted from Member States' interventions only in the partner country". That definition is rather restrictive and does not correspond with the term 'added value' as used in the DC documents.

Table 3.3 Effects of DC on strengthened complementarity and increased added value of the EU and other DC partners

Country	Strong effect	Modest effect	No change	Negative effect	Total
Benin	2	5	0	0	7
Ghana	3	0	0	0	3
Mali	3	1	0	0	4
Mozambique	2	4	0	0	6
Nicaragua	4	0	0	0	4
Palestine	2	7	2	1	12
Tanzania	0	3	0	0	3
Timor-Leste	1	3	0	0	4
Haiti	3	0	0	0	3
Total 9 countries	20	23	2	1	46
<i>Of which DAs</i>	16	15	1	1	33
<i>Of which TAs</i>	4	8	1	0	13

The positive outcome on strengthened complementarity and added value is primarily based on making increased use of comparative advantages

The case studies, but also the EUDs that responded to the questionnaire, were quite positive about the link between DC and increased use of comparative advantages. In the questionnaire, 15 respondents (43%) reported a strongly positive effect, while 14 (40%) reported a modest effect (Volume 4, section 4.11). The comparative advantage of the DA partners was based on previous experience and having expertise in the sector and/or the regions where the DC project or programme was being implemented. Quite often the DA partner concerned was considered to be one of the lead partners for implementing projects in the sector concerned (but not always for the policy dialogue as some implementing partners were not closely involved in the policy dialogue).

Stakeholders do agree that making use of comparative advantages was a main motivation for using the DC instrument, especially DAs

The Code of Conduct stresses the importance of making maximum use of the comparative advantages of the donors⁷¹. Regarding DC, this indicates that making use of comparative advantages is supposed to be a main driver behind DC agreements. Stakeholders do agree that the use of comparative advantages was a main motivation to prepare and conclude DAs, which is confirmed in the questionnaire where 76% considered this as the main motivation (and 18% as a secondary motivation; see Volume 4, section 4.11). The assessment of the comparative advantage of DA partners by the EU is based on the track record of implementation of projects and programmes in a specific sector or a sub-sector. This assessment did not take into account the role of the DA partner or the Member State body in the policy dialogue. This is an important issue as not all DA partners, in particular the ‘pure’ implementing agencies participate in the policy dialogue. For TAs, the use of comparative advantages was a less important motivation though, as only 44% of the EUD respondents saw this as a main motivation (and 6% as secondary observation; see Volume 4, section 4.11). The pooling of funds and creation of a larger budget have been motivations of similar importance for DC partners to delegate projects and programmes to the EU. In addition, the strengthening of the relations between the EU and Member States was an important additional motivation to prepare

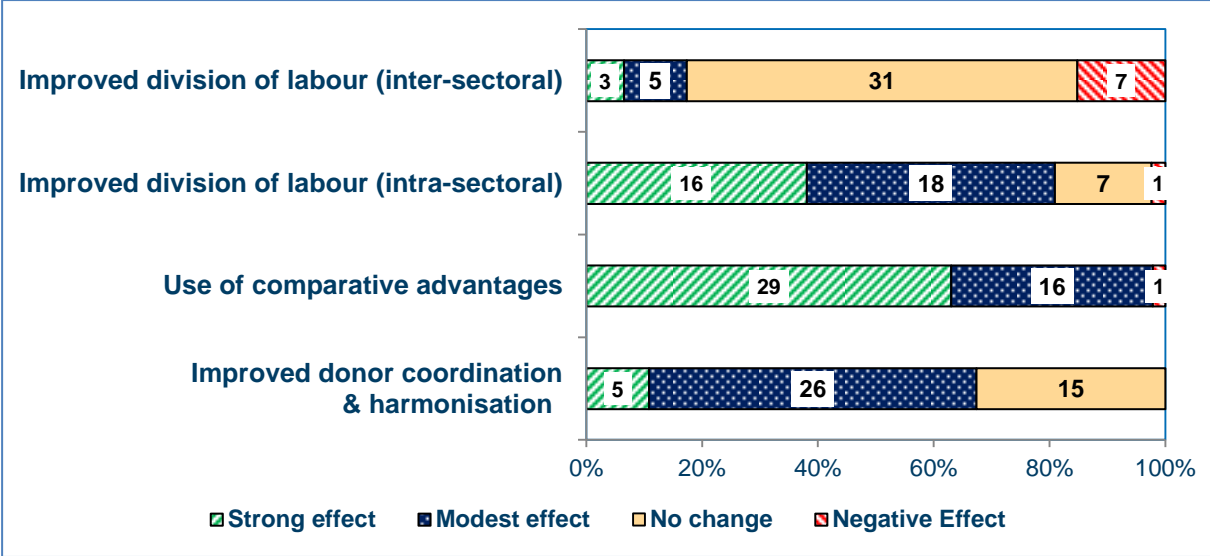
⁷¹ The Code of Conduct mentioned eleven criteria for the identification of comparative advantages, including experience in the sector, trust and confidence of the partner government and other donors and the volume of aid already provided to the sector.

and conclude DAs and TAs. In that context, either DA partners presented proposals for DA projects to the EU based on their comparative advantage or the EU looked for suitable Member States organisations with a comparative advantage to start DA projects or programmes.

But when DC agreements were prepared, a formal assessment of comparative advantages was in general not undertaken

When DC agreements were prepared, formal assessments of comparative advantages were not made. In most DC agreements, comparative advantage is mentioned in general terms without further elaboration. In the majority of the Action Fiches of the 44 DAs and 31 TAs being part of the country case studies, a brief analysis of the experience and expertise of the DC partner is presented⁷² (Volume 3, section 3.3.5).

Figure 3.2 Overview of scores of the outputs related to complementarity and value added



The TAs supporting the Global Climate Change Alliance (GCCA) are exceptions to the rule by showing limited comparative advantage and added value

The thematic case study on the GCCA showed that the seven TAs supporting 12 GCCA projects did not make a significant contribution to strengthening complementarity and increasing the added value. Those TAs did not have clear positive effects on making use of the comparative advantage of the EU (Volume 3, section 3.3.5) and on contributing to improved coordination on the overall thematic issue (Volume 3, section 3.3.6). This is largely due to the complexity and large variety of climate change issues compared to the small size of the TAs. Nevertheless, DC did contribute positively to coordination on a case-by-case basis.

Improved donor coordination and harmonisation modestly contributed to increased complementarity and added value

The findings of the case studies regarding the contribution of DC to the underlying output ‘improved donor coordination and harmonisation’ were modestly positive. The case studies concluded that the effects were strong in the case of only 5 (11%) of the 46 analysed DC supported projects and modest in 20 cases (43%), while ‘no change’ was recorded for 15 cases (33%) (see Volume 4, section 4.11). The scoring did not distinguish between the various levels of aid coordination that were referred to by the stakeholders. These levels range from formal aid coordination structures chaired by the partner country, to coordination among donors, coordination between the EU and Member States and

⁷² The DA/TA Assessment Forms that are discussed in EQ8 contain a section on comparative advantage, but for most of the DAs and TAs these forms have not been used.

informal coordination. Given the limited volume of the DC agreements compared to total sector support, in most sectors only one or two percent⁷³, DC cannot be expected to contribute strongly to better sector coordination at partner country level, also because there is no effect on improved inter-sector division of labour (see Volume 3, section 3.3.4). However, at a sub-sector level and regarding better EU – Member States coordination, in a few cases strong positive effects have been observed, with also more attention paid to the policy dialogue. The case studies did not find cases where the EU became a silent partner because of DC (Volume 3, section 3.1.8).

DC has been effective in strengthening complementarity and adding value to the support of the EU and the DC partners at the sector level

DC has been effective in achieving strengthened complementarity and increased added value of the support provided by the EU and other DC partners. Through increased use of comparative advantages and better coordination resulting in an improved intra-sectoral division of labour, the EU and DC partners created added value to their support at sector level, as compared to a situation without DC (in which the EU and DC partners would have acted alone, or would have collaborated with another (non-EU) donor). This also implies that DC made a positive contribution to the Maastricht and Lisbon Treaty precepts: coordination, complementarity and coherence (3Cs). However, at a country level the effects are less visible because of the limited effect on inter-sectoral division of labour.

Against the background of the changing aid effectiveness context and the increased attention to Joint Programming, the role of DC is changing

Originally, the idea that DC could contribute to an improved overall division of labour dominated, while in the context of Joint Programming, DC was expected to become gradually less relevant. This scenario did not develop in practice, but interesting new linkages emerged between DC and Joint Programming. In some case study countries, DC played a positive role in the discussions on Joint Programming and the related EU - Member States cooperation (see Chapter 2 for more information about the link between DC and Joint Programming).

3.4 Aid fragmentation (EQ4)

Answer to EQ4: To what extent has Delegated Cooperation reduced the fragmentation of aid?

DC contributed modestly to a reduction of aid fragmentation. Its effect remained modest because DC hardly improved the inter-sector division of labour. The number of active donors in a sector has not been reduced significantly. Most donors have been reluctant to become a silent partner and preferred to have 'a seat at the table'. DC has been used rather pragmatically as an operational tool within sectors to prevent overlap of donor support. Its limited contribution to reduced aid fragmentation was mainly achieved through more co-financing, larger programmes, and strengthened donor coordination at the intra-sector level. This led to some small-scale efficiency gains.

DC was intended to contribute to increasing the efficiency and effectiveness of aid delivery by reducing aid fragmentation. This was to be achieved through improving the division of labour and coordination, and also by stimulating larger, co-financed programmes.

DC had a modestly positive effect on reduction of aid fragmentation

For the majority of the projects and programmes in the case studies either a modest or no effect on reduced aid fragmentation has been observed: 43% (20 out of 46) has shown a

⁷³ In the period 2010-2013, for instance, DC funding varied between 0.2% and 0.8% of the ODA commitments provided by the EU and its Member States.

modestly positive picture while in 35% (16 out of 46) of the DC supported projects and programmes no effect has been identified. In 11% (five out of 26) of the cases, strong positive effects have been found, while for another 11% of the cases DC has negatively influenced aid fragmentation. In some countries, the contribution of DC to reduction of aid fragmentation has been predominantly positive, for example in Tanzania where two DAs prevented the EU from becoming active in the water & sanitation and environment sectors. In other countries, such as Timor-Leste, the effects have been negative, mainly due to the delegation of one and the same project or programme to two different DA partners (CICL and GIZ).

Table 3.4 Effect on DC agreements on reducing aid fragmentation

Country	Strong Effect	Modest effect	No change	Negative effect	Total
Benin	0	2	5	0	7
Ghana	0	2	1	0	3
Mali	0	1	2	1	4
Mozambique	2	2	2	0	6
Nicaragua	0	2	2	0	4
Palestine	1	9	1	1	12
Tanzania	2	1	0	0	3
Timor-Leste	0	0	1	3	4
Haiti	0	1	2	0	3
Total 9 countries	5	20	16	5	46
<i>Of which DAs</i>	4	14	11	4	33
<i>Of which TAs</i>	1	6	5	1	13

These overall findings are supported by the EUD questionnaire. According to 63% of the respondents to the questionnaire, DC has had a modestly positive effect on reducing aid fragmentation, while 20% observed a strong effect and 17% indicated that DC has had no effect or a negative effect (Volume 4, section 4.11).

The limited reduction of aid fragmentation was mainly due to little inter-sector division of labour

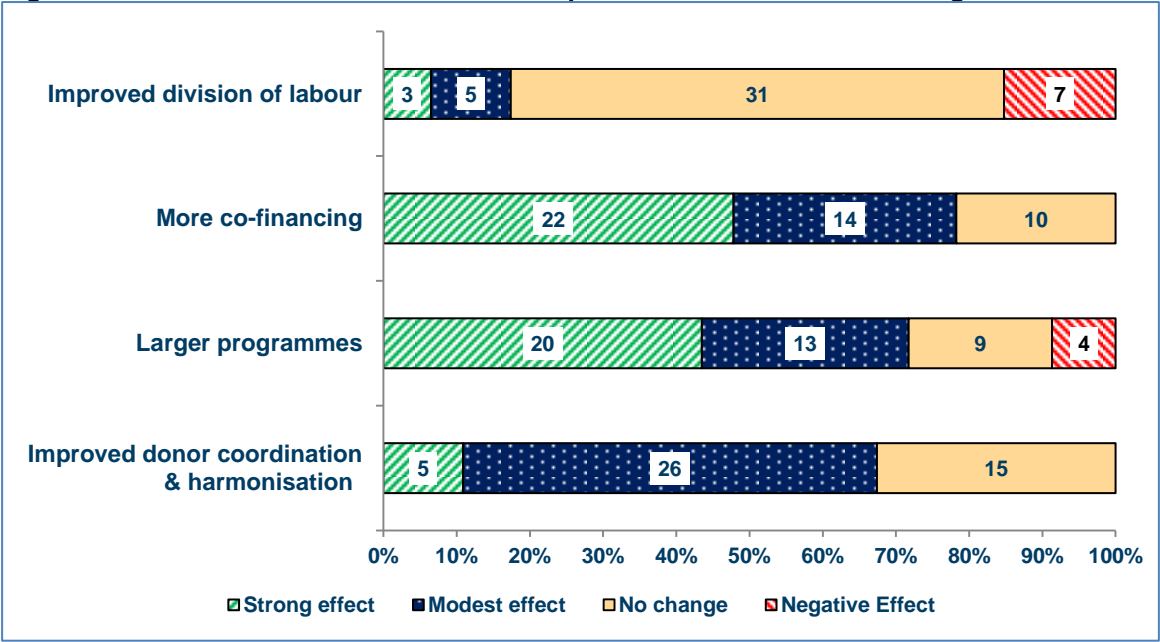
The effect of DC on aid fragmentation was limited mainly because DC hardly improved the inter-sectoral division of labour (see figure 3.3), which could be considered as the prime output potentially contributing to a reduction of aid fragmentation. Inter-sectoral division of labour implies that donors concentrate on a limited number of sectors, thereby avoiding large numbers of donors active in the same sector. DC was described in the Code of Conduct as a means to become a passive donor in a sector: still contributing to a sector but refraining from active participation. However, in the case of most DC agreements, donors including the EU remained active in the sector concerned and rarely became a silent partner (Volume 3, section 3.1.8).

This observation is supported by the evolving aid effectiveness agenda, in which joint programming and making use of a diversity of donors with different expertise is becoming increasingly important

The desk study of the literature on the evolving aid effectiveness agenda (see Chapter 2) has illustrated the shift in focus from limiting the involvement of a donor to a certain number of sectors to improving joint efforts at sector level. A recent study by Pietschmann entitled “Managing diversity” has underscored that aiming at a reduced number of donors

per sector and/or per country has become less important⁷⁴. The focus is shifting to joint programming at the level of partner countries, while there is also recognition of the value added of having a diversity of development actors with different expertise and experience.

Figure 3.3 Overview of scores of the four outputs related to reduced aid fragmentation⁷⁵



The effect of DC on reducing aid fragmentation has remained modest, while efficiency gains have been small

As mentioned earlier, DC has not primarily been used as a strategic tool but rather as an operational one. Its contribution to reducing aid fragmentation has been achieved mainly through more co-financing, larger programmes, and strengthened donor coordination at a (sub-)sector level. DC has not contributed to fewer donors per sector as there have hardly been any silent donors. This limited effect of DC on aid fragmentation has also been due to the relatively limited use of DC at partner country and global level. DC has therefore been only modestly effective and has only contributed to small efficiency gains.

⁷⁴ Elena Pietschmann, Managing diversity: what does it mean? An analysis of different approaches and strategies, German Development Institute, Discussion Paper 19/2014, 2014.

⁷⁵ In case of 'more co-financing', strong effect means joint co-financing; modest effect means parallel co-financing; and no change means no co-financing.

3.5 Strengthened policy and systems alignment (EQ5)

Answer to EQ5: To what extent has Delegated Cooperation strengthened the alignment of aid with policies and procedures of the recipient country?

DC agreements have hardly contributed to strengthening policy and systems alignment. With regard to the alignment with the sector policies and strategies of the partner government, DC agreements have never been a trigger or starting point of alignment processes.

With regard to systems alignment, in most cases the DC agreements have not contributed to strengthening the use of partner government institutions, systems and procedures at the level of the supported projects.

The level of systems alignment of the DC supported projects has varied considerably and has largely depended on the DC partner and its working methods and procedures. The alignment has been much stronger for DC partners using partner government systems than for DC partners using their own systems.

DC has thus not been effective in promoting systems alignment and did not result in clear efficiency gains, while it also did not affect the sustainability of results.

Most DC projects and programmes are well aligned with sector strategies, but the DC agreements themselves have hardly contributed to strengthening this policy alignment

Formally, most DC projects and programmes have been strongly aligned with the policies and strategies of the partner government, but policy alignment is only effective when the policies and strategies have been designed and are owned by the government. Moreover, a high level of alignment of a project or programme with a sector strategy does not mean that the related DC agreements are contributing to strengthening the policy alignment. This is why the case studies concluded that none of the DC projects and programmes have contributed strongly to better policy alignment. In a counterfactual situation without DC, the level of alignment would probably not have been significantly different. The bottom line is that the DC instrument has not been designed to promote policy alignment (Volume 3, section 3.5.4). Against that background, the assessment of the effect of DC on strengthening policy alignment is modestly positive for 33% (14 out of 42) of the DC supported projects and neutral for the other 67% (28 out of 42) (see table 3.5).

Table 3.5 Effect of DC agreements on strengthening policy alignment

Country	Strong effect	Modest effect	No change	Negative effect	Total
Benin	0	3	3	0	6
Ghana	0	0	1	0	1
Mali	0	3	0	0	3
Mozambique	0	2	4	0	6
Nicaragua	0	0	4	0	4
Palestine	0	5	7	0	12
Tanzania	0	1	2	0	3
Timor-Leste	0	0	4	0	4
Haiti	0	0	3	0	3
Total 9 countries	0	14	28	0	42
<i>of which DAs</i>	0	11	20	0	31
<i>of which TAs</i>	0	3	8	0	11

* 4 projects or programmes (2 in Ghana, 1 in Mali and 1 in Benin) have not been scored because the Government was not at all or hardly involved.

None of the DC funded projects has strongly contributed to the use of partner country systems

In 57% (24 out of 42) of the projects and programmes, no effect of the DC agreements on strengthening systems alignment has been observed. In 16 projects (38%) a modestly positive effect has been identified and two projects (5%) have revealed a negative effect. The negative effects are related to two DAs in Tanzania and Benin delegated to BTC, which had to use the direct management modality (i.e. using its own rules and regulations) due to the fact that the project was supported by a DA. In the case of Tanzania, for instance, BTC needed to adjust its implementation modality from joint management, using partner country systems, to direct management⁷⁶.

Table 3.6 Effect of DC agreements on strengthening systems alignment

Country	Strong effect	Modest effect	No change	Negative effect	Total
Benin	0	2	3	1	6
Ghana	0	0	1	0	1
Mali	0	1	2	0	3
Mozambique	0	3	3	0	6
Nicaragua	0	0	4	0	4
Palestine	0	7	5	0	12
Tanzania	0	1	1	1	3
Timor-Leste	0	0	4	0	4
Haiti	0	2	1	0	3
Total 9 countries	0	16	24	2	42
<i>of which DAs</i>	0	12	17	2	31
<i>of which TAs</i>	0	4	7	0	11

* 4 projects or programmes (2 in Ghana, 1 in Mali and 1 in Benin) have not been scored because the Government was not at all or hardly involved.

⁷⁶ This was in response to the fact that the EU started co-financing this project and the previous set up consisted of ineligible costs considering EU requirements (Volume 3, section 3.2.5 and 3.5.5).

The feedback from respondents on the question about the use of national procedures and systems confirmed the mixed picture with regard to systems alignment. Among the 35 respondents, 43% (15 respondents) had the impression that DC projects and programmes had largely been based on national procedures and systems, while 55% (19 respondents) disagreed or even disagreed strongly with this statement (Volume 4, section 4.11).

The level of systems alignment largely depends on the DC partner and its working methods and procedures. It is much stronger for DC partners using partner government systems than for the ones using their own systems

As explained in section 3.2, a distinction can be made between DA partners tending to use their own systems and procedures and partners which usually sub-delegate parts of the project implementation to partner country organisations. This distinction is also relevant for systems alignment, because it largely explains the effects of the DCs on this type of alignment.

The working methods of the fund managing donor determine the level of alignment, rather than the DC instrument itself

Implementation of good practices – especially with regards to systems alignment – may not depend so much on the DC process per se but rather on the provisions of the fund managing donor as regards allowing the use of country systems for implementing projects. In other words, donors with little flexibility to align their project procedures to country systems can do little to strengthen alignment in the context of DC (Volume 3, section 3.5.1).

It is however important to note that the DC instrument does not make a difference between the systems that various DC partners use. This explains why guidance and templates have been subject to some criticism by DC partners, as they assume all DC partners work in a similar way (see EQ 9; and Volume 3, section 3.9.4). In reality, there are many differences, especially in terms of using country systems.

DC has neither been effective in promoting alignment, nor has it resulted in clear efficiency gains. Furthermore, it has also not contributed to improving the sustainability of the projects concerned.

DC has not been effective in increasing the alignment of aid, nor has it generated significant efficiency gains by supporting better alignment. No incentives have been incorporated in the DC instrument to promote alignment. This also implies that the DC instrument has done little to stimulate the longer-term sustainability of its projects.

3.6 EU Visibility (EQ6)

Answer to EQ6: To what extent has the visibility of the EU and other participating donors been ensured in case of projects and programmes funded via Delegated Cooperation?

The visibility of the EU and other participating donors was ensured in DC projects and programmes. Concrete action has been taken in almost all cases. EU visibility in DA projects and programmes got more attention than the visibility of TA partners in TA funded projects. However, the relatively low visibility of TA partners was in most cases not an issue of big concern to them.

DC had no positive effect on visibility – however a positive contribution could also not be expected. The evaluation found some tensions between EU visibility on the one hand and the main outcomes of DC leading to the overarching DC objectives of improving aid efficiency and effectiveness (e.g. division of labour, larger programmes, co-financing, alignment and ownership) on the other hand.

Convincing and consistent action has been taken in almost all DAs to ensure the visibility of the EU in DC projects and programmes, while slightly less attention has been given to visibility of DC partners in the case of TAs

Table 3.7 is based on the case studies and shows the extent to which actions have been taken to ensure the visibility of the main DC stakeholders. In 89% of the cases (41 out of 46) concrete action has been taken. These actions were more convincing for DAs than for TAs.

Table 3.7. Extent to which actions have been taken to ensure the visibility of the EU and the DC partners

Country	Yes	Partly	No	Total
Benin	3	4	0	7
Ghana	1	1	1	3
Mali	4	0	0	4
Mozambique	1	5	0	6
Nicaragua	2	1	1	4
Palestine	4	6	2	12
Tanzania	2	1	0	3
Timor-Leste	3	0	1	4
Haiti	0	3	0	3
Total 9 countries	20	21	5	46
<i>Of which DAs</i>	17	14	2	33
<i>Of which TAs</i>	3	7	3	13

This view has been confirmed by the findings from the questionnaire. Notwithstanding a few exceptions, DA partners have generally complied with the key visibility requirements as stipulated in the DA General Conditions (Volume 3, section 3.6.4). In the case of TAs, in general actions have been taken to ensure the visibility of the TA partners, but the information and evidence provided has been less convincing than in the case of DAs. As for the majority of the TA projects, visibility has only ‘partly’ been ensured, the overall picture vis-à-vis visibility is less positive. Furthermore, there have in general been less visibility requirements for TAs than for DAs, which explains why there has been no clear

evidence that communication/visibility plans have been prepared for TA supported projects. Nevertheless, the EU mentioned the logo of TA partners in project documentation and on billboards along the roads, specifying which donors are funding the project or activity. TA partners were also invited to attend key projects events (Volume 3, section 3.6.5).

Relatively low visibility of TA partners was not a main concern to the TA partners

Most TA funds have not been earmarked (including the two TAs contributing to budget support programmes), which implied that no separate reporting was required. The limited earmarking, together with the fact that TAs contributed a relatively small share of the funding to large projects or programmes, explains their relatively low visibility. In the case of the GCCA, the visibility of the TA partners has been assessed as relatively low for similar reasons. This also includes the fact that these TAs have often been provided by the headquarters of the TA partners, while the planning of the TA projects and programmes has taken place in countries where the TA-partner is not always represented (Volume 3, section 3.6.5). The issue of limited reciprocity in DAs versus TAs is dealt with in EQ7 (see section 3.7).

Some tensions have arisen between visibility on the one hand and aid effectiveness principles on the other hand

In the case studies, the Evaluation Team has found some cases of DC projects and programmes where tensions could be observed between the EU visibility requirements and the aid effectiveness principles that form the basis of the DC objectives such as promoting division of labour, larger programmes and co-funding and ownership and leadership. In one environmental project in Mozambique, the EUD pushed for more visibility, while Danida expressed its concerns that this might undermine the ownership and leadership of the government. Moreover, in some projects and programmes, the EU has insisted on funding specific project components for visibility reasons rather than opting for a large jointly co-funded programme. In other cases, tensions arose because the implementing agencies sub-delegated implementation tasks to country partner authorities. This contributed to systems alignment (see EQ5), but the EU felt that this would be at the expense of its visibility (Volume 3, section 3.6.4).

This tension has also been observed in studies and other evaluations. A thematic evaluation of the visibility of EU external action⁷⁷ found that “Partnerships with other organisations (UN, governments, NGOs, etc.) are vital in EU external action, but there is a trade-off as visibility needs then to be shared. This remains a source of tension and too much insistence being put on EU visibility can undermine the effectiveness of the cooperation and the sense of ownership felt by partners” (Volume 3, section 3.6.3).

These tensions between visibility on the one hand and aid effectiveness on the other do not only arise in relation to DC, but also between donors on other occasions. This is reflected in the difficult discussions on division of labour, where most donors want to keep their ‘seat at the table’.

DC had no positive effect on increasing visibility – however a positive contribution could also not be expected

Overall, DC did not harm visibility, but visibility might have negatively contributed to the effect of DC on other intended outcomes. DC did not have a positive effect on visibility, however this effect could also not be expected given the nature of the instrument, which is about stimulating partnerships and a less prominent presence of individual donors.

⁷⁷ Consortium PARTICIP-ADE-DIE-DRN-ECDPM-ODI, Thematic Evaluation of the Visibility of EU external action 2005-2010, June 2012.

3.7 DATA ratio (EQ7)

Answer to EQ7: What have been the main reasons why to date, the number and value of TAs have been much lower than the number and value of DAs?

Strategic considerations of the DC partners explain to a large extent the imbalance between TAs and DAs: Member States are in general not inclined to provide extra resources to the EU for implementation of TA projects and programmes. TAs appear to be most attractive for smaller Member States. TAs have also been attractive in politically sensitive situations in which it was desirable for the EU to lead and to share risks. DAs are particularly attractive for Member States with a large implementing agency for development aid, as DC generated additional resources for these agencies. For EUDs, DAs have also been attractive as some EUDs have faced capacity constraints. The inequality in the general conditions attached to DAs and TAs has underlined the design of the DC instrument as primarily a Commission-instrument, rather than a joint EU effort. The focus on the TA/DA balance became less prominent over the years, as the EU shifted the attention to other instruments which could promote 'reciprocity' such as Joint Programming, blending and Trust Funds, which are more appealing to Member States in terms of equality and visibility.

There is a considerable imbalance between the number and value of TAs and DAs

Table 3.8. (see below) illustrates the imbalance between TAs and DAs, which was not only caused by a stagnating number of TAs signed each year, but also by a substantial increase of the number of DAs signed per year. In terms of amounts of money, the balance was in favour of TAs only in 2009 and 2010. One of the reasons for this was that all DC partners first needed to pass the six pillar assessment before they could sign a DA. An internal note was issued to address the growing imbalance between DAs and TAs in 2009. However, from 2011 onwards the number of DAs sharply increased, which suggests that many DAs had already been in the pipeline and that DA preparation took some time.

In all the other years the amount of TAs was less than 50% of the amount of DAs (which was the target set by AIDCO in 2009, but abolished in 2012).

Table 3.8. TA/DA ratios per year

Year	Number of contracts			Amounts (millions of €)		
	DA	TA	% TA of DA	DA	TA	% TA of DA
2008	5	4	80%	48.3	5.8	12%
2009	8	8	100%	22.4	38.3	171%
2010	9	9	100%	31.1	84.2	271%
2011	29	12	41%	150.1	31.9	21%
2012	18	9	50%	133.7	30.4	23%
2013	42	10	24%	419.7	78.1	19%
2014	53	5	9%	437.7	20.3	5%
Total	164	57	35%	1,263.4	289.0*	23%

*Excluding the two TAs signed with Luxembourg of which the year is not known.

TAs are more attractive for smaller Member States as compared to larger Member States

The TA portfolio revealed that most of the TAs were concluded with the smaller Member States, such as Belgium, Ireland and Sweden. They have more limited capacity to manage the implementation of their entire development cooperation budget, and have embassies in fewer countries. A TA offers the opportunity to co-finance projects and

programmes in partner countries and also spend money on specific themes such as climate change in non-partner countries. Moreover, smaller Member States are less concerned about the loss of visibility when spending their money via TAs. These reasons do not apply to larger Member States, such as France and Germany, which have a limited interest in concluding more TAs (Volume 3, section 3.7.6).

TAs were often situated in specific contexts, such as politically sensitive situations where donors want to share risks, or were related to budget support or to specific themes

The characteristics of TA projects and programmes have been quite different from the characteristics of DA projects and programmes. There have been a few TAs supporting budget support programmes, but in general, Member States have had limited interest to conclude TAs to provide Budget Support through the EU. In politically sensitive situations such as Palestine, a particularly high number of TAs has been found, which can be explained by the wish of donors to share the political risks and where the political and policy dialogues are linked. The TAs in Palestine were all linked to the PEGASE financing mechanism (Volume 3, section 3.7.3). Finally, various TAs have been concluded by smaller Member States, or in relation to specific thematic programmes such as climate change (GCCA) or to specific MDG targets, etc.

It should be realised that there are also other opportunities to provide additional money to specific projects and programmes. For example, in Palestine 19 donors EU provided funds to PEGASE in addition to the EU, including the four TA partners Austria, Belgium, Luxembourg and Japan. The other 15 donors provided the money on the basis of a Memorandum of Understanding⁷⁸. The four TAs linked to PEGASE represented less than 10% of the total amount of money provided by the donors (see Palestine case study, Volume 4, section 4.6).

Strategic considerations of the Member States explain to a large extent the imbalance between TAs and DAs, as Member States are in general not inclined to provide extra resources to the EU

Interviews have indicated that Member States do not see clear reasons to provide extra money in the form of TAs to the EU on top of their regular contributions to the EU budget and their contributions to the EDF. In recent years, budget constraints have also (increasingly) played a role and have provided further disincentives to conclude TAs in combination with the donors' wishes to remain sufficiently visible themselves. The loss of political and strategic influence has been another reason for the low interest of Member States, particularly the larger ones, to conclude TAs (Volume 3, section 3.7.6).

One reason explaining the high number of DAs is the opportunity offered to mobilise additional funds via DAs

Implementing agencies of various sorts, not including the Ministries of Foreign Affairs or Development Cooperation with implementation responsibilities, often have a lot of staff, an extensive network of offices in partner countries and have been involved in the implementation of numerous projects and programmes. They have an interest in mobilising additional funds – on top of what they get from their parent ministry of their own Member State – in order to maintain and if possible to expand their scope of activities. DAs thus constitute an attractive opportunity for mobilising additional funds, which explains the skewed division and probably also the increasing number of DAs to some extent (Volume 3, section 3.7.7).

⁷⁸ A MoU has a 'lower legal status', its form, content and conditions are not standardised and it can be agreed case by case.

The implementation capacity of some EUDs has been a limiting factor to conclude TAs and having to manage more funds and projects

Some EUDs sometimes face serious staff problems because of unfilled vacancies. This affects the EU implementation capacity and is another reason for the low number of TAs. In interviews and in the questionnaire some EUDs have confirmed this, while other EUDs did not recognise it. Interviews with headquarters of Member States, but also at partner country level have further indicated that they did not see many cases of comparative advantages of the EU to implement specific projects and programmes, with the exception of the cases mentioned above (Volume 3, section 3.7.7).

Unequal requirements regarding TAs and DAs are an issue of concern, where Member States perceive the TA conditions of the EU as being too lean and think that too much is left to the discretion of the EU

The EU procedures for preparing and finally concluding a TA and DA differ to an important extent. In general, there are more strict requirements for concluding a DA than for a TA. The obligations of the DA partner are more extensive than those of the EU in case of a TA. The imbalance between the conditions attached to DAs and TAs was noted by some TA partners, underscoring the design of DC as primarily a Commission-initiative rather than a joint EU-Member States initiative (also see EQ9). On the other hand, the procedure to sign a TA was sometimes cumbersome, because partners had to agree with EU rules (Volume 3, sections 3.7.5 and 3.9.4). This has also been a reason for some Member States to abstain from signing a TA, because they saw the EU rules as less effective and/or less flexible than their own procedures. There have also been delays in the process, as the budget decision-making procedures of both the EU, which is quite lengthy in itself, and the donor did not always match (Volume 3, section 3.7.5).

The TA/DA ratio was a strategic issue for the EU up to 2012, but became less relevant as the EU found other ways to improve coordination, complementarity and coherence with Member States

The EU has taken measures to influence the TA/DA ratio, in particular in 2009 and appointed an official to specifically check the balance of TAs/DAs for each Member State. However, the explicit focus on the TA/DA balance was dropped to the benefit of a “value added criteria” (Volume 3, section 3.7.2), thereby putting more emphasis on the added value of the joint effort rather than the merits of individual donors (EU and Member States). This might have had an influence on the decline of the actual ratios, because the TA modality was not specifically promoted anymore. However, an important factor to the abolition of the targets and the decline of the ratio was that the EU had shifted its focus towards promoting Trust Funds and blending of financial instruments as other instruments by which Member States could provide reciprocity, in the context of a shift of focus in the aid agenda towards upstream processes, i.e. Joint Programming, as opposed to downstream ones, i.e. Division of Labour in implementation (see chapter 2). Furthermore, Delegated Cooperation, including the TA/DA ratio, has never been put high on the agenda of EU – Member States cooperation at a more strategic level.

3.8 Assessment of DC proposals (EQ8)

Answer to EQ 8: What has been the quality of the decision making process and the assessment of DC proposals in view of the DC objectives and assessment criteria as defined by the EU?

The quality of decision-making can at best be described as average. While the assessment procedure of DC has been more formalised since the new guidance of 2012, the assessment is still not done in a systematic way. The assessment fiches are not yet used for every agreement, and the questions in the fiche are not very specific and result in rather superficial responses. The documentation on TAs is particularly limited – but this could be expected as the EU is the receiving donor.

The use of comparative advantages, creating larger programmes and strengthening the relations between the EU and its Member States have been the main motivations for concluding DC agreements for EU Delegations. While the DC assessment fiches, or the related identification/action fiches, often do provide insight into the key motivation for using DC, they do not systematically assess the DC criteria, such as whether the agreement is co-financed or is in line with the focal-sector strategy.

The decision-making procedure did not contribute to improving the relevance of the DC instrument nor did it encourage efficiency gains.

The assessment of DC proposals was not made in a systematic way, with the DC Assessment Fiches used to a limited extent only

For the 33 DA projects and programmes analysed (covering 44 DAs) in the case studies, only 13 Assessment Fiches for DAs have been found either as part of the inventory of CRIS documentation, undertaken during the desk phase, or during the field visits. The use of DA Assessment Fiches has improved since it has become a formal requirement in September 2012 to submit them as an annex of the Action Fiche. Out of the 13 DA Assessment Fiches retrieved, 11 were for DAs signed in 2013 and 2014, which constituted only 55% of the 20 DAs signed in the nine case study countries during those two years. For the other 9 DAs, Assessment Fiches have either not been prepared or were not uploaded in the documentation system (Volume 3, section 3.8.4).

A difference was observed between countries: in Nicaragua, all four DAs had a DA assessment fiche; for Mali, which has eight DAs, not a single DA fiche was found.

The DA Assessment Fiches contain relevant information, but do not provide a systematic assessment of the DC assessment criteria

Analysis of the template (version 2012) of the available DA Assessment Fiches (prepared after 2012) shows that the DA Assessment Fiches contain questions which are based on the broad objectives mentioned in the DC guidance, but clear criteria to assess the relevance of these objectives for the specific DC agreement were not developed (see Chapter 2). This was confirmed in the questionnaire, where almost half of the respondents had no opinion on whether the objectives of the signed DC agreements were well in line with the envisaged objectives: the comments noted that the guidance was unclear and outdated (see Volume 4, section 4.11, question 6).

The vague and broad formulation of the questions has been reflected in the answers provided: while mentioning relevant information about the motivations to enter into a DC agreement, they do not provide answers to whether DC would lead to 'quantifiable efficiency gains' or 'ownership'. The list of questions to be answered in the fiches is also not consistently aligned with the assessment criteria as mentioned in the DC Guidance Paper of 2012, of which some are more operational of nature and would be easier to respond to. For example, no direct reference is made to promoting co-financing or increasing the size of programmes (Volume 3, section 3.8.5).

Of course, it should be realised that the outcomes of an *ex-post* assessment, as made in this evaluation, are different from an *ex-ante* assessment prior to the DC decision.

Assessment of DA proposals has also been made in other documents such as the Identification and Action Fiches, but the information provided was rarely comprehensive

The mandatory Identification Fiches and Action Fiches have in most cases provided at least some information about why the EUD has opted for using the DC funding modality. The Action Fiches in particular included a section outlining the rationale behind delegating funds to the DC partner (i.e. typically the comparative advantage of the latter). However, the information provided was rarely comprehensive, especially when the DA was only one component of a broader EU action. It was mostly one paragraph outlining the rationale (Volume 3, section 3.8.6).

The use of comparative advantages, creating larger programmes and strengthening the relations between the EU and its Member States have been the main motivations for EU Delegations to conclude DC agreements

The EUD respondents to the questionnaire mentioned three main motivations to use DAs and TAs: use of comparative advantages (76% main motivation and 18% secondary motivation); larger projects and programmes (45% main motivation and 30% secondary motivation); and strengthening the relations between the EU and its Member States (30% main motivation and 58% secondary motivation) (Volume 4, section 4.11).

The importance of making use of comparative advantages and creating larger projects and programmes is consistent with the DC criteria set out in the DC Guidelines of 2012, and with the findings related to outputs as presented in the earlier sections of this report. The importance attached by EUDs to strengthening the EU – Member State relations is in line with the broader context in which DC was developed. This is important to note because it is not mentioned as a specific DC objective of DC in the DC guidance notes.

For TAs, the available documentation is very limited – which is not surprising giving the nature of TAs

TA Assessment Fiches have rarely been prepared for the TAs in the case study countries. Furthermore, the Action Fiches for TA projects have rarely explained the rationale for the EU being the fund managing donor. The Action Fiches of the TA projects also provided limited explanation about the 'comparative advantage' of the EU, which would justify the use of TAs. Often, the period between the signature of the Action Fiche and the start of the project has been quite long. Consequently the Action Fiche did not reflect appropriately the situation at the start of the project. It could have been more logical when the delegating donor (here the TA partner) had made an assessment of the appropriateness of the contract. The fact that the EU should undertake an assessment to justify why it should receive funding for one of its projects was met with surprise during interviews (Volume 3, section 3.8.7).

In the case studies, the overall quality of decision-making as regards DCs is considered to be average

The quality of the decision making of the DC projects and programmes has been assessed as good in only 30% of the cases (14 out of 46), while 27 out of 46 DC projects

(59%) have been given an average score. In general, the quality of decision-making has been weaker for TAs than for DAs. The scoring has been based on a reconstruction of the decision-making process, including the available Identification, Action and DC Assessment Fiches and information obtained through interviews with the stakeholders (volume 3, section 3.8.6).

The 'average' score illustrates what was found during the case studies: often no clear written explanation (notably in the form of a DA assessment fiche) was found, but sufficient information was provided to reconstruct the main motivations to engage in a DA. In some cases, current project managers were unable to reconstruct the rationale of the agreement made a few years ago before they were made responsible for the project (especially in Palestine, which explains why the decision-making procedures of some of the contracts has been labelled as 'weak').

The decision-making process does not promote relevance nor efficiency

All in all, the quality of the decision-making process can be described at best as 'average'. The assessment procedure is first of all not designed to assess the relevance of DC. The brief and relatively superficial assessment of high-level outcomes such as ownership and transaction costs, and the absence of a check on the adherence to many of the more operational criteria (such as size, co-financing) do not promote the relevance of the instrument. This is inherent in the lack of clear guidance, as described in chapter 2. The assessment of DC proposals is furthermore not done in a systematic way, which does not facilitate efficiency gains. The lack of a structured process to be followed when preparing a DA and the frequent changes of templates might have led to efficiency losses.

3.9 Quality of DC Cooperation (EQ9)

Answer to EQ 9: What has been the scope and quality of the cooperation between the EU, the DC partner and the implementing entity in the partner country during implementation of the project/programme (partly) funded through DC?

The absence of a well-defined and balanced cooperation model prevented DC from making a strong contribution to strengthening the three C's: coordination, complementarity and coherence. Nevertheless, the quality of cooperation between the EU and the DC partners was perceived as good. It appeared that this was mainly the result of good coordination on the ground between the EUD and the DC partner, rather than because of clear procedures. The EU rules and regulations were not always well understood or were not in line with the procedures and work methods of the DC partner, which caused delays during the preparation and negotiation phase. In addition, the rules and templates were changed regularly. The cooperation in case of TA projects was less intensive, due to the different nature of DAs and TAs – but also because of the higher requirements attached to DAs. This is in line with the overall view with regard to cooperation: it is predominantly driven from the perspective of the EU.

The quality of the cooperation between the EU and the DC partners has been good or very good in the majority of cases

In 73% (33 of the 45) of the analysed projects and programmes, the quality of cooperation between the EU and its DC partners has been considered as very good (27%) or good (47%) (see table 3.9). Only in one case in Nicaragua the cooperation has been weak. While implementation challenges have occurred, in general there has been a good level of coordination and cooperation among the EUD and its DC partners. Coordination meetings took place regularly, both formal and informal. Overall, the scores of TA projects and programmes have been lower than those of DA projects and programmes.

Table 3.9. Quality of the cooperation between the EU and the DC partners during implementation of the DC agreement

Country	Very good	Good	Average	Weak	Total
Benin	1	5	1	0	7
Ghana	0	0	3	0	3
Mali	1	2	1	0	4
Mozambique	2	3	1	0	6
Nicaragua	1	2	0	1	4
Palestine	4	6	2	0	12
Tanzania	0	2	0	0	2*
Timor Leste	3	1	0	0	4
Haiti	0	0	3	0	3
Total 9 countries	12	21	11	1	45*
<i>of which DAs</i>	10	15	7	1	33
<i>of which TAs</i>	2	6	4	0	12

* One TA programme in Tanzania could not be scored, because implementation has not yet started at the time the evaluation took place.

The findings from the questionnaire are broadly consistent with the findings from the case studies: among 35 respondents, 11% strongly agreed, 77% agreed, and 11% disagreed with the statement that the coordination has been satisfactory.

The different nature of DC in case of TA and DA projects, but also the less specific requirements for TAs compared to DAs, explain the more positive assessment of the cooperation in DA projects compared to TA projects

A number of TA partners have expressed the view that much discretion has been left to the EU in the management of TA projects, reflecting the fact that TAs have been very lean documents, compared to DAs. The General Conditions of TAs were also less specific than those of DAs. The lower level of requirements combined with the fact that the majority of TAs are small contributions, with the TA partner taking a relatively silent position (PEGASE, GCCA), has resulted in a lower level of coordination between EU and TA partner. Some DC partners have viewed this dichotomy between the length and requirements in respectively DAs and TAs as reflecting a lack of ‘reciprocity’ between the EU and DC partners in the management of DC.

Standard rules and procedures were not equally applicable to each DA partner, which led at times to lengthy negotiation processes

The standard contract templates of DAs were not in line with the procedures and work methods of some of the DC partners. Therefore, amendments of the General Conditions of the DA agreement were needed and/or additional MoUs had to be prepared and signed. The preparation and negotiation phase of various DAs took therefore quite some time. It was noticed the standard procedures and templates were less suitable for more aligned interventions. DC partners sub-delegating implementation to partner country institutions had more difficulties with agreeing and complying with the procedures, as the standard templates were not aligned with their mode of operation, than for DA partners using their own systems. DC has actually encouraged less aligned interventions. This has been an unforeseen side effect of DC.

In some cases, misunderstandings about regulations surfaced again in the implementation phase

Although the DA partner is allowed to use its own procedures when implementing a DA project, the necessity to comply with the EU Financial Regulations can sometimes complicate reaching agreement on which procedures to use. EUDs signalled that also *during* implementation the use of own procedures by the DA partners may sometimes conflict with the EU procedures, for example the mobilisation of an EU Results-Oriented-Monitoring missions⁷⁹. Another specific example which caused problems during implementation was the D+3 rule. This EU rule requires that all funds have to be committed within three years after signing the Financing Agreement. This rule, when applied to DA projects in which there was no co-financing, was not always clear to the DA partner right from the start of implementation and in some cases turned out to be difficult to comply with.

The quality of the reporting was mixed – DC partners think reporting requirements are heavy while the EU regards them as quite loose

The case studies have underscored that technical and financial reports, including final reports, have been consistently produced by the DA partners, and that those were generally timely. The quality and scope of the reports however appears to have varied significantly. In a number of cases (such as Ghana), despite receiving regular progress and annual reports, including financial statements, EUD staff complained that it was difficult to obtain a good picture of the funded activities. The EU was also not always satisfied with the level of detail of the reports. Many problems were observed with the agreements where reporting is done by a 'third party'.

In the questionnaire, the EUDs have been asked to assess whether in the case of DAs, the DC partner has provided timely adequate technical and financial information on the implementation of DA-funded project(s)/programme. Among 35 respondents, 3% strongly agreed, 60% agreed, 29% disagreed and 9% had no opinion. Such results appear broadly in line with the findings from the case studies.

In practice there has not been one unique cooperation/delegation model, instead significant variations have been observed

When implementation problems occurred, dialogue between the EUD and the DA partner took place and problems were solved in most cases. Given the relatively limited guidance on how DAs should be managed on the ground, the specificities of the coordination and cooperation varied, and largely depended on the project managers at the EUD and the DC partners' agencies. The DA partner and its working procedures have determined to a large extent the cooperation on the ground. Partner countries have not been directly involved in the management of DC contracts, which were signed by the two DC partners only. The involvement of partner countries in the formulation and implementation of DC projects varied, as elaborated in sections 3.2 and 3.5.

⁷⁹ The EU's Results-Oriented-Monitoring (ROM) is an independent review of EU funded external interventions. Such reviews were also conducted for DA-supported projects.

4 Conclusions and recommendations

In this chapter the main conclusions of the evaluation are presented in section 4.1, followed by the recommendations in section 4.2.

4.1 Conclusions

Overall conclusion. The impact of Delegated Cooperation on aid efficiency and effectiveness has been limited

Delegated Cooperation (DC) was introduced in the context of the aid effectiveness debate with the aim of contributing to improved aid effectiveness and efficiency. However, DC has been tailored and operationalised in such a way that only parts of the aid effectiveness agenda could be supported. Moreover, the linkages with the evolving aid effectiveness agenda have not been articulated, which has reduced the relevance of DC. In fact, DC has mainly been designed and used as an operational tool contributing to strengthened relations between EU institutions and the Member States, in particular the relations between the EU and some implementing agencies. The changed focus of DC over time on more operational issues at the level of programme and project implementation such as co-financing, larger projects and programmes, a single management system etc. has meant that DC only effectively contributed to some specific elements of the aid effectiveness agenda. In addition, only small efficiency gains have been found at the project and programme level. As a consequence, the contribution of DC to the intermediate impact of improved aid effectiveness and efficiency has been limited. The limited impact is also linked to the relatively low value of DC funding compared to the total EU and Member States' official development aid commitments. Its value ranged between 0.2% and 0.8% of the ODA commitments of the EU-DAC members and EU institutions.

The more specific conclusions are structured below according to the evaluation criteria. In Table 1.1 the links between the evaluation approach, the evaluation questions and the evaluation criteria were presented. Not all evaluation questions have led to a specific conclusion as some answers to evaluation questions have been regrouped in order to highlight the most important issues.

Relevance

Conclusion 1. Delegated cooperation has not been able to address the entire Aid Effectiveness Agenda

DC has its origins in the aid effectiveness agenda that was developed following the Monterrey Conference from 2002 onwards in the framework of four successive High Level Forums, including the Paris Declaration in 2005. The EU has been an active player in the debate on aid effectiveness. Initially, the EU aid effectiveness agenda focused very much on issues such as strengthened ownership and leadership of the partner country, an improved division of labour among donors based on comparative advantages, reduced aid fragmentation and new aid modalities such as budget support.

The implementation of the aid effectiveness agenda was an important EU motive for introducing DC. Initially, DC was presented primarily as an instrument for strengthening the division of labour, concentrating EU support in a maximum of three sectors in a given partner country. However, in its design process DC was expanded to the whole aid effectiveness agenda with its five fundamental principles (ownership, alignment, harmonisation, results and mutual accountability), but the linkages of DC with these five

principles have never been properly operationalised. This points to the limited relevance of DC as an appropriate instrument to enhance the entire aid effectiveness agenda.

Conclusion 2. Strengthening the relations between EU institutions and Member States has never been formalised at strategic level although it was an important driver for the use of Delegated Cooperation

The Maastricht and Lisbon Treaty provided the broad basis for DC with Member States. The strategic focus of DC on cooperation specifically with Member States which was reflected in the Guidance Notes has increased over time. The growing attention to strengthening relations with Member States has potentially increased the overall relevance of DC.

Nevertheless, DC has not been put high on the agenda in discussions with Member States. Most guidance documents were kept internal, with the exception of the 2012 DC Guidance Paper. Formal consultations on the DC instrument between the Commission and Member States did not take place. Therefore, Member States still consider DC as an instrument of the EU institutions and not as a joint tool of the EU and its DC partners.

There is some form of informal consultation between the members of the Development Practitioners Network that brings together some DA partners, and the Commission as an observer. The Ministries of Member States do not take part in this Network. This community of practice thus cannot encompass all the issues related to DC between the EU and its member States.

Conclusion 3. DC has not evolved in line with the changing aid effectiveness agenda and this has negatively affected its overall relevance

The aid effectiveness debate evolved over time and the EU has set new priorities and has launched new instruments, based on lessons learned. The EU has focused on more comprehensive policies and programming together with the Member States as reflected in the 2012 Agenda for Change. The creation of stronger links between political dialogue and development cooperation objectives has also become more important. In this context, Joint Programming with partner countries in the lead became an additional building block for increasing aid effectiveness. The EU also launched new funding instruments such as EU Trust Funds and supported blending of financing instruments.

The DC aid delivery mechanism has not taken into account these new EU priorities in a consistent manner and no clear linkages have been established between DC and the new instruments or initiatives. The 2012 DC Guidance Paper indicated that, given the recent changes - especially with regard to the introduction of Joint Programming - DC might become less relevant. In a 2015 Commission document, however, a different position was taken. DC was presented as one of the joint implementation options for donors participating in Joint Programming. The Council Conclusions of May 2016 confirmed the view that DC and Joint Programming can co-exist. These different positions of the EU regarding the co-existence of DC and Joint Programming point to the lack of articulated linkages between DC and the new instruments and initiatives.

Effectiveness, efficiency and sustainability

Conclusion 4. DC has mainly been designed and used as an operational tool and not as a strategic one

In practice, DC has mainly been designed and used as an operational tool contributing to increased efficiency through making better use of the comparative advantages of the various donors, promoting co-financing, single management systems and larger projects

and programmes. The main focus of the Guidance Notes was operational, focusing on implementation issues, while more strategic outputs such as partner country ownership and leadership, and an improved division of labour received limited attention.

This DC assessment forms also have a very operational focus and pay limited attention to the higher aid effectiveness objectives.

Conclusion 5. DC has had modest effects on reducing transaction costs only during implementation

Overall, the DC instrument has been in general effective in reducing transaction costs and realising efficiency gains in the implementation of DC-supported projects. This positive contribution is directly related to the effect of DC on three operational outputs, i.e. creating larger programmes, more co-financing and making more use of single management systems. The DC assessment procedures and criteria have also focused on this output level. However, with regard to the management systems, in almost 40 percent of the projects and programmes, DC has not resulted in using a single management system. In addition, despite its clear focus on co-financing, 26 percent of all DAs have not been co-financed. Thus, the related projects or programmes were fully financed by the EU and therefore no larger projects or programmes were created.

The effect of DC on the workload of the EU Delegation has also been quite variable and depended on the role the EU continued to play in programme monitoring and steering, and the sector dialogue. In practice, most donors have been reluctant to become silent partner and preferred to keep 'a seat at the table'. The EU never became a silent partner, which meant that the reduction of workload was modest, but not insignificant. Shifting a part of the transaction costs of the donors to the project budget may to some extent explain the positive outcome of reduced transaction cost.

Eventually, it was not possible to determine whether the transaction cost savings made during implementation offset the additional costs made during the preparation of the agreements.

Conclusion 6. The effect of DC on reduced aid fragmentation remained small because it hardly reduced the inter-sector division of labour

Despite its initial explicit focus on division of labour, DC hardly contributed to an improved division of labour across sectors and a reduced number of donors per sector. Broad sector definitions allowed the EU and donors to stay in various sectors, thus affecting the three-focal sector approach. As a result, the number of active donors in a sector has not significantly reduced, because most donors have been reluctant to become a silent partner (see conclusion 5). DC has been used rather as an operational tool within sectors to prevent overlap of donor support. Within these sectors, some reduction in fragmentation has been achieved, mainly through more co-financing, larger programmes and strengthened donor coordination.

The fact that DC is primarily used for projects and programmes and rarely for budget support operations, as was originally the intention, has further strengthened its operational focus.

Conclusion 7. DC has not had clear effects on partner country ownership and leadership and on systems alignment

Partner country ownership and leadership is one of the DC Assessment Criteria (see the 2012 DC Guidance Paper), but this has not been operationalised (see conclusion 1). There were no built-in mechanisms in DC to stimulate ownership and leadership of the partner country and it therefore did not produce positive effects in this respect.

Furthermore, in most cases, DC has not contributed to increased use of partner government institutions, systems and procedures at the project level.

The type of involvement of the partner country, either through sub-delegation or through Project Steering Committees, depended primarily on the aid modality and on the working methods of the DA partner. Project aid was the dominant DC aid modality and when management systems of DA partners without sub-delegation were used, the involvement of partner countries has remained rather limited. This is further illustrated by the varying levels of systems alignment. Systems alignment has been stronger in the case of DC partners using partner country systems than in the case of DC partners using their own systems. DC agreements have never been a trigger or starting point for alignment processes and did not contribute to the sustainability of results. Another explanatory factor for the limited effects of DC on strengthening ownership was the weak government capacity of many partner countries.

Coherence, complementarity, coordination and added value

Conclusion 8. There is limited reciprocity between the EU and the Member States in using DC

The two types of DC agreements, DAs and TAs, suggest reciprocity between the EU and the DC partners, which is further reinforced by the initial emphasis on achieving a balance between DAs and TAs. However, reciprocity of the relationship between the EU and Member States was not stressed in the early DC guidance. The Member States have also rarely been consulted or actively involved in the development of the DC instrument. The idea of reciprocity and the various elements of reciprocity have also never been discussed with them.

Other aspects of limited reciprocity and unequal requirements regarding TAs and DAs are differences in contractual obligations, conditions and procedures and remarkable differences in the level of management fees provided as compensation for overhead costs. The DA-related obligations are much heavier than the obligations to be respected by the Commission in case of TAs, where much more is left to the discretion of the Commission. Compared to DAs, the General Conditions of TAs are also perceived to be quite vague and there is limited room for complaints. Furthermore, the 'heavy' pillar assessments of DA partners cannot be considered as a sign of equal partnership and reciprocity.

Conclusion 9. The Commission has paid insufficient attention to political economy considerations related to the interests of the various stakeholders in the guidance and implementation of DC

The different modes of operation of the DA partners, varying from 'pure' implementing agencies on the one hand to Ministries of Member States, combining policy development, funding and implementation functions on the other, have not been sufficiently considered and elaborated in the guidance and implementation of DC. Those DA partners working primarily on the basis of sub-delegation contracts with partner country institutions, which potentially contribute more towards partner country ownership and leadership, face more challenges than DA partners that use their parallel systems, weakly or non-aligned with procedures and systems of the partner country.

On the one hand, some DA partners, in particular the 'pure' implementing agencies, have shown a strong interest to increase their project portfolio and have been eager to implement several DC projects. This explains also the substantial share of 26 percent of DA projects and programmes that have not been co-financed despite the clear criteria set. On the other hand, Ministries of Member States have not been actively looking for opportunities to collaborate in DC projects and programmes and therefore they have been relatively underrepresented as DA partners. The imbalance among Member States is

even larger when the TAs are also taken into account. While the larger Member States very rarely conclude TAs, two large Member States - Germany and France - are responsible for almost two-thirds of DAs. The larger Member States with high implementation capacity often have not been very interested in concluding TAs with the EU on top of their regular contributions to the EU and the EDF.

Conclusion 10. DC has had positive effects on complementarity and added value, in particular at sector level

The positive effects of DC on complementarity and added value were primarily related to making good use of the comparative advantages of the EU and DC partners. In most cases the comparative advantages were based on specific expertise and/or previous experience in the sector or sub-sector and/or region concerned. This has been the main motivation to enter into a DC agreement. The comparative advantage was often linked to the implementation capacity of the DA partner, and rarely took into account the role of the Member State in the policy dialogue. This confirms the focus on *implementation* issues, rather than on more *strategic* aid effectiveness ones.

The positive effects regarding complementarity and added value have mainly occurred *within sectors* in relation to an improved division of labour and (modest) donor coordination. Through increased use of comparative advantages and better coordination resulting in an improved intra-sectoral division of labour, the EU and DC partners created added value to their support at sector level, as compared to a situation without DC. This also implies that DC made a positive contribution to the Maastricht and Lisbon Treaty precepts: coordination, complementarity and coherence (3Cs). However, at the country level these effects of DC are less visible because of the limited effect on the inter-sectoral division of labour.

In politically sensitive situations and when it comes to sharing risks, there are good examples where the EU had a clear comparative advantage to implement programmes or provide financial support. This is particularly the case in politically sensitive situations such as Palestine, where there is a clear need to link the political dialogue on peace and the two-state solution with the development cooperation policy dialogue. In other case studies, examples were found where DC did lead to an improved division of labour within the sectors regarding implementation responsibilities and the role of the EU and Member States in the policy dialogue.

Visibility

Conclusion 11. The increased focus of the EU, and also the DC partners, on visibility has created tensions between visibility and achieving the aid effectiveness objectives

The EU has formulated strict visibility requirements that need to be met by DA partners. The evaluation found that, in the majority of cases, the EU's visibility was ensured. Other donors, including Member States, have also increasingly insisted on visibility and wanted to keep a 'seat at the table'. This is one of the reasons why the idea that the delegating donor would become a 'silent' partner has not materialised. Leaving both the implementation and the policy dialogue to other donors is now seen as less attractive. Some Member States also felt that in some TAs their visibility was insufficiently ensured by the EU.

The increased attention for visibility issues may come at the expense of aid effectiveness principles, in particular country ownership and leadership. These tensions have also been observed in practice. Overall, DC did not have a significant positive effect on visibility, but this was also not expected in view of the nature of the instrument, which is about stimulating partnerships and a less prominent presence of individual donors.

4.2 Recommendations

The recommendations have been divided into two different levels: policy and operational level. All recommendations are related to specific conclusions of the evaluation.

Policy level

Recommendation 1. The DC policy framework should be revised and more realistic and clear objectives should be set

Main stakeholders: the Commission in consultation with the Member States

Based on Conclusion 1

The present DC policy framework largely reflects the realities of the 2000s with broad linkages to the entire aid effectiveness agenda but without a proper operationalisation of most of its fundamental principles. Therefore, the objectives of DC need to be redefined in line with the evolving aid effectiveness agenda (see recommendation 2), but in particular in line with the operational evolution of this aid delivery mechanism on the ground. It is not realistic to expect DC to contribute to all broader aid effectiveness fundamental principles and objectives. However, some key features of DC, such as co-financing or use of comparative advantage, will need to be reaffirmed to improve its operational efficiency and/or redefined if DC is to achieve its envisaged broader objectives (see also recommendation 5).

More specifically, the concept of comparative advantage, which is at the heart of DC, should be more clearly defined: currently it focuses mostly on technical/operational capacities, but it should also include policy dialogue. A broader definition of this concept would have important implications for the way and frequency with which DC is used. This also relates to the need to clarify the distinction between DC as a tool to support inter- and intra-sectoral division of labour.

Recommendation 2. DC needs to be adapted to the evolving EU aid effectiveness agenda

Main stakeholders: the Commission in consultation with the Member States

Based on Conclusions 1 and 3

In response to the recent changes in the aid effectiveness agenda, the DC instrument needs to be adapted over the coming years. Certain aid effectiveness initiatives such as Joint Programming were not present at the time DC was established, but nowadays they have important practical implications for the use of DC.

Furthermore, the EU development policy is currently being revised, and the EC has just issued (22/11/2016) a new Communication to replace the 2005 European Development Consensus. As these changes take place and the EU aid effectiveness landscape continues to evolve over the coming years, it will be important to adapt the DC instrument to these new realities. In this process, careful consideration should be given to the links between DC and other aid effectiveness initiatives and tools. This reflection is particularly

relevant in a development context where new issues emerge (climate change/migration) which are non-sectoral by nature.

More specifically, two aspects are likely to require particular attention:

- Links between DC and Joint Programming: As underscored in the Council Conclusions of May 2016 on Joint Programming, there is scope for Joint Programming and DC to coexist. Integrating DC and Joint Programming offers the possibility of broadening the effects of DC – which are now mainly confined to the sector level – to the country level. However, the interlinkages between the two have not been clearly articulated and should be further developed.
- Better articulation of the linkages between the various ‘joint implementation’ instruments, such as DC, blending and Trust Funds. Careful attention to how each instrument could be best used in a specific situation given their characteristics, and how they could reinforce each other is likely to be required. For example, Trust Funds, on the one hand, might be a suitable instrument for large emergencies and thematic programmes. DC, on the other hand, is an appropriate and relatively lean instrument for project and programme aid at sector level in a partner country and could be used to set up larger, co-financed programmes.

Recommendation 3. DC should be more explicitly geared towards strengthening the partnership between the EU and the Member States, taking into account the interest of the various stakeholders

Main stakeholders: the Commission in consultation with the Member States, the European External Action Service (EEAS) and EUDs

Based on Conclusions 2 and 9

In line with the increased emphasis on more comprehensive policies and Joint Programming by the EU and the Member States, this recommendation is meant to encourage the Commission and the Member States to turn the DC into a stronger joint instrument. A better involvement of the Member States in the development and use of the DC instrument might also lead to a more balanced distribution of DAs and TAs across Member States. There are different channels through which this ‘partnership’ approach could be reinforced:

- A broad and representative group of Member States should be involved in the re-design of the DC instrument, both at the strategic and operational levels.
- The active involvement of a broad group of Member States would also require the set-up of a new consultation mechanism not restricted to a limited group of DA partners. In this way, the interest of Member States that have to date hardly been involved in DAs or TAs might be enhanced.
- The new consultation mechanism would also allow discussions on fundamental issues such as the limited interest of Member States to contribute to TAs on top of their regular contributions to the EU institutions.

Recommendation 4. With a view of strengthening the partnership between the EU and Member States more reciprocity between DA and TA partners should also be ensured

Main stakeholders: the Commission in consultation with the EUDs and Member States

Based on Conclusions 8 and 9

Beyond better overall consultation processes between the Commission and Member States around DC, a strengthening of the partnership dimension of DC also implies taking a broader view on reciprocity, and addressing some of the operational issues raised by DA and TA partners in the implementation of DC. From that perspective, the EU should be better aware of and act upon the differences between the various DA and TA partners. The revised policy framework with realistic objectives (see recommendation 1) should in particular ensure more reciprocity between contractual requirements for DAs and TAs in terms of assessment and reporting on implementation. More reciprocity also implies that careful attention should be paid to the differences between the management fees of the various DA partners and to ensure more equal visibility requirements (which relates to recommendation 5).

Recommendation 5. The tension between encouraging visibility and aid effectiveness principles should be addressed

Main stakeholders: the Commission in consultation with the EUDs and Member States

Based on Conclusion 11

For some partners, an excessive focus on visibility may limit the attractiveness of DC and can undermine the effectiveness of cooperation. Visibility requirements should be carefully assessed, in order to limit the tension between visibility and aid effectiveness. Furthermore, a shift of focus, away from banners, billboards and logos towards a stronger focus on joint activities, such as conferences or knowledge sharing events should be considered.

Operational level

Recommendation 6. The operational instructions of DC should be revised, in particular for co-financing

Main stakeholders: the Commission in consultation with the EUDs and Member States

Based on Conclusions 4, 5 and 6

DC has been designed as a practical tool but existing instructions on the use of the instrument are not completely straightforward and binding. In order to address the operational deficiencies observed in the implementation of DC, the operational instructions should be revised. In that exercise, particular attention should be paid to better outlining the logical links between the new realistic objectives of the DC instrument and the related (revised) outputs and outcomes of DC (see recommendation 1). The implication is that the DC assessments forms should also be made more specific in that regard.

Meanwhile, the instructions should also pay attention to limiting the transaction costs of preparing DC agreements to a reasonable level and reaffirming co-financing as a requirement. Co-financing, and in particular joint co-financing, should be presented as a mandatory characteristic of the DC instrument. The absence of co-financing in several occasions has limited the effects of DC on broad outcomes of the instrument, such as reducing transaction costs, and has therefore reduced efficiency gains in the implementation of DC-supported projects. If DC is to continue to be an operational tool addressing operational challenges of DC partners, such as the heavy workload faced by EUDs, these are simple operational improvements which could have important effectiveness and efficiency benefits.

Recommendation 7. More consideration should be given to aspects that are important to partner countries such as systems alignment and ownership

Main stakeholders: the Commission in consultation with the EUDs and Member States

Based on Conclusion 7

Although DC is primarily considered an operational tool at project and programme level, it can have an effect on partner country ownership and leadership. When designing DCs at country level, more attention is required to assess the possibility of using local systems in order to achieve more sustainable results. Currently the majority of DC partners, especially the ones with their own implementing capacity, prefer to use their own systems and rarely sub-delegate. There are no incentives or instructions in the system to sub-delegate and use the systems of the partner country. In this regard, more consideration should be given to systems alignment and ownership in the operational guidance, with one implication being that operational obstacles/challenges discouraging the use of sub-delegation in DC should be reduced.

