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*The opinions expressed in this document represent the authors' points of view
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4.1 Case study notes Benin

Executive Summary

The Benin case study is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) commissioned by the DG DEVCO Evaluation Unit. It is one of the nine country case studies carried out in the context of this evaluation.

Seven Delegation Agreements (DAs) have been or are being implemented in Benin, of which two concluded with the French AFD, two with the Belgian BTC, one with the German GIZ, one with the Danish DANIDA and one with the Ministry of Foreign affairs of the Netherlands. The two DAs with AFD and one of the DAs with BTC are connected with the same project: the Project to Support the Private Sector (PASP). The seven DAs, which supported five different projects, amount to a total of € 49.8 million (the total envelope of the 10th EDF for Benin was € 340 million).

The number of Transfer Agreements (TAs) was more limited (four, totalling € 9 million). Three of the TAs, financed by Denmark, Belgium and the Netherlands, concern the project to support Good Governance in Public Finance Management (PAC). The other TA was signed with Denmark (Project to Support Civil Society and Cultural Actors – PSCC).

An assessment of the contribution of the Delegated Cooperation mechanism to improving aid effectiveness and efficiency in Benin should be placed in the context of the stagnating aid effectiveness process in the country. While elaborated aid coordination structures have been elaborated in Benin since the start of the century, the level of their functionality is mixed and the whole aid effectiveness agenda has lost some of its early momentum, in a context where the Government has not demonstrated strong leadership and ownership in that area and as regards the broader development agenda. Instead, operational and pragmatic considerations have driven the use of DC - and in particular DAs - in Benin (DC was not mentioned in the NIP of the 10th EDF). In a context where the EUD suffered from important human resource constraints, the DC instrument has mostly been used to delegate project implementation to an agency with proven experience and expertise in the sector or sub-sector concerned.

Against that background, the DC instrument could not be expected to have made a major contribution towards improving aid effectiveness and aid efficiency. The findings from the case study broadly confirm this. The DC instrument had a positive but relatively modest impact on supporting the broader aid effectiveness agenda. DAs have played an important role in terms of improving intra-sector division of labour and increasing the use of comparative advantages (i.e. implementation was delegated to the lead agency with proven experience and expertise in the sector or sub-sector concerned). However, beyond this its effect on some of the expected DC outputs has been more limited: in particular, (inter-sector) division of labour has not been improved, as DC has not been used to exit a sector. Positive effects on co-financing, the size of projects, and the use of single management systems have been found, but they were in most cases not significant.

On that basis, it is concluded that the original outcome objectives of DC have been only partly achieved in Benin. There has been a positive impact on complementarity and added-value thanks to the better use of comparative advantages, but the effects on transaction costs, aid fragmentation and alignment and ownership have been mixed and generally limited.

Besides undertaking an evaluation of the achievements of the expected outputs and outcomes of DC, some operational and implementation aspects concerning the use of the DC instrument in Benin, have also been analysed. The conclusion in that respect is that while the cooperation between DC partners has in general been effective, there has been quite some variation in the way DC has been managed across projects and sectors. Such a variation reflects in many ways the operational and pragmatic considerations that have been driving its use.

Résumé exécutif

Cette étude de cas concernant le Bénin fait partie de l'évaluation du mécanisme de coopération déléguée de l'Union européenne avec les Etats membres de l'UE commissionnée par l'unité d'évaluation de la DG DEVCO. C'est une des neuf études de cas pays menées dans le cadre de cette évaluation.

Au Bénin, un total de sept conventions de délégation (CD) a été ou est mis en œuvre, parmi lesquelles deux conclues avec l'AFD, deux avec la CTB, une avec la GIZ, une avec DANIDA et une avec le Ministère des Affaires Etrangères des Pays-Bas. Les deux CDs avec l'AFD et une des CDs avec la CTB sont liées à un même projet: le Projet d'Appui au Secteur Privé (PASP). Les sept CDs, qui ont appuyé cinq projets, ont une valeur totale de € 49.8 million (l'enveloppe totale du 10ème FED au Benin est de € 340 million).

Le nombre de conventions de transfert (CTs) a été plus limité (quatre, pour un total de € 9 million). Trois des CTs, financées par le Danemark, la Belgique et les Pays-Bas, concernent le Projet d'appui à la bonne gouvernance dans la gestion des finances publiques (PAC). L'autre CT a été signée avec le Danemark (Programme société civile et culture - PSSC).

Une évaluation de la contribution du mécanisme de coopération déléguée à l'amélioration de l'efficacité de l'aide au Bénin doit être placée dans le contexte de la stagnation du processus de coordination de l'aide dans le pays. Alors que les structures de coordination de l'aide ont été élaborées au Bénin depuis le début du siècle, le niveau de leur fonctionnalité est moyen et l'agenda sur l'efficacité de l'aide a quelque peu perdu de son élan, dans un contexte où le gouvernement n'a pas fait preuve de leadership dans le domaine. Au lieu de cela, des considérations opérationnelles et pragmatiques ont déterminé l'utilisation de la coopération déléguée (et en particulier les CDs) au Bénin (l'instrument de coopération déléguée n'a pas été mentionné dans le PIN du 10ème FED). Dans un contexte où la DUE a souffert d'importantes contraintes de ressources humaines, l'instrument de coopération déléguée a surtout été utilisé pour déléguer la mise en œuvre à des partenaires ayant une expérience avérée et de l'expertise dans le secteur ou sous-secteur concerné.

Dans ce contexte, il ne pouvait être attendu que l'instrument de coopération déléguée apporte une contribution majeure à l'amélioration de l'efficacité de l'aide. Les résultats de l'étude de cas confirment globalement cela. L'instrument a eu un impact positif, mais relativement modeste, sur l'efficacité de l'aide. Les CDs ont joué un rôle important dans l'amélioration de la division intra-sectorielle du travail et l'augmentation de l'utilisation des avantages comparatifs (la mise en œuvre a été confiée à un partenaire ayant de l'expérience et de l'expertise dans le secteur ou sous-secteur concerné). Cependant, son effet sur certains des outputs initiaux de la coopération déléguée a été plus limité: en particulier, la division inter-sectorielle du travail n'a pas été améliorée, étant donné que la coopération déléguée n'a pas été utilisée pour quitter un secteur. Les effets positifs sur le cofinancement, la taille des projets, et l'utilisation de systèmes de gestion conjoints ont été observés, mais ils étaient dans la plupart des cas peu significatifs.

Sur cette base, il est conclu que les objectifs initiaux de la de coopération déléguée n'ont été que partiellement atteints au Bénin. Un impact positif a été observé sur la complémentarité et la valeur ajoutée grâce à une meilleure utilisation des avantages comparatifs, mais les effets sur les coûts de transaction, la fragmentation de l'aide, l'alignement et l'appropriation ont été généralement limités.

Outre l'évaluation des outputs et objectifs initiaux de la coopération déléguée, certains aspects opérationnels et de mise en œuvre ont également été analysés. La conclusion à cet égard est que si la coopération entre les partenaires de coopération déléguée a généralement été efficace, une certaine variation a été observée dans la façon dont la coopération déléguée a été gérée selon les projets et les secteurs. Cette variation reflète à bien des égards les considérations opérationnelles et pragmatiques qui ont été le moteur de son utilisation.

List of abbreviations

ABSSA	Agence Béninoise de la Sécurité Sanitaire des Aliments
AEV	Adduction d'Eau Villageoise
AFD	Agence Française de Développement
AFET	Accès Facilité à l'Eau Potable pour Tous
BMZ	German Ministry of International Development
BTC	Belgian Technical Cooperation
CDE	Centre de Développement des Entreprises
CSO	Civil Society Organisations
CSP	Country Strategy Paper
DA	Delegation Agreement
DC	Delegated Cooperation
DEU	Delegation of the European Union
DG DEVCO	Directorate General Development Cooperation
DoL	Division of labour
DP	Development Partner
EDF	European Development Fund
EQ	Evaluation Questions
EU	European Union
GBS	General Budget Support
GDP	Gross domestic product
GIZ	Gesellschaft fuer Internationale Zusammenarbeit
HIMO	Haute Intensité de Main d'Œuvre
IED	Intended effects diagram
IMF	International Monetary Fund
KfW	Kreditanstalt fuer Wiederaufbau
MDG	Millennium Development Goals
MoFA	Ministry of Foreign Affairs
MS	Member State
NAO	National Authorising Officer
NIP	National Indicative Programme
ODA	Official Development Assistance
OECD/DAC	Organisation for Economic Development and Cooperation/Development Assistance Committee.
OSCAR	Programme pour les Organisations de la Société Civile Appuyées et Renforcées
PAAGFP	Plan d'Action pour l'Amélioration de la Gestion des Finances Publiques
PAC	Programme d'appui conjoint à la bonne gouvernance dans les domaines des finances publiques et de la statistique
PACTE	Programme d'Appui aux Collectivités Territoriales
PAFIRIZ	Projet d'appui à la Filière Riz au Bénin
PASP	Programme d'appui au secteur privé.
PASR	Programme d'appui au secteur rural.
PASTR	Programme d'Appui au Sous-secteur du Transport Rural

PDDC	Programme d'appui à la déconcentration et au développement communal
PEFA	Public Expenditure Financial Accountability
PFM	Public Finance Management
PPEA	Programme Pluriannuel d'Appui au Secteur de l'Eau
PRO-REGAR	Projet d'appui à la réforme de la gestion axée sur les résultats
PRSP	Poverty Reduction Strategy Paper
PSCC	Programme société civile et culture
PIU	Project/Programme Implementation Unit
SBS	Sector Budget Support
SNTR	Stratégie Nationale de Transport Rural
TA	Transfer Agreement
UGR	Unité de Gestion des Réformes
UNDP	United Nations Development Programme
WB	World Bank

1 Introduction

This country case study concerning Benin is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 commissioned by the Evaluation Unit of DG-DEVCO. The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014 and;
- 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, 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 or other governments, organisations and public donors.

Benin has been selected as one of the nine country case studies based on criteria such as number and volume of DAs and TAs, geographical spread of the country cases, coverage of as many DC partners as possible, etc. The other selected countries are Ghana, Haiti, Mali, Mozambique, Nicaragua, Palestine, Tanzania and Timor-Leste. In addition, there is a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA).

This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

In total seven DAs and four TAs have been implemented in Benin during the period 2008-2014. They are listed in the tables 1.1 and 1.2. Some of the main features are:

- Total value of the seven DAs amounted to € 49.8 million and of the four TAs to € 9.0 million;
- The seven DAs are funding five different projects/programmes. The PASP is co-funded by three DAs, while the other four projects are supported by one DA only;
- Five different implementing agencies are involved in those seven DAs, namely: AFD, BTC, GIZ, the Ministry of Foreign Affairs (MoFA) of the Netherlands, and DANIDA;
- The four TAs contribute to funding two programmes (PSCC and PAC). The TA partners (donors) involved are respectively: Denmark (PSCC and PAC), Netherlands (PAC) and Belgium (PAC).

Table 1.1. Overview Delegation Agreements 2008-2014, Benin

Nr	Contract Number	Contract title	DC Partner	Contr. Year	Contract amount (€)
1	205884	Appui à la déconcentration et au développement communal (PDDC)	GIZ	2009	690,175
2	218685	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)	BTC	2009	5,280,000
3	268768	Pistes rurales / désenclavement	DANIDA	2011	9,700,000
4	291831	Composante 4 "Mésosfinance" du projet d'Appui au Développement du Secteur Privé au Bénin (PASP)	AFD	2012	2,000,000
5	291954	Composante 1 "Amélioration de la qualité sanitaire et phytosanitaire des produits" du projet d'Appui au Développement du Secteur Privé au Bénin (PASP)	BTC	2012	2,800,000
6	343218	Accès Facilité à l'Eau Potable pour Tous (AFET)	Netherlands Ministry of Foreign Affairs	2014	19,800,000
7	346526	Composantes 2 et 3 du projet d'Appui au renforcement des acteurs du secteur privé (PASP)	AFD	2014	9,600,000

Overview Transfer Agreements 2008-2014, Benin

Nr	Contract Number	Contract title	DC Partner	Contr. year	Contract amount (€)
1	20906	Programme société civile et culture (PSCC)	Denmark	2010	2,400,000
2	21420	Appui à la bonne gouvernance, volet finances publiques (PAC)	Belgium	2009	2,150,000
3	21420	Appui à la bonne gouvernance, volet finances publiques (PAC)	Denmark	2009	1,800,000
4	21420	Appui à la bonne gouvernance, volet finances publiques (PAC)	Netherlands	2009	2,700,000

Prior to the field mission in Benin, the evaluation team has carried out a desk-based assessment of the DAs and TAs. The documents consulted are presented in Annexes B and D. During the field phase that took place from 18 to 25 April 2016, interviews were held with staff from the EU Delegation (EUD) in Benin, DA and TA partners, donor agencies and Government institutions and agencies involved in the implementation of the projects funded by a DC agreement. Jonathan Wolsey was responsible for this case study. A list of persons interviewed is presented in annex A.

Detailed information fiches have been made for each of the five projects being supported by DAs and the two projects supported by TAs (see annex D). The text of this main document is structured in accordance with the seven main envisaged outputs of DC (see chapter 3), the five envisaged outcomes (chapter 4) and a few process and implementation aspects (see chapter 5). Those three chapters are preceded by chapter 2 dealing with a description and analysis of some aspects of the country context, in particular those relevant for evaluating DC. Overall conclusions are finally presented in chapter 6.

2 Country context

Political, economic and social developments in the country

Benin is a small country in West Africa with a population of roughly 10 million. Since 1990, Benin has been a relatively stable democracy and it has become an archetype of African democratization. Recent elections were held in 2015 and led to a smooth political transition. However, that political democratisation has not resulted in significant progress at social, economic and governance levels.

At the social level, there have been some improvements in health and education over the last twenty years, but poverty has remained high. Benin is still one of the poorest countries in Africa. Almost 40% of Benin's population lives below the poverty line. There are an average of 56.2 deaths per 1,000 live births and the life expectancy in the country is 59.6 years.¹ Benin ranks 166th on the UN's Human Development Index out of the 187 countries and territories evaluated.

On the economic front, Benin's economy grew at an average of slightly above 4% annually over the past ten years, raising its national per capita income to US\$ 2,113 in 2015, which ranks the country 160th out of 185 (the annual population growth is about 3%). Benin's economy relies mostly on cotton production and export (cotton accounts for 40% of GDP and roughly 80% of official export receipts) and agriculture is the main source of income for 70% of the country's workforce. Benin's economy is vulnerable not only because it is based primarily on agriculture but also because re-export trade with Nigeria makes up roughly 20% of GDP.

Benin's economic challenges have been partly compounded by a weak business environment (Benin ranks 158th on the World Bank's 2015 Doing Business index). Benin did not manage to take advantage of the emergence of new donors and large-scale foreign private financial flows since the start of this century. As a result, foreign direct investment has remained relatively low and Benin is still highly dependent on official external aid to finance its development (ODA levels averaged 6% of GDP in 2014, according to World Bank data).

Benin's status as an archetype of African democratization has also yet to be translated into improved governance, state effectiveness and quality of service delivery. Despite a number of legislative reforms having been undertaken in recent years around public administration and anti-corruption and significant donor funding towards consolidating those processes and the state apparatus, governance has not improved, and there has been limited progress on the reduction of corruption and more effective public administration, including public finance management (PFM). Benin's World Bank Governance Indicators have not improved over the years, including government effectiveness and control of corruption. Corruption is said to have been particularly rampant over the last two years, prior to the 2015 elections. Against that background, the decentralisation and deconcentration reforms that have taken place in recent years under the framework of the *Réforme de l'Administration Territoriale* have received a lot of attention from the donor community. These reforms could have an important positive impact on Benin's development prospects.

¹ Based on World Bank data: <http://data.worldbank.org/country/benin>.

All the above challenges (social, economic, institutional) are partly reflected in Benin's successive poverty reduction strategies. Benin's third Poverty Reduction Strategy Paper (PRSP III; called '*La Stratégie de Croissance pour la Réduction de la Pauvreté*') covers the years 2011 to 2015. As the previous strategy, it includes a wide range of issues. The overriding objective of the PRSP III is to improve the quality of life in Benin and to place Benin on the road to emerging-market status. The document notes that achievement of the Millennium Development Goals (MDGs) is seen as attainable in water, sanitation, primary education and primary health care, and significant progress is planned toward the other MDGs. The development objectives are: (i) accelerated economic growth; (ii) infrastructure development; (iii) strengthened human capital; (iv) good governance; and (v) balanced and sustainable regional development.

Aid architecture and donor coordination

The largest donors in terms of aid amount in Benin in recent years have been the USA, the EU, France, Germany, the African Development Bank, and China. The number of EU members present in Benin with an active cooperation is relatively limited: France, Germany, Belgium, and the Netherlands (Denmark stopped its cooperation in 2013).

According to World Bank data, total ODA provided to Benin reached US\$600 million in 2014, or US\$57 per capita. As a percentage of GDP, ODA totalled 6.3% in 2014, compared to 8.7% in 2011.

PRSPs have been the privileged framework for dialogue between the Government and development partners. This is partly manifested by the high levels of general budget support provided to Benin, which amounted to US\$ 264 million in 2014 (down from US\$ 434 million in 2011).² Part of the rationale for the use of the budget support modality has been to support Benin's central institutions to become sufficiently strong to avoid a democratic breakdown. Budget support has remained the preferred modality for the EU (under the 10th EDF, 30% of programmed assistance was budget support, which will increase to 50% under the 11th EDF).

Another common theme of aid has been the support to governance and local development. Donors have increasingly realized that Benin's democracy and development prospects could hardly advance in a context of state failure and governance weaknesses. Governance and local development have been a focal sector for the EU in both the 10th and 11th EDF. Support to decentralisation has also been a long-term priority sector for Germany and other EU MS, which have developed over the years strong expertise in that area – decentralisation has been for that reason a 'priority sector' for the use of DAs. The important focus on the local level partly reflects the perception that prospects of improving state effectiveness and addressing governance bottlenecks at the central level remain limited. PFM has been a long-standing area of support of the EU and other partners, but progress has been slow. The 2015 PEFA have shown a deterioration in a number of PFM areas compared to 2008.

Aid coordination and harmonization have received a strong emphasis since the year 2000. This has resulted in a relatively well established aid management structure and dialogue, with 17 sector groups. The coordination and policy dialogue are organized in the framework of the PRSP. At the political level, this dialogue is led by the Heads of Mission and at technical level by the Heads of Cooperation. The Chefs de file at the two levels ensure respectively the dialogue with the Government within a *Conseil d'Orientation* and a *Comité de Pilotage*. The monitoring framework of the PRSP foresees quarterly meetings

² Source: OECD-DAC: <http://www.oecd.org/fr/cad/stats/sdienligne.htm>.

to monitor policy and programmes and annual sector reviews as well as the annual review of the PRSP.

The functioning of that dialogue structure and of the strategic dialogue of the development partners and the Government has been weak partly due to a lack of clarification from the Government of the respective roles of key ministries (Ministry of Economy and Finance, Development Ministry and now also the Ministry in Charge of the Sustainable Development Goals). De facto, the dialogue has been very difficult both at strategic level and at the level of various sector ministries, where sector reviews have been irregular. This situation is said to have been further exacerbated over the last year, as elections were approaching.

EU cooperation strategy

The financial envelope of the 10th EDF allocated to Benin and covering the years 2008-2013 amounted to € 340 million³ (envelopes A and B). For the years 2014-2020, under EDF 11th, an amount of € 372 million has been allocated to Benin.⁴

The Country Strategy Paper (CSP) and the National Indicative Programme (NIP) for the EU's development cooperation with Benin during the years 2008-2013 was signed in December 2007. It was agreed to focus the EU's support on three "concentration domains", namely:

- governance and local development;
- infrastructure and regional integration;
- General Budget Support.

Furthermore, 12% of the available financial envelope was reserved for "other programmes", among others including support to (i) Civil Society Organisations, (ii) Competitively and Social Cohesion, and (iii) Environment.

The NIP for the years 2014-2020 (11th EDF), signed in November 2014, is also focused on three "concentration sectors", namely: (i) Good Governance, (ii) Agriculture, and (iii) Energy. Furthermore an amount of € 18 million has been allocated to supporting Civil Society Organisations.

None of the two NIPs make any reference to promoting the Delegated Cooperation modality.⁵

The increase in the amount of the NIP between the 10th and 11th EDF has not led to increases in staffing level of the EU Delegation. In fact, that staffing level is said to have been decreased.

Since 2012, the EUD has taken initiatives to set up a system of Joint Programming of the aid provided by the EU and its Member States, with the initial plan to have Joint Programming ready for 2016 (when the new poverty strategy would be in place – which is not yet the case). However, progress with putting in place a Joint Programming system has been fairly slow so far. A joint strategy document has not yet been made, which is a necessary preliminary step towards joint programming. The EU member states present in Benin are in principle interested in the process but the lack of synchronization of the

³ Envelopes A and B.

⁴ Envelope A only; no envelope B funds allocated yet.

⁵ With the exception that in the NIP 2008-2013 one brief reference is made to DC, namely that support to regional economic development could possibly be expanded by delegating activities to other EU Member States (see p. 48 of the NIP 2008-2013).

programming cycles is seen as a major obstacle. The preparation of the next PRSP is seen as an important development which, once launched, may create a new dynamic around the joint programming process allowing it to move forward.

Political and strategic aspects of using the DC modality

The DC modality was not used very strategically in Benin. It was not referred to in the NIP of the 10th EDF. Nor was there a joint assistance strategy or other aid policy document where DC or co-financing would be promoted.

While aid effectiveness principles have not been ignored, it is mostly operational and pragmatic considerations that have driven the use of DC (and in particular DAs) in the country. The DC instrument has mostly been used to promote the use of comparative advantages (i.e. implementation was delegated to the lead agency with proven experience and expertise in the sector or sub-sector concerned) in a context where the Delegation suffered from important human resource constraints.

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

DAs and TAs contributed in all cases to strengthening the intra-sector division of labour (DoL) to various extents because the implementation of the agreement (action) was delegated to the agency or the institution best placed to implement the project concerned in view of its operational experience, expertise and comparative advantages. In general, this allowed the EUD to focus better on the policy dialogue. The effects can be considered as particularly strong in the case of three projects (AFET, PAFIRIZ, and Pistes Rurales), particularly reflecting the important comparative advantages of the DA partners in those sectors/sub-sectors. (See the scores in table 3.1).

In all cases (except one TA), Delegated Cooperation did not improve the inter-sectoral division of labour. The DC modality was not used by the EU to exit a certain sector, or to become a passive donor in a sector. Either, the EU remained operationally involved and active in the related sub-sector or sector policy dialogue (i.e. AFET, PDDC, PASP, Pistes Rurales⁶) or operationally involved with limited involvement in the policy dialogue (PAFIRIZ).

Regarding the TAs, the TA partners did either remain operationally involved and active in the policy dialogue in the respective sectors (Denmark in the case of PSCC) or (only) active in the policy dialogue (The Netherlands in the case of the PAC). The situation was slightly different with Denmark in the case of the PAC: it took a back seat in the sector at both the policy dialogue and operational level.

Table 3.1. Effect of DC agreements in (Benin) on improving the division of labour among donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin		Intra-sector	Inter-sector	
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)	Intra-sector		Inter-sector	
DA	Appui à la déconcentration et au développement communal (PDDC)		Intra-sector	Inter-sector	
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)	Intra-sector		Inter-sector	
DA	Pistes rurales / désenclavement	Intra-sector		Inter-sector	
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		Intra + inter-sector		
TA	Programme société civile et culture (PSCC)		Intra-sector	Inter-sector	

⁶ In the case of Pistes Rurales, the EU was not active in the rural roads sub-sector, but it was active in the broader roads/infrastructure sector.

Further clarifications and explanations

In Benin, the relative lack of government leadership around the aid effectiveness and coordination agenda, especially in recent years, has meant that pressure to improve division of labour among donors may not have been as strong as in other countries. From that perspective (which also reflects the fact that the number of (EU) donors in Benin is relatively small), there is less pressure on donors to exit sectors and to use the DC instrument to do so.

The use of the DC instrument as a tool for promoting inter-sector division of labour has therefore been limited. The broad definition of priority/focal sectors in country cooperation strategies has also not encouraged the inter-sector DoL process. In the case of the 10th EDF NIP of Benin (which was the period when most DC projects were implemented), the three priority sectors (governance and local development, infrastructure and regional integration and GBS) were not particularly specific. In parallel, the NIP included as 'other programmes' broad cross cutting sectors such as 'Competitiveness and Social Cohesion'.

Regarding the positive role played by DAs in promoting intra-sectoral division of labour, the relatively limited number of EU member states present in Benin and the continuity in which donors have supported and led certain sectors (i.e. Germany in the case of decentralisation, Belgium in the case of agriculture, the Netherlands in the case of water...) may have contributed to a positive context where pragmatic solutions and synergies could be easily found and developed, such as through the use of the DC instrument.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes in Benin?

Response

Except for one project (PAFIRIZ), all DC projects in Benin included some form of co-financing. The assessment whether DC has contributed to increasing co-financing was broadly positive, but the co-financing varied significantly in size and nature. (See the scores in table 3.2). A distinction has to be made between joint co-financing on the one hand, when funds are pooled together and not earmarked as EU or DC partner's funds, and parallel co-financing on the other hand, when donor contributions for a specific project or programme are earmarked and not pooled together (see Annex E for definitions). All the DAs which included co-financing had parallel co-financing, while the two TAs were both jointly co-financed. In the case of the DAs, the distinction between joint and parallel co-financing was however not always straightforward. Often, funds were pooled together using the same financial management systems, but the EU funds were earmarked to specific areas or budget lines (as in AFET, PDDC, Pistes Rurales). In the case of the PASP (components 2 and 3), AFD and EU funds were pooled together but AFD funds were earmarked to a specific sub-area.

Three projects score strongly on promoting co-financing: AFET and Pistes Rurales (on parallel co-financing) and PAC (on joint co-financing). This is because these interventions were supporting a larger programme (which was co-financed by more than two donors) and the level of co-financing was substantial. In the case of the PDDC, the PSCC and the PASP, the co-financing effect is assessed as more modest, as either the amount of co-financing was very small (PDDC and PASP) or the programme supported was only co-financed by the two DC partners (PSCC and PASP).

Table 3.2. Effect of DC agreements in Benin on increasing co-financing

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)		Parallel		
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)		Parallel		
DA	Appui à la déconcentration et au développement communal (PDDC)		Parallel		
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			No co-financing	
DA	Pistes rurales / désenclavement		Parallel		
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)	Joint			
TA	Programme société civile et culture (PSCC)	Joint			

Further clarifications and explanations

It is worth mentioning that besides the above general findings, there are some other 'hybrid' forms of co-financing of some of the projects analysed in Benin. In the case of PDDC for example, there is some parallel co-financing from the EU Energy Facility to the (PDDC) project. Thus the EU is co-funding a project of which it has already delegated the implementation to a DA partner. Another example of unorthodox co-financing concerns the PSCC to which the AFD has provided in-kind support (i.e. it provided a staff member to the project).

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

Most DC contracts (except those associated with the PASP and the PAFIRIZ – which were new projects) increased the size of the (large) programmes they were contributing to. (See the scores in table 3.3).

The effect of the DC agreement on the size of the projects was significant in the case of AFET, Pistes Rurales and PAC. In those three cases, the DC agreement contributed to a sector wide project/programme, respectively PPEA II, PASTR, and the PAC. With regards to the AFET and Pistes Rurales DAs, they contributed to an increase in the size of the PPEA II and PASTR programmes of respectively 39% and 48%. That additional support allowed to cover important areas that would not have been covered otherwise (i.e. Cotonou and village water supply in the case of AFET) or to scale up the interventions geographically (from *communes* in seven departments to *communes* in all Benin's departments for Pistes Rurales). In the case of the PAC, the three TAs, taken together, led to a significant increase in the size of the project (from € 2 million euro to € 9.55 million for the PFM component). That allowed one single project – the PAC – to cover all components of the Government's PFM programme, the PAAGFP (at the exception of revenue administration).

In the case of the PSCC and the PDDC, the small size of respectively the TA and the DA meant that the impact of the DC agreement on the size of the associated programmes was marginal.

Table 3.3. Effect of DC agreements in Benin on increasing the size of projects and programmes

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)			X	
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)	X			
DA	Appui à la déconcentration et au développement communal (PDDC)		X		
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement	X			
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)	X			
TA	Programme société civile et culture (PSCC)		X		

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

With the exception of the DAs associated with the PASP and the one associated with the PAFIRIZ, all DC contracts have contributed to bringing the financial contributions of the EU and of the DC partners under one single management system, through either joint or parallel co-financing. (See the scores in table 3.4).

Strong positive effects were found in four projects: AFET, Pistes Rurales, PAC and the PSCC. In those cases, the funds were managed by the same team, using the same financial management systems and joint reports were published. In both the AFET and Pistes Rurales cases, the management systems used were (largely) those of the government.

The effects were more modest for the PDDC. While the BMZ and EU funds were managed together, a separate report for the EU contribution had to be prepared. Additionally, the EU (through its PACTE programme) continued to support local authorities through other management systems (SBS and TA contracts).

For the PAFIRIZ project, the absence of both parallel and joint co-financing led to no effect on promoting the uses of single management systems, as this DA effectively meant that BTC had to set up an entirely new management system for the EU funds. Furthermore, the opportunity to link the PAFIRIZ with BTC's project supporting institutional strengthening of the *Ministère de l'Agriculture, de l'Élevage et de la Pêche* (MAEP) was missed.

Finally, the PASP is the only project where the impact of the DAs on the use of single management systems is likely to have been negative. The three DAs have not led to an increase in the use of single project management systems at the level of the project, compared to the same project as implemented under the 9th EDF (i.e. the 9th EDF's PASP was implemented via EU service contracts). Two project management systems were used, those of the BTC and the AFD, with separate technical and financial management of the activities. The scope of the project was however larger than during the 9th EDF, as it also included support to sanitary/phytosanitary and meso-finance.

Table 3.4. Effect of DC agreements in Benin on increasing the use of single management systems

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)				X
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)	X			
DA	Appui à la déconcentration et au développement communal (PDDC)		X		
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			-	
DA	Pistes rurales / désenclavement	X			
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)	X			
TA	Programme société civile et culture (PSCC)	X			

Further clarifications and explanations

It is worth mentioning that among DC partners in Benin, the discussion has not been so much on the use of *single* management systems but on the *nature* of the systems used. An issue that has been raised by DC partners in Benin concerns the legal and operational complexities that occur when DAs are signed by the EU and a donor entity such as AFD or the Ministry of Foreign Affairs of the Netherlands which don't implement the projects themselves (as opposed to when DAs are signed with implementing agencies such as GIZ or BTC). The question of 'responsibility' was a particular sensitive issue in the case of the formulation of the DA signed by the EU and the Embassy of Netherlands for implementing the AFET (a Memorandum of Understanding between the Government of Benin, the EUD, and the Embassy of Netherlands was annexed to the DA agreement stipulating that fiduciary responsibility would lie in the hands of the Government of Benin).

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

There has been little positive effect of DC agreements on the reduction on the number of active donors per sector (see table 3.5). This outcome is not surprising given the outcomes regarding inter-sectoral division of labour (see section 3.1), which was not a main motivation of using the DC modality in Benin. In all but one (PAC) of the seven supported projects, the TAs and DAs concerned have not contributed to a reduction of the number of active donors in the sector. Decreasing the number of donors active in the sectors of those projects has not been one of the objectives of neither the EUD nor the DC partners when setting up and implementing a DC agreement.

In most DA cases, the EU remained active both operationally and in the policy dialogue in the related sector. Through its PACTE programme, the EUD continued to be involved in the decentralisation sector while supporting the PDDC. Through its Water Facility projects, it remained operationally involved in the water sector while contributing to the PPEA II (in parallel, the corruption crisis that embroiled the PPEA II led the EUD to step up its policy dialogue in the sector). With regards to Pistes Rurales, the EUD was not directly involved operationally and in the policy dialogue in the rural roads sub-sector, however it continued to be heavily engaged in roads and infrastructure (through its Transport Sector Support Programme and through its *Chef de File* position in roads/infrastructure).

The situation was slightly different with regards to the PASP and the PAFIRIZ. Concerning the first one, the DA led the EUD to be less active operationally in the private sector, however it remained active in the policy dialogue. In the case of the PAFIRIZ, the EU, while active operationally in the sector through the Food Facility, was not heavily engaged in the sector policy dialogue in the first place. With the DA, it did not become more active in the policy dialogue, but remained active operationally in parallel.

Concerning the TAs, the effect was also broadly similar. In the case of the PSCC, Denmark remained active both operationally (it continued to support parallel NGO interventions) and in the policy dialogue (within the ‘accountability’ group). As for the TAs related to the PAC, they led Denmark to be less active operationally and in the policy dialogue concerning PFM, but they did not contribute to the Netherlands becoming less active in the sector dialogue (even if the Netherlands passed over the chairmanship of the PFM/macro group to the EU in 2010).

Table 3.5. Effect of DC agreements in Benin on reducing the number of donors active per sector

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)			X	
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)			X	
DA	Appui à la déconcentration et au développement communal (PDDC)			X	
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement			X	
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)			X	

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

In the case of all seven projects analysed (encompassing seven DAs and four TAs), making use of the comparative advantages and specific expertise of the fund managing donor (AFD, BTC, GIZ, DANIDA and the Netherlands MoFA in case of the DAs and the EU in case of the TAs) has been a major reason for concluding these DC agreements. Implementation was delegated to the lead agency with proven experience in the sector or sub-sector concerned. (See the scores in table 3.6).

In five cases, a strong effect on the use of comparative advantages was found: DANIDA (the managing donor for Pistes Rurales) was the lead donor in rural roads and had successfully implemented the HIMO approach (which the DA supported) under its previous programme (PASR); the Dutch Embassy, which managed AFET, was *Chef de File* in the water sector and had a long-standing operational experience in the sector, including through the successful PPEA I programme. With regards to PAFIRIZ, Belgium had been for the last eight years the *Chef de File* in the agriculture sector and was implementing a parallel project with an important rice component. Concerning the PDDC, while the EU was leading (up to 2010) the decentralization working group and was implementing its own support programme (the PACTE), Germany, the other lead donor,

and more particularly GIZ, had developed more effective capacity to implement programmes at the level of the *communes*. Finally, when it came to supporting civil society, the EU had previous experience in implementing large NGO programmes (and associated calls for proposals), including the 9th EDF OSCAR, which made it a qualified managing donor.

There are two other cases where a positive, but more modest, effect was found: the PASP and the PAC. In the case of the PASP, the choice of the BTC as implementing partner for Component 1 (support to the phytosanitary and sanitary sector) was largely justified: Belgium was *Chef de File* in agriculture and had just completed an intervention to support the *Agence Béninoise de la Sécurité Alimentaire des Aliments* (ABSSA), which capacity the DA would support. Furthermore, Belgium was about to launch a project supporting institutional strengthening within the *Ministère de l'Agriculture, de l'Élevage et de la Pêche* (MAEP) with a strong sanitary and phytosanitary component. Similarly, the extensive and day-to-day experience the AFD had with local banks made it a qualified choice of managing component 4 (mesofinance). For components 2 and 3 (dialogue between public and private sector; capacity building of professional organisations; support to marketing of agricultural products, and overall project coordination), the comparative advantage of the AFD (including vis-à-vis the EU), was less clear-cut however. The private sector was not a focal area in France's *document-cadre de partenariat* 2006-2013 and France was not implementing parallel interventions in the area. On the other hand, the EU had implemented under the 9th EDF a project (the PASP) which focused on broadly the same areas as those covered by component 2. It should be said though that the choice of the AFD as managing donor for components 2 and 3 was made only after the initial plan to delegate implementation of components 2 and 3 to the *Centre de Développement des Entreprises* (CDE) failed to materialise.

In the case of the PAC, the choice of the EU as fund managing donor (which was made after the World Bank declined to play that role) was justified on the basis of the EU's role as chair of the macro/PFM joint thematic group (up to 2007), its long standing support to PFM reforms (including during the 9th EDF through its PRO-REGAR project) and the availability of EUD staff to support that function. Nonetheless, as it emerged during the implementation of the PAC, the comparative advantage of the EU in terms of having adequate procedures to implementing large PFM projects was not demonstrated. In practice, the use of EDF procedures has not facilitated the implementation of the PAC.

Table 3.6. Effect of DC agreements in Benin on increasing the use of comparative advantages

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)		X		
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)	X			
DA	Appui à la déconcentration et au développement communal (PDDC)	X			
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)	X			
DA	Pistes rurales / désenclavement	X			
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)	X			

Further clarifications and explanations

It is worth mentioning that in at least two of the DA cases (PDDC, Pistes Rurales), the specific comparative advantage of the partner was its capacity of being able to implement projects at the decentralised level (i.e. the *communes*). In one of these cases (PDDC), the

EU had used its own modalities (technical assistance contract) previously but the experience had been unsatisfactory, which led the EU to search alternative implementing modalities (such as a DA with an implementing agency). In a relatively decentralised context such as in Benin where a strong focus is put on local development, the EU has appeared to lack effective tools/modalities to support institutional development at that level – this may have contributed to the relatively extensive use of the DA instrument in Benin.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

The overall contribution of DC on improving donor coordination and harmonization in Benin has been positive, but modest (See the scores in table 3.7). Coordination and harmonisation, in the absence of strong government leadership in this area, was rarely the key driver behind the signature of the DC agreements; that was rather making use of comparative advantages (see previous section 3.6).

In most of the sectors or sub-sectors concerned, the number of active (EU) donors was relatively limited. Those donors were in general already involved in formal and informal coordination fora such as technical working groups (i.e. the macro/PFM working group). In most cases, DC agreements, which size was often modest, did not significantly alter the dynamics of that overall sector coordination except that they generally strengthened the level and intensity of bilateral cooperation and coordination between the DA partners. There were examples of this in the PDDC, Pistes Rurales or AFET. In the case of AFET, the DA generated a good level of bilateral coordination between the EUD and the Embassy of Netherlands which was particularly visible when a major corruption crisis erupted in the heart of the PPEA II; good bilateral coordination facilitated the effective management of that crisis. Effects on coordination were less clear for stand-alone interventions (i.e. PASP or PAFIRIZ). In the case of the PASP, the DC agreements may have modestly improved the coordination/synergies between the interventions in the different sub-sectors concerned.

The effect on harmonisation was generally more positive in the case of a DC agreement contributing to a large sector-wide project, and especially when the financial size of the agreements was important (i.e. PAC, ATEF, Pistes Rurales). In those cases, the budget of the underlying sector-wide project (i.e. the PASTR, PAC, PPEA) was increased significantly and its sector-wide nature reinforced as a result. That strengthened harmonisation (and coordination). On the other hand, the DC partners sometimes remained active operationally through other interventions in the sector (i.e. the EU via the Water Facility in the case of AFET), which limited the overall positive effect on harmonization.

The PASP programme represents a case where DC has had a generally neutral effect on overall sector coordination but a negative impact on intra-project coordination. The signature of three DAs with two different DA partners has – notwithstanding the individual relevance of the DAs from a comparative advantage perspective - led to a multiplication of actors involved in project implementation, which has undoubtedly complicated inter-project coordination (and harmonization). This is especially visible when comparing the PASP under the 10th EDF with the same project as implemented under the 9th EDF.

Table 3.7. Effect of DC agreements in Benin on improving donor coordination and harmonisation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)			X	
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)		X		
DA	Appui à la déconcentration et au développement communal (PDDC)		X		
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement		X		
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)		X		

4 Analysis of outcome-level indicators (EQ1-5)

4.1 Reduced transaction costs (EQ-1)

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs? (EQ 1).

Response

The effects of the seven DAs and four TAs analysed in Benin (supporting seven different projects) on reducing transaction costs have been quite mixed, and in general modest. Most of the reduction has been realised at the level of the EUD in case of DAs and obviously at the level of the TA partners in case of TAs. Overall, given the DA/TA ratio in Benin, it is therefore likely that the DC instrument did reduce the workload of the EUD, which has been struggling for quite some time with understaffing, but only marginally. Reduction of the transaction costs at the level of the Beninese partner has been modest in most cases.

The most important factors contributing to reducing the transaction costs were; (i) a better intra-sector division of labour, (ii) more co-financing, (iii) increased size of the projects, and (iv) more funds brought under a single management system. Reducing the number of active donors in the sector concerned has not played a role however, as the DC partner delegating funds to one of the other partners has opted in nearly all cases to remain an active donor in the sector concerned in terms of being closely involved in the policy dialogue, monitoring and supervising the projects/programmes concerned, or managing parallel projects. The DAs having high scores on most of the four outputs listed above have in general scored higher on reduced transaction costs (see table 4.1). This is specifically the case with the DAs associated with Pistes Rurales and to a less extent AFET. For AFET, the positive effect on transaction costs associated with co-financing and joint management systems was partly counter-balanced by the high costs associated with the formulation of the DA agreement.

For the same reasons, the impact on transaction costs has been less marked for stand-alone projects (i.e. PAFIRIZ, PASP). In the case of the PASP project, the overall effect was even negative. Transaction costs have been high for both the EUD and AFD in particular. This is due to the very complex structure of the project (with three DAs concluded with two DA partners), which led to a multiplication of implementing actors, and due to the delays in the launch of components 2 and 3 of the project (which included overall project coordination through an external service provider). Against that background, both the EU and AFD had in practice to be heavily involved in operational coordination, which involved high transaction costs for both parties. The PAFIRIZ project, meanwhile, may have been an example of a missed opportunity in terms of reducing transaction costs, given that the BTC was implementing a parallel institutional strengthening project with the *Ministère de l'Agriculture, de l'Élevage et de la Pêche*, with an important rice component. Had the PAFIRIZ been linked to that project, the impact on transaction costs would have been positive, especially for the BTC and the Benin authorities.

For the TAs, the TA partners experienced a reduction of their management costs because the burden of the labour-intensive management of the PAC and the PSCC was borne by the EU and the Government. In the case of the PAC, the overall effect on transaction costs for the Government, which would have been expected to be positive given the use of single management systems in particular was counter-balanced by the fact that the

EDF procedures used (programme estimates) were particularly cumbersome for a project of that size.

Table 4.1. Effect of DC agreements in Benin on reducing transaction costs.

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)				X
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)		X		
DA	Appui à la déconcentration et au développement communal (PDDC)			X	
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement	X			
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)			X	
TA	Programme société civile et culture (PSCC)		X		

4.2 Strengthened ownership and leadership (EQ-2)

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)? (EQ 2).

Response

The effects of the DAs and TAs analysed in Benin on strengthening national ownership and leadership were mixed; see the scores in table 4.2. (Note: the impact of the PSCC TA on strengthening ownership and leadership was not included in this analysis as this is a civil society programme).

In the cases of two DAs, a positive effect could be determined, largely because the DA was used to transfer funds to an agency which was using country systems when implementing the project. Both the PASTR programme (Pistes Rurales) and the PPEA II programme (AFET) largely used government systems and procedures (the PPEA II programme was in effect an earmarked sector budget support programme). Such programmes did include small implementation units (with an external service provider), but mostly in an advisory function and fully integrated in government's institutional structures. In the case of PASTR, the DA also had a specific objective to support an approach, HIMO, which put (local) government ownership at its heart (i.e. with the *communes* being the contracted authorities in road maintenance work).

In all the other cases, the effect was less clear, and broadly neutral. In three cases (PASP with BTC, PAFIRIZ with BTC and PDDC with GIZ), the DA was used to delegate implementation to an implementing agency, which used its own – parallel to the Government's - procedures. However, there was no evidence in those cases that the beneficiary institutions were less involved in project implementation as a result, and that this led to less government ownership/leadership. With regards to PAFIRIZ, it appeared

that it is more the D+3 rule⁷ applied in EU contracts, rather than the BTC implementation modalities per se, which contributed negatively to government ownership and leadership, by encouraging a less consultative approach.

Concerning TAs, the PAC, by being directly anchored to the government's Plan d'Action pour l'Amélioration des systèmes de Gestion des Finances Publiques (PAAGFP- 2009-13) and by using a single management system, had characteristics which should in principle strongly encourage government ownership and leadership. However the actual effect was relatively modest. Although the implementation management structures of the PAC and of the PAAGFP were effectively merged, the use of EDF procedures, to which the Government struggled to familiarise itself, implied that it had to rely heavily on the EUD and EU Technical Assistance for project planning and implementation. Additionally and more significantly perhaps, the main government counterpart body in the project, l'Unité de Gestion des Réformes (UGR), was structurally weak. This limited the positive impact the PAC could have had on government ownership/leadership.

The latter point relates to a broader issue. At central government level in particular, government ownership of the development agenda was generally weak in Benin. While a programme like the PAAGFP was in principle 'country-owned', many of the implementing structures did not see the activities of that plan (and thus of the PAC) as being part of their day-to-day activities. Furthermore, the lack of coordination within the Government did not always make it clear who was in charge of the policy agenda. DAs, which were not specifically designed to strengthen coordination and were often relatively small, could do little to alter those structural weaknesses.

Table 4.2. Effect of DC agreements in Benin on strengthening ownership and leadership of the partner country

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)			X	
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)		X		
DA	Appui à la déconcentration et au développement communal (PDDC)			X	
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement		X		
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)	N.A.			

4.3 Strengthened complementarity and increased added value (EQ-3)

Main question to be answered.

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

⁷ The rule stipulates that the project has to be implemented within a period of three years after the date of the final signature of the financing Agreement.

Response

The effects of the seven DAs and four TAs analysed in Benin (supporting seven different projects) on 'strengthening complementarity and increasing the added value of the EU and other DC partners' have been relatively strong (see table 4.3). In all cases, the improved intra-sector Division of Labour based on the comparative advantages of the agencies implementing the projects, has contributed to these positive assessments. Improved donor coordination and harmonization has played only a modest role.

Most DAs had a strong effect on complementarity and added value, as they were clearly in line with the comparative advantage of the implementing partner in the benefiting sub-sector (which was typically supported by a limited number of donors only). The only exception was the DA related to components 2 and 3 of the PASP, for which the comparative advantage of the AFD was not clear-cut. The DAs were used to reinforce this advantage and to promote the role of the implementing partner as lead agency in the sub-sector. Meanwhile, the implementing partner and the EU took sometimes a joint approach towards the sector dialogue (such as in the case of AFET).

The two TAs also had a generally positive impact on complementarity and added value, albeit less important than in the case of the DAs. In the case of the PSCC, a positive impact can be determined on the basis of the EU having a clear comparative advantage in terms of its experience managing large CSO interventions, including the related calls for proposals procedure. In the case of the PAC, the added value of the EU was clearer at the technical level than at the level of implementation procedures, with programme estimates not appearing to be an optimal project management tool taking into account the large size of the project.

Table 4.3. Effect of DC agreements in Benin on strengthening complementarity and increasing the added value of donors

	Contract title, DC partner and contract year	Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)		X		
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)	X			
DA	Appui à la déconcentration et au développement communal (PDDC)		X		
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)		X		
DA	Pistes rurales / désenclavement	X			
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)		X		

4.4 Reduced aid fragmentation (EQ-4)

Main question to be answered.

To what extent have the DC agreements reduced aid fragmentation? (EQ 4).

Response

Reduced aid fragmentation is defined as each donor supporting less sectors without reducing total aid and/or each sector supported by less donors without a reduction of total aid received. As regards the first element of that definition, we can observe that the EU has not used a DC agreement in Benin as a means of phasing out its support to a particular sector. From that point of view, the DC agreements in Benin have not led to less aid fragmentation.

The situation is slightly different with the EU's TA partners. In two instances, the TA agreements resulted in the TA partners not providing support to the sector (the Netherlands and DANIDA in the case of the PAC), while remaining active in the policy dialogue. In the case of the PSCC, Denmark remained active in the sector, providing support to CSOs via a parallel bilateral project. (See the scores in table 4.4).

The PDDC, the AFET, PAFIRIZ and Pistes Rurales are all examples of DAs which did not lead the EU to withdraw operationally from the sub-sector or sector concerned. With regards to the PDDC, the EU was providing parallel financing to its PACTE project as well as through the Energy Facility; in relation to AFET, it was providing parallel support through the Water Facility. In the case of Pistes Rurales, the EU did not provide parallel support to the sub-sector (rural roads) but did so at sector level (roads) through its transport sector programme. The effect on fragmentation was therefore neutral.

The case of the PASP was from that perspective slightly different, given that the three DAs did result in the EU not providing support to the sector (the EU did not have a parallel private sector intervention). On the other hand though, the AFD did become active in the private sector through the DA supporting components 2 and 3 of the project (it was already involved in the meso-finance sub-sector). Overall therefore, the effect of the PASP on aid fragmentation in the private sector was broadly neutral. (Belgium was already involved in the phytosanitary and sanitary sub-sectors prior to signing the DA).⁸

Table 4.4. Effect of DC agreements in Benin on reducing aid fragmentation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)			X	
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)			X	
DA	Appui à la déconcentration et au développement communal (PDDC)			X	
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement		X (sub-sector)		
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)			X	

4.5 Strengthened alignment (EQ-5)

Main question to be answered.

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

All DC-related project documents pay attention to policy alignment. All projects had some links to sector strategies/plans; DC agreements were often anchored to large sector-wide projects/programmes. In general, the impact of the DC instrument on policy alignment was broadly positive. The impact on systems alignment was more mixed. There were cases

⁸ It is noted here that the effect on fragmentation largely depends on what is the definition of the 'sector' in which the DA operates. In some cases (i.e. PASP), that definition can be largely subject to interpretations.

where the projects supported by a DC agreement were using country systems, but others where parallel systems and procedures were used. The PSCC is a special case in terms of alignment, because it is a programme supporting CSOs, operating outside government structures; assessing alignment is therefore not directly relevant. (See the scores in table 4.5).

Regarding policy alignment, the fact that a number of sizeable DA/TAs contributed significantly to large sector-wide projects, which were aligned with government sector plans/strategies, contributed to the modest impact of DC on policy alignment. In the case of the AFET, while PPEA II was seen as aligned to both the government's urban and rural water strategies, it is also worth mentioning that one component supported by the DA (Strengthening of drinking water supply system of Cotonou Phase II) was initially not part of the PPEA, but was a response to a government request initially made in the context of the EU MDG Initiative. In the case of Pistes Rurales, DANIDA's PASTR programme, including the component supported by the DA, was considered much aligned to the Government's *Programme Quinquennal (2012-2016) de la Stratégie Nationale de Transport Rural* (SNTR). An important focus of the SNTR is the decentralization and deconcentration of the sector, as well as the need for knowledge transfer of the management of rural roads towards local authorities (*communes*). The PDCC, meanwhile, was directly aimed at implementing the *Réforme de l'Administration Communale*, itself based on the *Politique Nationale de Décentralisation and Déconcentration*. As for the PAC, it was directly anchored to the government's *Plan d'Action pour l'Amélioration des systèmes de Gestion des Finances Publiques* (PAAGFP- 2009-13).

There were other cases however where the effect on alignment was less clear-cut. The first one is the PASP, and in particular its components 2 and 3. The project was established on the basis of proposals made at a 2012 public-private sector roundtable when the main interlocutor of the private sector was the *Conseil National du Patronat du Bénin*. However the conclusions of that round-table have not yet been validated (situation in April 2016; four years after the proposals were made), because new, competing, private sector interlocutors emerged since then. The PAFIRIZ meanwhile was formulated as an emergency response to the 2008 food crisis, however as the situation normalised, some of its objective were not aligned with the subsequent Government's strategy for rice development adopted in 2011.

On system alignment, two projects had a positive (modest) effect. Both the PASTR programme (Pistes Rurales) and the PPEA II programme (AFET) largely used government systems and procedures (the PPEA II programme was in effect an earmarked sector budget support programme). Such programmes did include small implementation units (with an external service contractor), but mostly in an advisory function and fully integrated in the government's institutional structures. In the case of PASTR, the DA also had a specific objective to support an approach (HIMO) in which the *communes* were the contracting authorities of road maintenance work. In all the other cases, the effect was less clear, and in general modest, if not neutral. In three cases (PASP, PAFIRIZ and PDCC), the DA was used to delegate implementation to an implementing agency, which used its own (parallel) procedures. However, there was no evidence in those cases that the beneficiary institutions were less involved in project implementation as a result. In the case of the PAC, the effect on systems alignment was positive on one hand in the sense that the structures of the PAAGFP were used. On the other hand, the use of EDF procedures, to which the Government struggled to familiarise itself, implied that it had to rely heavily on the EUD and EU Technical Assistance for project planning and implementation. Overall, therefore, the effect is considered as no change.

It is worth mentioning that while there was nearly systematically policy alignment at the formal level, in practice such alignment was often more limited, reflecting a general lack of ownership/leadership of the government of Benin as regards the development agenda,

especially at central level. In addition, there was a lack of government coordination around key policy areas, so it is not always clear who represented the voice of the government.

Table 4.5. Effect of DC agreements in Benin on strengthening alignment

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)			Policy / systems	
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)		Policy / systems		
DA	Appui à la déconcentration et au développement communal (PDDC)			Policy / Systems	
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			Policy / systems	
DA	Pistes rurales / désenclavement		Policy / systems		
TA	Appui à la bonne gouvernance, volet finances publiques (PACT)		Policy	Systems	
TA	Programme société civile et culture (PSCC)	N.A.			

5 Analysis of process and implementation aspects (EQ 5-9)

5.1 Visibility (EQ-6)

Main question to be answered.

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement? (EQ6).

Response

Insufficient visibility has rarely been a problem for the EUD and/or the DC partners in the DC-supported projects in Benin. In almost all DA projects and programmes good attention has been paid to visibility: the logos of all partners are shown on all reports and communication material and often there is a specific text mentioning who is funding the project or activity. The DC Partners are invited to attend the projects' main related events. Moreover, some projects have made specific communication plans. As DC allowed the EU to be more pro-active in donor coordination together with the implementing partners, this did contribute to the visibility of the EU and the EU-MS. (See the scores in table 5.1).

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Contract title, DC partner and contract year		Strong	Modest	No actions	Poor visibility
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)		X		
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)	X			
DA	Appui à la déconcentration et au développement communal (PDDC)	X			
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)		X		
DA	Pistes rurales / désenclavement		X		
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)	X			

5.2 TA/DA ratio (EQ-7)

Main question to be answered

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 7).

Response

The TA/DA ratio in Benin is 0.36 in terms of number of agreements and 0.18 in value terms. The first mentioned ratio is slightly higher than the ratio of the total DC portfolio (which was 0.33), while the second ratio was slightly lower (overall ratio was 0.22). The TA/DA ratio is not a strategic issue for the EUD in Benin and the EUD does therefore not apply a specific strategy aimed at increasing the number and value of TAs. From the discussions with the EUD and DA partners it emerged that the imbalance was caused by the following two main factors: first, a DA offered the opportunity to reduce the EUD's, which was an important advantage because the EUD was faced with human resource constraints (understaffing) and an increasing workload. Another – albeit less significant – factor can be found at the level of (some of) the DA partners. They were faced with an

(increasing) scarcity of ODA resources and DAs were thus a welcome source of (additional) funding; on the other hand, this made it difficult for them to sign TAs. This was particularly the case with the AFD and to some extent the BTC.

Table 5.2. Main reasons why there are more DAs than TAs in Benin.

Reasons	Strong	Modest	No	Not at all
The EU is faced with more constraints to sign a TA than to sign a DA.				
The DC partner is faced with more constraints to sign a TA than to sign a DA.				
DAs are much more attractive to DC partners, because they increase their scope of activities.				
EUDs aim for reducing their workload: thus more DAs than TAs.	X			
The EU has sufficient funds available for DAs, while DC partners are faced with a scarcity of funds making it difficult to finance (more) TAs.		X		

5.3 Assessment of DC proposals (EQ-8)

Main question to be answered

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

Response

A DA assessment fiche is supposed to be the main document regarding the assessment of delegating the implementation of a certain project to an implementing agency. However, only for the DA linked with the components 2 and 3 of the PASP was such a fiche available. For the other two DAs of the PASP, relatively comprehensive internal technical notes were prepared detailing the justification of the use of the DA instrument. All these documents included a list of the comparative advantages of the proposed DA partners, as well as a list of arguments for opting for the DA modality. No such documents were found for the other DAs.

On the basis of the content of those documents – and even in the absence of DA assessment fiches in most cases - it is concluded that the quality of the decision-making process and of the assessment of DC proposals has been satisfactory for the PASP, even if a posteriori some of the arguments brought forward in some of these documents may appear questionable.

On the basis of general comments made by EUD staff and DC partners on the decision-making process for the other DC projects, and the lack of DC assessment fiches, we have scored those as ‘average’.

Table 5.3. Quality of the decision-making process and assessment of the DC proposal

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)		X		
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)			X	
DA	Appui à la déconcentration et au développement communal (PDDC)			X	
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement			X	
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)			X	
TA	Programme société civile et culture (PSCC)			X	

5.4 Implementation of DC agreements (EQ-9)

Main question to be answered

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

Response

In nearly all DC-related projects, the scope and the quality of the cooperation between the EU and the DC partner was perceived as good. There is only one instance where the cooperation was – at times – difficult, that is with the PAFIRIZ. A change of staff at the EUD led to a more active approach of the EUD in monitoring the project and also the decision-making regarding project issues, in a context where appeared that the initial objectives of the project (in terms of number of rice-producing areas) would not be met within the duration of the project (i.e. taking into account the D+3 rule). This led to tensions between the EUD and BTC, which were however reduced once a decision was made to extend the project by another year.

The example of the PAFIRIZ underscores a broader point about the nature of the DC instrument, which was emphasized by a number of interviewed staff from the EUD and the DA partners: the way it was managed largely depended on the project managers at the EUD and the DC partners' agencies, and as such the approach taken could vary significantly from one project to another and even within one project (in case of a change of staffing). In some cases, the EU took a relatively 'silent partner' approach (i.e. PASP component 1) while in others, it was much more active in the policy dialogue (i.e. in the case of AFET).

The examples of the AFET and of the DAs with AFD under the PASP have underscored meanwhile the additional operational challenges in case a DA is signed with a donor entity such as AFD which itself doesn't implement the project (as opposed to an implementing agency such as GIZ and BTC). A particular issue that has arisen in this case is the question of the 'responsibility'. This was a particular sensitive issue in the case of the formulation of the AFET DA concluded by the EU and the Embassy of the Netherlands. This was solved by a Memorandum of Understanding annexed to the DA and signed by the Government of Benin, the EUD, and the Embassy of Netherlands, stipulating that the fiduciary responsibility would lie in the hands of the Government of Benin.

Table 5.4. Quality of the cooperation between the EU and the DC partner during implementation of the DC agreement.

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	Projet d'Appui au Développement du Secteur Privé au Bénin (PASP)		X		
DA	Accès Facilité à l'Eau Potable pour Tous (AFET)	X			
DA	Appui à la déconcentration et au développement communal (PDDC)		X		
DA	Projet d'appui à la Filière Riz au Bénin (PAFIRIZ)			X	
DA	Pistes rurales / désenclavement		X		
TA	Appui à la bonne gouvernance, volet finances publiques (PAC)		X		
TA	Programme société civile et culture (PSCC)		X		

6 Conclusions

The EU aid delivery mechanism of delegated cooperation has had a positive, though rather limited, effect on some aspects of aid effectiveness and efficiency in Benin. In a context where the Government of Benin's leadership on aid effectiveness and coordination has been generally lacking, the DC instrument has not been driven by strategic considerations around improving aid effectiveness. More operational, pragmatic factors have instead been behind the use of the DC tool in Benin: on one hand, the EU Delegation was faced with severe human resources pressures and a heavy and increasing workload. In that context DAs were used as a tool to reduce that workload. At the same time, the EU's project management instruments (TA contracts, programme estimates) were not always seen as being effective in supporting institutional development interventions. This was particularly the case at the decentralised level, such as at the level of the *communes*, which have increasingly been receiving attention from the donor community in the context of the decentralisation reforms. Testing alternative approaches, such as DAs with implementing agencies, was appealing in that respect. DA partners, meanwhile, were often facing financial constraints. DAs could help to address those constraints. For the same reasons, the use of the TA instrument has been limited in Benin: neither had the EUD the capacity to manage additional projects, nor did most EU Member States have funds available to transfer.

The DC instrument has in most cases played an important role in terms of supporting intra-sector division of labour and comparative advantages. Within a context where DC was seen mostly as an operational rather than strategic tool, it has mostly been used for improving intra-sectoral division of labour, which fits into the efforts to work together pragmatically in order to avoid overlaps. Implementation was delegated to the lead agency with proven experience and expertise in the sector or sub-sector. As such, the DC instrument also contributed to increasing the use of comparative advantages.

Other expected DC outputs did not significantly materialise however. On the other hand, the DC instrument has not been used to exit a sector or to become a silent partner. When the EU delegated funds through a DA, it did remain in most cases operationally involved through other interventions in the sector or sub-sector and also active in the related sub-sector or sector dialogue. With regards to promoting co-financing, DC agreements did contribute positively, but co-financing was often parallel, and often relatively limited. Similarly, in most cases DAs and TAs were concluded with the intention to operate together in larger projects, but the DC amount was not always large enough to significantly increase the size of projects. When there was co-financing, it did contribute positively to the use of single management systems.

All in all, it can be concluded that the original outcome objectives of DC have been partly achieved in Benin. Given the mixed results regarding DC outputs, the results regarding DC outcomes were also mixed. DC did lead in most cases to reduced transaction costs, in particular for large co-funded projects, but the reduction was limited in most cases, partly because the DC partners delegating funds remained active in the sector. Given that DA contributed to the increased use of comparative advantages, positive effects regarding strengthening of complementarity and increasing the added value of donors were found. However, there were no positive DC outcomes related to reduced aid fragmentation (too often, the DC partners delegating funds remained active in the sector via other interventions). Finally, effects regarding strengthened partner country ownership and leadership and improving alignment were very much dependent upon the type of procedures used by the managing donor. If country systems were used (which was more the case with donor entities such as AFD, DANIDA and the MoFA of the

Netherlands than with implementing agencies such as GIZ and BTC), then the effect on ownership and alignment was in general higher. Having said that, the general lack of ownership and leadership of the Government of Benin as regards the development agenda limited the effect DC could have in that respect.

The approach used to manage the DC instrument varied and was flexible, largely reflecting the pragmatic considerations guiding its use. Notwithstanding the generally effective cooperation between the EUD and the DC partners in the use of the DC instrument in Benin, the approach used in managing the instrument varied largely, depending on the sectors of interventions as well as on the project managers in charge. In some cases, the EUD was more actively monitoring (and co-managing) implementation than in others. In some DC projects, the EUD partly delegated the policy dialogue, while in others it didn't. This flexibility in the way DC agreements were managed, which also reflected important differences in the cooperation models of the various DC partners, also underscores a relative lack of clarity about the nature and objectives of the DC instrument itself.

Annex A. List of people interviewed

General

- Yves Gillet, Head of Cooperation, EU Delegation;
- Jean-Louis Pont, Head of Cooperation, Embassy of Belgium;
- Jaap Jan Speelman, Head of Cooperation, Embassy of the Netherlands;
- Michael Broemmel, Resident Director, GIZ;
- Michel Francois, Representative Resident, BTC.

PASP

- Manuel Fernandez Quilez, Economist, Section Economy and Governance, EU Delegation;
- Directeur General, Direction Générale d'Investissement et du Financement du Développement, Ministère du Plan et du Développement;
- Calixte Sossou, Direction Générale d'Investissement et du Financement du Développement, Ministère du Plan et du Développement;
- Nolwenn Bodo, Programme Officer, Private Sector and Urban Development, AFD;
- Michel Francois, Representative Resident, BTC;
- Andrea Cefis, Technical Assistant, ASPs project, BTC.

PDDC

- Francesca Malaguti, Programme Officer, Social Sectors and Good Governance, EU Delegation;
- Gerald Schmitt, Programme Officer, PDDC, GIZ.

PAC

- Manuel Fernandez Quilez, Economist, Section Economy and Governance, EU Delegation;
- Charles Dossou, Programme Officer, Economic Section, EU Delegation;
- Joel Darius Eloge Zadjihoue, Coordinateur de l'Unité de Gestion de la Réforme des Finances Publiques, Ministère de l'Economie, des Finances et des Programmes de Dénationalisation;
- Jean-Louis Pont, Head of Cooperation, Embassy of Belgium;
- David Quenum, Macroeconomist/Private Sector, Embassy of the Netherlands.

Pistes Rurales/Désenclavement

- Nestor Alexis Nouhouayi, Programme Officer, EU Delegation.

PAFIRIZ

- Bachtiar Lorot, Programme Officer, Sustainable Agriculture, EU Delegation;
- Michel Francois, Representative Resident, BTC.

AFET

- Nestor Alexis Nouhouayi, Programme Officer, EU Delegation;
- Michiel Smet, First Secretary/Water and Sanitation Expert, Embassy of the Netherlands.

PSCC

- Carlos Javier Medrano Adan, Programme Officer, Civil Society, EU Delegation.

(Staff from DANIDA could not be interviewed because Denmark had stopped its development cooperation with Benin in 2013).

Annex B. List of documents consulted

General

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- Programme d'Appui aux Collectivités Territoriales (PACT), Fiche d'identification (April 2006);
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- PACTE, Convention de Financement Commission européenne et République du Bénin (November 2007) et avenants;
- PDDC, Convention de Délégation, CE et GiZ (May 2009);
- Evaluation finale du PACTE, March 2012.

PAFIRIZ

- PAFIRIZ, Fiche d'action (no date);
- PAFIRIZ, Convention de Financement Commission européenne et République du Bénin, (Septembre, 2009) et addendum;
- PAFIRIZ, Convention de Délégation, CE et BTC (September 2009);
- PAFIRIZ, Rapport Annuel 2012-2013 (no date);
- PAFIRIZ, Project Monitoring Mission (January 2013);
- PAFIRIZ, Evaluation Finale (June 2014).

Pistes rurales / désenclavement

- Pistes rurales/désenclavement Fiche d'identification (December 2009);
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- Pistes rurales/désenclavement, Convention de Financement Commission européenne et République du Bénin, (May 2011);
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- AFET Fiche d'identification (June 2012);
- AFET, Fiche d'action Fiche (no date);
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- PPEA II, Programme Document. September 2012;

- République du Bénin, Stratégie Nationale de l'Approvisionnement en Eau Potable en Milieu Rural du Bénin.

Projet d'Appui au Développement du Secteur Privé au Bénin

- PADSP Fiche d'identification (no date);
- PADSP, Fiche d'action Fiche (no date);
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- PASDP, Composantes 2-3, Convention de Délégation, CE et AFD (July 2014);
- PASDP, Composantes 1, Convention de Délégation, CE et BTC (April 2012);
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- Appui conjoint à la bonne gouvernance dans les domaines des finances publiques et des statistiques - volet finances publiques, Convention de Délégation, EC and Denmark (December 2009);
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4.2 Case study notes Ghana

List of Abbreviations

AfDB	African Development Bank
BUSAC	Business Sector Advocacy Challenge Fund
CIDA	Canadian International Development Agency
CRIS	EU Information System
CSO	Civil Society Organization
CSP	Country Strategy Programme
DA	Delegation agreement
DAC	Development Assistance Committee
DANIDA	Danish Development Cooperation Agency
DC	Delegated cooperation
DCI	Development Cooperation Instrument
DEVCO	Directorate general of the EC charged with development cooperation
DFID	Department for International Development
DoL	Division of Labour
DP	Development Partner
EC	European Commission
EIB	European Investment Bank
EU	European Union
EUD	European Union Delegation
EDF	European Development Fund
EU	European Union
EQ	Evaluation question
FC	Funders Committee
FR	Financial regulations
GCCA	Global Climate Change Alliance
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoG	Government of Ghana
GSGDA	Ghana Shared Growth and Development Agenda
HIPC	Heavily Indebted Poor Countries
ICAI	Independent Commission on Aid Impact
IED	Intended Effects Diagram
JAS	Joint Assistance Strategy
JP	Joint Programming
MDBS	Multi Donor Budget Support
MDG	Millennium Development Goal
MS	EU Member State
NAO	National Authorising Officer
NDC	National Democratic Congress
NIP	National Indicative Programme
NPP	National Patriotic Party
NSA	Non-State Actors
ODA	Official Development Assistance
OECD	Organisation of Economic Cooperation and Development
PSD	Private Sector Development
ROM	Results Oriented Monitoring
SC	Steering Committee
SRC	Sector Reform Contracts
STAR	Strengthening Transparency, Accountability and Responsiveness
TA	Transfer agreement
ToR	Terms of Reference
TRAQUE	Trade Related Assistance and Quality Enabling
USAID	United States of America Development Assistance

Executive Summary

This country case study concerning Ghana is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014. In Ghana, in total 2 Delegation Agreements (DAs) and 1 Transfer Agreement (TA) have been implemented during the period 2008-2014, with a total value of respectively € 8 million and € 48.3 million. This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality.

Promoting the use of the DC modality was already announced in the CSP/NIP 2008-2013 in order to make better use of the comparative advantages of the various donors and to reduce transaction costs. That intention was reconfirmed in the EU Joint Programming Document 2013-2016, where it is stated “EU partners are committed to increasingly harmonize their aid delivery mechanisms and consider options for joint funding or delegated cooperation”.⁹

The EU aid delivery mechanism of delegated cooperation had a positive, though rather limited contribution in financial terms, to aid effectiveness in Ghana. The use of DC, via two DAs with two implementing agencies DFID and DANIDA, was a logical choice given the fact that the two agencies had strong comparative advantages of working in the sectors concerned. An additional advantage of delegating and thus outsourcing the management of those projects was that EUD staff would have more time to devote to higher value added activities, such as policy development and strategy setting.

The TA signed by the EIB and the EU was not planned by design, but materialised when residual HIPC debt relief funds became available to Ghana in 2013. The choice to use the EU's budget support contract as the conduit for transferring the debt relief on behalf of the EIB was sound and relatively straightforward and in line with the HIPC objectives.

In financial terms, the use of the DC modality during the years 2008-2013 has been relatively modest when compared to the overall EU allocation under the 10th EDF. The DC modality was a new instrument that was yet to be tested and gained experience with.

Overall, the use of the delegated cooperation instrument has led to a number of positive outputs and outcomes. With regard to output indicators, strong effects were recorded in relation to increased use of comparative advantage, more joint co-financing, use of single management systems, improved intra-sector division of labour and improved donor coordination. Although with regard to the latter, it must be acknowledged that it was primarily EU-MS coordination that improved and not necessarily the coordination with the GoG, which has remained largely ineffective during the reporting period.

As regards reducing the number of donors active in the sectors concerned “no change” was recorded because the EU remained active in the projects/sectors concerned (monitoring, steering and policy dialogue). The continuation of EU's active role was further accentuated by the fact that (i) both the STAR and BUSAC projects have been the subject of a separate Results Oriented Mission organised by the EU over and above evaluations and annual reviews conducted by the DA partner and (ii) a financial audit of BUSAC was

⁹ EU Joint Multi Annual Indicative Programme (MIP) 2013-2016.

carried out by the European Court of Auditors. In the case of that audit, the DA with DANIDA was treated as any other single action financed by the EU, while no due attention was paid to the peculiarities of a project implemented under the responsibility of a DA partner. As regards the ROM mission it is noted that such a mission contradicts with the principle of a DA that the entire implementation – including results monitoring – is delegated to the DA partner.

The most notable positive outcomes have been identified as:

- strengthened complementarity and increasing the added value of donors (strong effect);
- reduction of transaction costs (modest to strong effect);
- reduced aid fragmentation (more modest effect).

Ghana scored less well on the outcome indicators of strengthened ownership and leadership and strengthened alignment. Due to the choice of interventions, the two DA projects functioned as stand-alone projects and were never intended to be implemented by the government using national systems and procedures. In practice the government was kept at arm's length so that the programmes could work independently and challenge government policies and strategies where necessary.

1 Introduction

This country case study concerning Ghana is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 commissioned by the Evaluation Unit of DG-DEVCO. The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014 and;
- 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, namely:

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

Ghana has been selected as one of the nine country case studies based on criteria such as number and volume of DAs and TAs, geographical spread of the country cases, coverage of as many DC partners as possible, etc. The other selected countries are Benin, Haiti, Mali, Mozambique, Nicaragua, Palestine, Tanzania and Timor-Leste. In addition, there will be a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA).

This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

In total 2 DAs and 1 TA have been implemented in Ghana during the period 2008-2014. They are listed in the tables 1.1 and 1.2.

Table 1.1 Overview Delegation Agreements 2008-2014, (Ghana)

Nr	Contract Number	Contract title	DC Partner	Contr. year	Contract amount (€)
1	264651	Support to Civil Society Pooled Fund (STAR Ghana)	DFID	2011	4,500,000
2	265633	Business Sector Advocacy Challenge Fund (BUSAC)	DANIDA	2011	3,000,000

Table 1.2 Overview Transfer Agreements 2008-2014, (Ghana)

Nr	Contract Number	Contract title	DC Partner	Contr. year	Contract amount (€)
1	20951	Substantial rider to the existing MDG-Contract, incorporating the European Investment Bank (EIB) residual Heavily Indebted Poor Countries (HIPC) contribution to Ghana	EIB	2013	48,326,732

Prior to the field mission in Ghana, the evaluation team has carried out a desk-based assessment of the DAs and TAs. The documents consulted are presented in Annex B. During the field phase that took place from 4 to 10 April 2016 and was carried out by Ivo Gijssberts (partner of Ecorys), interviews were held with staff of the EU Delegation (EUD) in Ghana, DA and TA partners, donor agencies and Government institutions and agencies involved in the implementation of the projects funded by a DC agreement. A list of persons interviewed is presented in annex A.

Detailed information fiches have been made for each of the two projects/programmes being supported by DAs and the budget support programme supported by the TA (see annex D). The text of this main document is structured in accordance with the seven main envisaged outputs of DC (see chapter 3), the five envisaged outcomes (chapter 4) and a few process and implementation aspects (see chapter 5). Those three chapters are preceded by chapter 2 dealing with a description and analysis of some aspects of the country context, in particular those relevant for evaluating DC. Overall conclusions are finally presented chapter 6.

2 Country context

2.1 Introduction

Ghana has been a frontrunner among African states in terms of political, economic and social development. It was the first country in the region to gain independence (1957), it has one of the most stable political systems in the region, and for a long time, Ghana was the economic example for the development of African nations. However, in the past couple of years, Ghana is struggling to uphold its image of Africa's 'rising star'. The main challenge is finding an adequate response to an unfavourable economic climate.

Politically: Ghana became a constitutional democracy in 1992 and has been one of the most stable democracies in West Africa since. The two dominant parties, National Democratic Congress (NDC) and the New Patriotic Party (NPP) have both been in office for a couple of terms; elections and power transitions have occurred relatively smoothly.¹⁰ The present President John Dramani Mahama (NDC) has been in office since 2012; he will rally for a second term in the elections of 2016. Political corruption continues to be a problem, despite the existence of robust legal and institutional frameworks to combat it.¹¹ Although Ghana employs a "zero tolerance" towards corruption, studies show that corruption occurs, especially in the police, customs and judiciary system, but also in the education and health sectors.

Economically: Ghana was until recently a model for economic growth. However, its economy deteriorated rapidly over the past four years due to a combination of factors, including macroeconomic policies and economic shocks. Economic growth decreased from 8 percent per year in 2012 to 3.5 percent in 2015, public debt and inflation increased and the currency depreciated.¹² In 2014, the government turned to the IMF for help and is currently receiving loans under a three-year Extended Credit Facility.

Socially, Ghana made significant progress with poverty reduction, and met the Millennium Development Goal of halving poverty rates: it declined from 52% in 1991 to 24% in 2013.¹³ According to the Human Development Index, Ghana can be classified in the medium human development category—positioning it at 140 out of 188 countries and territories.¹⁴ Ghana has ratified the main UN conventions on human rights and freedom of the press is generally respected.¹⁵ Freedom of expression is constitutionally guaranteed and generally respected in practice.¹⁶

2.2 Development cooperation

The Government of Ghana has recognised these challenges and has set out plans to tackle them. The **Ghana Shared Growth and Development Agenda (GSGDA) 2010–13** established an ambitious framework and identified national development priorities,

¹⁰ <http://ghana.um.dk/en/about-ghana/politics-in-ghana/>.

¹¹ <https://freedomhouse.org/report/freedom-world/2014/ghana>.

¹² <http://www.imf.org/external/pubs/ft/survey/so/2016/car012016a.htm>.

¹³ <http://www.worldbank.org/en/country/ghana/overview#1>.

¹⁴ http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/GHA.pdf.

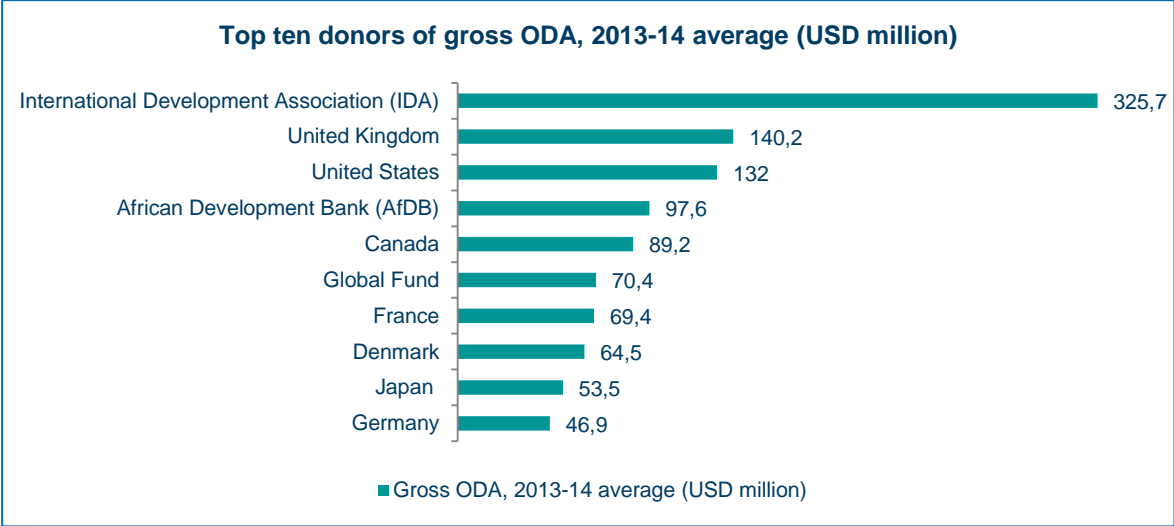
¹⁵ <http://ghana.um.dk/en/about-ghana/politics-in-ghana/>.

¹⁶ <https://freedomhouse.org/report/freedom-world/2014/ghana>.

including: human development, transparent and accountable governance, infrastructure development, agricultural modernisation and natural resource development.

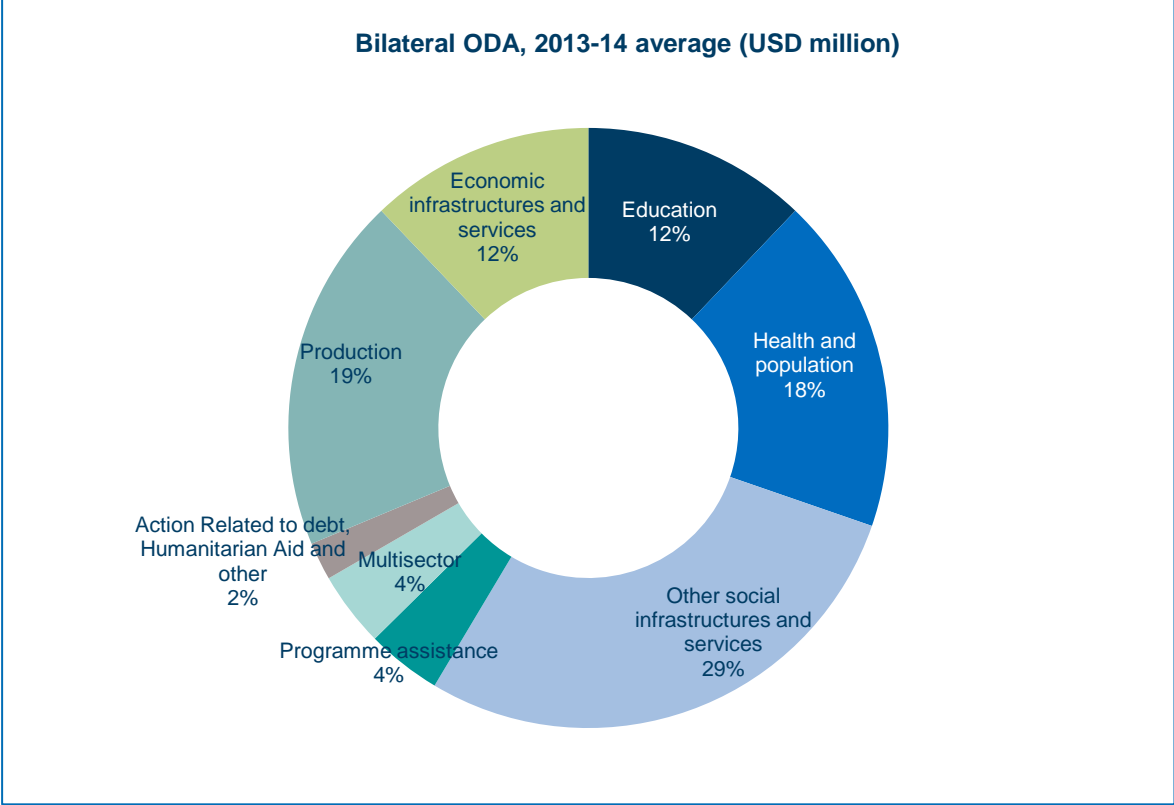
Between 2011 and 2013, Ghana was ranked as 9th in the top 10 ODA recipients in Africa. Ghana’s net Official Development Assistance (ODA) totalled US\$1,126 million in 2014, which was lower than the amounts in the previous years (US\$1,330 million in 2013; US\$1,799 million in 2012). The World Bank provided the largest amount followed by the United Kingdom and United States. EU Member States providing large amounts were France, Denmark and Germany (see figure 2.1).

Figure 2.1 Top ten donors in Ghana (source: OECD-DAC)



Most of the aid was spent on social infrastructure and public services. Figure 2.2 maps the sector division of allocated aid.

Figure 2.2 Bilateral ODA per sector for Ghana, 2013-2014 average (source: OECD-DAC)



2.3 EU support

Table 2.1 gives an overview of the allocation of EU support under the 9th, 10th and 11th EDF (i.e. between 2002 and 2020). The focal sectors have changed over the years: transport has disappeared in the 11th EDF; while Governance has become more prominent. It is also remarkable that General Budget Support has been removed in the 11th EDF: “No general budget support is foreseen in the NIP 2014-2020, but Sector Reform Contracts (SRC) remain an option for the implementation of EU cooperation”.¹⁷

Table 2.1 Overview of allocations EU support (focal sectors in bold)

Sector	Amount (€)
Allocation of the 9 th EDF envelope (2002-2007; end-of-term review, 2006) ¹⁸	
Transport and Infrastructure	77.8
Rural Development	103.5
Budget support	102.2
Non-Focal sectors	32.3
<i>Total</i>	<i>315.8</i>
Allocation of the 10 th EDF envelope (2008-2013; indicative allocations after 2009 Mid Term Review) ¹⁹	
General budget support and Reforms of public finance management	220.0
Transport Infrastructure and Connectivity	83.0
Governance, including migration	67.0
Natural Resource Management & Environment	15.0
Trade & Private Sector	15.0
Technical Cooperation Facility	2.0
<i>Total</i>	<i>402.0</i>
Allocation of the 11 th EDF envelope (2014-2020; indicative allocations) ²⁰	
Governance: Public Sector Management and Accountability	75.0
Productive Investment for Agriculture in Savannah Ecological Zones	160.0
Employment and Social Protection	75.0
Measures in favour of civil society	9.0
Support measures	4.0
<i>Total</i>	<i>323.0</i>

2.4 Aid effectiveness

Several steps towards a joint aid approach have been taken in Ghana since 2007. A couple of key strategies are discussed below.

In 2007, a **Joint Assistance Strategy (JAS)** for Ghana was launched and endorsed by the majority of Ghana’s Development Partners (providing about 95% of official development assistance). The strategy guided development aid for the next four years (2007-2010). In this JAS, the Development partners made a number of Harmonization and Aid Effectiveness Commitments, which included aiming for program-based approaches,

¹⁷ NIP 2014-2020.

¹⁸ Source: CSP 10th EDF.

¹⁹ http://eeas.europa.eu/delegations/ghana/eu_ghana/development_cooperation/eu_ghana_development/edf_nip/index_en.htm.

²⁰ NIP 2014-2020.

alignment with sector strategies, making more use of country systems, removing parallel implementation structures, etc.²¹ Some programming principles were also included in order to accelerate the process of moving towards joint programming. It was indicated in the EC-Ghana Country Strategy 2008-2013, that the strategy and the choice of focal sectors was based on the Joint Assistance Strategy.

The Government of Ghana (GoG) then drafted the **Ghana Aid Policy and Strategy** document for the period 2011-2015. The strategy aimed to ensure aid effectiveness by aligning aid to Ghana's national development priorities, namely to achieve the Millennium Development Goals by 2015 and middle income status by 2020; and served as a guide to Government, Development Partners, Civil Society Organizations and other stakeholders in the management and coordination of external aid in Ghana.²² The Strategy listed various challenges in aid effectiveness, specifically addressing the lack of aid alignment, little use of country systems, high fragmentation of aid and high transaction costs.

Recently, a new Compact between Government and Development Partners has been developed, called: **Leveraging Partnership for Shared Growth and Development 2012 – 2022**. The strategy explains that while the GoG's preferred aid modality is General Budget Support provided within the Multi-Donor Budget Support (MDBS) framework, other development assistance instruments, more suitable for a middle income country and better tailored at targeting persistent geographical poverty, are also welcomed by the GoG.²³

An **Evaluation of the implementation of the Paris declaration on aid effectiveness in Ghana** was conducted in 2010.²⁴ This evaluation records mixed results for improvement of aid effectiveness in Ghana. On the one hand, the aid landscape had become slightly better, but on the other hand, many principles were not yet realised. It concluded that the efficiency of aid delivery had partially improved over the past five years. However, the Paris Declaration also had some unintended effects. For example the new complex aid architecture led to more work for aid administrators and the government machinery, thus resulting in higher transaction costs.

On Division of Labour, the overall consensus among Development Partners was that division of labour in Ghana was fairly advanced, but that the GoG left it mainly to the Development Partners. The review acknowledged that harmonization in certain areas had been slow. Furthermore, little progress had been recorded in the way the Government of Ghana could influence aid allocations taking into account the comparative advantages of the donors. However one positive area of harmonization was silent partnerships among donors whereby they channelled their resources directly through other donors' programmes.

2.5 Joint Programming

In 2012, the nine active EU Missions, being Czech Republic, Denmark, France, Germany, Italy, Netherlands, Spain, United Kingdom and the EU Delegation, responded positively to the proposal made by the EC (DG DEVCO) and the EEAS to set up Joint Programming in

²¹ http://siteresources.worldbank.org/INTGHANA/Resources/GJAS_Final_270207.pdf page 24.

²² http://www.mofep.gov.gh/sites/default/files/docs/mdbs/2010/GHANA_AID_POLICY_STRATEGY_FINAL_DRAFT_1.pdf.

²³ Leveraging Partnership for Shared Growth and Development – Government of Ghana – Development Partners Compact, 2012-2022.

²⁴ <https://www.oecd.org/countries/ghana/47651795.pdf>.

Ghana.²⁵ The **EU Joint Multi-Annual Indicative Programme (MIP) 2013-2016** should be seen as the start of a process of EU Joint Programming. A transition phase is necessary, as many donors have on-going multi-annual strategies. It is planned that a mid-term review of EU assistance to Ghana will be conducted in 2016 and that a new round of jointly programmed EU assistance should start from 2017 onwards.²⁶ In the run-up to the preparation of the MIP 2017-2020, EU partners are committed to increasingly harmonize their aid delivery mechanisms and consider options for joint funding or delegated cooperation. In this context, Ghana is considered a pilot country to introduce a full-fledged Joint Programming for the 2017-2020 period.

2.6 Political and strategic considerations for using the DC modality

Making use of the DC modality has been announced in the CSP/NIP 2008-2013, in order to make better use of the comparative advantages of the various donors and to reduce transaction costs. That approach has been reiterated in the more recently signed EU Joint Programming Document 2013-2016, where it is stated that “EU partners are committed to increasingly harmonize their aid delivery mechanisms and consider options for joint funding or delegated cooperation”.²⁷ A new round of jointly programmed EU assistance is expected to start in 2017.

The use of the DC instrument via two DAs concluded with two implementing agencies DFID and DANIDA, was a logical choice given the fact that the two agencies had strong comparative advantages of working in the sectors concerned. An additional advantage of delegating and thus outsourcing the management of those projects was that EUD staff would have more time to devote to higher value added activities, such as policy development and strategy setting.

The TA signed by the EIB and the EU was not planned by design, but materialised when residual HIPC debt relief funds became available to Ghana in 2013. The choice to use the EU’s budget support contract as the conduit for transferring the debt relief on behalf of the EIB was sound and relatively straightforward and in line with the HIPC objectives.

²⁵ Ghana joint Strategy (draft): <https://capacity4dev.ec.europa.eu/joint-programming/document/ghana-joint-strategy-mip-draft>.

²⁶ Ghana joint Strategy (draft): <https://capacity4dev.ec.europa.eu/joint-programming/document/ghana-joint-strategy-mip-draft>.

²⁷ EU Joint Multi Annual Indicative Programme (MIP) 2013-2016.

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

The two Delegation Agreements, STAR and BUSAC, promoted strongly the intra-sector division of labour in Ghana (i.e. division of tasks within the sector). The two agreements allowed DFID and DANIDA to continue with and scale up investments in existing successful programmes, while the EUD could focus its attention on the policy dialogue and monitoring and evaluation. The EU recognised that it was not strong in its engagement with civil society and business advocacy groups, and decided to pool its resources with the two EU Member States that had built up a positive track record with the implementation of these actions. In terms of inter-sector division of labour (thus cross sectors) the effects of these two DAs (STAR and BUSAC) were assessed as ‘no change’, because all three donors were and remained active in the sector.

The EIB contribution to the MDG budget support programme of the EU is a good example of Division of Labour among donors. The EIB had decided to make the residue of the HIPC debt relief available to the GoG in the form of budget support, but did not want to become an active GBS donor and decided to delegate the implementation of that arrangement to the EU. Scoring of this TA in terms of inter-sector division of labour is not relevant, because it is a multi-sector budget support operation.

Table 3.1 Effect of DC agreements in Ghana on improving the division of labour among donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	Intra-sector		Inter-sector	
DA	Business Sector Advocacy Challenge Fund (BUSAC)	Intra-sector		Inter-sector	
TA	EIB rider to the existing MDG contract	Inter-sector			

Further clarifications and explanations

Both DAs were financed under the 10th EDF. The focal sectors determined of the 10th EDF were: (1) Transport Connectivity and Regional Integration; (2) Governance; and (3) General Budget Support. For the Governance focal sector, the EUD commissioned a mapping study in 2008 to identify the most effective and efficient ways of supporting non-state actors in Ghana. As a result of this study, a Decision was prepared to fund STAR Ghana and BUSAC under delegated cooperation agreements. An amount of € 8 million was reserved to support civil society and business associations. Empowering non-state actors to participate in the development process became a central element of the EU’s country strategy during the 10th EDF.

DFID was selected for STAR DA because during the past two decades DFID played an active role in the engagement with civil society and addressing accountability issues in Ghana. DFID used this comparative advantage in working with civil society and took the initiative to create one single multi-donor pooled fund to support civil society organisations in line with the Paris Declaration and the Accra Agenda for Action (AAA). This became STAR Ghana. Previously, in the period 2004-2010, a series of donors (DFID, DANIDA,

CIDA and the Netherlands) financed a number of civil society support programmes on a bilateral basis.

Danida was selected for the BUSAC DA because private sector development has been a consistent priority of Danish development cooperation in Ghana. It is generally recognized by the DPs in Ghana that DANIDA – which has been managing BUSAC since 2004 – has a comparative advantage in business sector advocacy and private sector development. DANIDA co-chairs the private sector development sector working group, which includes the Ministry of Trade and Industry (co-chair), business representatives and civil society as well as DPs active in the sector.

3.2 More co-financing

Main question to be answered

Did the DAs and TA contribute to more co-financing of development projects and programmes in Ghana?

Response

The two DAs in Ghana had a strong effect on increasing joint co-financing. In both cases contributions by various donors were put together in one single basket fund under the management of the lead donor. Funds contributed were completely non-earmarked.

The EIB tranche became part of the EU’s MDG contract concluded with Ghana, which was part of the Multi-Donor Budget Support (MDBS) provided to Ghana. As such the EIB contribution can be considered as a clear example of joint co-financing of both the MDG contract and the MDBS programme.

Table 3.2 Effect of DC agreements in Ghana on increasing co-financing

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	Joint			
DA	Business Sector Advocacy Challenge Fund (BUSAC)	Joint			
TA	EIB rider to the existing MDG contract	Joint			

Further clarifications and explanations

STAR-Ghana was a multi-donor pooled fund with a total budget of £32 million that was implemented from November 2010 till March 2015. There were four contributing partners, namely the EUD, DANIDA, USAID and DFID. These four main funding sources were brought together in one overarching project managed by a single donor, DFID. The contribution from the partners was not ring-fenced.

BUSAC II was designed as a multi-donor pooled fund with an overall budget of US\$20 million and implemented from 2010 to 2014. Funding was provided by 3 donors: DANIDA, USAID and the EU. The three main funding sources were brought together in one overarching project managed by a single donor, DANIDA. The contribution from the partners was not earmarked. In the meantime the project has been extended to mid-2016.

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

The two DAs had either no effect or only a modest effect on creating larger projects and programmes as compared to the situation before signing the DC agreement. Taking an individual donor perspective, the pooling of resources created larger funds, obtaining economies of scale and other efficiencies.

The EIB contribution of €48 million was 18% of the total amount of the MDG contract concluded by the EU and the GoG (€ 266 million to be provided during the years 2009-2014), but only a few percent of the total amount of the MDDBS provided during those years. It thus had only a modest effect on creating a larger programme.

Table 3.3 Effect of DC agreements in Ghana on increasing the size of projects and programmes

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)			X	
DA	Business Sector Advocacy Challenge Fund (BUSAC)		X		
TA	EIB rider to the existing MDG contract		X		

Further clarifications and explanations

BUSAC

The Business Sector Advocacy Challenge Fund (BUSAC) was established in 2004 to provide grants, training and technical support to Business Associations, Trade Unions and Business Media with the aim of helping them to advocate more effectively for a conducive business environment. BUSAC I (2004-2009) was initially funded by DANIDA, while DFID and USAID joined at a later stage. BUSAC II (2010-2014) was designed as a multi-donor fund similar in size (\$20 million) as the first phase. At first glance this suggests a “no change” score, but a somewhat higher score is more appropriate because the pooling of resources and making use of the DA modality have made it possible to maintain the relatively high level of the budget of BUSAC (in other words: the budget would have declined when there would have been no pooling of resources and no use would have been made of the DA modality).

STAR Ghana

It is more difficult to assess whether the DA for STAR Ghana has led to a larger programme in terms of budget. As explained above, STAR Ghana was an amalgamation of previous CSO support programmes implemented by individual donors. From the perspective of individual donors, STAR Ghana created one single, larger programme by pooling resources. When taking the perspective of CSO organisations, the situation after Delegated Cooperation has at best stabilised the funding availability for CSOs, although no hard data could be collected on the size of CSO programmes funded by individual donors before STAR Ghana.

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

The two DAs have certainly promoted the use of single management systems and a single set of procedures. By pooling resources under the responsibility of one lead donor, only one management system for operational and financial management was created. For the TA signed by the EIB and the EU, ‘no change’ has been recorded, because in the counterfactual situation (no TA signed) the EIB would have simply transferred the funds to

the Ghana Treasury – thus not joining the multi-donor budget support programme. In that case it would have also strengthened the use of the single management system of the Ghana government.

Table 3.4 Effect of DC agreements in Ghana on increasing the use of single management systems

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	X			
DA	Business Sector Advocacy Challenge Fund (BUSAC)	X			
TA	EIB rider to the existing MDG contract			X	

Further clarifications and explanations

Interestingly, these two DAs are among the first projects in the world for which USAID had signed a pooled funding agreement with DANIDA and DFID respectively. USAID waived their extensive set of regulations and oversight and accepted those of DANIDA and DFID, which were better positioned to manage these funds.

Both aid agencies have outsourced the day to day management of the programme to private sector companies. These fund managers were selected after an international competitive bidding process. In the case of STAR Ghana, Coffey was selected to manage phase 1 and later on a consortium led by Christian Aid managed phase 2, while COWI has managed BUSAC, both in phase 1 and phase 2.

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

In both cases, the DAs have not reduced the numbers of donors active per sector. The donors in Ghana contributing to the pooled funds were and remained active in the sector, and finance also other activities in the sector.

The EIB rider to the existing MDG contract deals with the provision of General Budget Support (GBS) and reduction of number of donors in a sector is thus not a relevant issue in this particular case. However, if GBS would be considered as an ‘aid sector’, it can be observed that the EIB would never have opted for becoming an active GBS donor, and from that point of view a “no change” can be scored.

Table 3.5 Effect of DC agreements in Ghana on reducing the number of donors active per sector

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)			X	
DA	Business Sector Advocacy Challenge Fund (BUSAC)			X	
TA	EIB rider to the existing MDG contract			X	

Further clarifications and explanations

BUSAC

The trade and private sector development sector is one that attracts many donors in Ghana. The EUD as well as the EU Member States are all active in private sector development, although for the EUD it is a non-focal sector (but € 15 million has been

allocated to it in the NIP of the 10th EDF). UK and Denmark are the two EU Member States with the largest portfolios in private sector development. This DA has not reduced the number of donors active in the sector. On the contrary, the EU used this DA to enter into the sector (the focus areas of the preceding 9th EDF were rural development, road transport and macroeconomic support). The Identification Fiche confirmed that the EUD did not play a part in the design of BUSAC II, and was thus a relative newcomer in the sector.

STAR Ghana

The DA for STAR Ghana, which is a multi-donor pooled fund, has not led to a reduced number of donors active in the sector. All donors contributing to STAR Ghana have previously been active in the sector and continued to be active. The Delegation Agreement with DFID allowed the EUD to actively participate in Funders Committee meetings and during one year the EUD represented the Funders in the Steering Committee. Canada and the Netherlands also had sizable CSO support programmes in the past, but have since the start of STAR Ghana either exited the sector (Netherlands) or decided to focus on specific decentralization issues (Canada).

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

The two DAs have contributed strongly to the increased use of comparative advantages among DPs in Ghana. In the case of BUSAC, management of the project was delegated to DANIDA because of its specific sector expertise and perceived comparative advantages in the field of private sector development. Also in the case of STAR, DFID possessed a strong track record of working with CSOs, having had previous experience in managing programmes such as the Rights and Voice Initiative (RAVI) (2004-2010) and the Ghana Research and Advocacy Programme (G-rap).

The EC has developed a strong set of procedures for managing General Budget Support, which was a main argument of the EIB to transfer to the EC the residual HIPC debt relief contribution, which the EIB owed to the Government of Ghana.

Table 3.6 Effect of DC agreements in Ghana on increasing the use of comparative advantages

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	X			
DA	Business Sector Advocacy Challenge Fund (BUSAC)	X			
TA	EIB rider to the existing MDG contract	X			

Further clarifications and explanations

Both DFID and DANIDA took the initiative to get the EU contribution on board. DANIDA had earlier implemented BUSAC-I and needed the EUD support to maintain the fund in its second phase and scale up the activities. As regards STAR, DFID took the initiative to merge several individual projects into one single fund supporting civil society. It produced a Memorandum of Understanding (MOU) signed by Canada, Denmark, the European Union and the United Kingdom for the establishment of GHARI (which was later renamed in STAR-Ghana). Overall, it was considered to be more effective to have one central fund

for building capacity of CSOs and promoting voice and accountability, than to have a multiple of individual niche projects.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

Delegated Cooperation has – on average – modestly improved donor coordination and harmonisation. The overall consensus is that there exists stronger coordination among donors as compared to the supervision and oversight exercised by the Government of Ghana through Sector Working Groups, which is perceived to be much less visible.

With regard to General Budget Support, there exists an annual review process for the MDBS, which is common for all DPs and led by the Ministry of Finance. The annual review is guided by the MDBS Performance Assessment Framework (PAF) based on 25 indicators spread over 14 sectors or thematic areas.

Table 3.7 Effect of DC agreements in Ghana on improving donor coordination and harmonisation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)		X		
DA	Business Sector Advocacy Challenge Fund (BUSAC)		X		
TA	EIB rider to the existing MDG contract			X	

Further clarifications and explanations

STAR Ghana

The intention of the pooled fund was to work on the basis of silent partnerships, with DFID as the lead donor acting on behalf of the other funders. However, only DANIDA acted as a real silent partner, while the EUD and USAID still played a rather active role. DFID as the lead donor supervised actively the service provider, which was contracted by DFID to provide fund management services. DFID undertook annual reviews, an end of programme evaluation and financial audits. Narrative and financial progress reports were shared with the funders. A Funders Committee (FC) was set up comprising all STAR donors. These donors chaired the FC on a rotating basis (with the exception of DANIDA, which – as mentioned above - decided to have a real silent partnership with DFID) for periods of about one year. DFID Ghana provided secretariat support to the FC.

The quarterly meetings of the FC have helped to improve donor coordination and harmonization between the STAR funders. It has increased the flow of information among partners and provided a platform to share lessons learned and discuss new strategic directions. In addition there is a governance sector working group, chaired by USAID, which is however meeting much less regularly and is generally considered as less effective than the FC.

BUSAC

BUSAC II was governed by a Steering Committee and a funder's committee. The SC comprised four individual members representing private sector interests, two members representing government ministries, and one member (Danida) representing the three BUSAC II donors (Danida, USAID and EU). A selection subcommittee to approve grants was set up consisting of a sub-group of steering committee members. However,

participation of government departments in this sub-group was sporadic. The funder's committee met twice a year and discussed strategic priorities and results achieved.

Coordination through the Private Sector Development (PSD) Sector Working Group in Ghana, jointly chaired by the Ministry of Trade and Industry and DANIDA, has been ineffective in the past 5 years. This was mainly caused by weak government leadership in implementing the second phase of the Private Sector Development Strategy. While DPs were more than willing to commit resources, the Government bickered about the governance structure and who should be at the helm of implementing the strategy. As a result, decisions were not taken, and some DPs had to either re-direct or de-commit their resources.

General Budget Support

The EIB tranche of the MDG contract was part of the MDBS and implemented by the EUD, which was closely involved in the MDBS dialogue involving also the 9 other DPs that provided general budget support. A mutually accepted Performance Assessment Framework has been set up and annual reviews were carried out. The Ministry of Finance of Ghana coordinated the annual MDBS reviews and provided the documentation. The review process was guided by the work of sector groups, including the conclusions of sector-level reviews.

4 Analysis of outcome-level indicators (EQ1-5)

4.1 Reduced transaction costs (EQ-1)

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs? (EQ 1).

Response

The two DAs analysed in Ghana have resulted in a reduction of transaction costs. The strongest effect was obtained in the civil society programme (STAR). Previously, there were several bilateral donors which were each running their own projects providing grant funding to civil society partners. With the establishment of STAR Ghana, one multi-donor pooled fund was created resulting in a much more streamlined administration dealing with civil society partners. Instead of various embassies organising calls for proposals for civil society partners, STAR Ghana became the central body that coordinated and administered grant funding for civil society partners.

The effects in case of BUSAC were more modest, since BUSAC did not have any predecessor programmes with multiple agencies involved. It was created in 2004, with seed funding from DANIDA and later other bilateral donors joined. The main reason for BUSAC to accept funding from other DPs was to be able to expand activities geographically and thematically.

Also the TA contract signed by the EC and the EIB resulted in a modest reduction of transaction costs, since it allowed the EIB to rely on the staff and the procedures of the EUD to transfer budget support to the beneficiary government.

Table 4.1 Effect of DC agreements in Ghana on reducing transaction costs

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	X			
DA	Business Sector Advocacy Challenge Fund (BUSAC)		X		
TA	EIB rider to the existing MDG contract		X		

Further clarifications and explanations

STAR Ghana and BUSAC

From the perspective of the EUD, reduction of transaction costs was a strong incentive to enter into DAs with both DFID and DANIDA. The alternative that the EUD would organise its own civil society support programme was much less ideal. Main factors contributing to a reduction of transaction costs were the strong effects of the DAs on (i) improving the intra-sector division of labour, (ii) expanding joint co-financing, (iii) increasing the size of the two projects and (iv) bringing more funding under a single management system.

By not directly managing a €8 million civil society support programme (STAR and BUSAC), the EUD has reduced its own transaction costs. Delegating the management to two trusted partners (DFID and DANIDA) reduced management costs at the level of the Delegation. This is not to say that the EUD became a silent partner in these two programmes. It was closely involved in the policy dialogue and monitoring the implementation of both STAR Ghana and BUSAC, implying that staff could pay more attention to higher value added activities.

At the level of the Government of Ghana (GoG), the transaction costs related to DAs are anyway very low. While the GoG is obliged to sign the Financing Agreement, it had no involvement in the day to day implementation of these programmes, since the projects are outsourced to third parties and the government has no supervisory role to fulfil. For these reasons, the NAO is not very keen to sign off Financing Agreements encompassing substantial amounts being delegated to third parties. The lack of supervision and control associated with DAs impedes country ownership and leadership.²⁸

4.2 Strengthened ownership and leadership (EQ-2)

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)? (EQ 2).

Response

In case of the two DAs, strengthened ownership and leadership of the partner country government are not relevant issues. The two DAs were funding projects/programmes aimed at supporting i) civil society partners aiming at increasing the influence of civil society and the Parliament in order to improve the governance of public goods and service delivery and ii) business associations to advocate more effectively for a conducive business environment. It would be rather contradictory for a government to be in charge of running such programmes. It is good that the government is kept at arm’s length in order for the programmes to remain independent and challenge government policies and strategies where necessary. For that reason, the NAO was not involved in the decision to use the DC modality.

For scoring the TA concluded by the EIB and the EU as regards channelling the residual HIPC contribution to Ghana via the EU contribution to the multi-donor budget support programme, a comparison has been made with the counterfactual situation that the EIB would have simply transferred the funds to the Ghanaian Treasury. In both the actual and the counterfactual case the Ghanaian ownership and leadership would have been strengthened, and thus a “no change” has been recorded.

Table 4.2 Effect of DC agreements in Ghana on strengthening ownership and leadership of the partner country

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	N. A.			
DA	Business Sector Advocacy Challenge Fund (BUSAC)	N. A.			
TA	EIB rider to the existing MDG contract			X	

²⁸ It was acknowledged by the NAO representatives that country ownership and involvement was less relevant in the case of STAR Ghana and BUSAC since these are principally civil society programmes that need to be managed independent from the Government. However, the claim of the NAO was considered to be more relevant in the case of two other DA programmes that are currently under design that aim to improve public service delivery in TVET and anti-corruption. These programmes will need to pay adequate attention how they can work with and for relevant government partners in order to strengthen country ownership and produce sustainable results.

4.3 Strengthened complementarity and increased added value (EQ-3)

Main question to be answered.

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

Response

The two DAs analysed in Ghana have had a strong effect on strengthening complementarity and increasing the added value of DC partners. In particular the following factors have contributed to this effect: i) the provision of donor assistance in line with the comparative advantages of individual agencies; and ii) improved donor coordination and harmonization because of the combined work in these two programmes.

The TA between the EIB and the EC has increased the volume of General Budget Support provided to Ghana, making use of the comparative advantages that the EU possesses in preparing and implementing GBS.

Table 4.3. Effect of DC agreements in Ghana on strengthening complementarity and increasing the added value of donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	X			
DA	Business Sector Advocacy Challenge Fund (BUSAC)	X			
TA	EIB rider to the existing MDG contract	X			

Further clarifications and explanations

STAR Ghana and BUSAC

Overall, the two DAs have scored modest to strong on the three output factors expected to contribute to 'strengthening complementarity and increasing the added value of the EU and other DC partners (see the IED). In particular, there was a strong effect on improved division of labour and an increased use of comparative advantages. More modest have been the gains in improved coordination and donor harmonisation. The latter effect is compromised because of the fact that both Sector Working Groups have been less effective during the evaluation period in Ghana. In particular, the Private Sector Development Working Group did not manage to organise donors around a common government agenda. On the other hand, donor coordination around programmes, through active membership in Steering Committees and/or Funders Committees, was perceived as very strong, and highly relevant for improved information flows and strategy setting.

4.4 Reduced aid fragmentation (EQ-4)

Main question to be answered.

To what extent have the DC agreements reduced aid fragmentation? (EQ 4).

Response

The two DAs have made a modest contribution to reduced aid fragmentation. Aid in Ghana is already quite well coordinated and the two DAs concluded with DANIDA and DFID helped to prevent aid fragmentation by channelling EU financial support via donors already active in the sector. It is difficult to gauge whether the DC agreements have also resulted in a reduced number of donors active per sector. It is clear that in both sectors the EUD was also implementing parallel programmes, by design or by default (as explained in the next sub-section).

For scoring the TA concluded by the EIB and the EU as regards channelling the residual HIPC contribution to Ghana via the EU contribution to the multi-donor budget support programme, a comparison has been made with the counterfactual situation that the EIB would have simply transferred the funds to the Ghanaian Treasury. In both the actual and the counterfactual case the EIB would have been a “silent partner” (no policy dialogue; no disbursement conditions) and the effect of this TA on “aid fragmentation” has been scored as “no change”.

Table 4.4 Effect of DC agreements in Ghana on reducing aid fragmentation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)		X		
DA	Business Sector Advocacy Challenge Fund (BUSAC)		X		
TA	EIB rider to the existing MDG contract			X	

Further clarifications and explanations

The reduction in aid fragmentation is among other things measured by the number of active donors per sector, where 3-5 active donors is seen as optimal, and where other donors can still take part by means of delegated cooperation modalities. In this sense, the DCs under analysis have contributed to reducing aid fragmentation. However, in both cases the EUD also implements parallel programmes, which explains the modest score on this front.

Governance sector

While DFID and DANIDA are trying to use STAR-Ghana as its main conduit for supporting civil society and organizing calls for proposals, the EUD is also implementing parallel programmes supporting CSOs. One example is the thematic programme for Non-State Actors and Local Authorities in Development (NSA/LA in Development). This is a development policy instrument of the European Consensus on Development reflecting the European Union’s commitment to fighting poverty and promoting the rule of law. A call for proposals was issued in Ghana in 2013 (budget: €4 million). Under the 11th EDF, indicative amounts of €9 million has been set aside for support to civil society organisations (over and above the €4.5 million that the EC will commit to the second phase of STAR Ghana under the Governance Focal Sector).

Private sector development

While BUSAC was designed as a component of the governance focal sector of the NIP of the 10th EDF, the action is now considered being part of the private sector development non-focal sector. Once the Delegation Agreement was signed with the Danish Embassy, the project moved to the Macroeconomic and Trade section of the EU Delegation in Accra. Private sector development is one of the more crowded sectors in Ghana in terms of number of donors supporting the sector with 7 out of 8 EU Member States active in the sector in the period 2013-2016.

Under the 10th EDF, the EUD made a reservation of €9 million for promoting trade facilitation, regional integration and Economic Partnership Agreement support, which could possibly be financed through sector budget support. Since the Government of Ghana failed to finalize a new medium term private sector development strategy, the pooled funding arrangements (including budget support) to implement the strategy never materialized. The EUD then decided to use the project approach to support the Ministry of Trade and Industry with trade and export promotion. This became the Trade Related Assistance and Quality Enabling (TRAQUE) project, which will run until 2017 (budget: €15 million). Thus, while the intentions were in conformity with the Paris, Accra and Busan declarations, the inability of the Government to draw up a credible programme made the EUD an active player in the sector.

4.5 Strengthened alignment (EQ-5)

Main question to be answered.

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

Like in the case of strengthened ownership and leadership, this EQ referring to strengthened alignment is less relevant for both DA cases. Both projects were never intended to be aligned with national institutions and procedures, due to their independent nature and their role to challenge government policies and strategies. They were somehow better aligned with national policies. For example, the Growth and Poverty Reduction Strategy, Ghana's second generation poverty reduction strategy formulated in 2005, stressed the government's intention to engage with civil society and non-state actors. Pillar 3 of that strategy focussing on strengthening Governance, aimed at (i) creating opportunities for civil society participation to influence public policy and (ii) building the capacity of non-state actors to participate in the formulation, implementation and monitoring of development policies, particularly at local level.

For scoring the TA concluded by the EIB and the EU as regards channelling the residual HIPC contribution to Ghana via the EU contribution to the multi-donor budget support programme, a comparison has been made with the counterfactual situation that the EIB would have simply transferred the funds to the Ghanaian Treasury. In both the actual and the counterfactual case the use of the EIB would have been a fully aligned with the government policies and systems, and thus the effect of this TA on both policy alignment and system alignment has been scored as "no change".

Table 4.5 Effect of DC agreements in Ghana on strengthening alignment

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Support to Civil Society Pooled Fund (STAR Ghana)	Not applicable			
DA	Business Sector Advocacy Challenge Fund (BUSAC)	Not applicable			
TA	EIB rider to the existing MDG contract			X	

5 Analysis of process and implementation aspects (EQ 5-9)

5.1 Visibility (EQ-6)

Main question to be answered.

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement? (EQ6).

Response

Visibility of the EU was reasonably well ensured by the DA partners in the case of STAR and BUSAC (scores in between “modest” and “strong”; see table 5.1). Both BUSAC as well as STAR Ghana prominently displayed the logos of the funders on the cover page of leaflets, brochures and reports. Also the websites acknowledge the support provided by the other agencies and how they collaborate in either steering committees or funders committees. BUSAC prepared an annual work plan with a chapter on communications and related budget.

Table 5.1 Extent to which the visibility of the EU and the DC partners has been ensured

Contract title, DC partner and contract year		Strong	Modest	No actions	Poor visibility
DA	Support to Civil Society Pooled Fund (STAR Ghana)	X	X		
DA	Business Sector Advocacy Challenge Fund (BUSAC)	X	X		
TA	EIB rider to the existing MDG contract			X	

5.2 TA/DA ratio (EQ-7)

Main question to be answered 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 7).

Response

Only one TA was signed in Ghana during the evaluation period, and currently no TAs are being prepared as part of the 11th EDF programming cycle. Actually, the additional contribution of the EIB to the EC’s MDG contract was initially not foreseen. It only materialised in 2013, 4 years after the MDG contract had been signed by the EU and the GoG in July 2009. For the EIB, having no actual presence in Ghana, it made sense to transfer the resources to the EU and provide it with the mandate to effectuate the payment. It was not an intervention for which the EUD had to lobby extensively.

In the next programming period, the 11th EDF, the EUD in Accra is considering to enter into 4 Delegation Agreements. There will be DAs with DFID and DANIDA again to finance the second and third phase of STAR Ghana and BUSAC. In addition, there will be a DA with FFIAP (Spain) for an anti-corruption programme under the Governance Focal Sector and there will be a DA with GIZ (Germany) to sponsor a Technical and Vocational Training programme being part of the Employment and Social Protection Focal Sector.

The main reason provided by the EUD for opting for the DC aid modality is reducing the perceived heavy workload at the EUD and the necessity of having to do more with less people. Outsourcing the project management of an action to a member state agency will

free up resources that can be devoted to policy and strategy development and monitoring and evaluation.

The main reason provided by the DC partners to enter into DAs with the EUD is that the additional funding allows them to upscale their projects and programmes and expand their activities. For example, entering into the more difficult Northern part of the country in the case of BUSAC II.

Table 5.2 Main reasons why there are more DAs than TAs in Ghana

Reasons	Strong	Modest	No	Not at all
The EU is faced with more constraints to sign a TA than to sign a DA.				
The DC partner is faced with more constraints to sign a TA than to sign a DA.				
DAs are much more attractive to DC partners, because they increase their scope of activities.	X			
EUDs aim for reducing their workload: thus more DAs than TAs.	X			
The EU has sufficient funds available for DAs, while DC partners are faced with a scarcity of funds making it difficult to finance (more) TAs.				

5.3 Assessment of DC proposals (EQ-8)

Main question to be answered.

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

Response

EU's motivation to enter into DAs with DFID and DANIDA for STAR Ghana and BUSAC- II is fairly well described in the Identification Fiche (October 2010). There is more information to be found on STAR than on BUSAC, since the EUD was closely involved in the design of STAR Ghana and a signatory of the Memorandum of Understanding prepared by DFID as the lead donor to start with a multi-donor pooled fund for supporting civil society in Ghana. An Action Fiche was not available in the CRIS files, and EUD staff were not able to trace this document after repeated requests. This applies also to the DC Assessment Fiche(s), which could be explained by the fact that at the time of preparing the two DAs, DC Assessment Fiches had just been introduced but their use was not yet very well systematised.

Overall, the Identification Fiche provides (i) relevant information why the EC should support the two actions and (ii) adequate justification for concluding delegation agreements with DFID and Danida. For the supplementary support provided by the EIB, a detailed explanatory note was prepared for the EC in Brussels in order to accept the contribution from the EIB for the implementation of the MDG-Contract in favour of the Republic of Ghana.

During the 10th EDF the EUD also participated in the preparation of the SAWiSTRA²⁹ programme, with AFD acting as the lead agency during design. The design eventually consisted of loans to be provided by AFD and EIB and grants to be provided by the EU

²⁹ SAWiSTRA = Sanitation and Water in Small Towns and Rural Areas.

and the Bill and Melinda Gates Foundation. However, the loans never materialised, because of the government’s inability and unwillingness to accept the loan terms. Although the 2012 Government accepted the loans, it was not able to push it through Parliament before Parliament was dissolved in early January 2013. Under the new Minister of Finance, appointed in 2013, the project was shelved and finally the deadline for accepting the loans expired. Due to these problems with getting the loans approved, also the proposed DA to be concluded by the EU and AFD never materialised.

Table 5.3 Quality of the decision making process and assessment of DC proposals

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	Support to Civil Society Pooled Fund (STAR Ghana)			X	
DA	Business Sector Advocacy Challenge Fund (BUSAC)			X	
TA	EIB rider to the existing MDG contract		X		

5.4 Implementation of DC agreements (EQ-9)

Main question to be answered.

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

Response

The score with regard to implementation of DC agreements is mixed: overall viewed as positive, with a number of unforeseen negative effects.

The positive aspect of the cooperation between the EUD and the DA partners was that it allowed the EUD staff to concentrate on higher value added activities, such as strategy setting and policy development, and EUD staff did not get bogged down in the nitty-gritty of programme management and administration. However, an unforeseen effect of outsourcing programme management was a lack of information on what was happening in the projects. Apparently, there existed confusion about what it means to be “a silent partner”.

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. A lot of contextual information is better shared in meetings than reproducing it in reports. This was less a problem with STAR Ghana than with BUSAC. STAR Ghana had quarterly Funders Committee meetings, while BUSAC donors met only twice a year. The information flow between DFID and the EUD as regards STAR-Ghana was therefore considered satisfactory, while DANIDA could have performed better as regards the provision of information about the BUSAC project. However, DANIDA considered the EUD as a silent donor in BUSAC II, which explains the limited flow of information. Moreover, the EUD as a silent partner was not expected to participate in SC meetings or sub-committee meetings where funding decisions were taken.

This perceived lack of understanding what the DA funds were financing and what was going on, led the EUD to have the two projects reviewed by a Results Oriented Monitoring (ROM) mission in 2013, carried out by an external consultant. Although article 8.2 of the General Conditions of DAs allows the EU to carry out such a mission, it is at odds with the spirit of DAs which delegate the entire responsibility for implementing the project, including results monitoring, to the DA partner.

For implementing agencies, it is an additional (administrative) burden to have to deal with multiple evaluation missions. For example, in the case of STAR Ghana there were three external assessments of STAR: the Mid-Term Review (MTR); the Independent Commission on Aid Impact (ICAI) and European Union’s ROM mission. In addition, DFID Ghana undertakes annual reviews of the programme.

Another unforeseen event was the fact that BUSAC was randomly selected for a financial audit by the European Court of Auditors (ECA), on top of the annual financial audits carried out by DANIDA as part of the Delegation Agreement with the EUD. In that randomly selection process, BUSAC was treated as any other EU funded projects and no due regard was given to the special DA status of that project. In principle a DA funded project has to be audited according to the usual auditing procedures the DA partner is subjected to, while the ECA should intervene only in case the independent audit carried out on behalf of the DA partner gives reasons to do so.

A last (positive) aspect worth mentioning is that the two DA partners (DFID and DANIA) did not charge any management or overhead fees to the EU.

Table 5.4 Quality of the cooperation between the EU and the DC partner during implementation of the DC agreement

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	Support to Civil Society Pooled Fund (STAR Ghana)			X	
DA	Business Sector Advocacy Challenge Fund (BUSAC)			X	
TA	EIB rider to the existing MDG contract			X	

6 Conclusions

The EU aid delivery mechanism of delegated cooperation made a positive, though rather limited, contribution to improving aid effectiveness in Ghana. This conclusion has to be situated in the evolving context of Ghana where the aid architecture used to be relatively well coordinated, with in a few sectors effective GoG-DP coordination, while at the same time some traditional donors are phasing out their assistance and new financing instruments are emerging with involvement from the private sector.

Concluding two DAs with DFID and DANIDA, was a logical choice given the fact that the two agencies had strong comparative advantages of working in the sectors concerned, while the EUD was a relative newcomer in one of the sectors (business sector advocacy). An additional advantage of outsourcing the management of the projects was that EUD staff would have more time available to devote to higher value added activities, such as policy development and strategy setting.

The TA concluded by the EIB and the EU was not planned beforehand, but materialised when residual HIPC debt relief became available to Ghana in 2013. The choice to use the MDG budget support contract as the conduit for transferring the debt relief on behalf of the EIB was sound and relatively straightforward and in line with HIPC objectives.

In financial terms, the use of the DC modality during the EDF-10 programming period has been relatively modest when compared to the overall EU allocation under the 10th EDF. The DC modality was a new instrument that was yet to be tested and gained experience with.

Overall, the use of the delegated cooperation instrument has led to a number of positive outputs and outcomes. With regard to output indicators, strong effects were recorded in relation to increased use of comparative advantages, more joint co-financing, use of single management systems and improved intra-sector division of labour. Only modest effects or no change were recorded with regard to improved donor coordination and harmonisation and reduced number of donors active in a sector.

The most notable positive outcomes have been identified as:

- strengthened complementarity and increasing the added value of donors (strong effect);
- reduction of transaction costs (modest to strong effect);
- reduced aid fragmentation (more modest effect).

Ghana scored less well on the outcome indicators of strengthened ownership and leadership and strengthened alignment. Due to the choice of interventions, the two DA projects functioned as stand-alone projects and were never intended to be implemented by the Government on the basis of national systems and procedures. In practice the government was kept at arm's length so that the programmes could work independently and challenge government policies and strategies where necessary.

The DAs did contribute to improved EU-MS coordination, but the EUD did not become a silent partners in the sectors and as regards the projects concerned. The EU remained active in the projects/sectors concerned (monitoring, steering and the policy dialogue). The continuation of EU's active role was further accentuated by the fact that (i) the STAR project has been the subject of a separate Results Oriented Mission organised by the EU over and above evaluations and annual reviews conducted by the DA partner and (ii) a financial audit of BUSAC was carried out by the European Court of Auditors. In the case

of that audit, the DA with DANIDA was treated as any other single action financed by the EU, while no due attention was paid to the peculiarities of a project implemented under the responsibility of a DA partner. As regards the ROM mission it is noted that such a mission contradicts with the principle of a DA that the entire implementation – including results monitoring – is delegated to the DA partner.

Finally, it was also noted through interviews with the Ministry of Finance, the NAO in particular, that the GoG is less convinced of the positive contribution of the DC aid modality to improve the aid architecture in Ghana. The Government has expressed concern about the fact that the DAs did not contribute to strengthening ownership and leadership and improving alignment with government plans and priorities. EUD staff is conscious of this concern that the existing DAs have done little so far to strengthen country ownership.

This concern is particularly relevant now that under the 11th EDF the EUD in Ghana is considering to double the number of DAs from 2 to 4.

The NAO finds itself sometimes in a difficult position when he has to take a decision (on behalf of the GoG) as regards a proposed Financing Agreement including a proposal to delegate the implementation to a DA partner, while he is not convinced that the DA modality is the right way forward. On the other hand, the EUD is most likely in favour of a DA, because of shortage of staff at the EUD for managing and implementing all the projects (which become even more numerous when the volume of budget support is being reduced). This could lead to a delicate balancing act between the positions of the EUD and the NAO. For each programme, the EUD and NAO need to assess and find the best mix of aid modalities to implement the programme.

Annex A. List of people interviewed

European Union Delegation in Ghana

- Pilar Palmero Vaquero, Head Governance Section
- Christian Peters, Head Macro-Economic & Trade Section
- Delphine Aupicon, Programme Officer, Macro-economic & Trade Section
- Sotirios Bazikamwe, Governance Adviser

DANIDA – Embassy of Denmark

- Lars Jøker, Programme Coordinator – Private Sector Development
- Emmanuel Kodwo Sackey, Programme Officer – Private Sector Development
- Mawuena V.K. Hayibor, Senior Programme Officer – Governance

DFID – UK Aid

- Nic Lee, Governance Adviser
- Rita Tetteh, Senior Programme Officer

STAR – Ghana

- Ibrahim-Tanko Amidu, Programme Director

Ministry of Finance

- Ransford Asiedu Danquah, Head ACP/EU Unit
- Edward A. Borteye, Principal Economics Officer
- Kipo Cosmos Iddrisu, Economics Officer
- Samuel Aggrey, Economics Officer

Annex B. List of documents consulted

General

- Ghana Joint Assistance Strategy (G-JAS), 2007;
- Ghana – European Community: Country Strategy Paper and National Indicative Programme for the years 2008-2013;
- Ghana Aid Policy and Strategy 2011-2015: Towards Middle Income Status (2010);
- Republic of Ghana – European Union: National Indicative Programme 2014-2020;
- Transition towards EU Joint Programming – Multi-Annual Indicative Programme 2013-2016 Ghana (2014);
- Leveraging Partnership for Shared Growth and Development: Government of Ghana – Development Partners Compact 2012-2020;
- Ghana Economic Outlook, AfDB, OECD, UNDP, 2015;
- Evaluation of the Implementation of the Paris Declaration on Aid Effectiveness: Phase II – Ghana Country Report.

Support to Civil Society Pooled Fund (STAR)

- Memorandum of Understanding – GHARI;
- Identification Fiche;
- Financing Agreement + Annexes;
- Delegation Agreement;
- Inception report 2011;
- Quarterly Reports;
- DFID Annual Reviews 2012, 2013, 2014;
- Political Economy Assessment Civil Society 2013;
- ROM Report 2013;
- STAR – Ghana Programme Completion Report 2015.

Business Sector Advocacy Challenge Fund (BUSAC)

- Identification Fiche;
- Financing Agreement + annexes;
- Delegation Agreement + annexes;
- Annual Report 2011, 2012, 2014 and 2015;
- Sustainability study (2012);
- ROM report (2013);
- Impact Assessment of BUSAC II– University of Cape Coast (2014);
- Final Evaluation BUSAC II - DANIDA (commissioned to Oxford Policy Management) (2014).

Rider to the existing MDG-Contract, incorporating the European Investment Bank (EIB) residual Heavily Indebted Poor Countries (HIPC) contribution to Ghana

- Identification Fiche;
- Action Fiche;
- Financing Agreement + Annexes;
- Transfer Agreement + Annexes;
- Mid Contract review summary (2012);
- Note to the file (2014);
- Transmission Note MDG (April 2015).

4.3 Case study notes Mali

Executive summary

This country case study concerning Mali is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014. In Mali, in total 8 Delegation Agreements (DAs) and 4 Transfer Agreements (TAs) have been implemented during the period 2008-2014, with a total value of respectively € 63.9 million and € 7.8 million. This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality.

Promoting DC has not been and is not a strategic issue in the EU's aid programming documents for Mali. Nevertheless good use has been made of the DC modality in specific circumstances in order to improve the intra-sector division of labour on the basis of exploiting the comparative advantages of individual donors.

The National Indicative Programme (NIP) 2008-2013 does not contain any reference to promoting DC, neither does the new NIP for the years 2014-2020, the draft Joint Country Assistance Programme (JCAS) for 2016-2018 and the Document de Base of the EU Joint Programming for 2014-2018. Only in the JCAS 2008-2011, it was mentioned that the DC modality could be used by a DP wishing to focus its support on a maximum of 3 to 5 sectors by delegating its activities in non-priority sectors to other DPs and becoming a silent partner in those sectors.

The original output and outcome objectives of DC have been partly achieved in Mali. In fact, making use of the comparative advantages of other donors (experience, expertise, network, etc.) was the main motivation of the EUD in Mali to conclude DAs and of the four TA partners to delegate an activity to the EUD.

Overall, The DC agreements have performed well in terms of making use of the comparative advantages of individual donors, promoting intra-sectoral division of labour, expanding parallel co-financing, increasing the size of the supported projects, promoting the use of single management systems, strengthening complementarity and the added value of the support of the EU and the DC partners. On the other hand the DC Agreements had mixed or no effects at the level of reducing the number of donors per sector, reducing aid fragmentation, promoting joint co-financing, strengthening system alignment, improving donor coordination and harmonisation and reducing transaction costs.

In a number of cases, the DC modality has made it possible to shift transaction costs previously born by the DPs (in particular the EUD) to the project or programme budget, particularly when use was made of a Project/Programme Implementation Unit. In such cases, transaction costs have been reduced, but project/programme costs have been increased.

DAs bring along the risk that the involvement of the DPs in policy dialogues weakens, because project implementation agencies (AFD, BTC, GIZ and KFW) are less well-placed for conducting a (high level) policy dialogue than the EUD and Embassies. However, in a number of cases the EUD (and also TA partners) did not withdraw from the policy dialogue and (close) monitoring of the DA project such that the policy dialogue did not weaken, but that had the negative consequence that the objectives of reducing the number of active donors in the sector and of the transaction costs were not achieved.

Delegating the implementation of project to implementing agencies may have positive effects on the quality of project implementation because of the competence and expertise of those agencies, but such DAs do usually not perform well in terms of system alignment and strengthening ownership and leadership of the Government of the Partner Country. In most cases, project implementation agencies use their own systems and procedures when implementing the DA funded projects and usually have strong project management teams in the field, which easily overshadow national institutions.

Résumé exécutif

Cette étude de cas concernant le Mali fait partie de l'évaluation du mécanisme de coopération déléguée de l'Union européenne avec les Etats membres de l'UE et d'autres pays donateurs couvrant les années 2007-2014. Au Mali, un total de huit conventions de délégation (CD) et quatre conventions de transfert (CT) ont été mis en œuvre au cours de la période 2008-2014, d'un montant total de respectivement € 63,9 million et € 7,8 million. Cette évaluation ne se concentre pas sur l'évaluation des 'outputs' (extrants), des résultats et de l'impact des projets financés par l'intermédiaire de la coopération déléguée, mais sur l'évaluation de l'efficacité et l'efficience de la modalité de coopération déléguée.

Promouvoir la coopération déléguée n'a pas été et n'est pas un enjeu stratégique dans les documents de programmation de l'aide de l'UE au Mali. Néanmoins bon usage de la modalité de coopération déléguée a été fait dans des circonstances particulières en vue d'améliorer la division du travail intra-sectorielle sur la base de l'exploitation des avantages comparatifs des Partenaires Techniques et Financiers (PTFs) individuels. Ni le programme indicatif national (PIN) de 2008 à 2013, ni le nouveau PIN pour les années 2014-2020, ou encore le projet de Stratégie commune d'assistance pays (SCAP) pour 2016-2018 et le Document de Base de la programmation conjointe de l'UE pour 2014-2018 ne font référence à la promotion de la coopération déléguée. Dans le SCAP 2008-2011, il est mentionné que la modalité de coopération déléguée pourrait être utilisée par un PTF qui souhaite concentrer son aide sur un maximum de trois à cinq secteurs en déléguant ses activités dans des secteurs non prioritaires à d'autres PTFs et qui a l'intention de devenir un partenaire silencieux dans ces secteurs.

Les outputs et objectifs initiaux de la coopération déléguée ont été partiellement atteints au Mali. L'utilisation des avantages comparatifs des autres bailleurs de fonds (expérience, expertise, réseaux, etc.) s'avère avoir été la principale motivation de la DUE au Mali pour conclure des CDs et des quatre partenaires pour déléguer une activité à la DUE. Dans l'ensemble, les accords de coopération déléguée ont permis de tirer des avantages comparatifs des PTFs individuels, de promouvoir la division intra-sectorielle du travail, d'étendre le cofinancement parallèle, d'augmenter la taille des projets soutenus, de promouvoir l'utilisation des systèmes conjoints de gestion, et de renforcer la complémentarité et la valeur ajoutée de l'appui de l'UE et de ses partenaires de coopération déléguée. D'autre part, les accords de coopération déléguée ont eu des effets mixtes ou nuls au niveau de la réduction du nombre de bailleurs par secteur, et par rapport à la fragmentation de l'aide, la promotion de cofinancement conjoint, le renforcement de l'alignement aux systèmes de l'Etat, l'amélioration de la coordination et de l'harmonisation des PTFs et la réduction des coûts de transaction.

Dans un certain nombre de cas, la modalité de coopération déléguée a permis de déplacer les coûts de transaction précédemment couverts par les PTFs (en particulier la DUE) vers le budget du projet ou du programme, en particulier lorsque l'utilisation a été faite d'une unité d'exécution du projet / programme. Dans de tels cas, les coûts de transaction ont été réduits, mais les coûts du projet / programme ont augmenté.

Les conventions de délégation peuvent mener à l'affaiblissement de la participation des PTFs dans les dialogues de politique, parce que les agences de mise en œuvre (AFD, CTB, GIZ et KfW) sont moins bien placées pour mener ce dialogue (de haut niveau) que la DUE et les ambassades. Toutefois, dans un certain nombre de cas, la DUE (et aussi ses partenaires dans les conventions de transfert) ne se retirent pas du dialogue de politique et le suivi proche du projet lié à la convention de délégation de sorte

que le dialogue politique ne faiblit pas, mais cela a eu des conséquences négatives par rapport aux objectifs de réduire le nombre de partenaires actifs dans le secteur ainsi que les coûts de transaction.

Déléguer la mise en œuvre de projets aux agences d'exécution peut avoir des effets positifs sur la qualité de la mise en œuvre en raison de la compétence et de l'expertise de ces agences, mais les conventions de délégation n'ont généralement pas de bons résultats en termes d'alignement aux systèmes de l'Etat, et par rapport au renforcement de l'appropriation et du leadership du gouvernement du pays partenaire. Dans la plupart des cas, les agences de mise en œuvre utilisent leurs propres systèmes et procédures lorsqu'elles mettent en œuvre des projets appuyés par des conventions de délégation et ont généralement des équipes importantes de gestion de projets sur place, qui peuvent facilement se substituer aux institutions nationales.

List of abbreviations

AFD	Agence Française de Développement
BMZ	German Ministry of International Development
BTC	Belgian Technical Cooperation
CONFED	Coordination nationale Fonds Européen de Développement
CREDD	Cadre stratégique pour la Relance Economique et le Développement Durable
CSCR	Cadre Stratégique de Croissance et de Réduction de la Pauvreté
CSO	Civil Society Organisations
CSP	Country Strategy Paper
DA	Delegation Agreement
DC	Delegated Cooperation
DEU	Delegation of the European Union
DG-DEVCO	Directorate General – Development Cooperation
DoL	Division of labour
DP	Development Partner
DPG	Development Partners Group
EDF	European Development Fund
EIB	European Investment Bank
EQ	Evaluation Questions
EU	European Union
GCCA	Global Climate Change Alliance
GDP	Gross domestic product
GIZ	Gesellschaft fuer Internationale Zusammenarbeit
GoM	Government of Mali
HDI	Human Development Index
IED	Intended effects diagram
IMF	International Monetary Fund
IPRO	Irrigation de Proximité
IRRIGAR	Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources
JCAS	Joint Country Assistance Programme
KfW	Kreditanstalt fuer Wiederaufbau
KWSP	Kabala Water Supply Project
MINUSMA	UN Multi-dimensional integrated Stabilisation Mission in Mali.
MS	Member State
NAO	National Authorising Officer
NIP	National Indicative Programme
ODA	Official Development Assistance
OECD/DAC	Organisation for Economic Development and Cooperation/Development Assistance Committee.
PACT	Programme d'appui aux collectivités territoriales
PADRE	Programme d'appui à la décentralisation et à la réforme de l'Etat
PAOSC	Programme d'appui aux organisations de la société civile.
PARADDER	Programme d'appui à la réforme administrative, à la décentralisation et au développement économique régional

PASP	Programme d'appui au secteur privé.
PASSIP	Programme d'appui au sous-secteur de l'irrigation de proximité
PARFC	Programme d'appui à la réforme de la filière coton
PIU	Project/Programme Implementation Unit
PNIP	Programme national d'irrigation de proximité
REAGIR	Renforcement de l'agriculture irriguée
SBS	Sector Budget Support
SHA	Secretariat for the Harmonisation of Aid
SOMAPEP	Société Malienne de Patrimoine de l'Eau Potable
TA	Transfer Agreement
WB	World Bank

1 Introduction

This country case study concerning Mali is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 commissioned by the Evaluation Unit of DG-DEVCO. The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014; and
- 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, 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 or other governments, organisations and public donors.

Mali has been selected as one of the nine country case studies based on criteria such as number and volume of DAs and TAs, geographical spread of the country cases, coverage of as many DC partners as possible, etc. The other selected countries are Benin, Ghana, Haiti, Mozambique, Nicaragua, Palestine, Tanzania and Timor-Leste. In addition, there will be a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA).

This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

In total 8 DAs and 4 TAs have been implemented in Mali during the period 2008-2014. They are listed in the tables 1.1 and 1.2. Some of the main features are:

- Total value of the 8 DAs amounted to € 63.9 million and of the 4 TAs to € 7.8 million;
- The 8 DAs are funding 5 different projects/programmes. PARADDER is co-funded by 3 DAs and IRRIGAR by 2 DAs, while the other 3 projects are supported by one DA only;
- Four different implementing agencies are involved in those 8 DAs, namely: AFD, BTCs, GIZ and KfW;
- The four TAs all contribute to funding the same programme (PAOSC). The TA partners (donors) involved are: Canada, Denmark, Sweden and Switzerland.

Table 1.1. Overview of Delegation Agreements in Mali, 2008-2014

Nr	Contract Number	Contract title	DC Partner	Contr. year	Contract amount (€)
1	205568	PARFC: Programme d'appui à la réforme de la filière coton, volet « alphabétisation ».	AFD	2009	1,500,000
2	259333	PASP: Programme d'appui au secteur privé.	AFD	2011	5,000,000
3	262517	PARADDER: Appui institutionnel au développement économique régional auprès des Assemblées Régionales de Ségou et Mopti.	GIZ	2011	8,500,000
4	265131	PARADDER: Appui institutionnel au dévelop. économique régional auprès des Assemblées Régionales de Tombouctou, Gao et Kidal.	BTC	2011	470,289
5	332671	KWSP: Construction de la station de traitement d'eau à Kabala.	AFD	2013	17,800,000
6	333810	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, partie coopération technique.	GIZ	2014	6,600,000
7	333952	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, partie coopération financière.	KfW	2014	21,000,000
8	344764	PARADDER: Projet d'appui au processus de régionalisation et pour favoriser le développement économique et social.	BTC	2014	3,000,000

Table 1.2. Overview of Transfer Agreements in Mali, 2008-2014

Nr	Contract Number	Contract title	DC Partner	Contr. year	Contract amount (€)
1	21414	PAOSC-II: Programme d'appui aux organisations de la société civile.	Denmark	2011	1,006,171
2			Sweden	2011	2,259,121
3			Switzerland	2011	2,318,034
4			Canada	2012	2,187,307

Prior to the field mission on Mali, the evaluation team has carried out a desk-based assessment of the DAs and TAs. The documents consulted are presented in Annex B. During the field phase that took place from 14 to 18 March 2016, interviews were held with staff from the EU Delegation (EUD) in Mali, DA and TA partners, donor agencies and Government institutions and agencies involved in the implementation of the projects funded by a DC agreement. Martin van der Linde and Jonathan Wolsey were responsible for this case study. A list of persons interviewed is presented in annex A.

Detailed information fiches have been made for each of the five projects being supported by DAs and the project supported by the four TAs (see annex D). The text of this main document is structured in accordance with the seven main envisaged outputs of DC (see chapter 3), the five envisaged outcomes (chapter 4) and a few process and implementation aspects (see chapter 5). Those three chapters are preceded by chapter 2 dealing with a description and analysis of some aspects of the country context, in particular those relevant for evaluating DC. Overall conclusions are finally presented chapter 6.

The interviews and analyses during the fieldwork were focused on (i) the three DAs supporting PARADDER, (ii) the two DAs supporting IRRIGAR, (iii) the one DA supporting the Kabala Water Supply Project, and (iv) the four TAs supporting PAOSC. No further analyses of PARC and PASP (see table 1.1) have been carried out beyond the desk base research, because the DA supporting PARC was relatively small and has been

implemented quite a while ago, while the DA supporting PASP has never been implemented (see the information fiche in annex D).

2 Country context

Political, economic and social developments in the country

Political developments and fragility

During almost two decades (1992-2012) Mali was considered to have a reasonably stable and well-functioning democratic system. After a long period of non-democratic governance, presidential, parliamentary and local elections were held at regular intervals since 1992. However, since the turn of the century, political stability and national security were increasingly threatened by separatist movements operating in the North, later on joined by Jihadist groups. The increasing instability came to a climax in March 2012 when dissatisfied army officers committed a coup d'état, removed the democratically elected President and its Government and dissolved the National Assembly. The power vacuum in the country allowed separatist and jihadist groups to occupy a large part of the Northern regions. However, with international support – notably from France and later in MINUSMA³⁰ - those groups could be pushed back and a process towards re-establishing a democratic system could be agreed upon with the army and political leaders in the country. New presidential elections were held in July/August 2013 and parliamentary elections in November 2013. However, since then the political situation is not yet stable, as witnessed by frequent changes of the Prime Minister, and/or ministers and sometimes the entire Government. Moreover the military and security situation in the Northern part of Mali remains problematic – notwithstanding the Peace Accord signed in June 2015 -, implying that large parts of the (sparsely populated) Northern regions are not really under control of the central government.

Economic developments

During the years 2005-2010 the GDP of Mali grew with about 5% on average per year in real terms. That growth came to a standstill in 2012 (0% growth) due to the political and security crises, increased slightly in 2013 (+1.7%) and rebounded in 2014 with 7.2%. For 2015 and the years ahead, the IMF has projected a real GDP growth rate of 4.5% to 5% per year, which means that the GDP growth per capita will be only 0.9% to 1.4% per year (population growth is 3.6% per year).³¹ IMF data show that since the year 2000 the GDP growth per capita in Mali has been more or less the same as the average in West Africa, but much lower than the average of sub-Saharan Africa.³² The main economic growth obstacles in Mali are: (i) insufficient productivity increases in the agricultural sector, (ii) lack of structural transformation towards more employment and production in the manufacturing and service sectors, and (iii) political instability and security problems.

Notwithstanding the political and security crisis in 2012, fiscal discipline has been largely maintained. In 2013 and 2014, the deficit of the Government budget was kept below the 3% of GDP benchmark of the West African Economic and Monetary Union (WAEMU), but it increased to an estimated 4.3% in 2015, due to payment of a float of arrears accumulated in the previous years. IMF expects that it will take a few years before the deficit will be below the benchmark of 3% again.³³

³⁰ MINUSMA = UN Multi-dimensional integrated Stabilisation Mission in Mali.

³¹ IMF, 2015, third and fourth review under the Extended Credit Facility Arrangement.

³² IMF, 2015, Mali, selected issues.

³³ IMF, 2015, fourth review under the Extended Credit Facility Arrangement.

Social developments

Mali is one of the poorest countries in the world. According to the Human Development Index (HDI) calculated by the UNDP, Mali ranked 179th on a list of 188 countries in the Human Development Report of 2015 (data from 2014).³⁴ The HDI of Mali improved during the years 2000-2010 with 2.7% per year on average, but that figure dropped to 0.6% during the years 2010-2014.

A World Bank study published in 2015 concluded that the percentage of the population living below the poverty line declined from 51% in 2001 to 41% in 2010, although there was a (relatively modest) increase in number of people living below the poverty line (360,000). Unfortunately, the evolution of poverty since 2010 is not clear, and thus neither the impact of the political crisis in 2012/13 and the ongoing security problems, particularly in the North.

Government policies

The Growth and Poverty Reduction Strategy (CSCR) ³⁵ was the overarching Government policy document implemented during the years 2007-2011. Its three major axes were: (i) development of the productive sectors, (ii) continuation and consolidation of structural reforms and (iii) strengthening the social sectors. The CSCR focused on integrating economic and social development supported by sound fiscal policies, including medium-term expenditure planning, and a robust macro-economic framework.

A second version of the CSCR has been formulated for the years 2012-2017, but soon after it was launched its implementation was interrupted brusquely by the coup d'état of March 2012. The five main pillars of that CSCR were: improving peace and security, maintaining macroeconomic stability, promoting pro-poor growth, promoting equitable access to quality social services and strengthening good governance. The new Government formed after the elections held in August 2013 formulated two new strategy documents, namely the Sustainable Revival Plan (PRED)³⁶ for the years 2013-2014 and the Governmental Action Plan for the years 2013-2018 (PAG).³⁷ Both strategies were based on and inspired by the CSCR 2012-2017, but took into account the changed political and economic context. The PRED was particularly focused on the short term and aimed - among others - at convincing donors to restart the development cooperation (see also next sub section). The PAG is a medium term government strategy document consisting of six main axes and a large number of objectives and an extensive list of concrete measures and activities. The six axes are:

- establishment of strong and credible public institutions;
- restoration of the security of people and properties;
- national reconciliation;
- reconstruction of the educational system;
- creation of a well performing economy; and
- implementation of a national social development policy.

The changed political and economic context in the country, due to the coup d'état in 2012 and the continuing security problems in the country, and the formulation of the PAG 2013-2018 had moved the CSCR 2012-2017 to the back ground. The Government formulated therefore a new strategy document entitled Strategic Framework for Economic Recovery

³⁴ UNDP, Human Development Report 2015, pp 211 and 212.

³⁵ Cadre Stratégique de Croissance et de Réduction de la Pauvreté. It succeeded the Cadre Stratégique de Lutte contre la Pauvreté (CSLP) implemented during the years 2002-2006, which was in fact the first formal poverty reduction strategy.

³⁶ Plan pour la Relance Durable du Mali.

³⁷ Plan d'Action Gouvernementale.

and Sustainable Development (CREDD)³⁸. The CREDD has been launched in March 2016 and covers the years 2016 -2018. Its five main axes are improving: (i) peace and security, (ii) macro-economic stability, (iii) inclusive and sustainable economic growth, (iv) access to social services and social development, and (v) institutional development and good governance.

Aid architecture and donor coordination

Volume of aid

During the last couple of decades Mali has received a lot of aid from external Development Partners (DPs). According to figures from the IMF, the total amount of on-budget aid received in 2014 was estimated at about € 420 million (grants and concessional loans), which was equal to about 4.6% of GDP and about 19.4% of the total government expenditures. About a third of the aid was provided in the form of General Budget Support and another 9% in the form of Sector Budget Support.³⁹

OECD/DAC reports much higher figures of Official Development Assistance (ODA) which includes also off-budget aid. According to OECD/DAC Mali has received US\$ 1,234 million ODA in 2014, which was equal to 10.6% of its Gross National Income. The ten main donors were (in order of decreasing amounts): EU institutions, USAID, World Bank/DA, France, Canada, Germany, African Development Bank, Netherlands, Sweden and Japan.⁴⁰ In total eight EU-Member States (MS) are providing aid to Mali, notably Belgium, Denmark, France, Germany, Netherlands, Luxembourg, Spain and Sweden. The EU is by far the largest donor in Mali providing about a quarter of all ODA.

It should be noted that most DPs suspended many aid projects and programmes after the coup d'état of the end of March 2012 and only gradually restarted those projects and programmes in the first half of 2013. This has led to a notable decline of ODA in 2012, although less than one would have anticipated in view of the scope of the suspension measures.⁴¹

Aid coordination and harmonisation

In April 2007, the Government of Mali (GoM) adopted the National Action Plan for Aid Effectiveness aiming at implementing the principles of the Paris Declaration in Mali. Subsequently a special Secretariat for the Harmonisation of Aid (SHA) was established in June 2007 charged with monitoring and implementing the above mentioned Plan. Towards the end of 2007 the Development Partners (DPs) had put in place a comprehensive structure for internal coordination and harmonisation and structuring the policy dialogue with the GoM. Presently, that structure consists of:

- a Development Partners Group (DPG), which meets in principle each month;
- an “extended Troika” coordinating the DPG and having regular meetings with the Prime Minister. The Troika is composed of three Development Partners (DPs) nominated on a rotating basis plus a representative of MINUSMA (the peace keeping force of the UN);
- a Commission Mixte consisting of all DPs and the GoM to discuss key development policy issues;
- 13 sector/thematic working groups and another 12 subgroups, focussing on coordination, harmonisation and the policy dialogue at sector/thematic level;

³⁸ Cadre stratégique pour la Relance Economique et Développement Durable.

³⁹ Source: IMF, 2015, Fourth review under the Extended Credit Facility arrangement, p. 26. Total aid was 5.5% of GDP in 2013 and was projected to be 6.0% of GDP in 2015 and 5.0% of GDP in 2016.

⁴⁰ Source: OECD/DAC website.

⁴¹ OECD/DAC reports the following annual amounts of ODA for the years 2010-2014: US\$ 1,089 million, 1,267 million, 994 million, 1,398 million and 1,233 million respectively.

- a Technical Unit (Pool technique) supporting the Troika and the DPG.

The functioning of these consultative bodies came to a standstill after the coup d'état of March 2012, but the activities were restarted gradually during 2013.

EU-Mali cooperation strategy

The financial envelope of EDF-10 allocated to Mali and covering the years 2008-2013 amounted to € 559 million⁴² (envelopes A and B). For the years 2014-2020, under EDF-11, an amount of € 615 million has been allocated to Mali.⁴³

The Country Strategy Paper (CSP) and National Indicative Programme (NIP) for the EU's development cooperation with Mali during the years 2008-2013 was signed in December 2007. It was agreed to focus the EU's support on three "concentration domains", namely:

- reform of the public sector and the organisation of public services. This includes the decentralisation process and deconcentration of public services;
- economic development of the Northern Region and the Niger Delta Region; and
- General Budget Support.

Furthermore, 11% of the available financial envelope was reserved for "other programmes", among others including support to (i) Civil Society Organisations, (ii) private sector development and (iii) the Kabala water supply project.

The NIP for the years 2014-2020 (EDF-11), signed in March 2015, is focused on four "concentration sectors", namely: (i) reform of the State and consolidation of the Constitution and the Rule of Law, (ii) rural development and food security, (iii) education, and (iv) transport. Furthermore an amount of € 10 million has been allocated to supporting Civil Society Organisations.

None of the two NIPs make any reference to promoting the Delegated Cooperation modality.⁴⁴

Joint country assistance strategy

The DPs formulated a Joint Country Assistance Strategy (JCAS) in 2007 for the years 2008-2011, with the aim to improve the coordination and harmonisation of the aid, to align it better with the CSCR 2007-2011 and to promote joint programming and division of labour (DoL) among donors. As regards DoL 13 "concentrations domains" were defined and it was agreed that each DP should focus its support on three to five domains. The option of Delegated Cooperation was explicitly mentioned, implying that a DP could continue financing a project or programme outside its concentration domain provided it became a silent partner (not directly involved in both the management and administration of the funds, steering committees and the policy dialogue). The JCAS did not contain a concrete proposal as regards the Division of Labour.⁴⁵

The DPs intended to formulate a second JCAS for the years 2012-2017 meant to accompany the implementation of the CSCR 2012-2017. Finalisation of that JCAS-II was however interrupted by the coup d'état of March 2012. Drafting a new JCAS was restarted in 2014 and various versions have been produced since then. According to the latest version (dd. 23/02/2016) the JCAS-II will cover the years 2016-2018 and is meant to

⁴² Envelopes A and B.

⁴³ Envelope A only; no envelope B funds allocated yet.

⁴⁴ With the exception that in the NIP 2008-2013 one brief reference is made to DC, namely that support to regional economic development could possibly be expanded by delegating activities to other EU Member States (see p. 48 of the NIP 2008-2013).

⁴⁵ Neither the main document, nor its annexes (including the Action Plan).

accompany the Government to implement the CREDD 2016-2018. In total 21 DPs do participate in drafting the JCAS-II.

JCAS-II aims at improving aid effectiveness, aid coordination and harmonisation, alignment with national policies, procedures and systems, and the policy dialogues. Its ambitions as regards joint programming and DoL are rather modest. The draft document states that JCAS-II “foresees progressing, to the extent possible, towards a framework for a first Indicative Joint Programming during the period of its execution”, which could be implemented by “interested DPs during a next JCAS cycle (post 2018)”. Furthermore it is stated that (i) preparing Joint Programming and a good DoL needs first updating the study carried out by the Pool Technique as regards the comparative advantages of each of the DPs, and (ii) the experience of the EU and UN as regards Joint Programming needs to be evaluated so that it can contribute to “providing a basis for future indicative joint programming”⁴⁶.

The draft JCAS-II does not contain any reference to Delegated Cooperation.

EU Joint programming

Since 2012 the EUD has taken initiatives to set up a system of Joint Programming of the aid provided by the EU and its Member States, with the option that other DPs could join that initiative as well. A ‘Document de Base’ was issued in October 2014, which was strongly inspired by and closely linked with the EU’s NIP 2014-2020 for Mali. However, the support programmes of the EU-MS and the links between the support from the EU and the EU-MS were not very well developed. An attempt was made to start a process of DoL by putting together the aid projections of the EU and its MS for the years 2014-2018. The document does not contain any reference to Delegated Cooperation. It appears that this Document de Base needs to be further elaborated into a real joint programming document, and its link with and integration into the above mentioned JCAS needs to be defined clearly.

Political and strategic considerations of using the DC modality

Promoting DC has not been and is not a strategic issue in the aid programming documents for Mali. The National Indicative Programme (NIP) 2008-2013 does not contain any reference to promoting DC, neither does the new NIP for the years 2014-2020, the draft Joint Country Assistance Programme (JCAS) for 2016-2018 and the Document de Base of the EU Joint Programming for 2014-2018. Only in the JCAS 2008-2011, it was mentioned that the DC modality could be used by a DP wishing to focus its support on a maximum of 3 to 5 sectors by delegating its activities in non-priority sectors to other DPs and becoming a silent partner in those sectors.

Against that background, more operational considerations have driven the use of DC in Mali. In particular, exploiting the comparative advantages of individual donors has been a prime motivation for the use of the instrument. In the cases of DAs, implementation was delegated by the EUD to a DA partner with proven experience and expertise in the sector or sub-sector concerned.

⁴⁶ Source: Draft SCAP II dd. 23/02/16, paragraph 4 of the preface and paragraphs 104 and 106 of the main document. Quotations translated from French into English by the author.

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

The 6 DAs and 4 TAs of the four projects analysed in Mali did not contribute to improving the inter-sector Division of Labour. In fact in the case of two projects, the EU stepped into a new sector, which could be qualified as a deterioration of the inter-sector DoL. On the other hand, all these DAs and TAs clearly contributed to strengthening the intra-sector DoL because in all cases, the implementation of the agreement (action) was delegated to the agency or institution best placed to implement it in view of its expertise and comparative advantages (see the scores in table 3.1).

Table 3.1. Effect of DC agreements in Mali on improving the division of labour among donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).	Intra-sector		Inter-sector	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)	Intra-sector			Inter-sector
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).	Intra-sector			Inter-sector
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	Intra-sector		Inter-sector	

Clarifications and explanations

Focus of EDF-10 in Mali.

The EDF-10 support programme for Mali was focussed on (i) strengthening governance, (ii) promoting economic development of the Northern Region and the Niger Delta, (iii) providing General Budget Support, and (iv) supporting six projects/programmes outside the above mentioned “concentration domains”.

PARADDER, programme to support administrative reform, decentralization and regional economic development.

Inter-sector division of labour (DoL) considerations did not play a major role when the decision was taken in 2010/11 to delegate the implementation of the first two DAs to BTC and GiZ. Although the DPs in Mali had agreed on a Joint Country Assistance Strategy (JCAS; see chapter 2), that strategy did not include an explicit agreement on a specific DoL. Moreover, support to the decentralisation process was a sector/theme of concentration of all three donors (Germany: decentralization and good governance; Belgium: decentralization; EU: governance and providing support to the economic development of the North and the Niger Delta). These three DAs were as such not part of a strategy of the EU to exit the sector.

These three DAs can rather be seen as a good example of strengthening intra-sector DoL (i.e. division of tasks within the sector). They allowed the EU to be more involved in the policy dialogue, while BTC and GIZ, as implementing agencies, could focus their attention on capacity development and institution building. That DoL was strengthened by the fact that the EU was providing sector budget support for decentralisation, which required stepping up the policy dialogue with the Government of Mali on decentralisation issues.

IRRIGAR, strengthening small-scale irrigation.

Strengthening small scale irrigation was neither part of the focal sectors (concentration domains) of EDF-10 (2008-2013) in Mali, nor mentioned explicitly in the NIP as one of the activities outside the concentration domains. Nevertheless, the EU decided in 2012/2013 to enter this (sub) sector by signing two DAs with respectively GIZ and KFW.⁴⁷ Thus, with IRRIGAR, the EU became a new donor of the small-scale irrigation (sub) sector and as such this initiative was not part of an inter-sector division of labour strategy (to the contrary). On the other hand, once the EU had become a new donor of the sector, it was decided to delegate the implementation of IRRIGAR to other (donor) agencies because of their specific sector expertise and comparative advantages. This delegation can be classified as intra-sector division of labour.

Kabala water supply project (KWSP).

Becoming involved in funding a large urban water supply project in Mali was for the EU a new activity (and entrance into a new subsector), and its involvement will be phased out once this funding activity will be completed. As such it did not contribute to improving the inter-sector DoL among donors (in fact it weakened the DoL). On the other hand, once it had been decided to support funding the KWSP, the decision to delegate the implementation of the EU contribution to AFD, and to be (largely) a silent partner, contributed to intra-sector DoL based on the comparative advantages and specific expertise of AFD. The KWSP was not part of one of the three 'concentration domains' of the NIP 2008-2012, but it was explicitly mentioned as one of the six projects 'outside the concentration domains'.

PAOSC, programme to support civil society organisations.

Also the support to Civil Society Organisations (CSOs) was not part of the three concentration sectors of the NIP 2008-2012, but mentioned under the heading "other programmes". For the four TA partners (Sweden, Canada, Denmark and Switzerland), supporting CSOs was and still is an important part of their country support strategy. Thus, signing TAs for providing support to PAOSC II was not part of an inter-sector DoL strategy, because support to CSO remained a key activity of all five donors and none of them aimed to quit the sector. However, within the sector, the TAs have been an instrument to improve DoL (intra-sector division of labour). Delegating the management of CSO support programmes to the EU, which had and has experience in the implementation of such programmes and using transparent procedures (such as calls for proposals) was seen as a rationale and efficient approach by the various TA partners, which would also allow them to focus more on the policy dialogue within the framework of the 'Democratic Process and Civil Society Thematic Working Group'.

⁴⁷ To the contrary, in the NIP 2014-2020 it is mentioned that EDF-11 will support the intensification of agricultural production, among others through expanding and improving small-scale irrigation as defined in the national small-scale irrigation programme of Mali. But so far, no commitments for funding such projects have been made.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes in Mali?

Response

The three DAs of two of the four projects analysed in Mali (IRRIGAR and Kabala) have strongly contributed to more parallel co-financing in Mali, while the four TAs supporting PAOSC are clear examples of joint co-financing. The contribution of the three DAs being part of the PARRADER programme to more co-financing is modest and mixed. Only the one signed with GIZ is a clear example of joint co-financing (see table 3.2).

Table 3.2. Effect of DC agreements in Mali on increasing co-financing

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).		Joint	Parallel	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KfW)	Parallel		Joint	
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).	Parallel		Joint	
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	Joint		Parallel	

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

PARADDER is a large EU project (€ 79.8 million) consisting of Sector Budget Support, EUD managed service and work contracts and 3 DAs, of which two signed with BTC and one with GIZ. The DA with GIZ has promoted joint co-financing in the sense that the DA of PARADDER was in fact a financial contribution to the implementation of the PACT programme (succeeded by PADRE), which was mainly funded by the German Ministry of International Development (BMZ) and implemented by GIZ (€ 6 million provided by BMZ and € 2.5 million by the EU). That financing was fully joint, with no earmarking of funds and no parallel reporting.

In the case of the two DAs concluded with BTC, the co-financing arrangements were less strong. With both DAs, new actions were financed which were not embedded in existing projects. In the case of the first DA, there was a limited amount of Belgium co-financing (€ 1.8 million). That was joint co-financing, because both sources of funding were managed on the basis of the same BTC financial management systems and they were not earmarked. For administrative purposes though, the two funding sources were kept separate in the financial accounts.

IRRIGAR, strengthening small-scale irrigation.

The institutional development component of IRRIGAR is implemented by GIZ as part of a larger project called PASSIP, which is co-financed by the EU (a DA of € 6.7 million) and BMZ, the German Ministry of International Cooperation (€ 1 million). The infrastructure component of IRRIGAR is implemented by KfW and co-financed by the EU (a DA of € 21 million) and BMZ (€ 3 million). After those DAs had been signed in 2013/2014, the funding situation of PASSIP has changed. Presently (2016) PASSIP has a budget of € 27.3 million

of which € 6.7 million is funded by the DA of the EU, € 10.1 million by Canada and € 10.5 million by BMZ. These three funding lines can be considered as parallel co-financing, because the funds are kept separate both in budgeting and financial administration and justification.

In the meantime, the funding of the construction of small scale irrigation schemes, implemented by KfW, has also been broadened and consists now of the DA of the EU (€ 21 million), a total contribution of BMZ amounting to € 15 million and a contribution from Canada amounting to C\$ 60 million. These funding lines are not brought together in one overarching project. As such it is not co-financing. But the fact that all funding lines are implemented on the basis of a single set of management and implementation arrangements and by one single implementing agency (KfW) implies that the implementation structure has many similarities with parallel co-financing.

Kabala water supply project (KWSP).

The first phase of the KWSP is financed by AFD, the European Investment Bank (EIB), the World Bank (WB), EU (via the Delegation Agreement with AFD), the African Development Bank (AfDB), the Islamic Development Bank (IDB) and Italy. The EU contributes to funding component A of the first phase, together with AFD, EIB and the WB. The funding of the WB and the other three donors (AFD, EIB and the EU) have been separated in the sense that the WB is financing the reservoirs plus related canals and the other three donors the water intake, the water treatment plant and the main canal. The financial contributions of the AFD, the EU and the EIB amount respectively amounting to € 39 million, € 18 million and € 50 million. In the EU's Financing Agreement it has been stipulated that the EU contribution will only be used for funding the water intake and the water treatment plant. The (financial) collaboration between AFD and the EU can be categorized as a quite intensive form of parallel co-financing, while the collaboration with the EIB is a less intensive form of parallel co-financing. The (financial) relations with the WB-funded component are much looser.

PAOSC, programme to support civil society organisations.

The total cost of the program is € 14.5 million, including an EU contribution of € 7.0 million. The balance is co-financed by four transfer agreements: Denmark € 1,0 million, Canada € 2.2 million, Sweden € 2.3 million and Switzerland € 2.3 million. Thus, slightly more than 50% of this EU programme is co-financed by the TA partners. This is a case of joint co-financing because the contributions of the various donors are not earmarked. Moreover, there is only one single semi-annual report for all donors and all funds are managed on the basis of the procedures of the managing donor (the EU).

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

Three of the four projects/programmes (supported by 3 DAs and 4 TAs) have strongly contributed to increasing the size of the supported programmes and/or to make projects with a large budget possible. The fourth programme (PARADDER, with 3 DAs) had however only a modest impact on the size of the projects/programmes being implemented, because the volume of co-financing was limited and the size of the (initial) projects was small (see the scores in table 3.).

Table 3.3. Effect of DC agreements in Mali on increasing the size of projects and programmes

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).		X		
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)	X			
DA	KWSP: Kabala, construction de la station de traitement d'eau à Kabala, (AFD, 2013).	X			
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	X			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

The DA signed with GIZ made it possible to increase the budget of the programmes implemented by GIZ: the PACT budget increased from € 17.9 million to € 23.9 million and later on the PADRE budget increased from € 18.5 million to € 21 million. Within the PACT, the DA allowed GIZ to scale up its existing activities geographically (it became also active in Mopti Region) and in scale (supporting also regional assemblies). Interviews with GIZ have confirmed that without EU funding, the support would have had to be scaled down, either geographically or in terms of number of beneficiaries, activities or type of support. The topping up of the DA in 2014, adding € 2.5 million to the PADRE programme, allowed GIZ to include another region (Kayes) in its PADRE programme.

The two DAs signed with BTC were not meant to co-finance existing projects or programmes. The DAs led to starting relatively small new projects/programmes. Only the first one benefited from a small amount of Belgian co-financing, while the second one was not co-financed. Thus, there was/is no link between starting these DAs and increasing the size of on-going or just started projects or programmes.

IRRIGAR, strengthening small-scale irrigation.

These two DAs have increased the budgets of PASSIP (the programme dealing with institutional development and training and implemented by GIZ) and IPRO (the implementation formula for building new irrigation infrastructure, implemented by KfW). The additional funds made it possible to extend the activities of both PASSIP and IPRO to regions and villages where otherwise no activities would have taken place because of lack of funds.

Kabala water supply project (KWSP).

This DA has clearly contributed to setting up and co-funding a (very) large project (€172 million for the entire project, of which € 107 million for the subcomponent to which the EU is contributing). In fact, without the parallel co-financing arrangement, the last mentioned component would have been split up in a number of smaller projects, which would have created inefficiencies and risks as regards aligning and coordinating the individual projects.

PAOSC, programme to support civil society organisations.

With PAOSC-II, the budget of the EU programme to support CSOs doubled, moving from € 7 million (ARIANE, 9th EDF) to €14.5 million (PAOSC, 10th EDF). That budget increase

of € 7.5 million was made possible due to the four TAs signed by Denmark, Sweden, Switzerland and Canada. Thanks to that larger financial envelope, the PAOSC can now cover all 8 regions of Mali, focus on an increased number of themes, and touch CSOs operating at all kind of levels ranging from grassroots CSOs to platform organisations. Previously, most donors having a bilateral programme could cover only a maximum of three regions and a few topics. Moreover, the larger size of PAOSC-II has increased its visibility and the political weight of the programme, which in turn facilitates the policy dialogue.

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

The three DAs of IRRIGAR and the four TAs of PAOSC have strongly contributed to bringing the financial contributions of the EU and the DC partners under one single management system. To the contrary PARADDER does not score well on this criterion, because it consists of various management systems (Sector Budget Support, technical assistance contracts, programme estimates, DAs) while unification of management systems at DA level was/is limited (see table 3.4).

Table 3.4. Effect of DC agreements in Mali on increasing the use of single management systems

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).				X
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)	X			
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).	X			
TAs	PAOSC-II, Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	X			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

Within the entire EU-funded PARADDER programme there is/was a multiplicity of (project) management systems: SBS, technical assistance contracts, programme estimates, DAs implemented on the basis of BTC procedures and a DA implemented on the basis of GIZ procedures. While these different implementation modes can be justified on the basis of the number of institutions covered, and the different objectives of the various components of the programme, opting for the DA formula for part of PARADDER has increased the number of management systems used under PARADDER.

At a more detailed level, it could be argued that the DA concluded with GIZ has led to the use of one single management system for implementing both that DA and the PACT (later PADRE) project in which the DA was integrated. PACT had and PADRE has one single monitoring and financial management system, but specific reports have to be made for the

EU component. The two DAs concluded with BTC were not meant to co-finance existing projects and programmes and thus no move towards using single management system took place. Furthermore, it is worth mentioning that the first DA concluded with BTC, (whose implementation had to be stopped already after a few months due to worsening of the security situation in northern part of Mali) was co-financed by the Belgian government and that implementation of both funding lines was based on one single management system.

IRRIGAR, strengthening small-scale irrigation.

The DAs of the IRRIGAR project have clearly led to increased use of single project management systems. The institutional development component of IRRIGAR is implemented by GIZ as part of a larger project called PASSIP, and the implementation of the DA is integrated in the management system of PASSIP (as well as a similar DA funded by Canada). The same applies – although to a somewhat lesser extent to the infrastructure component of IRRIGAR, which is managed and implemented by KfW on the basis of a single set of management and implementation arrangements called IPRO. That IPRO approach is used for all small scale irrigation investment projects funded by BMZ, the EU and Canada.

Kabala water supply project (KWSP).

This DA concluded with AFD has unified the management of the contributions of the EU and AFD to funding the KWSP in one single management system. Furthermore there is a close cooperation with the EIB on the basis of the “Initiative for mutual reliance and joint EU co-financing” (agreed by AFD, EIB and KfW).

PAOSC, programme to support civil society organisations.

These four TAs, plus the EU’s own contribution are managed by one single Programme Implementation Unit (PIU) using one single management system. The single management system is based on EU procedures (programme estimates, call for proposals, call for expression of interest). This harmonisation/unification is a significant improvement compared to the previous situation under the ARIANE programme (EDF- 9), when various partners were often competing when calling for proposals, assessing (the same) proposals, and implementing capacity building programmes. The utilisation of single management systems was an important rationale for the TA partners (and the CSOs) to design and establish PAOSC. Nonetheless, the joint approach has caused also frictions between the TA partners during implementation, and between the EUD and the TA partners. Main cause of tensions was the lack of flexibility of the EU procedures in taking into account TA partners’ requests and the lack of responsiveness of the EUD in a rapidly changing context.

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

In the case of three of the analysed projects (PARADDER, IRRIGAR and PAOSC), the 5 DAs and 4 TAs concerned have not contributed to a reduction of the number of active donors in the sector concerned. Moreover, the DAs of one project (IRRIGAR) have even caused an increase of the number of donors active in the small scale irrigation sub-sector. Decreasing the number of donors active in the sectors of those three projects has not been one of the objectives of neither the EUD nor the DC partners when setting up and implementing a DC agreement. However, the DA of the KWSP has reduced the number of active partners in the sector compared to a situation in which the EU would have opted to

manage, monitor and supervise its contribution itself, because the EUD has opted for being a silent partner in this case (see table 3.5).

Table 3.5. Effect of DC agreements in Mali on reducing the number of donors active per sector

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).			X	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)				X
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).	X			
TAs	PAOSC-II, Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)			X	

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

The DAs supporting PARRADER did not contribute to reducing the number of donors per sector, among others because concluding these DAs was not part of an EU strategy to abandon. On the contrary, part of the motivation of the EU to delegate the implementation of some PARADDER components was to improve complementarity and impact, spending less time on project management and using that time for intensifying the policy dialogue. This was especially important given that PARADDER had a large Sector Budget Support (SBS) component, which had to be accompanied by an effective policy dialogue. Even when the SBS component of the programme was suspended (following the coup d'état of 2012), the EU remained very active in the policy dialogue. From 2016, it co-chairs the 'Decentralisation and Institutional Development thematic working group' of the Development Partners.

IRRIGAR, strengthening small-scale irrigation.

With launching IRRIGAR, the EU entered the small-scale irrigation (sub) sector as a new donor. Moreover, it decided to be an active donor by taking the co-lead of the Irrigation Working Group (because of its involvement in both large and small scale irrigation) and to monitor the implementation of the two DAs of IRRIGAR quite closely (quarterly reports and meetings). Thus, these two DAs did not lead to reducing the number of donors active in the (sub) sector concerned. Instead it increased the number of active donors in small-scale irrigation (sub) sector.

Kabala water supply project (KWSP).

Quite a number of donors are needed – including the EU - to mobilize sufficient funds for financing the entire KWSP. The EU has opted to delegate the implementation of its contribution to the AFD and to be (largely) a silent partner. By doing so, the EU has reduced the number of active partners in the sector compared to a situation in which the EU would have opted to manage, monitor and supervise its contribution itself.

PAOSC, programme to support civil society organisations.

In the TA assessment fiche it is underscored that the four TA partners have indicated their willingness to enter into transfer agreements with the EU in order to seek better coordination and to increase the effectiveness of the actions to strengthen the capacity of the Malian civil society, while maintaining a strong presence in the dialogue with CSOs (all

co-financiers participate in the PAOSC Steering Committee). In that respect, the use of the DC instrument was never part of an exit strategy from one of the donors. On the contrary, being part of a DC agreement was a means of becoming more active in the policy dialogue within the framework of the 'Democratic Process and Civil Society Thematic Working Group' and be therefore often more – not less – active in the sector at that level. Three of the four TA partners – Denmark being then exception - have confirmed this rationale behind DC and are actively participating in the policy dialogue and monitoring the implementation of PAOSC.

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

In the case of all 4 projects analysed (encompassing 6 DAs and 4 TAs), making use of the comparative advantages and specific expertise of the fund managing donor (AFD, BTC, GIZ and KfW in case of the DAs and the EU in case of the TAs) has been a major reason for concluding these DC agreements (PARADDER, IRRIGAR, KWSP and PAOSC).

Table 3.6. Effect of DC agreements in Mali on increasing the use of comparative advantages

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).	X			
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)	X			
DA	KWSP: Kabala, construction de la station de traitement d'eau à Kabala, (AFD, 2013).	X			
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)		X		

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

The EU has opted to delegate the implementation of this particular component of PARADDER - support to regional assemblies and regional economic development - to BTC and GIZ because of their specific expertise, presence and comparative advantages in those areas. More in particular, their specific expertise includes:

- long-term field experience with support to decentralisation and regional economic development in the Regions concerned;
- knowledge of the institutional setting (this was particular the case with the DA concluded with BTC in 2014);
- availability of technical assistants with the required local background/expertise (this was particularly the case with the two DAs signed with BTC);
- flexible project management modalities adapted to the difficult working environment.

IRRIGAR, strengthening small-scale irrigation.

EU's main argument to delegate the implementation of IRRIGAR to GIZ and KfW was to make use of the experience, expertise and comparative advantages of those two agencies. GIZ had already started a small scale irrigation project in 2007 with German funding and the institutional development and training components of IRRIGAR were meant to be integrated in that programme (PASSIP). KfW became involved in implementing investments in small scale irrigation in Mali in 2010 and it was therefore decided to delegate the implementation of the infrastructure development component of IRRIGAR to KfW.

Kabala water supply project (KWSP):

The specific expertise of AFD to manage these type of large urban water supply projects was one of the main arguments mentioned in the Action Fiche for delegating the implementation of the EU contribution to the KWSP to AFD. The other three main arguments were: (i) harmonization of procedures, (ii) division of labour, and (iii) AFD's status as lead donor as regards urban water supply. AFD became involved in the implementation of a relatively small water supply project in Bamako from 2009 onwards, which was a kind of predecessor of the large KWSP. In 2010 both AFD and the EU became involved in the preparation of the KWSP.

PAOSC, programme to support civil society organisations.

The main reason of the four TA partners to delegate the implementation of their CSO support programmes to the EU was the fact that the EUD had a lot of experience and thus a comparative advantage with implementing such programmes and with using the 'call for proposals' procedure, which was seen as a rational and an efficient implementation approach. Furthermore, EUD's experience with implementing the preceding CSO programme (called ARIANE) has strongly influenced the decision to set up these four TAs. Lastly, it should be mentioned that the volume of co-funding provided by the EU was much larger than the volume of co-funding of each of the individual TA partners (in fact, the EU contribution was as large as the total of the contributions of the four TA partners). These considerations and the fact that none of the TA partners had the capacity and the willingness to be the fund managing donor, were the reasons why the EU undertook that task.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

The effects of the 6 DAs and 4 TAs analysed in Mali (supporting 4 projects/programmes) on improving donor coordination and harmonisation have been mixed. In the case of PARADDER, donor coordination and harmonisation is limited, while the DAs have not been able to play a role in improving this situation. Donor coordination in the irrigation sector (IRRIGAR) works quite well, but the DAs have not particularly contributed to making donor coordination (more) effective. The same applies in fact to the KWSP. On the contrary, PAOSC has been quite successful in improving coordination and harmonisation of donor support to CSOs (see table 3.7).

Table 3.7. Effect of DC agreements in Mali on improving donor coordination and harmonisation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).			X	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)		X		
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).		X		
TAs	PAOSC-II, Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	X			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

The Decentralisation and Institutional Development donor working group functions rather well, but it is more dealing with exchange of information rather than real coordination. It does also not really promote harmonisation at operational level (i.e. ensuring better synergies of the various interventions). The limited coordination was among others caused by the fact that coordination between the many institutions involved in decentralisation was and is not encouraged the Government. In a context where donor coordination in the sector was already weak and the Government was not encouraging better coordination, there is little the DAs, which scope and size was limited, could do to improve that coordination.

IRRIGAR, strengthening small-scale irrigation:

Donor coordination and harmonisation work quite well in the agricultural and irrigation sectors. There exists a donor coordination group for irrigation, which is a subgroup of the Agricultural Economics and Rural Development Sector Coordination Group. The Irrigation Sub-Sector Working Group is led by the EUD and the Canadian Embassy, and deals with both large and small-scale irrigation. So far most attention has been paid to large-scale irrigation, but the group intends to focus more on small-scale from 2016 onwards.

There exists also a Steering and Monitoring Committee of the PNIP (national small-scale irrigation programme). That committee has been established in August 2014, meets at least once a year, is chaired by the Minister responsible for rural development and has 18 members of which two donor representatives and 16 representatives of various government ministries and departments.

Although donor coordination in the irrigation sector works quite well – to the benefit of among others the implementation of the DAs – the DAs themselves have not particularly contributed to making donor coordination (more) effective. As regards donor harmonisation, it can be observed that the delegation of the implementation of IRRIGAR to GIZ/PASSIP and KfW/IPRO has contributed to strengthening donor harmonisation in the irrigation (sub) sector.

Kabala water supply project (KWSP):

A KWSP coordination committee has been established in 2009, which is still functioning. It meets two or three times per year, is chaired by the Minister for Energy and Water, while all funding Development Partners are member of that committee. There is however no

evidence that the existence of a DA has contributed to improved coordination and harmonization than would have been the case in absence of a DA.

In the year 2010, two round tables were organized to discuss the set-up and funding of the project. Another Round Table was organized in October 2015 to discuss particularly the second phase of the KWSP.

There exists also a Water & Sanitation Sector Working Group of the Development Partners, presently chaired by KfW, in which the EU and AFD also participate. That Working Group deals however mainly with rural and semi-urban water supply & sanitation.

PAOSC, programme to support civil society organisations (CSOs).

PAOSC-II has been successful in improving coordination and harmonisation of donor support to CSOs. There is one single Programme Implementation Unit assessing all proposals submitted by CSOs on the basis of one single set of criteria, and monitors and supervises the supported CSOs on the basis of one single set of procedures. This represents, according to various development partners, much improvement compared to the previous situation in which different donors were assessing the same proposals submitted by CSOs (although many partners are still supporting CSOs in parallel to the PAOSC). The effect of PAOSC-II on coordinating support to CSOs has, to some extent, gone beyond PAOSC itself, and has extended to other support programmes, funded by other donors in the sector like USAID. Furthermore, it should be mentioned that there exists also a donor Working Group dealing with providing support to CSOs (the Democratic Process and Civil Society Thematic Working Group), which has functioned relatively well over time.

As reported by one of the TA partners, PAOSC has been and is the binding factor of all partners and support programmes in the sector, facilitating exchange of information and dialogue. However, within the group of development partners supporting PAOSC, two blocs appear to have emerged, the EU on the one hand and the other TA partners on the other hand (due to differences in view about the focus of the programme after the changed political context since the coup d'état of March 2012, and due to the perceived lack of flexibility of EU procedures to meet the demands of the TA partners). A possible paradox is that while the PAOSC has helped to harmonise the approaches of its partners, it may have been slightly less successful in sustaining the good level of coordination and dialogue between them.

4 Analysis of outcome-level indicators (EQ1-5)

4.1 Reduced transaction costs (EQ-1)

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs? (EQ 1).

Response

The effects of the 6 DAs and 4 TAs analysed in Mali (supporting 4 different projects) on reducing transaction costs have been quite mixed. In case of one project (PARADDER) no change has been observed, while a modest improvement has been noted at the level of IRRIGAR and KWSP and a strong improvement at the level of PAOSC. Most of the reduction has been realised at the level of the EUD in case of DAs and obviously at the level of the TA partners in case of TAs. Reduction of the transaction costs at the level of the Malian partner has been modest in most cases. The most important factors contributing to reducing the transaction costs were; (i) a better intra-sector division of labour, (ii) more co-financing, (iii) increased size of the projects, and more funds brought under a single management system. Reducing the number of active donors in the sector concerned has played a role in only one case (KWSP). In the other three cases, the DC partner delegating funds to one of the other partners has opted to remain an active donor in terms of being closely involved in the policy dialogue and in monitoring and supervising the projects/programmes concerned.

Table 4.1. Effect of DC agreements in Mali on reducing transaction costs

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).			X	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)		X		
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).		X		
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	X			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

From the perspective of the EUD, reducing transaction costs was an important consideration when deciding to delegate the implementation of one component of PARADDER to BTC and GIZ. The PARADDER is a very complex programme, and the workload of managing the various technical assistance contracts and programme estimates arrangements is significant. By signing those DAs, the workload could be reduced (compared to a situation in which the EUD would have to manage various technical assistance contracts and programme estimates budgets), and more time could thus be spent on the policy dialogue. The management of the activities funded with the DA resources was effectively delegated to BTC and GIZ, and as the cooperation between

the EUD and the DA partners was satisfactory, the costs of implementation were relatively limited (taking into account the extra coordination costs). For the DA partners, the situation was different. For BTC, both DAs were used to develop a new intervention, so the process of working with the EU was relatively more time consuming than for GIZ, for which the DA implied just a topping-up of an existing programme using GIZ procedures.

With regards to the partner country, there was little change in transaction costs when comparing the actual funding situation with DAs and a similar funding level without DAs (thus using other funding modalities). On the one hand, the authorizing officer of the EDF has benefitted from some transaction costs savings, because he/she is not involved in contracting and management of contracts. That is done by the DA partner using its own procedures. On the other hand, the establishment of specific project implementation units (by BTC and GIZ) within the *Ministère de l'Administration Territoriale et des Collectivités Locales* likely to have increased coordination costs at the level of that Ministry. At the local level (i.e. in the beneficiary regions), the use of DAs has reduced donor fragmentation, which is expected to have contributed to reducing transaction costs.

IRRIGAR, strengthening small-scale irrigation.

Delegating the implementation of IRRIGAR to GIZ and KfW has reduced the transaction costs compared to a situation in which the EU would have opted to directly manage the implementation of IRRIGAR. Main contributing factors were the strong effects of the DAs on (i) improving the intra-sector division of labour, (ii) expanding parallel co-financing, (iii) increasing the size of the implementing projects/programmes (PASSIP and IPRO) and (iv) bringing more funding lines under single management systems. On the other hand the increase of number of donors in the small scale irrigation subsector has increased the transaction costs. The overall effect on reducing transaction costs is estimated to be modestly positive.

More in particular it can be noted that the EUD has reduced its transaction costs by not directly managing IRRIGAR. However, no reduction of transaction costs has been achieved at the level of monitoring and the policy dialogue, because the EUD has opted for not becoming a silent partner and to be closely involved in the policy dialogue and monitoring the implementation of IRRIGAR and connected programmes (PASSIP, IPRO, PNIP).

At the level of the Government of Mali (Rural Engineering Department of the Ministry of Agriculture), the transaction costs are relatively low, because most of the programming planning and implementation of the small irrigation development activities is carried out by two externally funded programmes (PASSIP and IPRO). The two IRRIGAR DAs make use of this set up and thus do not increase the transaction costs of the Ministry of Agriculture very much. However these relatively low transaction costs should not simply be conceived as a positive aspects, because it reflects also a low level of ownership and leadership and a low level of alignment (see sections 4.2 and 4.5).

Finally, it should be observed that a substantial part of the reduction of transaction costs at the level of the EUD was achieved by shifting certain programming and implementation tasks, normally carried out by the EUD in case of projects/contracts under direct EUD management, to the implementing agencies (GIZ and KfW) and thus making the related costs part of the project/programme expenditures (which are not conceived as transaction costs, see the definition).

Kabala water supply project (KWSP).

Delegating the implementation of the EU contribution to funding the KWSP to AFD has clearly reduced the transaction costs compared to a situation in which the EU would have opted to directly manage the implementation of its contribution to the KWSP. Main contributing factors were the strong effects of the DAs on (i) improving the intra-sector division of labour, (ii) expanding parallel co-financing, (iii) increasing the size of the

project, (iv) bringing more funding lines under a single management system and (v) reducing the number of active donors.

It should be noted that most of the transaction costs savings are achieved at the level of the EUD, while these savings have caused some additional transaction costs at the level of the AFD. There may have been also some decrease of transaction costs at the level of the Malian partners (SOMAPEP and the Ministry of Energy and Water), because they have to deal with a lower number of active funding agencies. Overall, the effect of this DA on reduction of transaction costs is estimated to be modest.

PAOSC, programme to support civil society organisations.

Reduction of their own transaction costs (as well as those of the CSOs), and more specifically of the workload associated with appraising CSO proposals and monitoring the implementation of the funded CSO programmes, was a major rationale of the four TA partners to conclude a TA. With the use of a Programme Implementation Unit (PIU), the operating costs of managing the programme became part of the aid project/programme and have therefore increased the project's budget, while decreasing the transaction costs at the level of the EUD and the TA partners.

The use of a single management system has led to frictions between the EU and the TA partners, which have caused additional transaction costs at the level of both the TA partners and the EUD (i.e. numerous coordination meetings). For the EUD, the role of fund managing donor has, beyond its coordination dimension, not dramatically increased its workload, given that it has delegated that function to the PIU. For the CSOs, the use of a single fund management entity has reduced their transaction costs, particularly as there was no need any more to submit proposals (funding requests) to various donors. For the Government and in particular the NAO Office (CONFED), its involvement in the programme, including fund management, has implied higher transaction costs, but the use of the PIU has limited the increase of transaction costs.

4.2 Strengthened ownership and leadership (EQ-2)

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)? (EQ 2).

Response

The effects of the 6 DAs and 4 TAs analysed in Mali (supporting 4 different projects) on strengthening national ownership and leadership were and are quite modest. The three DAs of PARADDER have had limited effect on improving national ownership and leadership of the implementation of the projects concerned. Project implementation is delegated to BTC and GIZ, which use their own procedures, while the beneficiary institutions are less involved in project implementation than in case of direct management by the EU. However, both agencies are working on the basis of a participatory approach, involving the beneficiary institutions closely in the formulation, implementation and monitoring of the specific project activities.

The two DAs of IRRIGAR joined a programme characterised by a relatively low level of national ownership and leadership. They were not designed to improve national ownership and leadership at central level. The effect of these two DAs on promoting national ownership and leadership of the small scale irrigation policies, strategies and activities is therefore assessed as "no change".

The DA of the KWSP has modestly strengthened the already existing satisfactory level of national ownership and leadership of the KWSP, by avoiding that the EU would become another active donor in this subsector.

Applying the concept of government ownership and leadership is not directly relevant in the case of PAOSC because it is not a government programme, but a programme to support CSOs. Notwithstanding this, the PAOSC is structured in such a way that both the CSOs and the Government are involved in the design and implementation of the programme, including by being members of and chairing the PAOSC Steering Committee. The Government (NAO Office – CONFED) has however delegated its role of implementing agent to a Programme Implementation Unit.

Table 4.2. Effect of DC agreements in Mali on strengthening ownership and leadership of the partner country

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).			X	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)			X	
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).		X		
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	N.A.			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development

The impact of the three DAs on national ownership and leadership could not be determined precisely, partly because the evaluation team could not speak directly to staff from the regional assemblies. There are indications that the DAs did not contribute to improved ownership and leadership of government (both at central and regional levels), in particular as regards the implementation of the projects. By delegating project implementation to implementing agencies such as BTC and GIZ, using procedures that are not very much aligned with country systems (i.e. relatively independent project implementation, parallel procurement procedures), the beneficiary institutions (*Direction Générale des Collectivités Territoriales*, Regional Assemblies) are less directly involved in project implementation than with more traditional EU procedures (in which the NAO office is typically more involved). In the case of BTC, the type of procedures used (direct BTC management) was not by choice, but reflected the fact that BTC has not yet been subject of the EU's 7th pillar assessment (dealing with sub-delegation), which would have allowed BTC to use the more country-system friendly 'joint management' implementation modality (which it commonly applies for its operations in Mali). Having said that, both agencies have made special efforts in working with the respective beneficiary institutions in both the formulation, implementation and monitoring of the interventions, so this lack of beneficiary involvement and ownership has to be qualified. For GIZ, the national ownership of the DA intervention has been higher at the regional than at the central level, as also emphasized by the mid-term evaluation of PARADDER.

IRRIGAR, strengthening small-scale irrigation

The IRRIGAR project (and the related DAs) and the broader PASSIP and IPRO programmes to which IRRIGAR contributes, do not score well as regards strengthening

national ownership and leadership of small scale irrigation development. PASSIP is a large externally funded development programme managed by GIZ, staffed with international and local consultants and civil servants seconded to PASSIP. Formally it operates under the supervision and guidance of the Ministry of Agriculture (Directorate of Rural Engineering), but in practice it operates quite independently due to the fact that the financial and human resources of PASSIP are much larger than those of the Department of Rural Engineering. At local level the farmers' ownership of the small scale irrigation development objectives is said to be much higher (than at national level) due to an effective participatory approach.⁴⁸

The above presented analysis applies to a certain – but lesser- extent also to the infrastructure component of IRRIGAR, which is being implemented by KfW using the IPRO formula in terms of approach and organisational set up. IPRO has a project structure at national level, and a number of (small) project teams in the regions. Each team is co-managed by an international consultant and a staff member of the Department of Rural Engineering (seconded to the IPRO projects). These teams operate under the direct responsibility of KfW, while at a higher level the IPRO projects are overseen by the Department of Rural Engineering.

The Evaluation Team was informed that the involvement of the Department of Rural Engineering in supervising and guiding IPRO projects was stronger than in the case of PASSIP. On the other hand it has to be mentioned that PASSIP has provided a lot of support to drafting the national small-scale irrigation development policy document (PNIP), which was approved by the Government of Mali in 2012. Drafting the National Small Scale Irrigation Programme (PNIP) was overseen by a Steering Committee chaired by the Minister of Rural Development, supported by a Technical Secretariat. The PNIP can be characterised as a fully nationally owned subsector development strategy.

Lastly, it should be recalled that starting IRRIGAR (and the two related DAs) implied that an additional donor (the EU) started supporting the small scale irrigation sector, while reducing the number of donors per sector was/is one of the objectives of the Delegated Cooperation modality. According to the Intended Effects Diagram of this evaluation, increasing the number of donors per sector is seen as a factor making national ownership and leadership more difficult.

The DAs have not created the above summarised situation, but have adhered to it and have as such supported and strengthened it, while they did not stimulate initiatives to improve national ownership and leadership at central level. The effect of these two DAs on promoting national ownership and leadership of the small scale irrigation policies, strategies and activities is therefore assessed as “no change” (see table 4.2), in a context where strengthening of national ownership and leadership is needed.

Kabala water supply project (KWSP)

The KWSP is implemented by the Malian Drinking Water Supply Company (SOMAPEP; Société Malienne de Patrimoine de l'Eau Potable). A consultancy firm has been hired (funded by AFD) to support SOMAPEP with managing the project, preparing and organizing the various tenders, etc. Various construction enterprises have been hired to carry out the infrastructural works, while engineering firms have been hired to supervise those works. The KWSP is the key component of the Master Plan for the expansion and improvement drinking water supply for the agglomeration of Bamako, which is embedded in the national strategy for drinking water supply. The KWSP Coordination Committee, chaired by the Minister for Energy and Water, is coordinating and monitoring the

⁴⁸ This could however not be verified by the Evaluation Team because no field visits have been undertaken.

implementation of the project. All in all, the level of national ownership and leadership of the KWSP appears to be satisfactory. The DA has adhered to this set up and has modestly strengthened national ownership and leadership by avoiding that the EU would become another active donor in this subsector.

PAOSC, programme to support civil society organisations

For PAOSC, being a programme supporting CSOs, the concept of government (or CSO) ownership of the programme is probably less relevant than in case of the other programmes. The structure of the programme has meant that both the Government and the CSOs are well involved in the programme, including by being members of and chairing the PAOSC Steering Committee. The Government (NAO Office – CONFED) has however delegated its role of implementing agent to a Programme Implementation Unit.

4.3 Strengthened complementarity and increased added value (EQ-3)

Main question to be answered

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

Response

The effects of the 6 DAs and 4 TAs analysed in Mali (supporting 4 different projects) on 'strengthening complementarity and increasing the added value of the EU and other DC partners' have been quite strong (see table 4.3). In all cases, the improved intra-sector Division of Labour based on the comparative advantages of the agencies implementing the projects, has strongly contributed to these positive assessments. Improved donor coordination and harmonization has played only a modest role.

Table 4.3. Effect of DC agreements in Mali on strengthening complementarity and increasing the added value of donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).		X		
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière (KFW)	X			
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).	X			
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	X			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development

The added value of the DAs of PARADDER was mostly linked to improved intra-sector division of labour (DoL) among the donors supporting the sector based on the comparative advantages of each of them, and not to better inter-sector DoL or improved donor coordination. Inter-sector DoL did not improve because the DAs were never part of an EU strategy to exit the sector (because the EU did not intend to abandon the sector). However, the DAs were (and are) a good example of strengthening intra-sector DoL (i.e. division of tasks within the sector) because they allowed the EU to focus more on the policy dialogue, while BTC and GIZ, as implementing agencies, could focus their attention

on capacity development and institution building. That approach was being developed in a context where the EU was also providing sector budget support (being part of PARADDER), which required stepping up the policy dialogue. As regards improving coordination and harmonisation, there is no evidence that the DAs, which were small in size and in scope, could play much of a role in improving that coordination and harmonisation, and thus they had not much added value in that respect.

IRRIGAR, strengthening small-scale irrigation

IRRIGAR - which consists of two DAs - scores quite well on the three output factors expected to contribute to 'strengthening complementarity and increasing the added value of the EU and other DC partners (see the IED). According to the output analysis, IRRIGAR had and has a strong positive effect on improving the intra-sector Division of Labour (DoL) and increasing the use of comparative advantages. In fact the DoL was based on making optimal use of the comparative advantages of GIZ and KFW, while the EU opted for focussing on the policy dialogue. This increased the added value of the contribution of each of the donors/agencies, while it strengthened their complementarity. The contribution of IRRIGAR to improving donor coordination and harmonisation was however modest, which implies that the impact on strengthening complementarity and added value was also only modest. But overall, taking the effects of all three output factors together, the effects of IRRIGAR on 'strengthening complementarity and increasing the added value' are judged to have been quite strong.

Kabala water supply project (KWSP)

The scores of the KWSP on the three output factors expected to contribute to the outcome factor 'strengthening complementarity and increasing the added value of the EU and other DC partners are exactly the same as those as regards IRRIGAR (see here above). The conclusion as regards this outcome factor is therefore also the same: 'quite strong'. Delegating the implementation of the EU contribution to the AFD has improved the intra-sector Division of Labour (DoL) and increased the use of comparative advantages, which have strengthened the complementarity of the contributions of the various donors and has increased the added value of the contribution of each of them.

PAOSC, programme to support civil society organisations

For the four TA partners (Sweden, Canada, Denmark and Switzerland), the main motivation for delegating the implementation of their support to PAOSC to the EU, was making use of the expertise of the EUD and to improve intra-sector division of labour (DoL). Delegating the management of CSO programmes to the EU, who had experience in the implementation of large CSO programmes and transparent procedures (such as calls for proposals), was seen as a rationale step by the TA partners, who could then be more active in the policy dialogue with the CSOs. On the other hand, concluding TAs for PAOSC was not part of an inter-sector DoL strategy of the TA partners to quit the sector.

Furthermore, PAOSC has greatly improved the coordination and harmonisation of support provided to the Malian CSOs. PAOSC is managed by a single Programme Management Unit, assessing proposals submitted by CSOs and supporting those CSOs to implement the approved activities. This represents, according to the TA partners and the EUD, a great improvement compared to a previous situation in which different donors were assessing the same proposals, and each donor had its own monitoring and support structure.

Because of the strong score of PAOSC regarding the three outputs (increased use of comparative advantages, improved coordination and harmonisation, improved DoL), the score at the outcome level as regards 'strengthened complementarity and increased added value of the EU and other DC partners' is also 'strong' (see the IED).

4.4 Reduced aid fragmentation (EQ-4)

Main question to be answered

To what extent have the DC agreements reduced aid fragmentation? (EQ 4).

Response

Reduced aid fragmentation is defined as each donor supporting less sectors without reducing total aid and/or each sector supported by less donors without a reduction of total aid received. As regards the first element of that definition, it is observed that neither the EU nor one of its TA partners, has used a DC agreement as a means of phasing out its support to a particular sector. Thus from that point of view, the DC agreements in Mali have not led to less aid fragmentation. The only positive aspect as regards this indicator is that by delegating the implementation of the contribution to the KWSP to AFD while the EUD opted to be a silent partner, a further fragmentation of aid in that subsector has been avoided.

The second element of the above mentioned definition refers to the output factor discussed in section 3.5 (reduced number of active donors per sector). Only the KWSP had a positive score on that indicator, while no change was reported for PARADDER and PAOSC and a deterioration for IRRIGAR. These considerations have led to the conclusion that the DA of KWSP contributed modestly to reducing aid fragmentation, while PARADDER and PAOSC did not contribute to reducing aid fragmentation and IRRIGAR increased aid fragmentation (see table 4.4).

It has to be noted that the hypothesised cause-effect links between the four outputs identified in the IED and reduction of aid fragmentation are in practice (at least in Mali) less strong (and/or less relevant) than anticipated, as substantiated by the following observations:

- The DC agreements in Mali scored well on improving intra-sector division of labour, but not on improving inter-sector division of labour. As only the latter is relevant for (reducing) aid fragmentation, the weak scores as regards inter-sector division of labour confirms the above mentioned overall conclusion of little effects on reducing aid fragmentation;
- The scores of the DC agreements in Mali as regards improved donor coordination and harmonisation varies from 'no change' (PARADDER), to modest improvement (IRRIGAR and KWSP) and 'strong improvement' (PAOSC). However, even in the latter case, it had little to no effect on reducing aid fragmentation;
- The scores of the DC agreements in Mali as regards more co-financing and as regards increasing the size of the projects/programmes are quite positive: a strong improvement for three projects and a modest improvement for PARADDER (as regards both output indicators). However, more co-financing and/or the creation of larger projects did not lead to donors exiting the sector (as active donors) and or a reduction of the number of active donors in the sector, and therefore no effect on reduction of aid fragmentation.

Table 4.4. Effect of DC agreements in Mali on reducing aid fragmentation.

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).			X	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)				X
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).		X		
TAs	PAOSC-II, Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)			X	

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development:

The DAs of PARADDER did not contribute to reducing aid fragmentation. As the EUD was already active in the sector and is still an active donor in the policy dialogue at sector level, and as the DA partners were already active in the sector, the number of active donors in the sector has not decreased and none of the donors concerned exited the sector. Furthermore, neither the modest level of co-financing (only in case of the DA concluded with GIZ), nor the fact that the DAs led to an increase of the size of the programmes have had an effect on aid fragmentation. At the regional level (Segou, Mopti, Kayes), the DA with GIZ led to a reduction of aid fragmentation, with less donors being involved in those regions.

IRRIGAR, strengthening small-scale irrigation:

IRRIGAR and the associated DAs have contributed to a further fragmentation of aid in the sense that with IRRIGAR an additional donor (the EU) entered the small scale irrigation subsector. However, it must be acknowledged that the DAs of the EU led to an increase of the total amount of aid provided to the sector, and that the intensity of EU's engagement in the sector was lower than in case the EU's support to the sector would have been managed directly by the EUD. Neither IRRIGAR's positive effects in terms of more co-financing and increasing the size of the programmes (PASSIP and IPRO) nor the modest improvement of donor coordination and harmonisation have caused a reduction of aid fragmentation.

Kabala water supply project (KWSP):

The DA supporting the KWSP has contributed to a modest reduction of aid fragmentation in the sense that the delegation of the implementation of the EU contribution to the KWSP to AFD - while the EUD opted to be a silent partner - has avoided a further fragmentation of aid in that subsector. As in the case of IRRIGAR, neither the positive effects of KWSP in terms of more co-financing and increasing the size of the entire project nor the modest improvement of donor coordination and harmonisation have contributed to reducing aid fragmentation.

PAOSC, programme to support civil society organisations:

Although PAOSC has instigated a significant level co-financing which resulted into a sizable programme (€ 14.5 million), PAOSC did not lead to a reduction of aid fragmentation (compared to a situation in which the TA partners would have continued implementing bilateral programmes), because the TA partners did not use the DC instrument to leave the sector and/or to become a silent partner. On the contrary, TA partners used TAs as an instrument to reduce their administrative workload associated

with managing CSO programmes in order to have time to become more active in the sector (through in particular the intensification of policy dialogue). Furthermore, the four TA partners continued to support other CSO projects.

4.5 Strengthened alignment (EQ-5)

Main question to be answered

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

Two projects encompassing 4 DAs (IRRIGAR and KWSP) are well aligned with the government policies of the sectors concerned. That is less the case with PARADDER supporting decentralisation policies. As regards system alignment it should be noted that PARADDER and IRRIGAR are implemented by project or programme implementation units which are only weakly aligned with the government's systems and procedures. In that respect the KWSP scores better. The PAOSC is a special case in terms of alignment, because it is a programme supporting CSOs, operating outside government structures (assessing alignment is therefore not directly relevant).

Table 4.5. Effect of DC agreements in Mali on strengthening alignment.

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).		Policy	System	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)		Policy	System	
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).		Policy / System		
TAs	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	N.A.			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development.

Ensuring policy alignment in the area of decentralization in Mali has been a major challenge in a context marked by the coup d'état of 2012, the war in the North, the very fragmented institutional setting around decentralization and the unstable political landscape. Against that background, the DA instrument, by having a quicker formulation and mobilisation process compared to traditional EU implementation modalities, may have made it possible to be more and quicker in addressing government requests than when other implementation modalities would have been used. As such the DA instrument may have contributed positively to policy alignment. This is certainly the case for the second DA concluded with BTC (supporting PAIR), which was an opportunistic response to a high level political request at the time. In a similar vein, the DA concluded with GIZ allowed a continued involvement of GIZ and its experts in the beneficiaries regions, which has supported policy alignment at the regional level. That would have been more difficult if an EU technical assistance contract had been used. However, it should be mentioned that strengthening policy alignment at regional level may have been accompanied by a reduction of policy alignment at central level, because - as the recent mid-term evaluation

of PARADDER has pointed out - the decentralisation policy agendas at central and regional level were and are not always fully aligned.

Regarding systems alignment, both GIZ and BTC used project implementation units attached to the respective beneficiary organizations (regional assemblies and the *Ministère de l'Administration Territoriale et des Collectivités Locales*), which did not apply the Government procedures systems, including procurement and reporting. Having said that, the two implementing agencies made substantial efforts to work closely with the beneficiary institutions on the basis of a participatory approach in order to align the projects as much as possible with the objectives and operational procedures of the beneficiary organisations. On those bases, the overall impact of the DAs on systems alignment can be considered as having been broadly neutral.

IRRIGAR, strengthening small-scale irrigation.

IRRIGAR and the two related DAs score well in terms of policy alignment. The approaches and type of activities supported by IRRIGAR are fully aligned with the small scale irrigation development policy of the Government as defined in the PNIP. IRRIGAR's performance as regards system alignment is much weaker. The activities funded by the two DAs are implemented by project implementation units (PASSIP and IPRO) operating on the basis of the GIZ and KFW procedures, which are only to a limited extent aligned with the national systems and procedures. The DAs adhered to the existing system of weak system alignment of PASSIP and IPRO and did not include initiatives to improve that alignment.

Kabala water supply project (KWSP):

The DA supporting the KWSP scores well in terms of policy alignment, because KWSP is an integral (and essential) part of the Government's Master Plan for the improvement of drinking water supply to the agglomeration of Bamako. KWSP's level of system alignment is classified as 'modest'. Although the entire KWSP is implemented by a public entity (SOMAPEP) which is using the government's systems for procurement and project implementation, system alignment is somehow weakened because the project has to adhere to a number of additional requirements imposed by the funding agencies, including the AFD which is managing the DA concluded by the EU and the AFD.

PAOSC, programme to support civil society organisations:

The concept of alignment to government policies and systems is not directly relevant in the case of the PAOSC, which is a programme supporting CSOs. However, the Government was involved in the design and is involved in the implementation of PAOSC, including by being member of and chairing the PAOSC Steering Committee. Furthermore, the Government (NAO Office – CONFED) is the implementing agent of the programme, although it has delegated that role to a Programme Implementation Unit.

Looking at policy alignment from the perspective of the CSOs (and not the Government), it should be observed that the CSOs were interested in a better coordination and harmonisation of the (financial) support provided by the DPs. The large co-financing of PAOSC and PAOSC's single management system (for all funding sources) can be seen as a policy response to the demands of CSOs for better coordination and more harmonisation, which could be qualified as a kind of policy alignment from the perspective of the CSOs. Furthermore, the cooperation between the CSOs, the Government and the DPs in PAOSC's Steering Committee (*Comité d'Orientation Stratégique*), promotes the policy alignment between the three partners as regards PAOSC's objectives, strategies, definition of main themes and project appraisal criteria. During implementation, ensuring policy alignment was and is however sometimes difficult, due to the rapidly changing political context and the lack of flexibility of EU procedures (particularly as regards the use of the annual programme estimates modality, which does not allow for activities to be adjusted during the year on the basis of a changing context).

5 Analysis of process and implementation aspects (EQ 5-9)

5.1 Visibility (EQ-6)

Main question to be answered

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement? (EQ6).

Response

Insufficient visibility has not been conceived as a particular problem by the EUD and/or the DC partners at project level in Mali (the four analysed projects supported by 6 DAs and 4 TAs). For all projects it is mentioned that the logos of all partners are shown on all reports and communication material and often there is a specific text mentioning who is funding the project or activity. Moreover, for at least three of the four projects concerned, specific communication plans have been made. Nevertheless, at more general level, EUD representatives expressed concern about losing visibility and “losing projects” in case of DAs.

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Contract title, DC partner and contract year		Strong	Modest	No actions	Poor visibility
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).	X			
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)	X			
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).	X			
TAs	PAOSC-II, Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)	X			

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development

A Communication Plan has been prepared for GIZ's project PADRE, which is implementing the DA concluded with GIZ. That plan is however not yet validated. For both the PACT (predecessor of PADRE) and PADRE itself, all reports (not just those focused on the EU component) include an EU logo. The DA partners of PARADDER (EUD, BTC and GIZ) have the opinion that (lack of) visibility of the partners does not constitute a problem. Moreover, in the current security situation in Mali, visibility is even avoided in certain circumstances.

IRRIGAR, strengthening small-scale irrigation

The EUD does not conceive (loss of) visibility as a particular problem. The EU logo is shown everywhere (documents, brochures, pan cards, training material, etc.) and the implementing projects are always presented as PASSIP-IRRIGAR and IPRO-IRRIGAR. At meetings, (e.g. the annual regional planning meetings) it is also emphasized that the EU

is funding IRRIGAR. PASSIP has issued a specific Communication Plan in November 2014.

Kabala water supply project (KWSP)

There is some concern about the EU's visibility in this project, mainly because the EUD has decided to be a silent partner. However, on all documents it is mentioned that the EU is one of the funding agencies and the EU logo is shown on all documents and other printed material. Moreover, it should be noted that the visibility expectations should be realistic, which means: in line with the fact that the EU is a relatively small donor of the entire KWSP. A schematic Communication Plan has been made at the beginning of 2015.

PAOSC, programme to support civil society organisations

Visibility and communication does not raise particular concerns at the level of the TA partners. Their logos are included in the reports and other printed material of PAOSC. The TA partners have even the view that their visibility improves when the size of PAOSC increases, among others thanks to Delegated Cooperation. As regards visibility of the EU, it is interesting to note that in the TA assessment fiche, improved visibility of the EU is mentioned as part of the rationale for becoming the fund managing donor.

5.2 TA/DA ratio (EQ-7)

Main question to be answered

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 7).

Response

The TA/DA ratio in Mali is 0.5 in terms of number of agreements and 0.12 in value terms (the ratios of the entire portfolio are respectively 0.33 and 0.22). Thus, the ratio is particularly low in value terms, while the ratio in numbers is higher than the average.

The TA/DA ratio is not a strategic issue for the EUD in Mali and the EUD does therefore not apply a specific strategy aimed at increasing the number and value of TAs. Nevertheless, one of the staff members expressed explicitly concern about the imbalance between TAs and DAs.

The main reasons why there are more DAs than TAs, as listed in table 5.2, have unfortunately not been discussed with the EUD staff in Mali. The DCE questionnaire filled in by the EUD resulted in an explicit answer on the fourth statement only (see table 5.2).

Table 5.2. Main reasons why there are more DAs than TAs in Mali

Reasons	Strong	Modest	No	Not at all
The EU is faced with more constraints to sign a TA than to sign a DA.				
The DC partner is faced with more constraints to sign a TA than to sign a DA.				
DAs are much more attractive to DC partners, because they increase their scope of activities.				
EUDs aim for reducing their workload: thus more DAs than TAs.	X			
The EU has sufficient funds available for DAs, while DC partners are faced with a scarcity of funds making it difficult to finance (more) TAs.				

5.3 Assessment of DC proposals (EQ-8)

Main question to be answered

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

Response

The quality of the decision making process as regards assessing and approving DC proposals is judged to have been “average” in three cases (DAs of PARADDER, IRRIGAR and KWSP) and “good” in the case of the TAs of PAOSC. Main shortcomings in the case of the DAs are the absence of DA Assessment Fiches, which were meant to provide a good analysis and justification why the choice has been made to use the DA modality, including an assessment to what extent the DA would contribute to the output and outcome objectives of Delegated Cooperation. The quality of the Identification Fiches, Action Fiches and the TAPs attached to the Financing Decisions were generally found to be of good. Those documents provide adequate and sufficient information about the objectives, approach, justification and implementation modalities of the project concerned (see table 5.3).

Table 5.3. Quality of the decision making process and assessment of DC proposals

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DAs	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).			X	
DAs	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière(KFW)			X	
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).			X	
TAs	PAOSC-II, Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)		X		

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development

The Action Fiche of PARADDER provided sufficient information for taking an informed decision about whether or not the DAs would be appropriate instruments to implement certain components of PARADDER. However, no specific DA Assessment Fiche has been made for any of the three DAs being part of PARADDER. Referring to the choice of GTZ and BTC as DA partners, the Action Fiche underscored that both implementing agencies have long experience in working with the Regional Assemblies; GTZ with the Regional Assemblies of Segou and Mopti and BTC with those of Timbuktu, Gao and Kidal. It did not go into further details. The second DA concluded with BTC in 2014, was not envisaged in the original Action Fiche (dating from 2011). The formulation and decision-making process of that DA was very ad hoc, reflecting the emergency of the request and the need to rapidly commit the funds. Nonetheless, one of the envisaged output of that DA (i.e. increasing the use of comparative advantages) was an important consideration when taking the decision to conclude that DA. All in all, the quality of the decision making process of these DAs is classified as “average” (main shortcomings are the absence of the DA Assessment Fiche and the hasty decision making about the second DA concluded with BTC).

IRRIGAR, strengthening small-scale irrigation

The Identification Fiche, the Action Fiche and the TAP attached to the Financing Decision provide adequate and sufficient information about the objectives, approach, and justification and implementation modalities of IRRIGAR. However, the documents provide no information on the rationale of the EU to become involved in small scale irrigation (not part of the concentration domains of the EU in Mali) and provide very little information on the rationale of using the DA modality, apart from stressing that GIZ and KfW are best-placed to implement IRRIGAR, because of their expertise and comparative advantages in the small-scale irrigation sector. It could be argued that the latter is in itself a sufficient reason for opting for the DA modality, but a reflection on the other envisaged outputs and outcomes of Delegated Cooperation would have been useful and appropriate (see the Intended Effects Diagram). Moreover, the Evaluation Team has found no trace of DA Assessments Fiches in the files, while the EUD staff is not aware of the existence of such fiches. All in all, the quality of the decision making process of these DAs is classified as “average” (main shortcomings are the absence DA Assessment Fiches and the quite brief justification why the DA modality has been chosen).

Kabala water supply project (KWSP)

The Identification Fiche, the Action Fiche and the TAP attached to the Financing Decision provide adequate and sufficient information about the objectives, approach, justification and implementation modalities of the KWSP. However, the documents provide little information on the rationale of the EU to become involved in urban water supply. Probably, the origin of EU’s involvement goes back to 2005 or earlier, when the first ideas about the KWSP were launched. A DA Assessment Fiche has not been found in the CRIS archives, and the EUD staff is not aware of the existence of such a fiche. All in all, the quality of the preparation process is judged to have been of sufficiently good quality (main shortcoming is the absence of a DA Assessment Fiches and the absence of a clear justification why the EU had decided to contribute to financing this project).

PAOSC, programme to support civil society organisations

The Action Fiche of PAOSC did not explicitly outline the rationale of this co-financing arrangement but detailed the context within which such an approach was favoured. It noted that the formulation of the programme was the result of an innovative process of partnership between the state, DPs and CSOs, which took place in the spirit of the objectives of the Paris Declaration and the Busan High Level Forum and which implied a coordinated and integrated response from the DPs to the demand from CSOs to set up a joint support programme.

The TA Assessment Fiche provided relatively limited additional information for supporting a decision to use the TA modality. Except for the division of labour, no questions were asked about the likely achievement of the various envisaged DC outputs (see the IED). The responses were relatively short and often laced specificity, while no reference to potential challenges were made (such as questions about joint management systems for example). The motivations of the EUD to accept playing the role of fund managing donor were not clearly exposed, besides a reference to the positive experience with the previous ARIANE programme and the opportunity to improve the visibility of the EU when accepting these TAs. All in all, the quality of the decision making process of these TAs is classified as fairly “good”.

5.4 Implementation of DC agreements (EQ-9)

Main question to be answered

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

Response

The quality of the cooperation between the EUD and the DC partners, particularly in terms of coordination and information sharing, is assessed as 'very good' in the case of PARADDER, 'good' in the case of IRRIGAR and KWSP, but 'average' in the case of PAOSC. The main shortcomings in the last mentioned case were the lack of flexibility of EU procedures in taking on board requirements from TA partners and the lack of autonomy from the EUD in decision-making (with the regular need to refer to Brussels).

Table 5.4. Quality of the cooperation between the EU and the DC partner during implementation of the DC agreement

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	PARADDER: Appui au développement économique auprès des Assemblées Régionales de Ségou et Mopti (GIZ, 2011) et Tombouctou, Gao et Kidal (BTC, 2011); et appui au processus de régionalisation et développement économique et social (BTC, 2014).	X			
DA	IRRIGAR: Initiative de Renforcement de la Résilience par l'Irrigation et la Gestion Appropriée des Ressources, coopération technique (GIZ) et coopération financière (KfW)		X		
DA	KWSP: Construction de la station de traitement d'eau à Kabala, (AFD, 2013).		X		
TA	PAOSC-II: Programme d'appui aux organisations de la société civile, Denmark (2011), Sweden (2011), Switzerland (2011) and Canada (2012)			X	

Clarifications and explanations

PARADDER, programme to support administrative reform, decentralization and regional economic development

The information sharing and coordination between the EUD and the two DA partners (BTC and GIZ) have been excellent and reports were timely submitted. In the case of the DA concluded with GIZ and being implemented as a component of PACT/PADRE, specific reports were prepared for the EU funded component. Challenging situations (i.e. cancellation of the first DA with BTC due to the insecurity in the North of Mali) were dealt with smoothly. This collaboration, which was ad hoc and not overly formalised, went beyond contractual obligations, with for example the EUD using the BTC expert funded under the DA for ad hoc advice on issues related to decentralization. Coordination with the authorities (local and central) during implementation of the interventions was said to be satisfactory.

IRRIGAR, strengthening small-scale irrigation

Coordination and information sharing between the DA partners (GIZ and KfW) and the EU are said to be satisfactory. PASSIP/GIZ submits annual reports to the donors funding PASSIP in which specific sections are devoted to IRRIGAR (EU funded) and REAGIR (funded by Canada). KfW submits semi-annual and annual progress reports as regards the investment component of IRRIGAR. Furthermore, the EUD has quarterly an informal meeting with GIZ to discuss the progress with implementing IRRIGAR/PASSIP. Contacts with KfW are less frequent due to the fact that the KfW project manager is based in Germany. Lastly it should be mentioned that the EUD and the DC partners meet at semi-annual meetings of the IRRIGAR/REAGIR monitoring committee meetings.

Kabala water supply project (KWSP)

AFD submits annual implementation reports to the EUD. The EUD receives also a copy of the quarterly reports produced by the consultancy firm supporting SOMAPEP and of the reports produced by the engineering company supervising the construction of the infrastructure. There is also a KWSP coordination committee, which meets two or three

times per year and is chaired by the Minister for Energy and Water. All funding agencies are member of that committee. The EUD is of the opinion that it is sufficiently informed.

PAOSC, programme to support civil society organisations

Information sharing and coordination between the EU and the TA partners, while cordial and respectful, have been marked by certain frictions mainly due to lack of flexibility of EU procedures in taking on board specific – and sometimes excessive - requirements from the TA partners (such as having a certified external annual audit) and the fact that the EUD did not always have the autonomy to deal with the issues causing those frictions. In many cases the EUD had to refer to Brussels, which often led to delays and lengthy decision-making processes, and question-marks about who is in charge of the programme (the EU or the PAOSC Steering Committee). These (initial) difficulties and frictions have partly been addressed and the working relationships between the EU and the other TA partners have slowly become more harmonious. Working relationships within the Steering Committee are also said to be satisfactory now.

Six-monthly technical and financial reports are regularly produced by the PAOSC Programme Implementation Unit. However, the TA partners have commented that those reports do not sufficiently focus on results and are instead too activity-focused. A mid-term evaluation of the programme has been carried out recently.

6 Conclusions

Mali is the Partner Country with the second highest number of Delegation Agreements (DAs) and Transfer Agreements (TAs).⁴⁹ In total 8 DAs and 4 TAs have been implemented in Mali during the period 2008-2014, with a total value of respectively € 63.9 million and € 7.8 million. Nevertheless, promoting Delegated Cooperation (DC) has not been and is not a strategic issue in one of the programming documents. The NIP 2008-2013 does not contain any reference to promoting DC, neither does the new NIP for the years 2014-2020, the draft Joint Country Assistance Programme (JCAS) for 2016-2018 and the Document de Base of the EU Joint Programming for 2014-2018. Only in the JCAS 2008-2011, it was mentioned that the DC modality could be used by a DP wishing to focus its support on a maximum of 3 to 5 sectors by delegating its activities in non-priority sectors to other DPs and becoming a silent partner in those sectors.

The 6 DAs and 4 TAs of the four projects analysed in Mali did not contribute to improving the inter-sector **Division of Labour** (DoL). To the contrary, in the case of two DA funded projects, the EU stepped into a new sector. On the other hand, all these DAs and TAs clearly contributed to strengthening the intra-sector DoL because the implementation of the actions funded by the DAs and TAs was delegated to the agency or institution best placed to implement it in view of its expertise and comparative advantages. In fact, making use of **comparative advantages** of other donors (experience, expertise, network, etc.) was the main motivation of the EUD in Mali to conclude DAs and was also the main motivation of the four TA partners to delegate an activity to the EUD.

Three DAs supporting two different projects analysed (IRRIGAR/PASSIP and KWSP) have strongly contributed to more **parallel co-financing**, while the four TAs supporting PAOSC are clear examples of **joint co-financing**. The contribution of the three DAs being part of the PARRADER programme to more co-financing is modest and mixed. All in all it can be concluded that DC has contributed to more co-financing in Mali, mostly in the form of parallel co-financing.

Three of the four projects/programmes (supported by 3 DAs and 4 TAs) have strongly contributed to **increasing the size of the supported programmes** and/or to make projects with a large budget possible. The fourth programme (PARADDER, with 3 DAs) had however only a modest impact on the size of the projects/programmes being implemented, because the volume of co-financing was limited.

The three DAs of IRRIGAR and the four TAs of PAOSC have strongly contributed to bringing the financial contributions of the EU and the DC partners under **one single management system**. To the contrary PARADDER does not score well on this criterion, because it consists of various management systems (SBS, Technical Assistance contracts, programme estimates, DAs) while unification of management systems at DA level was/is limited.

In the case of three of the four analysed projects (PARADDER, IRRIGAR and PAOSC), the DC agreements have not contributed to a **reduction of the number of active donors** in the sector concerned. Moreover, the DAs of one project (IRRIGAR) have even caused an increase of the number of donors active in the small scale irrigation sub-sector. On the other hand, the DA of the KWSP has reduced the number of active partners in the sector

⁴⁹ Palestine has the highest number of DAs and TAs.

compared to a situation in which the EU would have opted to manage, monitor and supervise its contribution itself.

The effects of the DC Agreements on improving **donor coordination and harmonisation** have been mixed. In the case of PARADDER, donor coordination and harmonisation is limited, while the DAs have not been able to play a role in improving that situation. Donor coordination in the irrigation sector (IRRIGAR) works quite well, but the DAs have not particularly contributed to making donor coordination (more) effective. The same applies in fact to the KWSP. On the other hand, PAOSC has been quite successful in improving coordination and harmonisation of donor support to CSOs.

The effects of the DC Agreements on **reducing transaction costs** have been quite mixed. In the case of one project (PARADDER) no change have been observed, while a modest improvement has been noted at the level of IRRIGAR and KWSP and a strong improvement at the level of PAOSC. Most of the reduction has been realised at the level of the EUD in case of DAs and obviously at the level of the TA partners in case of TAs. Reduction of transaction costs at the level of the Malian partner has been modest in most cases.

The effects of the DC Agreements on **strengthening national ownership and leadership** were and are quite modest. The three DAs of PARADDER have not contributed to improving national ownership and leadership of the implementation of the projects concerned. Project implementation is delegated to BTC and GIZ, which use their own procedures, while the beneficiary institutions are less involved in project implementation than in case of direct management by the EU. The two DAs of IRRIGAR joined a programme characterised by a relatively low level of national ownership and leadership, while the DAs were not designed to improve that situation. The DA of KWSP has modestly strengthened the already existing satisfactory level of national ownership and leadership of the project. As regards PAOSC, the concept of government ownership and leadership is not directly relevant, because it is not a government programme, but a programme to support CSOs.

The effects of the DC agreements on **strengthening complementarity and increasing the added value** of the EU and other DC partners' have been quite strong. In all cases, the improved intra-sector Division of Labour based on the comparative advantages of the agencies implementing the projects, has strongly contributed to these positive assessments.

The DC agreements in Mali have not led to less **aid fragmentation**. The only positive aspect as regards this indicator is that by delegating the implementation of the contribution to the KWSP to AFD, while the EUD opted to be a silent partner, a further fragmentation of aid in that subsector has been avoided.

The performance of the four DC supported projects as regards **policy and system alignment** is mixed. Two projects encompassing 4 DAs (IRRIGAR and KWSP) are well aligned with the government policies of the sectors concerned. That is less the case with PARADDER supporting decentralisation policies. As regards system alignment it should be noted that PARADDER and IRRIGAR are implemented by project or programme implementation units which are only weakly aligned with the government systems and procedures. In that respect the KWSP scores better. Assessing alignment of PAOSC is not really relevant, because it is a programme supporting CSOs operating outside government structures.

Insufficient **visibility** is not conceived as a particular problem by the EUD and/or the DC partners in Mali. For all projects it is mentioned that the logos of all partners are shown on all reports and communication material, and for at least three of the four projects concerned, specific communication plans have been made.

The quality of the decision making process as regards assessing and approving DC proposals is judged to have been “average” in three cases (DAs of PARADDER, IRRIGAR and KWSP) and “good” in the case of the TAs of PAOSC. Main shortcomings in the case of the DAs are the absence of DA Assessment Fiches, which were meant to provide a good analysis and justification why the choice has been made to use the DA modality, including an assessment to what extent the DA would contribute to the output and outcome objectives of Delegated Cooperation.

The quality of the cooperation between the EUD and the DC partners, particularly as regards coordination and information sharing, is assessed as ‘very good’ in the case of PARADDER, ‘good’ in the case of IRRIGAR and KWSP, but ‘average’ in the case of PAOSC. The main shortcomings in the last mentioned case were the lack of flexibility of EU procedures in taking on board requirements from TA partners and the lack of autonomy of the EUD in decision-making (with the regular need to refer to Brussels).

All in all, it can be concluded that the original output and outcome objectives of DC have been partly achieved in Mali. The DC agreements have performed well in terms of making use of the comparative advantages of individual donors, promoting intra-sectoral division of labour, increasing parallel co-financing, expanding the size of supported projects, promoting the use of single management systems and strengthening complementarity and the added value of the support of the EU and the DC partners. On the other hand the DC Agreements had mixed or no effects at the level of reducing the number of donors per sector, reducing aid fragmentation, promoting joint co-financing, strengthening system alignment, improving donor coordination and harmonisation and reducing transaction costs.

Finally, the following **strategic observations** are worth to be considered:

DC has neither been part of the formal overall EU support strategy in Mali nor of the EU’s National Indicative Programming in Mali. Nevertheless good use has been made of the DC modality in specific circumstances in order to improve the intra-sector division of labour on the basis of exploiting the comparative advantages of individual donors.

In a number of cases, the DC modality has made it possible to shift transaction costs previously born by the DPs (in particular the EUD) to the project or programme budget, particularly when use was made of a Project/Programme Implementation Unit. In such cases, transaction costs have been reduced, but project/programme costs have been increased.

In most cases project implementation agencies (AFD, BTC, GIZ and KFW) are less well-placed for conducting a (high level) policy dialogue than the EUD and Embassies. This brings along the risk that with DAs, the policy dialogue will get less attention. However, in a number of cases the EUD (and also TA partners) did not withdraw from the policy dialogue and close) monitoring of the DA project, implying that on the one hand, the policy dialogue did not weaken, but on the other hand that the objectives of reducing the number of active donors in the sector and of the transaction costs were not achieved.

In most cases, project implementation agencies use their own systems and procedures when implementing the DA funded projects – thus little system alignment - and they usually have strong project management teams in the field. Although this may have positive effects on the quality of project implementation, it may hamper strengthening ownership and leadership by the Government of the Partner Country.

Annex A. List of people interviewed

EU Delegation

- Cecile Tassin, Chef de coopération, premier conseiller;
- Cedric Merel, Responsable Section Infrastructure (projet Kabala);
- Beatrice Neri, Chef Section Développement Rural et Sécurité alimentaire;
- Daniele Teccarelli, Attache, Point de contact Evaluation Coopération Déléguée;
- Abdouaye Kabdaogo, Chargé de Programme (IRRIGAR);
- Jan Meelker, Section Economie et Gouvernance, Chargé de Programme (PARADDER);
- Aliou Barry, Section Economie et Gouvernance, (PAOSC);
- Laura Mascagna, Gestionnaire projet.

PARADDER

- Abraham Bengaly, Commissaire au Développement institutionnel;
- Saandi Assoumani, Chef d'Equipe Assistance Technique, Commissariat au Développement Institutionnel;
- Allaye Birema Dicko, Coordinateur national GIZ/PADRE;
- Cisse Dieneba Sow, Coordinatrice Convention UE-GIZ, PADRE, GIZ;
- François Menguele, Responsable de la Coopération et du Contrat, Programme d'Appui à la Décentralisation et à la Réforme de l'Etat (PADRE), GIZ;
- Adiline Cartier, Assistante de la Direction GIZ à Bamako;
- Bart Uyttendaele, Représentant Résident, BTC, Mali;
- Eric Vercauteren, Assistant Technique, BTC, Mali.

IRRIGAR

- Dr Felix Povel, KfW, Chargé de Projet;
- Juergen Hoerner, Directeur PASSIP (GIZ);
- Christian Alix, Ambassade du Canada, Directeur adjoint Coopération, chef section agriculture et sécurité alimentaire;
- Adama Diarra, Directeur national Génie Rural;
- Moussa Ben Issak Diallo, Coordinaateur national IPRO-IRRIGAR et Secrétaire technique permanent PNIP.

Kabala, traitement et adduction de l'eau pour Bamako

- Bruno Deprince, Directeur Agence AFD à Bamako;
- Ousmane Traoré, Chargé de projets AFD, (projet Kabala);
- Mohamed Lamine Diakité, Chargé de projets (PASP).

PAOSC

- Founé Dembele, Membre votant du Comité d'Orientation et Stratégique du PAOSC, Commissariat au Développement Institutionnel;
- Amadou Ongoiba, Chargé de programme OSC, Cellule de l'Ordonnateur National du FED (CONFED);
- Amadou Kane, Deuxième Secrétaire (coopération), Ambassade du Canada;
- Mariam Sissoko Coulibaly, Chargée de Programme Gestion Publique Locale, Bureau de la Coopération Suisse au Mali;
- Désiré Ballo, Chargé de Programme Gouvernance, Embassy of Sweden, Mali;
- Irene Hvass, Chargée de Programme, Royal Embassy of Denmark, Mali;
- Pierre-Nicola Meido, Chef d'Equipe, Unité de Gestion de Programme (IGP), PAOSC.

Annex B. List of documents consulted

General

- IMF, Third review under the Extended Credit Facility, December 2015;
- IMF, Fourth review under the Extended Credit Facility, December 2015;
- République du Mali et PTF-Mali, Stratégie Commune d'Assistance Pays 2008-2011;
- République du Mali et PTF-Mali, Stratégie Commune d'Accompagnement Pays 2016-2018;
- République du Mali, Cadre stratégique de croissance et de réduction de pauvreté, 2012-2017;
- République du Mali, Plan pour la relance durable du Mali, 2013-2014;
- République du Mali, Programme d'action du Gouvernement, 2013-2018;
- UNDP, Human Development Report 2015;
- Union européenne, Programme indicative national 2014-2020;
- Union européenne, Document stratégie pays et Programme indicative national 2008-2013;
- Union européenne, Revue à mi-parcours 10-ième FED;
- World Bank, Geography of poverty in Mali, April 2015;
- Programmation conjointe de l'UE au Mali 2014-2018 (document de base).

PARADDER

- PARADDER Fiche d'identification, mars 2009;
- PARADDER, Fiche d'Action, no date;
- PARADDER, Convention de Financement, Commission européenne et République du Mali, juin 2010);
- PARADDER, Convention de Délégation (et avenants), CE et GIZ. juin 2011;
- PARADDER, Convention de Délégation, Commission européenne et BTC, 2011;
- PARADDER, Convention de Délégation, Commission européenne et BTC, juin 2014;
- PARADDER, Mid-term Evaluation (draft), mars 2016;
- PACT III, Rapport Narratif Final, décembre 2015;
- Développement Economique Régional dans les Régions de Tombouctou, Gao and Kidal (PARADDER), Rapport Final (BTC);
- Document Interne pour la Préparation de l'Annexe 1 du projet de convention GIZ-UR (GIZ), décembre 2010.

IRRIGAR

- IRRIGAR Fiche d'identification (novembre 2012);
- IRRIGAR, Fiche d'action Fiche (no date);
- IRRIGAR, Convention de Financement Commission européenne et République du Mali, (mai 2013);
- IRRIGAR, Convention de Délégation, CE et GIZ (mars 2014);
- IRRIGAR, Convention de Délégation, CE et KfW (février 2014);
- IRRIGAR, Rapport ROM (février 2016);
- PASSIP, plusieurs fiches d'information;
- PASSIP, préparation d'un plan de communication et de visibilité pour le PASSIP (novembre 2014);
- PASSIP, Planification opérationnelle du PASSIP 2014-2017;
- PASSIP, Plan de renforcement des capacités de la DNGR et de ses démembrements dans le cadre de la coordination du PNIP actualisé 2015, (avril 2015);
- PASSIP, Rapport annuel de mise en œuvre 2014/2015 (juin 2015);

- PNIP, Programme national d'irrigation de proximité 2012-2021 (janvier 2012);
- PNIP/IRRIGAR, Rapport annuel de mise en œuvre de la composante financière/infrastructure d'IRRIGAR 2014/2015 (juin 2015).

KWSP

- EU/Gouvernement du Mali, Convention de Financement d'une contribution à la première tranche du projet d'approvisionnement en eau potable de la ville de Bamako à partir de la localité de Kabala, mai 2013;
- EU, Fiche d'Action du financement d'une contribution à la première tranche du projet d'approvisionnement en eau potable de la ville de Bamako à partir de la localité de Kabala (no date);
- EU, Fiche d'Identification du Financement d'une contribution à la première tranche du projet d'approvisionnement en eau potable de la ville de Bamako à partir de la localité de Kabala (Octobre 2011);
- EU/AFD, Convention de Délégation de la première tranche du projet d'approvisionnement en eau potable de la ville de Bamako à partir de la localité de Kabala (décembre 2013);
- AFD, brève présentation du projet d'alimentation en eau potable de la ville de Bamako à partir de la localité de Kabala (no date);
- AFD, Note de communication publique sur le Projet Kabala, d'alimentation en eau potable de Bamako et d'appui à la réforme du secteur de l'hydraulique urbaine malienne (no date);
- AFD, brève présentation du projet d'alimentation en eau potable de la ville de Bamako à partir de la localité de Kabala (no date);
- AFD, Note de communication publique sur le Projet Kabala, d'alimentation en eau potable de Bamako et d'appui à la réforme du secteur de l'hydraulique urbaine malienne (no date);
- AFD, tableau des activités de communication;
- AFD, EIB and KfW: concept note de l'initiative for mutual reliance and joint EU co-financing (May 2009);
- SOMAPEP/EGIS, Rapport d'avancement trimestriel du projet d'alimentation en eau potable de la ville de Bamako à partir de la localité de Kabala, juillet – septembre 2015;
- SOMAPEP, compte rendu de la table ronde des bailleurs de fonds autour du projet d'alimentation en eau potable de la ville de Bamako à partir de la localité de Kabala (octobre 2015).

PAOSC

- PAOSC II Fiche d'identification (June 2009);
- PAOSC II, TA Assessment Fiche (no date);
- PAOSC II, Fiche d'action (no date);
- PAOSC II, Convention de Financement Commission européenne et République du Mali, (Novembre 2011);
- PAOSC II, Convention de Transfert, EC and Sweden (June 2011);
- PAOSC II, Convention de Transfert, EC and Denmark (June 2011);
- PAOSC II, Convention de Transfert, EC and Switzerland (June 2011);
- PAOSC II, Convention de Transfert, EC and Canada (September 2012);
- PAOSC II, Rapports Semestriels d'Activité 5, September 2014;
- PAOSC II, Rapports Semestriels d'Activité 6, March 2015;
- PAOSC II, Rapports Semestriels d'Activité 7, September 2015;
- PAOSC, Mid-term Evaluation, 2015.

4.4 Case study notes Mozambique

List of abbreviations

BMZ	German Federal Ministry for Economic Cooperation and Development
CICL	Camoes Instituto da Cooperacao e da Lingua
CNCS	National AIDS Council
CRIS	EU Information System
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DA	Delegation agreement
DAC	Development Assistance Committee
Danida	Danish International Development Agency
DC	Delegated cooperation
DCI	Development Cooperation Instrument
DEVCO	Directorate general of the EC charged with development cooperation
DNPDR	National Directorate for the Promotion of Rural Development
DP	Development Partner
DPG	Development Partners Group
EC	European Commission
ESPS	Environment Sector Programme Support
EU	European Union
EUD	European Union Delegation
EDF	European Development Fund
EEAS	European External Action Service
EU	European Union
EQ	Evaluation question
FRELIMO	Front for Liberation of Mozambique
FR	Financial regulations
GBS	General Budget Support
GCCA	Global Climate Change Alliance
GEP	Gabinete de Estudos e Planificacao
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoM	Government of Mozambique
HDI	Human Development Index
HoM	Head of Mission
HoC	Head of Cooperation
HPG	Health Partner Group
IED	Intended Effects Diagram
IMDA	Indirect Management Delegation Agreement
IPAD	Instituto Portuguesa de Apoio ao Desenvolvimento
JP	Joint Programming
LED	Local Economic Development
MAO	Ministry of State Administration
MDG	Millennium Development Goals
MICOA	Ministry for the Coordination of Environmental Affairs
MINT	Ministry of Interior
MITADER	Ministry of Land, Environment and Rural Development
MS	EU Member States
MPD	Ministry of Planning and Development
NIP	National Indicative Programme
NPCS	Provincial Coordinating Bodies
ODA	Official Development Assistance
OECD	Organisation of Economic Cooperation and Development
PAF	Performance Assessment Framework
PAP	Programme Aid Partners (G-19)

PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PNDED	National Programme for District Economic Development
PRODEL	Program for Local Economic Development
PS	Permanent Secretary
PSI	Policy Support Instrument (IMF)
RDP	Rural Development Programme
RENAMO	Mozambique Resistance Movement
RG	Reference Group
SBS	Sector Budget Support
SDP	Strategic Development Plan
TA	Transfer agreement
TAP	Technical and Administrative Provisions
ToR	Terms of Reference
TWG	Technical Working Group
UN	United Nations

Executive summary

The Mozambique case study –one of a total of nine country case studies- is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) commissioned by the DG DEVCO Evaluation Unit. This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality.

An assessment of the DC mechanism should be understood in the context of the evolving aid landscape of Mozambique. On the one hand, the donor community in Mozambique has developed an advanced architecture with working groups for each (sub-) sector. On the other hand, it has failed to achieve an actual division of labour beyond a handful of unilateral withdrawals of some donors from selective sectors, in spite of numerous harmonisation and aid effectiveness initiatives in the last decades. The EU MS and the EUD agreed a Joint Action Plan in March 2010. Yet, this Plan did not contain a directive to use DC and silent partnership, but left any action in this regard to the individual donors. This is also how it has worked in practice with regard to the use of DC.

Four Delegation Agreements (DAs) and three Transfer Agreements (TAs) have been or are being implemented in Mozambique, of which two were concluded with the German GIZ as implementing agency of EU-funded projects. The other five agreements have all been signed with different partners. Two agreements (one DA and one TA) are linked with the Global Climate Change Alliance (GCCA) programme in Mozambique. The four DAs amounted to a total of €29 million and the three TAs to a total of €22 million.

The original output and outcome objectives of DC have been partly achieved in Mozambique. In fact, making use of the comparative advantages of other donors (experience, expertise, network, etc.) was the main motivation of the EUD in Mozambique to conclude DAs and of the three TA partners to delegate an activity to the EUD. Overall, most DC agreements have also performed well in terms of promoting intra-sectoral division of labour, expanding (mainly joint) co-financing, increasing the size of the supported projects, and strengthening complementarity and the added value of the support of the EU and the DC partners. The DC agreements also contributed, to a large extent, to strengthening donor coordination and harmonisation, but the dialogue was mainly limited to information exchange and efforts to avoid overlap between projects. The DC agreements have had mixed or no effects at the level of reducing the number of donors per sector, promoting the use of single management systems, reducing aid fragmentation, strengthening system alignment and on ownership and leadership.

Most DC arrangements have reduced the transaction cost. In a number of cases, the DC modality has made it possible to shift transaction costs previously borne by the DPs (in particular the EUD) to the project or programme budget, particularly when use was made of a Project/Programme Implementation Unit. In such cases, transaction costs have been reduced, but project/programme costs have been increased.

Delegating the implementation of project to implementing agencies have had positive effects on the quality of project implementation because of the competence and expertise of those agencies. These agencies performed less in terms of system alignment and strengthening ownership and leadership of the Government of the Partner Country, because they use their own systems and procedures when implementing the DA funded projects.

1 Introduction

This evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 is part of DEVCO's evaluation programme approved by the Commissioner for Development. The main objectives of this evaluation are:⁵⁰

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014; and
- 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, namely:

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

Mozambique has been selected as one of the nine country case studies based on criteria such as number of Delegation Agreements (DAs) and Transfer Agreements (TAs), volume of DA and TA agreements, geographical spread of country cases, coverage of as many DC partners as possible, etc. The other selected countries are Mali, Benin, Ghana, Tanzania, Haiti, Nicaragua, Timor-Leste and Palestine. In addition, there will be a desk-study of the DC agreements related to the GCCA.

This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

The overview of DAs and TAs in Mozambique is presented in tables 1.1 and 1.2 below. The main features are:

- There are four DAs and three TA being implemented or having been implemented in the recent past;
- The EU has concluded these seven DC agreements with six different parties linked with six different countries;
- GIZ is the only DC partner involved in more than one agreement with the EU. The two GIZ DAs are supporting the same project, the Institutional Development of the National AIDS Council (CNCS);
- The GCCA programme in Mozambique (1 DA and 1 TA) is linked with the Environment Sector Programme Support II (ESPS II). The GCCA is subject of a special case study of this evaluation. All DAs and TAs related to GCCA will be analysed in a separate desk study, supplemented by findings from country case studies.

⁵⁰ See Terms of Reference (ToR), page 1.

Table 1.1 Overview Delegation Agreements in Mozambique, 2008-2014

Nr	Contract Number	Contract Title	Del Coop Partner	Contract Year	Contract Amount (€)
1	226128	Institutional Development of the National AIDS Council "CNCS" in Mozambique, phase 1	GIZ	2009	3,000,000
2	243761	Support to the Institutional Development of the Ministry of Interior	IPAD/CICL	2010	6,580,000
3	264785	Environment Sector Programme Support II 2011-2015 (ESPS II)	DANIDA	2011	14,825,000
4	336223	Institutional Development of the National AIDS Council "CNCS" in Mozambique, phase 2	GIZ	2013	4,812,000
Total					29,217,000

Table 1.2. Overview Transfer Agreements in Mozambique, 2008-2014

Nr	Decision Number	Contract Title	Del Coop Partner	Contract Year	Contract Amount (€)
1	20970	Millennium Development Goals (MDG) Contract, General Budget Support	Belgium	2009	12,180,000
2	22221	Program for Local Economic Development (PRODEL)	Sweden	2012	4,900,000
3	22341	GCCA support project for Mozambique (support to ESPS II)	Ireland	2011	5,000,000
Total					22,080,000

Prior to the field mission, the evaluation team has carried out a desk-based assessment of the DAs and TAs. The documents consulted are presented in Annex B. During the field phase that took place from 18 to 22 April 2016 follow-up interviews were held with the EU Delegation (EUD) in Mozambique, DA and TA partners, donor agencies, Government institutions and agencies, and technical assistance teams involved in the project and programmes funded by a DC agreements (see Annex A for list of persons interviewed). Albert de Groot was responsible for the Mozambique case study.

Detailed information fiches have been made for each of the four projects being supported by DAs and the project supported by the three TAs (see annex D). The text of this main document is structured in accordance with the seven main envisaged outputs of DC (see chapter 3), the five envisaged outcomes (chapter 4) and a few process and implementation aspects (see chapter 5). Those three chapters are preceded by chapter 2 dealing with a description and analysis of some aspects of the country context, in particular those relevant for evaluating DC. Overall conclusions are finally presented chapter 6.

According to the overall evaluation design, the depth and focus of the analysis/evaluation might be somewhat different across the DC agreements. The Support to CNCS and the ESPS II got most attention during the field mission.

2 Country context

Political, economic and social situation

Political tension combined with a natural resource boom have created a complex situation in Mozambique, where human development is still very low.

Political developments

Although the civil war ended 24 years ago, former war rivals still dominate the current political landscape of Mozambique. After the independence war, which ended in 1975, the main resistance party - the Front for Liberation of Mozambique (FRELIMO) - negotiated an independence agreement with the Portuguese and became the ruling party. Its rule was soon challenged by the Mozambique Resistance Movement (RENAMO), which was mainly funded by white Rhodesians and Apartheid supporters, to prevent the newly independent Mozambique from supporting resistance to the white governments in its neighbouring countries. In 1977 the country plunged into a 16-year long civil war between FRELIMO and RENAMO. In 1992, the Maputo Peace Agreement was signed, allowing both parties to proceed as political movements. FRELIMO has been the ruling party since then, having won five consecutive multi-party elections. Struggling with political marginalisation, RENAMO heightened tensions in 2012 with sporadic violence. RENAMO's leader, Afonso Dhlakama, revoked the 1992 Peace Agreement in 2013, after which fighting broke out. Although a new peace deal was negotiated in 2014, tensions between the two fronts remain high.

Economic developments

Economically, Mozambique has recovered remarkably well from the years of civil war. The latest IMF Staff Report (December 2015) stated that GDP growth has been 7% per annum on average over the last five years; and the outlook remains robust with a medium term growth rate of 7.5 - 8% per year. This outlook is mainly due to the discovery of gas fields off the coast in 2011. For the coming years, massive investments in these resources are expected, which will offset negative macroeconomic projections such as currency pressures and a sizable external trade deficit.

Economic growth cannot be qualified as pro-poor. Mozambique's per capita income remains low and more than half of the population continues to live below the poverty line. In terms of social development, Mozambique ranks 180 (out of 188) on the human development index 2015. These figures emphasize the needs for the coming years to implement policies that support fiscal sustainability, infrastructure investments, and inclusive growth.

Corruption remains a problem: observers note that even the 2012 anticorruption law does not work because its implementers (judicial bodies and the police) are often also corrupt. Judicial independence remains limited and suffers of scarce resources, poor training, a backlog of handling court cases, corruption, and fear of violent retaliation. Mozambique ranked 112th out of 167 on the Transparency International's Corruption Perceptions Index.

The recently discovered 'tuna scandal' illustrates that the state has to step up its efforts to spend money on the right things; the money borrowed for developing the tuna fish industry, via bonds issued by the state-owned company EMATUM, has been spent for a great deal on security equipment. The latest scandal is related to foreign debt. Last April, the IMF discovered that loans (with a State Guarantee) were taken in secret in 2013 totalling US\$ 2,137 to US\$ 2,207 million (including EMATUM). Government guaranteed

loans must be reported and a legal limit is established by parliament, which was not respected, and the IMF, donors and the parliament were not informed about these loans. In response, the IMF has suspended its PSI programme and the second tranche of an already agreed loan (Standby Credit Facility) (source: <http://clubofmozambique.com>).

Social developments

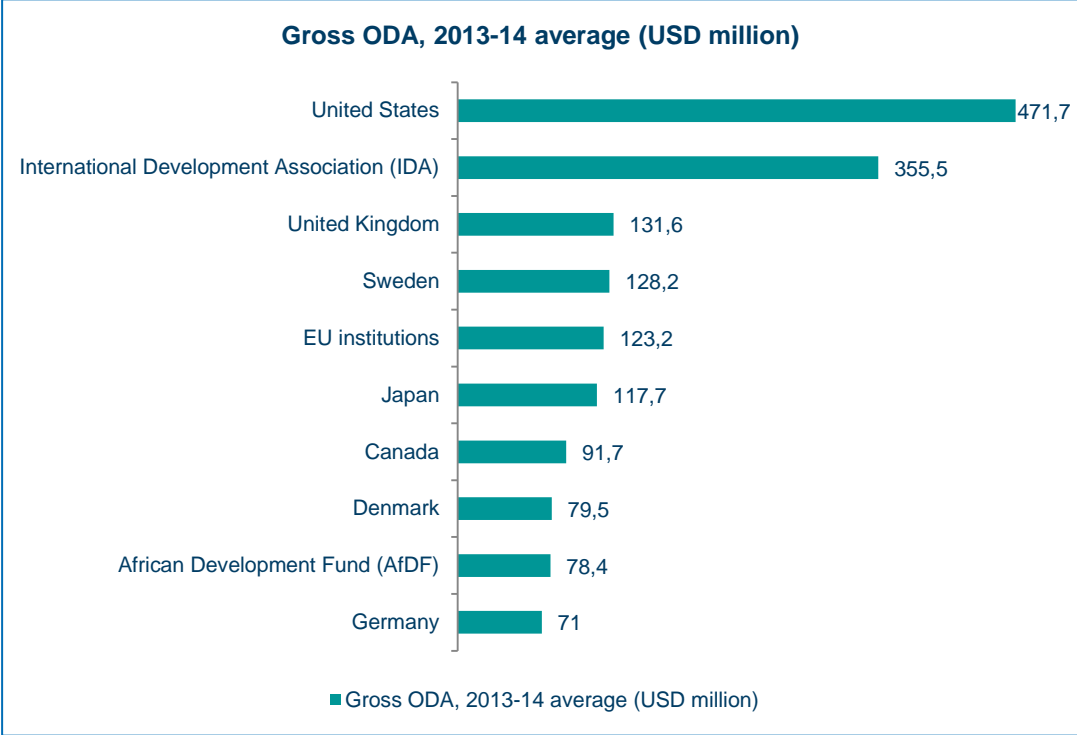
Mozambique’s rapid economic expansion over the past decades has had only a moderate impact on poverty reduction, while the geographical distribution of poverty remained largely unchanged. Mozambique also needs to improve its social indicators. The country ranked 178th out of 187 countries in the most recent Human Development Index (HDI). The adult literacy rate is 56% and average life expectancy at birth is just 50.3 years. Mozambique faces other challenges such as increasing malnutrition and stunting. Malaria remains the most common cause of death, responsible for 35% of child mortality and 29% of the overall mortality in Mozambique. HIV prevalence among adults showed a downward trend, but now stabilizing at a relatively high rate of 11.5%.

The social progress index for access to improved sources of water and sanitation ranks Mozambique 128th and 119th, respectively, out of 135 countries. Indeed, Mozambique has one of the lowest levels of water consumption in the world. As a response to such challenges, the Mozambican authorities considers the social sectors as top priorities and funding has been increased for those sectors in general.

Aid Architecture

Many development partners are active in Mozambique: in 2013, more than 36 donors were counted. The National Indicative Programme (NIP) 2014-2020 states: “While donor dependence is decreasing (from 75% of the budget 20 years ago to 25% in 2014), the EU and its MS remain the largest donor group in Mozambique (nearly 80% of total)”. However, the largest donors are the USA and the World Bank (see figure 1).

Figure 2.1 Top ten donors in Mozambique (source: OECD-DAC)



Mozambique is a large recipient of General Budget Support (GBS). In the Country Strategy Paper (CSP) 2008-2013 it was noted that the group of 19 donors⁵¹ providing GBS (Programme Aid Partners, PAP, or G-19) to the Government of Mozambique (GoM) had become the main forum for policy dialogue between the GoM and donors. A Memorandum of Understanding (MoU) was signed by the G-19 and the GoM in 2004, which set out the principles, terms and operating procedures. This MoU was renewed in 2009 and 2015. In 2015, the group of GBS Partners which signed the MoU was reduced to 14.⁵²

In order to steer the dialogue between the G-19 and the GoM, a troika chairmanship system has been set up representing the PAP at the level of Heads of Cooperation. The Troika is composed of the chair, the outgoing chair and the incoming chair. Composition of the troika rotates annually. The Troika represents the PAP in a Joint BS Steering Committee with the government.

The second forum for cooperation dialogue among donors is the Development Partners Group (DPG), which meets once a month at Head of Mission (HoM) level and is chaired by the World Bank and the UNDP. Whereas the DPG is more inclusive in terms of donor representation than the PAP, it lacks official representation by the government. The backbone of donor coordination is the Aid Information Management System adopted in 2005 by the Ministry of Planning and Development (MPD), to which – as of October 2012 – 46 development partners provide information on their aid commitments and disbursements.

EU support

The EU has been supporting Mozambique for a long time. A large part of its aid is disbursed via budget support.

⁵¹ The 19 Programme Aid Partners (PAPs) were: Austria, Belgium, Denmark, European Commission, Finland, France, Germany, Ireland, Italy, Holland, Norway, Portugal, Sweden, Switzerland, Great Britain, Spain, Canada, the World Bank and the African Development Bank. The United Nations (UN) and the United States of America (USA) are associate members, since they do not provide budget support, but they take part in planning, monitoring and evaluation processes. In 2015.

⁵² Austria, Canada, European Commission, Finland, France, Great Britain, Ireland, Italy, Portugal, Sweden, Switzerland, Spain, the World Bank and the African Development Bank.

Overview allocation EU support (focal sectors in bold)	
Sector	Amount (EUR)
The estimated distribution of the 6th, 7th and 8th EDF (M€823) by area of intervention is as follows: transport infrastructure 33.5%; macro-economic budgetary support 33.4%; health 7.1%; governance 6.6%; rural development 6.5%; water 4.9% and others 6.1%. The EC also provides substantial support through the food security and other budget lines. ⁵³	
Allocation of the 9th EDF envelope ⁵⁴	
Macro-economic budgetary support	150
Transport	100
Food security and agriculture	Food Security Budget Line
Health-HIV/AIDS	30
Good governance	10
Capacity-building for civil society	4
Total	294

Allocation of the 10th EDF envelope ⁵⁵	
Transport infrastructure and regional integration	130.62 (21%)
- Sector-wide approach in the transport sector – 40-60%	
- Investment projects – 40-60%	
Agriculture, rural development and regional integration	74.64 (12%) - 93.3 (15%)
- Budget support for agriculture and rural development – 85-90%	
- Support for producers' associations and commercial farmers 10-15%	
Budget Support	286.12 (46%) - 311 (50%)
Health and HIV	49.76 (8%)
Support for governance	Tbd
Technical cooperation facility and institutional support	Tbd
Support for EPA/regional integration	Tbd
PALOP countries plus Timor-Leste multi-country activities	18.66 (3%)
Total	626.0
Allocation of the 11th EDF envelope ⁵⁶	
Good Governance and Development (GBS + complementary measures)	367.0
Rural Development	325.0
Cross-cutting: Civil Society	22.0
Cross-cutting: Support measures	20.0
Total	734.0

⁵³ CSP 2001-2007.

⁵⁴ CSP 2001-2007.

⁵⁵ CSP 2008-2013.

⁵⁶ CSP 2008-2013.

Aid effectiveness and donor coordination

Mozambique has an advanced aid architecture with working groups for each (sub-) sector. It has also been used for piloting numerous harmonisation and aid effectiveness initiatives in the last decades:

- Already in the EU CSP 2001-2007, an assessment was made of aid volumes of donors per sector, also identifying lead donors in the various sectors. Reference was made to the existence of a Joint Donor Group with nine members (EU and non-EU), led by the EU;
- In the MoU 2004 signed by the G-19 providing GBS and the Government, the donors made specific commitments concerning the manner in which they provided aid, in view of the Rome Declaration on Harmonisation and the Monterrey Consensus. The partners also agreed on carrying out an annual external assessment of their own performance in relation to their commitments;
- Mozambique was one of the four countries selected for the pilot initiative on EU coordination of policies and harmonization of procedures in 2005. This led to the drafting of a harmonisation roadmap based on the following pillars: (i) providing transparency on aid flows registered in the EU projects database, (ii) reducing the administrative burden by mapping participation in the working groups and (iii) actively promoting cooperation between the EU-MS. This was supported by the launch of the Overseas Development Assistance to Mozambique Database (ODAMoz);
- For the preparation of the CSP 2008-2013, the EU MS represented in Maputo were consulted about the feasibility of a joint CSP. The majority position was that, in a context of low Government capacity and no alignment of programming cycles at donor level, full joint programming was not cost-effective in the case of Mozambique. It was, however, decided that the present situation, where each European cooperation agency prepared its own strategy paper and participated in the general coordination forum, was the optimum under the present circumstances;
- In the EU's CSP 2008-2013, the EU committed to advancing coordination, harmonisation and alignment. Reference was again made to the coordinated focal areas. It was mentioned that budget support should be used wherever possible. Co-financing with multilaterals and with EU MS was seen as another possible form of implementation, although second in priority to programme approaches;
- A Joint Action Plan on "Accelerating the Fast Track Initiative on Division of Labour" was proposed in March 2010 by EU Member States and the EUD. The main guidelines of this Joint Action Plan were:
 - to address the issue of overcrowded / orphan sectors that emerge due to a lack of coordination on decisions to enter and/or exit a sector;
 - to focus on a maximum of three sectors per development partner;
 - to better use the self-assessed comparative advantage identified when doing the annual mapping of country strategies;
 - to avoid giving a general directive to use the instrument of "Delegated Cooperation/ Silent Partnerships" but to leave it to individual donors to decide whether to use this instrument. The rationale being that the instrument is perceived as cumbersome to set up while possibilities for reductions of transaction costs seem to be "not very high";
 - to restructure the Working Groups in 2011 following a proposal put forward by a group of HoCs to the G19 and the GoM in 2010;

Especially point 4 is interesting, as the DC instrument seems to be discouraged in the context of joint cooperation, instead of encouraged.

- In the NIP 2014-2020, it is mentioned that "a possible joint programming exercise, with a joint approach with EU MS, has started, based on the division of labour agenda, and progress is being made on the basis of a shared assessment of the development challenges of Mozambique, including the excessive fragmentation of aid due to the high number of Development Partners present in the country. The dialogue related to Joint Programming is on-going and is centred on the one side on the use of existing

Government-led coordination mechanisms, and on the other side on the analysis presented in this NIP, which is shared by the EU MS.⁵⁷

In summary, regardless of all these efforts and initiatives, aid remains fragmented in Mozambique and most donors largely continue using project modalities. Some donors have been trying to push forward division of labour, notably the EU in the framework of its Code of Conduct on Division of Labour. However, the efforts to implement the EU Code of Conduct did not result in an actual rationalisation of the sector focus of the various donors beyond a handful of unilateral withdrawals of a few donors from selective sectors. This was mainly due to pressures from donor headquarters to stay involved in certain sectors for political and visibility reasons and the government's concern that sector exits would not be managed in a coordinated way, thereby reducing sectoral and overall funding. Additionally, the GoM sees benefits in spreading risk by having a large number of donors in sectors. In recent years, the motivation of donors to strengthen donor coordination and harmonisation seems declining.

Political and strategic considerations for using the DC modality

As described above, the EU MS and the EUD agreed a Joint Action Plan in March 2010. Yet, this Plan did not contain a directive to use DC and silent partnership, but left any action in this regard to the individual donors. This is also how it has worked in practice with regard to use of DC.

The strategic considerations of using the DC modality has been explained in this chapter. Before the preparation of the CSP 2008-2013 a joint CSP has been considered but was not seen as the preferred option. In the NIP 2014-2020, it was mentioned that a possible joint programming exercise with a joint approach with EU MS has started based on the division of labour agenda. Making use of comparative advantage and intra-sectoral division of labour have also been main reasons to move into DCs.

⁵⁷ NIP 2014-2020.

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

The DAs and TAs of the projects analysed in Mozambique did hardly contribute to improving the inter-sector division of labour. In fact, in the case of the DAs the EU remained active in other areas of the sector. The same is true for the other delegating agencies in the case of TAs. On the other hand, most DAs and TAs contributed to strengthening the intra-sector division of labour because, the implementation of the agreement (action) was delegated to the agency or institution best placed to implement it in view of its expertise and comparative advantages (see the scores in table 3.1).

Mozambique has an advanced aid architecture with working groups for each (sub) sector. In practice, there is limited division of labour because there is large aid fragmentation with many donors still active in several sectors. Donor coordination is mainly focussed on preventing overlap, and less on improving division of labour.

Table 3.1. Effect of DC agreements in Mozambique on improving the division of labour among donors

Projects		Strong effect	Modest effect	No change	Negative effect
DAAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		Intra-sector	Inter-sector	
DA	Support to the Institutional Development of the Ministry of Interior (MINT) (CICL, 2010)		Intra-sector	Inter-sector	
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)		Intra-sector	Inter-sector	
TA	MDG Contract, GBS (Belgium, 2009)*		Inter-sector		
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)	Intra-sector	Inter-sector		

GBS is seen as one sector without any sub-sectors.

Clarifications and explanations

Focus on EDF-10 in Mozambique:

The NIP 2008-2013 has the following focal sectors: 1) transport infrastructure and regional economic integration; 2) agriculture, rural development and regional economic integration; 3) Budget Support. It is a matter of discussion whether the last one can be called a sector or multi-sector support. Furthermore, the following non-focal sectors are mentioned: health and HIV, support for governance, institutional support and support to Economic Partnership Agreements.

Support to CNCS

The EU was still active in the health sector after it delegated its capacity building support to the CNCS to GIZ in 2010. The EU has been supporting the health and HIV sector through a broader Health & HIV Sector Policy Programme. The support to CNCS was funded from this programme, but within this programme, the EU also provided Sector Budget Support (SBS) and Technical Assistance to the Ministry of Health. The EU is regularly attending the Health Partner Group (HPG) and is presently co-chairing the

nutrition partner forum (which is a sub-group of the HPG) with UNICEF (see also section 3.7).

Support to MINT

The EU support to MINT amounted to €7.0 million (€6.58 million used for the DA concluded with IPAD and €420k for visibility (€20k), external evaluation and audit (€100k) and contingencies (€300k)). This EU support was funded by EDF-10 under the non-focal area “Support for Governance”. From the amount of €6.58 million transferred to IPAD, 4% (€263k) was provided as compensation for administrative cost. IPAD/Portugal provided €1.8 million co-financing.

The identification and dialogue with the GoM was initiated in October 2007 at a high level dialogue meeting of the EU and the GoM, where the GoM officially requested the EU to support the security sector reform. The EUD assessed positively the request, but did not have expertise to implement a security reform project. The EU was active in the justice sector but not in the security sub-sector. Thus the EU approached EU MS with experience in the security sub-sector (Portugal, Spain, France, UK) as well as United Nations (UN) agencies represented in the country and in the region. Portugal expressed interest and demonstrated implementing capacity through its Cooperation Agency (IPAD). Upon consultation with the Mozambican authorities, in 2009, it was agreed to proceed with the formulation of a project which Portugal would co-finance and implement. The formulation started in April 2009 and the DA was concluded in March 2010.

The priority sectors of Portugal are education and security. Portugal mainly provides capacity building in these sectors through its state institutions. Portugal/IPAD (since 2012 called CICL) had supported MINT for several years, had expertise in the security in Mozambique and explicitly expressed, at the start of the project, its intension to continue its support in the next three to five years. IPAD was successfully passed EuropeAid's 6 pillar audit.

The DA contributed to a division of labour within the security sub-sector but not in the broader justice sector where the EU was also active.

ESPS II

Environment & climate change is not one of the focal sectors of the EU in Mozambique. The DA funds originate from the EU budget line “Environment” (DCI-ENV) and more in particular the funds allocated to the GCCA Facility (and were thus not part of the EDF). In the broader environment sector, the EU is active in bio-diversity and forestry.

Agreeing with Denmark on a DA was a logical choice. At the time of preparing the Identification Fiche, Denmark and the GoM had agreed on a new phase of the ESPS for the period 2011 – 2015 to be implemented by Danida. Many of the elements of the new Danida programme were very similar to the interventions identified in the EU Identification Fiche. Furthermore, Denmark/Danida did have the comparative advantage of supporting the environment sector in Mozambique since 1996 and Denmark had explicitly expressed its intention to continue its support over the next five years, until 2015 with the new phase of its programme.

MDG Contract (GBS)

Budget support was one of the EU focal sectors in Mozambique in EDF-10. Belgium preferred to co-finance EU's MDG Contract, rather than pursue its own budget support programme. On the one hand, this enabled Belgium to concentrate on a more limited numbers of sectors. On the other hand, Belgium was still a member of the G19 and participated actively in the policy dialogue related to GBS during the implementation period at all 3 levels, HoM, Head of Cooperation (HoC) and at expert level. For the latter, BTC hired a PFM expert.

PRODEL

PRODEL is a Local Economic Development (LED) programme. It is in fact a cross-sectoral programme funded by EDF-10 under the focal sector agriculture, rural development and regional economic integration. Sweden concluded this TA with the EU but was still active in LED in other provinces than the provinces of PRODEL, namely Gaza, Inhambane and Sofala. Sweden has the following two priority sectors in Mozambique a) improved livelihood and productive employment; and b) services related to the agricultural sector. PRODEL is covered under the first mentioned priority sector.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes in Mozambique?

Response

All DCs in Mozambique have strongly contributed to more co-financing, while all except one are joint co-financing. The only exception is the DA with GIZ (CNCS) where the resources from BMZ and the EU are separately managed in so-called Leistungspakette. In phase 1 there was a contribution of €5 million from BMZ co-financed by an EU contribution of €5 million. Denmark also provided €1 million co-financing for phase 1 of the project. In phase 2 the EU contributed €4.8 million and BMZ only €0.45 million. The majority of this BMZ funding in phase 2 was used to cover the gap between the real overhead cost of GIZ and the 7% administration cost provided by the EU. GIZ indicated that its real management/overhead costs are around 14%, while the EU only pays 7% as a maximum.

The project supporting MINT was co-financed jointly by the EU and IPAD/CICL without earmarking of funds. In the ESPS II, component I has been co-financed through a DA with the EU and through a TA signed by Ireland and the EU. All resources for component I from the three donors have been put in one basket without earmarking. For the other components different financing modalities have been used. If all components are taken into consideration, the EU support can be seen as parallel co-financing, because the EU and Irish resources are earmarked for component 1. The EU contribution provided through a DA amounted to €9.85 million, which was topped up by the support from Ireland through a TA of €5 million.

In EU's MDG contract, Belgium is making a contribution to the initial EU contribution of €303 million (see table 3.2).

Table 3.2. Effect of DC agreements in Mozambique on increasing co-financing

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)	Parallel			
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)	Joint			
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	Joint / Parallel			
TA	MDG Contract, GBS (Belgium, 2009)	Joint			
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)	Joint			

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

All DAs and TA have strongly contributed to increasing the size of the supported programmes and/or to make projects with a large budget possible. In the case of CNCS, the funding from the EU made it possible to broaden the scope of the support programme, particularly by covering more provinces and districts (see the scores in table 3.3 and the explanations provided in section 4.1, fragmentation). In the case of the MDG Contract, the size of the total amount of GBS provided to Mozambique did not change through this TA. Belgium provided similar amounts of budget support in previous years. In the case of PRODEL, the contribution of Sweden (€4.7 million) is relatively small compared to the overall size of the programme (€32.5 million).

Table 3.3. Effect of DC agreements in Mozambique on increasing the size of projects and programmes

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)	X			
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)	X			
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)			X	
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)		X		

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

All DCs in Mozambique have contributed to bringing the financial contributions of the EU and the DC partners under one single management system, except in the case of the EU's MDG Contract and the TA concluded with Belgium. In that case, the entire management system of the GoM is used, but this would also have been the case if Belgium would have provided the GBS directly to the GoM, without DA (See table 3.4).

Table 3.4. Effect of DC agreements in Mozambique on increasing the use of single management systems

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)			X	
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)	X			
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)			X	
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)		X		

Clarifications and explanations

Support to CNCS

In the case of CNCS, GIZ is using its own systems and rules, but it has to report to both funding agencies, EU and BMZ, in different formats and different languages. The resources provided by the EU to CNCS are part of its Health and HIV Sector Support Programme. This EU supported programme covers three different aid modalities, each with its own management system. The other two modalities used by the EU are SBS and Technical Assistance.

Support to MINT

In the case of the support provided to the Ministry of Interior (CICL) the (single) management system of the GoM was used, except for the audit. CICL made use of the system of the GoM, apart from preparing itself specific reports for the EU. The EU still kept a budget for contingency and for external audit. It also recruited experts to carry out an external evaluation in 2015.

ESPS II

For component I of the ESPS II (DA with Danida), the management system of the GoM has also been used. The other two components (II and III) of ESPS II, where the EU is not involved, are using different management systems. Reporting for component I of the ESPS II takes place annually through a narrative and a financial report. These reports are prepared by the GoM with support from the Technical Assistance Team. Danida sends the reports to the EU.

MDG Contract (GBS)

In the MDG Contract (TA with Belgium) one single management system was used. The GoM spent the GBS resources and used its own management systems for this. The TA with Belgium did not change this.

PRODEL

The TA has avoided an increase in the number of management systems, but still different management systems are used for different parts of the budget. For the grants, the management system of the GoM is used, except for its reporting where the EDF rules need to be followed. For the service contract and programme estimates the EDF rules apply.

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

In most of the analysed projects and programmes, the DAs and TAs concerned have contributed to a reduction of the number of active donors in the sub-sector but not in the sector concerned (see table 3.5). The ESPS II project is an exception, where the EU and Ireland did not have an active role in the sector before. The EU channelled its own GCCA contribution and the one from Ireland through Danida.

Table 3.5. Effect of DC agreements in Mozambique on reducing the number of donors active per sector

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)		X		
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)			X	
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)			X	

Support to CNCS

With regard to the CNCS project, the EU is still supporting the health sector through other interventions, although health it is not an EU focal sector. As mentioned in section 3.1, health was not an EU focal sector but the EU remained active in the health sector after it delegated its capacity building support to the CNCS to GIZ in 2010. Yet, the EU was not active in the HIV sub-sector which is also a cross cutting area.

Support to MINT

The EU committed to support the Government with the implementation of its security strategy but did not have expertise or experience in security reform in Mozambique. The DA resulted in cooperation between the EU and CICL/Portugal and prevented that both donors became active in the sub-sector.

ESPS II

Environment & climate change is not a focal sector of the EU and its support to the ESPS II has been an ad hoc contribution funded through the GCCA. In the environmental sector the number of donors is limited. Danida and Sida (Sweden) are the most active donors in the sector, with some inputs from other donors (Ireland, ADA (Austria) and SDC (Switzerland)) through the other components of ESPS II. Besides funding a TA to support component I, Ireland is active in the sector at municipal level through component II of the ESPS II. Some UN agencies and the World Bank are also active in the sector.

MDG Contract (GBS)

Belgium continued to be a member of the G19 and participated actively in the policy dialogue related to GBS during the implementation period at all 3 levels, HoM, HoC and at expert level. For the latter, BTC hired a PFM expert.

PRODEL

The TA supporting PRODEL was for Sweden a way to become involved in a project in LED in these three provinces. Sweden has been a sleeping partner in this project, but was active in the sector in other provinces in Mozambique.

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

Most of the DCs in Mozambique were based on clear comparative advantages of the implementing agencies in the sectors concerned. Most of the implementing agencies did have extensive specific expertise and knowledge in the sector at the start of the project.

Table 3.6. Effect of DC agreements in Mozambique on increasing the use of comparative advantages

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)	X			
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)	X			
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)		X		

Before the start of the first phase of EU support to the CNCS, GIZ had been active in the health sector in Mozambique for more than 30 years. During the preparation of the EU support project to CNCS in 2008/09, GIZ had a comparative advantage of providing sector support to CNCS since 2007 precisely with a successful programme of capacity development of the provincial coordinating bodies (NPCS) in three central provinces. The EU has been supporting the Ministry of Health since the late 1990s, but it never worked closely with the CNCS.

As regards the support to the MINT, CICL/Portugal did have an obvious comparative advantage to support the MINT given its historical and cultural links. CICL/Portugal could also built upon a track-record of interventions within the security sector, related to similarities in legal frameworks and language in Portugal and Mozambique. In addition, the Portuguese cooperation makes use of twinning arrangements through which specialised qualified expertise is available for implementing projects. As a result of this twinning, the costs associated with providing Technical Assistance by Portuguese civil servants is considerably less than mobilising such assistance on the basis of service contracts. The EUD had neither previous experience nor technical expertise in management of projects in the security sub-sector.

Regarding ESPS II, given Denmark's active involvement in the environment sector in Mozambique since 1996 and its established relationship with the ministry, it had a comparative advantage. Furthermore, Denmark had explicitly expressed its intention to continue its support over the next five years.

As regards the MDG Contract, the EU had a clear comparative advantage and more technical capacity to deal with the GBS related issues.

Regarding PRODEL, the EU did have experience with LED and private sector development, but it proved challenging to work with the provincial governments and to make them familiar with the EDF procedures. For Sweden, the TA was a possibility to contribute to LED in three additional provinces. Capacity constraints made it impossible for Sweden to work at a sub-national level in too many provinces.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

An assessment of the DC contribution to donor coordination and harmonisation should be understood in the overall context of the high level of donor coordination and harmonisation in Mozambique. The EU and its delegation partners are actively involved in several formal and informal coordination efforts such as Technical Working Groups and coordination meetings at district and municipal level. Most DC agreements have further promoted the cooperation between the EU and its MS, but their contribution DC to improving donor coordination and harmonisation has been limited in most cases, with possibly the ESPS II as an exception. (See table 3.7).

Table 3.7. Effect of DC agreements in Mozambique on improving donor coordination and harmonisation

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)			X	
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)		X		
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)		X		

Evidence and further clarifications

Support to CNCS

In the project to support the CNCS, the coordination between GIZ and the EU in recent years is mainly focussed on strategic issues. There is no Steering Committee foreseen in the Financing Agreement. The EU is not involved in the bi-monthly technical meetings between GIZ and CNCS, but holds monthly meetings with GIZ to discuss strategic issues related to project progress.

At sector level, there is extensive sector-wide donor coordination, based on the principles of the health SWAp. The health sector in Mozambique has an overall HPG and the following eight working sub-groups:

- PIMA – Planning, Infrastructure, Monitoring and Evaluation;
- GTAF – Audit and Finance;
- HRH – Human Resources for Health;
- Service Delivery;
- Medicines;
- NGO;
- Nutrition Partners Forum;
- HIV/ Global Fund.

In each of these groups several donors are participating. The EU is active in the HPG and in the sub-group dealing with nutrition. All these groups have monthly meetings and the chair persons have technical meetings with the government.

Support to MINT

The project had a difficult and slow start-up in the first year. The Steering Committee, which met on an irregular basis was ineffective in taking early action to prevent

stagnation. Also personality issues burdened the smooth cooperation and harmonisation between the EU and Portugal.

ESPS II

Danida is the implementing agency of component 1 of ESPS II. It has taken full responsibility for the technical issues on the donor side. Danida always aims for a common approach of the three donors and consults its partners before the Supervisory Committee meeting. The EU and Ireland have been involved in policy issues and in planning and budgeting of the project. Danida assesses it as challenging and demanding to deal with the EU as DA partner, but appreciates its contributions.

At sector level, the Environment Working Group (EWG) represents the main platform for policy dialogue and coordination between the Government and the development partners active in the sector. The EU participates in the EWG.

MDG Contract (GBS)

Belgium was a member of the G19, participated in the policy dialogue and received the relevant information. Furthermore, in line with what has been agreed in the TA, article 3.3, the EU has submitted annual disbursement justification notes and assessments to Belgium.

PRODEL

A steering committee was set up in each of the three Provinces, to oversee and validate the overall direction and policy of PRODEL. In 2015, after the grants were frozen in response to weak performance, these meetings were put on-hold. Technical coordination meetings are still taking place quarterly.

In order to ensure coordination and complementarities, the EUD established a task force with EU MS and some other donors involved in the agriculture sector. LED is currently being discussed in various Working Groups, such as Agriculture, Private Sector Development, Roads, Decentralisation and Microfinance. Coordination and harmonisation amongst donor agencies is promoted as part of the PRODEL capacity building component.

4 Analysis of outcome-level indicators

4.1 Reduced transaction costs

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs?

Response

The effects of most DC agreements analysed in Mozambique on reducing transaction costs have been rather positive. The reductions have been realised at the government, at the level of the EUD in case of DAs and at the level of the TA partners in the case of TAs. The key factors contributing to reducing these transaction costs were (see the IED in Annex C and the sections 3.1, 3.2, 3.3, 3.4 and 3.5); (i) increasing the size of the projects; (ii) more co-financing; and (iii) bringing more funds under a single management system. The better intra-sector division of labour and less donors active in the sector were less important contributing factors.

On the Government side, two GoM partners were interviewed during the field mission (CNCS and MITADER, the latter involved in ESPS II). They both indicated that the DAs reduced their coordination cost and have led to more coherence. In a number of DC agreements, donor coordination took place before the donors had discussions with the GoM.

Table 4.1. Effect of DC agreements in Mozambique on reducing transaction costs

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)	X			
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)	X			
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)		X		

Support to CNCS

The EU is not participating in the technical meetings with the CNCS or the HIV working group, which has contributed to a reduction of EU's transaction cost. Yet, since GIZ has to report to both funding agencies, EU and BMZ, in different formats and different languages, it has an additional workload and thus less economies of scale. On the other hand, during the field mission the acting executive secretary of the CNCS confirmed and repeated the view expressed by the CNCS and the Ministry of Health in December 2008 that the proposed DA would be beneficial to the GoM because it would lead to a reduction of transaction costs.

Support to MINT

For the Support to MINT, the main underlying causes of the reduced transaction costs are the single management system, the increased co-financing and the larger project size.

ESPS II

In case of ESPS II, the same underlying factors are relevant. MITADER's predecessor, the Ministry for the Coordination of Environmental Action, MICOA, expressed its agreement with the DA (see DA Assessment Fiche), as MICOA considered it as an

opportunity to reduce the transaction cost. During the field visit MITADER confirmed this view. It is easier for MITADER to deal only with one donor and one technical assistance team than with two or three.

MDG Contract (GBS)

Belgium did not have to deal with operational issues related to GBS and it could therefore focus on the real strategic issues. The administrative burden of the GoM might also have been reduced somewhat, because it had to deal with one donor less in terms of disbursement conditions.

PRODEL

The challenges in the implementation of this project has led to a high burden in terms of management cost for the EUD and for the GoM. Sweden is a silent partner within the PRODEL. The TA did make it possible for Sweden to support LED in three more provinces. For MITADER and the provincial governments, the workload would probably have been significantly larger if Sweden would have started a separate programme in the same provinces (although Sweden did not intend to do this).

4.2 Strengthened ownership and leadership

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)?

Response

The GoM was consulted when the DC projects were formulated and has been involved in the implementation of the DC projects in varying degrees. Yet, it cannot be stated that the DCs have strengthened country ownership and leadership. The key underlying output that could have contributed to this outcome was the reduced number of donors, but this output was weak in Mozambique (see IED in Annex C and section 3.5).

For most projects and programmes, Steering Committees have been set up and they generally met at least annually. The steering committees often involve the political level, which has advantages but also disadvantages. For some projects, technical coordination meetings take place separately.

The GoM is becoming aware of sustainability issues related to fragmented project aid with parallel project implementation units operated within or outside Ministries, but no concrete action have been taken yet. The dominant aid modality is project aid with limited country ownership and leadership and the DA projects are no real exception. Therefore, it is concluded that the DA projects did not strengthen country ownership and leadership. The only exception might be the Support to MINT, due to the historical links between Mozambique and Portugal (see below).

Table 4.2. Effect of DC agreements in Mozambique on strengthening ownership and leadership of the partner country

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)			X	
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)		X		
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)			X	
TA	MDG Contract, GBS (Belgium, 2009)			X	
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)			X	

Support to CNCS

For the Support to CNCS, the role of and involvement of the CNCS has not changed significantly in response to the DA, although it has to talk only to one implementing agency (GIZ) instead of two donors (BMZ and EU). The project has strengthened the CNCS in taking a leadership role in mainstreaming HIV prevention. The CNCS is also steering the project. The project's work plan is based on bottom up inputs from the district coordinators in the 24 districts and municipalities supported by local CSOs. The work plan is also consistent with the National Strategic Plan. The GoM has given priority to HIV prevention by positioning the CNCS under the Prime Minister's Office and within the Ministry of Health. The GoM's multi-sectoral approach to HIV has been approved early 2016 by council of Ministers.

There is no Steering Committee for this project foreseen in the Financing Agreement. GIZ has informal bi-monthly technical meetings with CNCS which is located in a different building in the same street and has bi-monthly technical meetings with the EUD. They have special meetings to discuss the yearly operational plan.

Support to MINT

The DA concluded with CICL (Portugal) might have strengthened the ownership of the GoM as regards this project, given the historical links and mutual understanding between the governments of both countries. The EU support was the result of an official request from the GoM to the EU and the project identification involved several stakeholders. Initially the MINT showed limited ownership of the project implementation, but this improved significantly after the Technical Assistance Team had been changed and the project office reorganised (and moved from the Portuguese Embassy to the Police Command in Maputo City).

ESPS II

The ownership and engagement of MITADER as regards the ESPS II project is strong. Especially the current Government, which came in office in 2014, is accountable to climate change. MITADER and the other ministries play also an active role in making proposals for new initiatives to be carried out under this project. Danida's focus on alignment has strengthened this ownership. The project is fully aligned with the objectives and plans of the Government. Furthermore, the Technical Assistance Team is based in and works closely with MITADER. The ownership of MITADER has grown over the project period, especially under the current Permanent Secretary who is driving this process, but the DA itself has not influenced that increase of the level of ownership.

MDG Contract (GBS)

The TA did not change the level of ownership of the GoM. The TA represents only a few percent of the total amount of GBS.

PRODEL

One of the concerns of PRODEL is the limited ownership and engagement of MITADER and the local governments in this projects. The TA did not change the level of ownership of the GoM.

4.3 Strengthened complementarity and increased added value

Main question to be answered

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

Response

The effect of the DCs on strengthening complementarity and increasing the value added of the EU and MS in general has been modest. Strengthened complementarity and increased EU added value are related to three underlying outputs (see the IED in Annex C and the sections 3.1, 3.6 and 3.7) which indicated a modest contribution to the inter-sectoral division of labour, a modest to strong positive contribution to donor coordination and harmonisation and a modest to strong use of comparative advantages.

The complementarity between the EU and its partners was limited, but there have been occasions where the EUD has provided useful support to its DA partners at crucial moments in project implementation (esp. in ESPS). The EUD has also given advice on specific contracting issues and has been appreciated for its role as powerful donor which can help 'to get things moving' at the political level.

Table 4.3. Effect of DC agreements in Mozambique on strengthening complementarity and increasing the added value of donors

Projects		Strong effect	Modest effect	No change	Negative effect
DAAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)		X		
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)		X		
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)		X		

Support to CNCS

As regards the support to the CNCS, the EU has supported GIZ. In the first phase of the project the EU provided also regular technical support but in the second phase the EUD restricted its focus mainly on strategic issues.

Support to MINT

The DA built upon a track-record of interventions implemented by CICL/Portugal within the security sub-sector. The EUD had neither previous experience nor technical expertise in management of projects in this sub-sector, but provided additional political leverage to CICL/Portugal. As such, the DA modality was selected to make use of the strengths of the respective partners.

ESPS II

Danida is the implementing agency of ESPS II, component 1, but the added value of the EU and Ireland (as TA partner) has been relatively strong at policy level. The power of the EU at the policy level has been used in this project in response to implementation delays on the government side. The EU was also helpful in improving the financial and narrative

reporting. Furthermore, the technical expertise of Ireland in climate change has also proved to be an added value to the project, especially by reviewing technical reports.

Danida always aims for a common approach of the three donors and consults its partners before the Supervisory Committee meetings. These meetings take place at least twice a year, but in practice more frequently. The Permanent Secretary (PS) of MITADER is chairing the meeting and at least seven other ministries and Danida participate. Danida has taken full responsibility for the technical issues on the donor side, but the EU and Ireland have also been involved in the planning and budgeting of the project and jointly agree with Danida on the approach.

MDG Contract (GBS)

The EU had a clear comparative advantage and more technical capacity to deal with the GBS related issues. Belgium has participated in the policy dialogue as one of the G-19 members, but its real added value as a small donor in a large group of 19 donors was limited.

PRODEL

The real added value of Sweden in this programme was limited to its financial contribution. It neither had a strong relationship with the counterpart nor brought in technical expertise or sector knowledge.

4.4 Reduced aid fragmentation

Main question to be answered

To what extent have the DC agreements reduced aid fragmentation?

Response

The effects of the DC agreements on aid fragmentation in Mozambique range from a no change to a relatively strong effect. Reduced aid fragmentation is defined as each donor supporting less sectors without reducing total aid and/or each sector supported by less donors without a reduction of total aid received. As regards the first element of this definition, it is observed that neither the EU nor one of its TA partners has completely phased out its support to a particular sector. Thus, from this point of view, the DC agreements in Mozambique have not led to less aid fragmentation. The second element of the above mentioned definition refers to the output factor discussed in section 3.5 (reduced number of active donors per sector). The score of the DC agreements on this underlying factor ranged from no change to strong.

These considerations have led to the conclusion that the DCs agreements in Mozambique have on average contributed modestly to reducing aid fragmentation (see the scores in Table 4.4). This modest score reflects the fact that the DC agreements have avoided further fragmentation of aid in the subsectors concerned.

Reduced aid fragmentation is linked with co-funding, larger projects and programmes, improved division of labour and improved donor coordination and harmonisation (see the IED and the sections 3.1, 3.2, 3.3 and 3.7). Furthermore, any contribution of DC to reduced aid fragmentation has to be considered in the context of the Mozambican donor landscape characterised by strong donor coordination but limited real division of labour.

Table 4.4. Effect of DC agreements in Mozambique on reducing aid fragmentation

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)		X		
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)			X	
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)			X	

Clarifications and explanations

Support to CNCS

Both DAs concluded with GIZ did not reduce the fragmentation but avoided further fragmentation of the support to HIV.

Support to MINT

Without the DA, Portugal/CICL would have done a smaller intervention on its own. In that case there would have been two projects instead of one with two donors.

ESPS II

In case of the ESPS II, the DA and TA avoided further fragmentation of aid in the climate change sector. Both delegating parties, the EU and Ireland, were not active in this sub-sector before.

MDG Contract (GBS)

The size of the total amount of GBS provided to Mozambique did not change through this TA, but the GoM had to deal with one donor less in terms of donor specific financial allocation systems and disbursement conditions.

PRODEL

Without the TA, PRODEL would most likely have been smaller in financial terms. Sweden would have spent these financial resources in other provinces, probably in the same sector.

4.5 Strengthened alignment

Main question to be answered

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

The assessment of all DC projects regarding strengthened policy alignment is neutral (no change). For system alignment, in the case of two DAs the government system have probably been used more than without these DAs.

With regard to alignment, a distinction needs to be made between policy and system alignment. Policy alignment refers to national and sector policies while system alignment refers to making use of the institutions, systems and procedures of the Government. All identification reports and many progress reports refer to the formal alignment with the policies of the GoM, which includes a large number of overall, sectoral and thematic policies. In theory, formal policy alignment of all DC projects is optimal. In practice these policies are often made by international advisers – and possibly not entirely “owned” by the GoM - and are often only partially implemented.

The ESPS II is the only DC agreement in Mozambique which contributed to support the Government in developing a national strategy, in this case for climate change. None of the other DC projects did contribute directly to strategy development and policy formulation and therefore the assessment of these DC agreements in with regard to policy alignment is neutral.

For systems alignment, the picture is more diverse. Two DA projects (Support to Ministry of Interior and ESPS II) and one TA project (MDG Contract) made full use of partner country systems for the management of the projects. In both these DA projects, systems alignment is strong and might have been weaker if the EU would have implemented the project itself. Both DA partners, Danida and CICL, are strongly in favour of using the country systems. For the MDG project, without a TA, Belgium would likely have used the same government systems for its contribution as the EU has done.

Table 4.5. Effect of DC agreements in Mozambique on strengthening alignment (policy and systems)

	Projects	Strong effect	Modest effect	No change	Negative effect
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)			Policy / Systems	
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)		Systems	Policy	
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)		Policy / Systems		
TA	MDG Contract, GBS (Belgium, 2009)			Policy / Systems	
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)			Policy / Systems	

5 Analysis of process and implementation aspects

5.1 Visibility

Main question to be answered

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement?

Response

Most donors have substantially increased their attention to their visibility in recent years. In theory, visibility has been well covered in DAs, mainly through the contractual obligation to make a communication plan. However, these plans are in practice not always (successfully) implemented. In case of all DC projects, the logos of all partners are shown on all reports and communication material, and there is often a specific text mentioning who is funding the project or activity.

Nevertheless, lack of visibility has been conceived as an issue by the EU, especially by the EUD in case of the ESPS II in Mozambique (see below). Moreover, some donors expressed their concern about the tension between visibility on the one hand and ownership and aid effectiveness on the other hand.

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Project		Strong	Modest	No actions	Poor visibility
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)	X			
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)		X		
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)		X		
TA	MDG Contract, GBS (Belgium, 2009)		X		
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)		X		

In the case of the support to CNCS, EU's visibility was/is assured in all stages of the project, in accordance with the official procedures for EU funded and co-funded projects, and in line with the project's communication and visibility plan. The communication and visibility strategy is specified in terms of three types of target groups, called levels. The primary level consists of the final beneficiaries of the projects, including include vulnerable communities. The second level consists of intermediary organizations at national, provincial, district and municipality levels, such as CNCS and NPCCS staff, as well as District Government and Municipality Focal Points. The tertiary level comprises development partners, national and local media, decision makers and the general public in Mozambique.

In the case of the Support to MINT, the DA makes clear reference to the EU visibility and communications manual. A communication plan was prepared and has largely been implemented. Evidence from project materials and field visits confirms that the guidelines of this manual have been respected. All infrastructure activities are identified as having been achieved with the support of the EU.

In the case of the ESPS II, the EU made a strong point on the need to become more visible in the project. Danida has paid less attention to visibility and has focused strongly on alignment. Danida also expressed concern that too much attention paid to visibility might undermine the ownership and leadership of the Government. The counterpart (MITADER) confirmed that the EU and Ireland have hardly been visible in this project so far, and it was not aware that the EU would like to become (more) visible. The EU, Danida and Ireland have now reached consensus, also involving the GoM, to organise a workshop at the end of the project where project results and lessons learnt will be presented. This event is also a good opportunity for MITADER to arouse interest from potential new sponsors. Ireland and the EU judge that their involvement through this TA was a win-win opportunity: they could support the ESPS and at the same time get easy access to sector information to be able to monitor the Performance Assessment Framework (PAF).

In general, a donor which provides GBS gets limited visibility, with or without any DA or TA, but is able to participate in the policy dialogue.

In the case of PRODEL, Sweden as a relatively small donor is not very visible, but Sweden is also not very much focused on its own visibility. The GoM prepared a communication strategy with the help of the technical assistance team.

5.2 TA/DA ratio

Main question to be answered

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?

Response

The TA/DA ratio in Mozambique in the evaluation period (2007-2014) has been rather balanced compared to other countries. There have been four DAs and three TAs (see section 1, Table 1.1) which leads to a TA/DA ratio in Mozambique of 0.75 in terms of number of agreements and 0.76 in value terms (the ratios of the entire DC portfolio are respectively 0.33 and 0.22). A reason for this ratio relative close to 1.0 is related to the high budgets and the wide sector scope (and limited division of labour) of most of MS donors compared to their staffing levels.

For the coming years a further increase in the number of TAs and DAs is likely. One of the reasons for an increase in TAs might be that some of the bilateral donors are closing down their development section or whole embassy and phasing out development cooperation with Mozambique. Denmark, for instance has decided to close down its embassy in 2 or 3 years from now and is phasing out its projects.

5.3 Assessment of DC proposals

Main question to be answered

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

Response

A DA/TA Assessment Fiche is supposed to be the main document regarding the assessment of delegating the implementation of a certain project to an implementing agency. These fiches are meant to provide a sound analysis and justification why the choice has been made to use the DA/TA modality, including an assessment to what extent the DA/TA would contribute to the output and outcome objectives of Delegated

Cooperation. Only for the Support to CNCS, phase 1 and the DA for ESPS II, the DA Assessment Fiches are available.

The quality of the Identification Fiches, Action Fiches and the Technical and Administrative Provisions (TAP) attached to the Financing Decisions are generally of good quality. Those documents provide adequate and sufficient information about the objectives, approach, justification and implementation modalities of the project concerned and to some extent about the suitability of the implementing agencies (in the case of DAs). In general, the arguments presented in the documents were sound. However, these documents provide limited information on the rationale of using the DA modality (see scores of table 5.2).

Table 5.2 Quality of the decision making process and assessment of DC proposals

Project		Very good	Good	Average	Weak
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)			X	
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)		X		
TA	MDG Contract, GBS (Belgium, 2009)			X	
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)			X	

As regards the support to CNCS, the EU did not only sign a DA with the GIZ but the partners have also signed a MoU. The DA covered the contractual arrangements and the MoU the working arrangements.

The design of PRODEL was quite complicated with grants, programme estimates and a service contract. During the field mission, Sweden expressed its concern about a number of issues not (sufficiently) covered in the TA. These issues only became clear to them during project implementation. One of the issues is related to the annual payment Sweden has to make to the EU, while the disbursements of PRODEL are behind schedule. In the TA it was agreed that Sweden will make annual payments, independent of the disbursement of the project. The timing, frequency and format of reporting to Sweden is also not specified in the TA.

5.4 Implementation of DC agreements

Main question to be answered

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

Response

The scope and the quality of cooperation between the EU and the DC partners have been good in general, as argued above.

For ESPS II the cooperation between Denmark, the EU and Ireland and also with the counterpart MITADER is assessed as very good. Danida has made good use of the expertise of both other donors and aims for a common approach. Danida therefore consult its partners regularly, especially before the supervisory committee meeting.

Sweden is not satisfied with the implementation of PRODEL and the way it was managed by the EUD in the first two years. With the benefit hindsight, Sweden expected a more

pro-active attitude from the EUD with earlier interventions (see table 5.4)

Table 5.3 Quality of the cooperation between the EU and the DC partners during implementation of the DC agreement

	Project	Very good	Good	Average	Weak
DAs	CNCS, HIV/Health, phase 1 and 2 (2 DAs with GIZ, 2009 and 2013)		X		
DA	Support to the Institutional Development of the Ministry of Interior (CICL, 2010)		X		
DA/TA	ESPS II (DA with DANIDA and TA of GCCA with Ireland, 2011)	X			
TA	MDG Contract, GBS (Belgium, 2009)		X		
TA	Program for Local Economic Development (PRODEL) (Sweden, 2012)			X	

6 Conclusions

In Mozambique, the EU aid delivery mechanism of DC made overall a positive contribution to aid effectiveness, but its contribution is small given its minor share of the EU portfolio. The four DAs in Mozambique concluded in the period 2008-2014 amounted to a total of € 29 million and the three TAs to a total of € 22 million.

The DC modality should exploit the comparative advantages of different donors thereby reducing aid fragmentation. This suggests that DAs should be used in non-focal sectors in order to facilitate EU's withdrawal from a given sector (due to a change in priorities) or become silent partner. From the four DAs in Mozambique, three were used for funding projects in non-focal sectors of the EDF-10, while the fourth DA was funded by central EU funds allocated to the GCCA. One of the TAs was also related to the GCCA programme, while the other two TAs were part of two focal sectors of the 10th EDF. Based on this assessment, it is concluded that in Mozambique the DC modality has largely been used in a logical manner to exploit comparative advantages of the implementing agencies in the sectors concerned.

The reduction of aid fragmentation was less successful. Aid has remained fragmented regardless the advanced aid architecture in Mozambique with working groups in all sectors and several initiatives to reduce aid fragmentation. The DC agreements did not change aid fragmentation. They hardly contributed to neither a real division of labour nor to a reduction in number of donors per sector. Coordination, also in the DC context, was mainly focused on preventing overlap, not on improving division of labour.

Most DC agreements have contributed to a reduction of the transaction cost. This reduction has in particular been realised at the level of the EUD in case of DAs and at the level of the TA partners in the case of TAs. The key factors contributing to reducing these transaction costs on the donor side were; (i) increasing the size of the projects; (ii) more co-financing; and (iii) bringing more funds under a single management system. The better intra-sector division of labour and less donors active in the sector were less important factors. In a number of cases, the DC modality has made it possible to shift transaction costs previously borne by the DPs (in particular the EU) to the project or programme budget. In such cases, transaction costs have been reduced, but project/programme costs have been increased. On the Government side, reduction of transaction costs has been modest in most cases. The main benefit for the Government was the involvement of a lower number of active donors. Either some donors were "silent partners" or donor coordination took place without direct involvement of the GoM.

An assessment of the DC contribution to donor coordination and harmonisation should be understood in the overall context of high level donor coordination and harmonisation in Mozambique. Most DC agreements in Mozambique have promoted the general cooperation between the EU and its MS, but their contribution to improving donor coordination and harmonisation is considered having been limited in most cases, with possibly the ESPS II as an exception. At DA/TA level the dialogue has mainly been limited to information exchange and efforts to avoid overlap between projects. It needs to be mentioned that the EU and its delegation partners have many other opportunities for coordination and harmonisation because they are actively involved in many other formal and informal coordination efforts such as several working groups and in coordination meetings at district and municipal level.

In practice, the DC agreements have not been used as a policy or strategic tool for division of labour, but largely as a practical and operational tool for cooperation between the EU and its MS at country level. The major reasons to conclude a DC agreement were:

- to create larger and more efficient projects or programmes;
- to benefit from comparative advantages of implementing agencies with expertise and knowledge in the sector;
- to delegate project management to another partner because of limited manpower at the level of the delegating donor.

In one occasion, the reason to sign a TA with the EU was risk sharing of political sensitive decisions regarding GBS. In this way, Belgium could delegate parts of its risk to the EU, while it was still involved in the policy dialogue at all levels and did not have to deal with the assessments of disbursement conditions of each tranche.

In most cases, the DAs and TAs did neither lead to increased country ownership and leadership, nor to strengthened policy and systems alignment. The role of the Government has often remained limited as the management systems of the implementing agencies were used. The Support to MINT and the ESPS II are exceptions because Danida and CICL used the government systems. Furthermore, frequent reorganisations in the ministries also hindered strengthening country ownership and leadership. Although the use of the management systems of the implementing agencies may have had positive effects on the quality of project implementation, it may have hampered strengthening ownership and leadership by the recipient Government.

Most donors have increased their attention paid to visibility and communication in recent years. In theory, visibility has been well covered in DAs, mainly due to the contractual requirement to make a communication plan. However, these plans have not always been implemented (successfully). For all DC projects, the logos of all partners are shown on all reports and communication material, and often there is a specific text mentioning who is funding the project or activity. However, some donors expressed concern about the tension between visibility on the one hand and ownership and aid effectiveness on the other hand.

The DAs and TAs cover the contractual arrangements between the EU and a member state. In a number of DC arrangements, however, there has been a need to agree upon a number of working arrangements as well. In the case of the Support to CNCS, this was covered in a separate MoU, signed by both partners, GIZ and the EU. The DA covered the contractual arrangements and the MoU the working arrangements. In the case of the TA for PRODEL, Sweden expressed that it would have been useful to make a separate agreement on working arrangements.

The Portuguese cooperation (CICL) has operated relatively closer to the local authorities than the other DA partners and did have a comparative advantage to support the GoM given its historical and cultural links. CICL had other advantages because its expertise became available through low cost twinning arrangements. On the other hand, the centralised CICL management of projects might have negatively affected efficiency.

GIZ has sound expertise in HIV/Health and has used clear management procedures, although usually not well aligned with national procedures. GIZ has relatively high overhead costs that are only partially paid for by the EU (maximum 7% overhead). BMZ has covered the additional overhead costs (often another 6 or 7% according to GIZ estimates).

The EU MS and their implementing agencies involved in DC agreements gave a mixed feedback on their experience with DCs arrangements with the EU. In general, they appreciated the level of expertise of EUD staff and EU's political power and ability to influence the Government, but they raised concerns about its lengthy and time consuming procedures. This might reduce their enthusiasm to step into new DC agreements.

Annex A. List of people interviewed

EU Delegation

- Geert Anckaert, Head, Good Governance & Economic Section
- Els Berghmans, Programme Officer, Good Governance & Economic Section (GBS)
- Cristina Mateu Gallego, Governance and Rule of Law Officer, Economic Development and Governance Section (Support to MINT)
- Ilona Gruenewald, Attaché, Rural Development and infrastructure Section (PRODEL)
- Ana Margarida Mariguêsa, Attaché (ESPS II)
- Ana Monge, Environment (ESPS II)
- Guadalupe Cortez Pereira, Counsellor
- Sara Piccoli, Health and HIV (Support to CNCS)

Government of Mozambique

- Diogo Milagre, Institutional Development of the NAC (CNCS), HIV/SIDA, Govt. of Mozambique
- Alberto Antonio Macia, MITADER, Govt. of Mozambique

GIZ

- Peter Weis, GIZ, Director, HIV Programme (Support to CNCS)

BMZ / Germany

- Hady Riad, Counsellor, Head of Cooperation

Danida

- Paulo da Conceição, Junior Programme Officer, Environment & Climate Change, Danida

Irish Aid

- Koeti Serodio, Vulnerability Advisor

Sweden

- Olov Atterfors, Programme Manager Rural Development, Sweden (PRODEL)

Belgium

- Antoon Delie, Head of Cooperation, Belgium (MDG Contract)

CICL

- Paula Pereira, CICL/Portuguese Embassy (Support to MINT)

Netherlands Embassy

- Ton Negerman, First Secretary, Netherlands Embassy

ESPS II

- Malene Wiinblad, Climate Change expert, MITADER (NIRAS)

Annex B. List of documents consulted

General

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- World Bank, Mozambique Economic Update: Growth Slows Amid Challenging Global Conditions and Rising Fiscal Risks, April 2016.

Capacity Building in the National Aids Council (CNCS), 2010-2013 (phase 1) and 2014-2016 (phase 2)

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes phase 1
- Delegation Agreement + Annexes phase 2
- DA Assessment Fiche phase 1
- First Annual Implementation Report 2010
- Final Report (2010-2013) + Annexes (phase 1)
- Final Evaluation (phase 1)
- Annual Implementation Report 2014 and 2015 (Narrative and Financial Report)

Support to the Institutional Development of the Ministry of Interior

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes
- Final Evaluation of the Institutional support to the Ministry of Interior in the Republic of Mozambique, December 2015

Support Project to the Government of Mozambique for the Mainstreaming of Climate Change into Policies and Strategies and to Adapt to Climate Change Impact / Environment Sector Programme Support II (2011-2016) – ESPS II

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes

- Transfer Agreement + Annex
- DA Assessment Fiche
- Audit Report 2011
- Mid-term Review (MTR), October-November 2013
- Review, April 2015

MDG Contract Agreement between the EC and Mozambique

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes
- Transfer Agreement
- Commission Implementing Decision
- Internal Mid-contract review 2009-2014, June 2011
- Memorandum of Understanding between the GoM and the General Budget Support Partners on the Provision of GBS, September 2015
- Independent Evaluation of Budget Support in Mozambique, Final Report, 2014

Program for Local Economic Development (ProDEL)

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes
- Transfer Agreement + Annexes
- Mid-Term Evaluation, 2015 (NIRAS)
- Annual Report, 2014

4.5 Case study notes Nicaragua

List of abbreviations

AECID	Agencia Española de Cooperación Internacional Para el Desarrollo (Spanish International Cooperation Agency for Development)
IADB	Inter-American Development Bank
CAVAMA	Apoyo al desarrollo de la cadena de valor de la madera (Support to the Wood Value Chain)
CRV	Colonial and Volcanic Routes
CSO	Civil Society Organisations
CSP	Country Strategy Paper
D&C	Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua (Support to the prevention and control of Drugs and Crime in Nicaragua)
DA	Delegation Agreement
DC	Delegated Cooperation
DG-DEVCO	Directorate General – Development Cooperation
DoL	Division of labour
DP	Development Partner
EQ	Evaluation Questions
EU	European Union
EUD	European Union Delegation
GCCA	Global Climate Change Alliance
GDP	Gross domestic product
GIZ	Gesellschaft fuer Internale Zusammenarbeit
GoN	Government of Nicaragua
HDI	Human Development Index
IED	Intended effects diagram
IMF	International Monetary Fund
INAFOR	National Forestry Institute
INATEC	National Technical Institute
INTUR	National Tourism Institute
Lux Dev	Luxembourg Agency for Development Cooperation
MS	Member State
MDG	Millennium Development Goals
MINED	Ministry of Education
NIP	National Indicative Programme
PNN	Nicaraguan National Police
ODA	Official Development Assistance
OECD/DAC	Organisation for Economic Development and Cooperation/Development Assistance Committee.
PIU	Project/Programme Implementation Unit
TA	Transfer Agreement
TECNICA	"Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" (Support to Technical and Vocational Education)
TVET	Technical and Vocational Education and Training

Executive summary

This country case study concerning Nicaragua is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014. In Nicaragua, a total of 4 Delegation Agreements (DAs) have been implemented during the period 2008-2014 for a total value of € 29.8 million. The 4 DAs fund 4 different projects/programmes with the EU as the only source of funding and are implemented by three EU Member State agencies namely: Lux-Dev, GIZ and AECID with the latter being responsible for two programmes. This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality.

The removal of Budget Support (BS) as an option for aid delivery meant that the DC became an attractive aid delivery modality compared to direct management of projects and programmes by the EUD. The use of DC as an aid modality in Nicaragua has been influenced by a number of developments during the period under review, of which the most significant were: (i) the withdrawal of several donors from the country in recent years, (ii) the evolving political landscape which gave rise to concerns about an increasing democratic deficit and (iii) good governance issues as well as diverging views about the electoral process, ultimately resulting in the EU decision to suspend BS operations which made up a large part of EU funding in the country (over 50%).

One of the key benefits of the use of the DC modality has been the exploitation of the comparative advantages of the different EU Member States' agencies. The lack of EU experience in a given sector or sub sector combined with the expertise of a Member State (MS) agency in that same sector or sub sector was a major driving force behind the decision to allocate funds to a MS agency by means of a DA. All of the DA Assessment Fiches refer in one way or another to the EU's desire to capitalise on the specific experience/comparative advantage of the given EU MS agency in the sector targeted by the action and this expertise is clearly spelt out.

In terms of reducing the number of donors in a given sector, the DC modality had limited impact insofar as all three MSs were active in those sectors already whereas two of them were "new" for the EU. What DC did imply though was that it prevented an increase in the number of active donors in a given sector by limiting the EU's role to support services such as monitoring and evaluation, institutional strengthening and contingencies i.e. a supportive/passive role rather than an active one. DC did however contribute to an improved **intra sectoral** division of labour through the exploitation of the comparative advantages of the different donors within sectors. Given the broad scope of most sectors e.g. economic and trade issues; governance; support to the productive sector and even education (basic, secondary, TVET etc.), it is natural that no one donor will be specialised in all areas covered by these "sectors" hence the tendency towards intra-sectoral specialisation can be considered as positive in terms of aid effectiveness.

The efficiency and effectiveness of the DC instrument varies according to the degree of stability of the related policy and the strength of national leadership in the given sector. **The DC instrument works best when deployed in support of a clearly developed, stable policy led by a strong national counterpart.** In other words, the DC modality builds on what is there, it does not create it. Similarly, the scope of DC to promote a better division of labour, or increased government ownership and leadership or more effective donor coordination and harmonisation is very limited. Developments on these levels follow their own agendas and are subject to a whole series of factors, and are not influenced by the use (or not) of the DC modality. The value of DC is that it can reinforce these

developments i.e. improved division of labour or improved government leadership, or improved donor coordination and harmonisation, not the other way around.

The main disadvantages emerging from the use of DC in Nicaragua are linked to the interrelated issues of alignment, government ownership and leadership, single management systems and transaction costs. Although DA partners have sub delegated project implementation to the respective national authorities, according to instructions received from the EU Ambassador in Nicaragua, “these national entities are required to exclusively use the national procedures of the DA partner country in the implementation of all sub delegated tasks” in order to ensure the correct use of funds, as well as transparency and accountability as required by EU legislation. In a country accustomed to aid being delivered through national systems e.g. EU budget support and actions financed by AECID and Lux- Development using national procedures, DC is perceived as a step back from alignment with national systems thereby undermining government ownership and leadership and increasing the transaction costs of all concerned. This perception has led to a high level of frustration on all sides in particular on the side of the Nicaraguan Government, contributing to a decreased sense of commitment of counterpart institutions to the goals of the different actions (with the notable exception of the Drugs and Crime project). Given that there are numerous obstacles facing donors as regards harmonisation and alignment with national systems such as the centralisation of decision-making and the limited institutional capacities of some governmental institutions, the decision not to use national systems is justified, however there would appear to be ample scope for strengthening those national systems and this is perhaps where DAs could have placed more emphasis.

Resumen ejecutivo

Este estudio de caso sobre Nicaragua es parte de la evaluación del mecanismo de la ayuda de la UE, concretamente de la modalidad de Cooperación Delegada (CD) con los Estados Miembros de la UE (EM) y terceros países donantes, durante los años 2007-2014. En Nicaragua, un total de 4 Acuerdos de Delegación (ADs) se han ejecutado durante el período 2007-2014 por un valor total de 29,8 millones €. Los 4 AD financian 4 proyectos/programas diferentes, siendo la UE la única fuente de financiación, y se ejecutan por tres agencias de los Estados miembros de la UE: Lux-Dev, GIZ y la AECID, siendo esta última la responsable de dos de los programas. Cabe notar que esta evaluación no se centra en la evaluación de los resultados, los productos y el impacto de los proyectos individuales financiados a través de la CD, pero evalúa de la eficiencia y eficacia de la modalidad de cooperación delegada.

La eliminación del Apoyo Presupuestario (AP) como una opción para la canalización de la ayuda de la UE, tuvo como resultado que la herramienta de CD se convirtió en una opción atractiva en comparación con la gestión directa de los proyectos / programas por la Delegación de la UE (DUE). El uso de la CD como modalidad de ayuda en Nicaragua se ha visto influida por una serie de acontecimientos durante el período objeto del estudio, dentro de los cuales los más significativos han sido: (i) la retirada de varios donantes del país en los últimos años, (ii) la evolución del panorama político que dio lugar a preocupaciones sobre el aumento del déficit democrático y (iii) preocupaciones sobre el buen gobierno, así como puntos de vista divergentes sobre el proceso electoral, que en última instancia, tuvieron como resultado la decisión de la UE de suspender las operaciones AP, que suponían una gran parte de la financiación de la UE en el país (más del 50%).

Una de las principales ventajas de la utilización de la modalidad de CD ha sido el aprovechamiento de las ventajas comparativas de las agencias de los diferentes Estados Miembros de la UE. La falta de experiencia de la UE en un determinado sector o subsector junto con la experiencia de una agencia de los Estados Miembros (EM) en ese mismo sector o subsector ha sido la principal razón detrás de la decisión de asignar fondos a una agencia de un EM a través de un AD. Todas las fichas de evaluación de los AD dejan constancia, de una manera u otra, la voluntad de la UE de capitalizar la experiencia específica y las ventajas comparativas de dicha agencia del EM en el sector de la acción y esta experiencia está claramente explicada.

En cuanto a la reducción del número de donantes en un sector determinado, la modalidad de la CD tuvo un impacto limitado, ya que los 3 EMs ya trabajaban en esos sectores, mientras que dos de ellos eran "nuevos" para la UE. Sin embargo, la CD impidió un aumento en el número de donantes activos en un sector determinado, limitando el papel de la UE en el apoyo a los servicios de seguimiento y la evaluación, el fortalecimiento institucional e imprevistos, es decir, una función de apoyo/pasiva en lugar de una activa. La CD ha contribuido a una mejor división del trabajo **intra-sectorial**, aprovechando las ventajas comparativas de los diferentes donantes en los diferentes sectores. Dado el amplio alcance de la mayoría de los sectores, por ejemplo, cuestiones económicas y comerciales; gobernancia; el apoyo al sector productivo e incluso la educación (básica, media, la formación profesional y educación técnica etc.), es natural que ningún donante sea un especialista en todas las áreas cubiertas por estos "sectores" tan amplios, de ahí que la tendencia a la especialización intra-sectorial, se puede considerar como uno de los efectos positivos en términos de la eficacia de la ayuda.

La eficiencia y la eficacia de la modalidad de CD varían según el grado de estabilidad de las políticas sectoriales y del liderazgo nacional en dicho sector. **La CD funciona mejor cuando se desarrolla en apoyo de una política clara, estable y liderada por una contraparte nacional fuerte.** En otras palabras, la modalidad de CD se basa en lo que ya existe. De la misma manera, el alcance de la CD para promover una mejor división del trabajo, el aumento del liderazgo y apropiación por parte del gobierno o una mejor coordinación y armonización más eficaz entre los donantes, es muy limitado. Los avances en estos niveles siguen sus propios procesos y están sujetos a una serie de factores, que no dependen del uso (o no) de la CD. El valor de la CD es que puede reforzar estos procesos, es decir, mejorar la división del trabajo o la mejora de la dirección del gobierno, o una mejor coordinación de los donantes y la armonización y no al revés.

Los principales inconvenientes que surgen del uso de la CD en Nicaragua están vinculados a las cuestiones interrelacionadas con el liderazgo, la alineación y apropiación del gobierno, los sistemas de gestión individuales y los costos de transacción. Aunque los socios de los AD han delegado la ejecución de los proyectos a las respectivas autoridades nacionales, de acuerdo a las instrucciones recibidas del Embajador de la UE en Nicaragua, "se exige que estas entidades nacionales utilicen exclusivamente los procedimientos nacionales del país socio de AD en la ejecución de todas las tareas asignadas". En un país acostumbrado a que la ayuda se canalice a través de los sistemas nacionales, por ejemplo el Apoyo Presupuestario de la UE, acciones financiadas por la AECID y Lux-Development usando los procesos nacionales, la DC se percibe como un paso atrás en cuanto a la alineación con los sistemas nacionales, socavando así el liderazgo y apropiación del gobierno y aumentando los costos de transacción de todos los interesados. Esta percepción ha llevado a un alto nivel de frustración a todos los niveles, en particular, parte del Gobierno de Nicaragua, lo que ha contribuido a la disminución del compromiso de las instituciones contraparte con los objetivos de las diferentes acciones (con la notable excepción de Proyecto de Drogas y Crimen). Dados los numerosos obstáculos que enfrentan los donantes en materia de armonización y alineación con los sistemas nacionales, como la centralización de la toma de decisiones y las limitadas capacidades institucionales de algunas instituciones gubernamentales, la decisión de no utilizar los sistemas nacionales está justificada, sin embargo, parece haber un amplio margen para el fortalecimiento de los sistemas nacionales y ahí es donde los AD deberían haber hecho más hincapié.

1 Introduction

This country case study concerning Nicaragua is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 commissioned by the Evaluation Unit of DG-DEVCO. The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014; and
- 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, 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 or other governments, organisations and public donors.

Nicaragua has been selected as one of the nine country case studies based on criteria such as number and volume of DAs and TAs, geographical spread of the country cases, coverage of as many DC partners as possible, etc. The other selected countries are Benin, Ghana, Haiti, Mali, Mozambique, Palestine, Tanzania and Timor Leste. In addition, there will be a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA).

This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

In total 4 DAs (no TAs) have been implemented in Nicaragua during the period 2008-2014. They are listed in table 1.1. Some of the main features are:

- Total value of the 4 DAs amounts to € 29.8 million;
- The 4 DAs are funding 4 different projects/programmes with the EU as the only source of funding i.e. there was/is no co financing;
- Three different implementing agencies are involved in the 4 DAs, namely: Lux-Dev, GIZ and AECID with the latter being responsible for two programmes.

Table 1.1 Overview of Delegation Agreements (DAs) in Nicaragua, 2008-2014

Nr	Contract Number	Contract Title	DC Partner	Contract year	Contract amount (€)
1	267840	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"	LUX-DEV	2012	6,880,000
2	318432	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4	GIZ	2013	2,000,000
3	333243	La ejecución del programa "Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua"	AECID	2013	8,000,000
4	336952	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" - TECNICA	AECID	2014	12,900,000

Prior to the field mission in Nicaragua, the evaluation team carried out a desk-based assessment of the 4 DAs. The documents consulted are presented in Annex B. During the field phase that took place from 4 to 8 April 2016, interviews were held with staff from the EU Delegation (EUD) in Managua, DA partners, donor agencies and Government institutions and agencies involved in the implementation of the projects funded by a DC agreement. Karen Mc Hugh was responsible for this case study. A list of persons interviewed is presented in Annex A.

Detailed information fiches have been made for each of the four projects being supported by the DAs (see Annex D). The text of this main document is structured in accordance with the seven main envisaged outputs of DC (see chapter 3), the five envisaged outcomes (chapter 4) and some additional process and implementation aspects (see chapter 5). These three chapters are preceded by chapter 2 dealing with a description and analysis of some aspects of the country context, in particular those relevant for evaluating DC. Overall conclusions are presented in chapter 6.

Interviews and analyses were carried out as part of the fieldwork for all four DAs but particular attention was paid to the two DAs supporting TECNICA (managed by AECID) and the "Colonial and Volcanic Routes" tourism project (managed by Lux-Dev).

2 Country context

Political, economic and social developments in the country

Political developments

Since 2007, Nicaragua has been ruled by President Ortega and the *Frente Sandinista de Liberación Nacional* (FSLN). A ruling of the Supreme Court of Justice paved the way for President Ortega's re-election for a second consecutive mandate in November 2011. With 62% of the vote, the FSLN obtained an absolute majority and 62 of the 90 seats in Parliament. The November 2012 municipal elections consolidated Sandinista party domination at local level. As a result of the broad majority enjoyed by the governing party, the opposition has lost a great deal of political influence and observers note a decline in the quality of democratic debate. In January 2014, the National Assembly approved an extensive constitutional reform which reinforces the role of the executive and the lifting of the limit on the number of times the President can be re-elected. In recent years, there have been question marks over the separation of powers, relations between party and Government, and the management of electoral processes. According to a European Union Electoral Observation Mission, management of the 2011 elections by the administration of the Supreme Electoral Council suffered from various weaknesses. The Government has to date not acted on the recommendations issued by the Observation Mission.

Economic and social developments

Although the Ortega Government has focused on reducing poverty and maintaining economic growth, with positive results overall, Nicaragua continues to face challenges with respect to poverty eradication, inequality, competitiveness, employment, preservation of the environment and resilience to natural disasters. Despite positive economic growth rates in recent years, the country has not been able to tackle extensive poverty as a result of numerous interdependent factors: weak economic development, social exclusion which exacerbates urban-rural and Pacific-Atlantic disparities, limited progress in governance, a mismatch between educational provision and the needs of the labour market, and climate change, which affects mostly the poorest. Poverty rates have fallen only slightly in recent years (43 % of the population is still affected, of which 9.7% is in extreme poverty).

Vulnerability is characterised by low and precarious incomes, under-nourishment affecting 19 % of the people (mostly in rural areas) and a high rate of migration. The Gini Index was 0.45 in 2010. Up to 76 % of the labour force is now engaged in informal labour and the gap between rural and urban poverty has not diminished. Although insecurity is less acute in Nicaragua than in the 'Northern Triangle' countries, it is on the rise, especially on the Caribbean coast. Social vulnerability in Nicaragua affects a large part of the population

Aid architecture and donor coordination

Donor presence has diminished rapidly in Nicaragua in recent years. The world economic downturn, the new emerging economies formerly considered developing countries, and shifting relations between the Nicaraguan Government and donors, among other things, have caused donors to turn their attention elsewhere. Since 2009, nine EU Member States have closed down their representations, leaving five (Germany, Spain, France, Italy and Luxembourg). In terms of government-donor dialogue, since coming to power in 2007, the current Government has suspended the Plan for the Harmonisation and Alignment of Official Development Aid (ODA), which had been in place until then and which allowed for the revision of indicators and targets for complying with the Principles of the Paris Declaration on Aid Effectiveness. The Government meets the donors at the highest level (ministers and ambassadors) in the 'global roundtable' (*Mesa Global de Diálogo*), but such meetings take place only once every two years on average and the

format allows for only limited discussion. The *Espacio de Administración del diálogo*, where the Vice-Minister of Foreign Affairs meets the president and secretary of the 'donors' roundtables allows for the exchange of information and opinions but experiences within the sector roundtables have varied, as have their achievements.

The EU Delegation to Nicaragua (EUD), EU Member States and other 'like-minded countries' (Switzerland and Canada) have been discussing the option of joint programming (JP) since February 2012. A first joint analysis of key cooperation sectors (economic development, social sectors, natural resources and governance) and cooperation instruments was conducted in spring 2012. However, given the different stages they were at in their programming cycles combined with the advantage of aligning with the national development strategy (which ends in December 2016, along with the current Government's mandate), it was decided to postpone joint programming until 2018. In preparation for this, a Roadmap covering the 2012-2018 period was drafted, including key milestones such as:

- joint analysis of key cooperation sectors and instruments, complementarities and synergies;
- common opinion of EU Heads of Mission regarding EU Joint Programming drafted and approved;
- technical seminars on joint programming organized; EU MS and like-minded countries involved in the process of EU programming 2014-2017;
- EU MS invited to participate as observers in EU consultations with the Government of Nicaragua (GoN) on programming and donor mapping exercise as of January 2014, with the aim of supporting the division of labour.

According to this roadmap, the partners will "progressively implement the agreed division of labour i.e. each donor to concentrate on its focal sectors. Donors working in the same sectors to operationalize the division of labour".

EU-Nicaragua cooperation strategy

EC cooperation with Nicaragua during the time covered by this evaluation exercise was outlined in the 2007-2013 Country Strategy Paper (CSP) and was based on "sector approaches (whenever possible financed through non-earmarked budget support) and capacity building". The priority sectors identified by the EU for its cooperation with Nicaragua for that period were:

- supporting governance and, in particular, consolidating democracy, good governance and effective implementation of the rule of law;
- investing in human capital, especially education, in order to reduce social inequities, territorial imbalance, gender and cultural prejudices, and to better adapt the education system to the country's development needs; and
- securing macro-economic sustainability and reinforcing Nicaragua's trade and integration in the world economy so as to contribute to sustainable and equitable economic growth.

Of the total indicative budget of € 214 million, €137.5 million was allocated to three budget support (BS) programmes: a general BS programme for macroeconomic support with a rural focus (PAPND) and two sector BS programmes for education and justice (PAPSE and PAPJ respectively). Budget support was suspended by the EU in January 2009.

The three priority sectors identified in the 2014-2020 MIP are: 1) support to the productive sector with a focus on rural areas; 2) effective education for employment and 3) adaptation to climate change. The overall indicative budget of the MIP amounts to €204 million.

Political and strategic considerations of using the DC modality

The use of DC as an aid modality in Nicaragua has been influenced by a number of developments during the period under review, of which the most significant were: (i) the withdrawal of several donors from the country in recent years, (ii) the evolving political landscape which gave rise to concerns about an increasing democratic deficit and (iii) good governance issues as well as diverging views about the electoral process, ultimately resulting in the EU decision to suspend Budget Support operations which made up a large part of EU funding in the country (over 50%).

Making use of the DC modality was only briefly mentioned in EU's Country Strategy Paper 2007-2013 for Nicaragua under the heading "areas of donor led harmonisation".

Nevertheless four DAs have been concluded during the period under review (2008-2014). One of the key motivations for using the DC modality was making use of the comparative advantages of the different EU Member States' agencies. The lack of EU experience in a given sector or sub sector combined with the expertise of a Member State (MS) agency in that same sector or sub sector was a major driving force behind the decision to allocate funds to a MS agency by means of a DA. All of the DA Assessment Fiches refer in one way or another to the EU's desire to capitalise on the specific experience/comparative advantage of the given EU MS agency in the sector targeted by the action and this expertise is clearly spelt out. Furthermore, the removal of Budget Support as an option for aid delivery meant that the DC became an attractive aid delivery instrument as compared to direct management of projects and programmes by the EUD.

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

The DC modality has not contributed to an improved division of labour in the case of Nicaragua. The division of labour between the EU and Member States (and other donors) followed its own agenda and was not influenced by the use or not of the DC modality. As noted in chapter 2, joint programming has been under discussion by the EUD, EU Member States, Switzerland and Canada since February 2012 but has been put on hold until 2018 in order to take account of the Nicaraguan political cycle (current Government's mandate ends in December 2016) and member country programming cycles. In the meantime a certain degree of progress towards that end has been achieved, most notably a Joint Programming Roadmap has been made with an accompanying "European Donors Matrix with joint programming - Current division of Labour" document, which identifies the priority sectors for each of the partners (EU, MS and Switzerland).

Of note in this regard is the interpretation of what a "focal sector" constitutes. In the case of two of the DAs, the EU was in effect entering new sectors (Tourism and Forestry) though these are both described as falling under the "economic and trade issues" focal sector in the respective Assessment Fiches, which constitutes a very broad interpretation of "economic and trade issues". In the case of the other two DAs, one relates to Technical and Vocational Education and Training (TVET), which is a specific sub sector of the education sector (focal sector of the EU though the EU did not have experience in the specific area of vocational training) and the other one relates to drugs and organised crime prevention, which again is a very specific sub sector of Good Governance (focal sector of the EU at the time, where the EU had some specific experience).

Within these broadly defined sectors there is however scope for improved division of labour and in the case of Nicaragua, all four DAs were delegated to an agency or institution well placed to implement it in terms of expertise and comparative advantage. In this way, the instrument can be considered to have reinforced intra-sector specialisation (see the scores in table 3.1).

Table 3.1. Effect of DC agreements in Nicaragua on improving the division of labour among donors.

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012			Intra-sector	Inter-sector
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013			Intra-sector	Inter-sector
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013	Intra-sector		Inter-sector	
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014		Intra-sector	Inter-sector	

Further clarifications and explanations

As noted above, the three focal sectors identified in the EU's CSP for Nicaragua for the 2007-2013 period were: education, governance and trade and economic issues. More specifically, in the case of education, the overall objective was to raise the quantitative and qualitative level of education, particularly vocational education. Specific objectives were defined as: "continued support and co-financing of the implementation of the 2001-2015 National Education Plan, with a special emphasis on primary and secondary schools as well as vocational training, based on an assessment of the private sector's needs. Particular attention being paid to the educational Millennium Development Goals (MDGs) and to the quality of teaching and curricula".

In the case of governance, the overall objective was defined as "strengthening Nicaragua's institutional capacity and governance". Specific objectives included: (i) to pursue the effective implementation of rule of law, especially in more local areas of the territory (ii) to improve the functioning of institutions which are vital if citizens' rights and the rule of law are to be guaranteed. "Among the options to be considered in a changing governance context, actions in the following areas could be financed: local governance; national police and safeguarding of rule of law; and capacity building for improved governance of key public authorities".

For trade and economic issues, the main objectives were to help improve socioeconomic conditions in Nicaragua and foster economic growth through the strengthening of the business and investment climate. The specific objectives were identified as: "the EC will support the socio-economic development of the country in line with the National Development Strategy and will help with the implementation of some of the key socio-economic policy reform programmes. This might also include support to infrastructure projects, which would have a positive impact on the socio-economic conditions of the country".

Both "Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes" (hereafter referred to as **RCV**) and "Apoyo al desarrollo de la cadena de valor de la madera" - Componentes 3 y 4 (hereafter referred to as **CAVAMA**), though described as forming part of focal sector three (economic and trade issues) were in reality new sectors for the EU, hence these DAs had a negative effect on the inter-sector division of labour. However, assuming that the EU would have entered these two sectors anyway (on the basis of direct management or DAs) and given the fact that the DA partners (Lux Dev and GIZ) had experience in those sectors (tourism and forestry respectively) these 2 DAs can be interpreted as reinforcing the intra-sector division of labour (and making use of comparative advantages) though the condition that "the fund managing donor has a significant future pipeline by way of projected investments to ensure it will continue to remain in the programme/sector in the near future" was not met in either case.

In the case of "Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" (hereafter referred to as **D&C**), Governance was indeed a focal sector of the EU and the EU had some specific experience in this sub sector, hence this DA is considered to have not contributed to a better inter sectoral division of labour (EU remains in sector) but to have contributed to a better intra sectoral division of labour (AECID having a clear comparative advantage given the experience it has accumulated over the years in this sub sector and planning to continue its support for the foreseeable future).

In the case of "Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua"" – (hereafter referred to as **TECNICA**), this DA is considered to have not contributed to a better inter sectoral division of labour (EU remains in the sector) but to have contributed to a better intra sectoral division of labour though, the condition that "the fund managing donor has a significant future pipeline by way of projected investments to ensure it will continue to remain in the programme/sector in the near future" was not met.

3.2 More co-financing

Main question to be answered

Did the DAs contribute to more co-financing of development projects and programmes in Nicaragua?

Response

None of the four analysed DAs contributed to more co-financing (neither joint nor parallel co-financing). In two cases, there was funding in kind provided by the Government and grant beneficiaries (RCV and CAVAMA) while in all four DAs, a portion of the EU overall contribution is managed directly by the EUD (See the scores in table 3.2).

Table 3.2. Effect of DC agreements in Nicaragua on increasing co-financing

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012			X	
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013			X	
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013			X	
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			X	

Further clarifications and explanations

In the case of RCV, the project is not co-financed by the DA partner and/or other donors. The overall budget of the action is €8.275. 000, of which €7 million is financed by the EU (€6,880,000 delegated to Lux-Development and €120,000 reserved for M&E activities directly managed by the EUD), €300,000 was to be financed in kind by the Government of Nicaragua (office costs) and it was estimated that €975,000 would be contributed in the framework of the 20% contribution from the beneficiaries of the subsidies included in the project (this is estimated to have been about €500.000).

In the case of CAVAMA, the DA covered two components of a larger programme. The overall budget for the whole programme was €9,235,000 of which €8,000,000 was funded by the EU, €385.000 by the Government (in kind) and the remainder by the grant beneficiaries (also in kind). The DA with GIZ accounted to €2.000.000. An amount of €200.000 from the BMZ/GIZ project was used to finance part of GIZ's management costs, as the 7% management fee included in the DA budget was insufficient.

In the case of D&C, there is no co financing by the DA partner and or other donors. The overall budget of the Action is €10 million of which €8 million is delegated to AECID with the remaining €2 million reserved for grants (€1,680.000), M&E (€120.000) and contingencies (€200.000) managed directly by the EUD.

There was no co-financing of TECNICA.⁵⁸ The overall budget for the programme was €15 million with €2.1 million (originally €3 million) reserved for Component 2 activities (institutional strengthening) and managed directly by the EUD. To date, no activities have been carried out under this complementary component.

⁵⁸ It is worth mentioning that AECID allocated € 200.000 to another bilateral project that was fully in line with the partner country's TVET policy.

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

None of the analysed DAs led to an increase in the size and/or scope of the supported projects/programmes (see the scores in table 3.3).

Table 3.3. Effect of DC agreements in Nicaragua on increasing the size of projects and programmes

	Contract title, DC partner and contract year	Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012			X	
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013			X	
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013			X	
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			X	

Further clarifications and explanations

Notwithstanding the statement in the Commission's 2012 Guidance Paper on Delegated Cooperation with Member States⁵⁹ that "small stand-alone projects funded only by the Commission should be avoided....instead, the Commission must move towards larger programmes in line with the partner country's policy and jointly funded with other Donors", all four of the actions supported by DAs in Nicaragua are standalone projects/programmes, of which three have relatively large budgets.

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

The four DAs analysed have not contributed to the use of single management systems and a single set of procedures, on the contrary, they all involve a mix of EU, Member State and national systems (see the scores in table 3.4).

⁵⁹ Hereafter referred to as the Guidance Paper on DC.

Table 3.4. Effect of DC agreements in Nicaragua on increasing the use of single management systems

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012				X
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013				X
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013				X
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014				X

Further clarifications and explanations

According to the DA on the RCV project: "execution of the project except for evaluation and monitoring has been delegated by the European Commission to the Luxembourg Agency for Development Cooperation (Lux-Development)... Lux-Development will apply its own procedures for implementing the budget, with the exception of grant award procedures, for which the rules of the European Commission (laid down in the Practical Guide to contract procedures for EC external actions) should be used. The Delegation of the EU will participate as observer in grant award procedures". A mixed management system (EU and Lux-Development) was therefore put in place.

In the case of CAVAMA, GIZ, as a private company, has its own audit procedures and it is audited by the German Court of Auditors. Therefore German norms and procedures apply to the use of all funds. On the other hand GIZ is "of course also obliged to fulfil local laws, norms and administrative procedures. In every country the GIZ Agencies have to guarantee the compromise to fulfil the norms of both sides. And as our administrative procedures are recognized by the EU, we are also able to cope with EU administrative norms and procedures"⁶⁰. In the case of Components 1&2 managed directly by INAFOR, national systems are used. There are therefore three systems in place for the CAVAMA programme. Furthermore, the monitoring and reporting of the two sub projects (Components 1 & 2 on the one hand and Components 3 & 4 on the other) is done together, but with each side "concentrating on his parts".

In the case of D&C, the project is implemented by the National Police via a sub delegation agreement with AECID and using AECID procedures. The structure of the management of the project is integrated into the management of the National Police. In the case of the funds managed directly by the EUD, these are subject to EU procedures.

In the case of TECNICA, according to Article 1.3 of the Delegation Agreement, "in carrying out its tasks, the Delegated Entity will apply its own procedures and systems" whereas the funds managed by the EUD for institutional strengthening purposes (€2.1 million) are subject to EU procedures i.e. a mixed system.

⁶⁰ Dr. Heinz Gerhard Jansen, Coordinator GIZ Nicaragua.

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

The context in Nicaragua is very particular in this regard insofar as donor presence has diminished rapidly in the country in recent years for several reasons (not related to the use of DC as an aid modality). The world economic downturn, the new emerging economies formerly considered developing countries, and shifting relations between the Nicaraguan Government and donors, among other things, have caused donors to turn their attention elsewhere. Since 2009, nine EU Member States have closed down their representations (while five EU Member States are still present: Germany, Spain, France, Italy and Luxembourg) as have other donors such as Norway and the UNDP. In the case of these 4 DAs, although they did not contribute to reducing the number of active donors in a given sector, in two cases they did avoid an increase i.e. EU moving into new sectors (see the scores in table 3.5).

Table 3.5. Effect of DC agreements in Nicaragua on reducing the number of donors active per sector

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012		X		
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013		X		
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013			X	
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			X	

Further clarifications and explanations

In the case of RCV, the number of active donors is now very limited (mainly Lux-Development, AECID and IDB). While tourism remains a priority sector for AECID, it is not certain that tourism will be prioritised by Lux-Development or the IADB. It is not a priority sector of the EU. By using the DC modality the EU did not become an active donor in the sector thus the number of donors was not increased.

In the case of CAVAMA, this project does not represent an example of a reduction in the number of donors per sector, because the EU was a newcomer to the sector whereas GIZ was already active in the sector. However it does mean that the number of donors was not increased. However, forestry is no longer a priority sector of GIZ.

In the case of D&C, given that AECID was already active in the sector and "that the EU had never implemented a specific project in the crime and drug prevention and control sector in Nicaragua", the DA has not reduced the number of active donors in the sector but it has prevented an increase.

In the case of TECNICA, notwithstanding the significant reduction in the number of donors in Nicaragua referred to above, the TVET subsector remains a priority area for the majority of the remaining donors/Financial Institutions including the EU; "Effective Education for Employment" is one of the three focal sectors of the EU in Nicaragua in the current programming cycle (2014 – 2020). As both parties, EU and AECID, had been

operating in the education sector, this DA had no impact on the number of donors in the sector.

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

All four DAs promoted the use of comparative advantages and specific expertise of the DA partners to a greater or lesser degree (see the scores in table 3.6).

Table 3.6. Effect of DC agreements in Nicaragua on increasing the use of comparative advantages

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012	X			
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013	X			
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013	X			
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014		X		

Further clarifications and explanations

In the case of RCV, at the time of the formulation of the programme, the three main donors in this sector were Lux-Development, AECID and the IADB whereas the EU had no direct experience in this sector. The Action Fiche justifies the choice of indirect centralized management with Lux-Development as follows: "In line with EU commitments of donor coordination and harmonisation, and taking into account the limited capacity of INTUR to take up simultaneously the management of projects by three new donors (EU, Spain and IADB), this project will be implemented by indirect centralised management by INTUR's main strategic donor, Lux-Development. Lux-Development is one of the most active and committed implementing agencies in the tourism sector in Nicaragua and has acquired valuable expertise with its project "La Ruta del Café". Lux-Development has built a solid relationship and a collaborative way of working with INTUR, which guarantees the involvement of the institution and encourages the ownership of the action by INTUR". Thus the EU was able to take advantage of Lux Development's comparative advantage in the tourism sector.⁶¹

The DA Assessment Fiche of CAVAMA provides a number of reasons why the DA modality with GIZ was chosen for two of the four programme components including its desire to "capitalise on GIZ's experience in the area of support for SMEs and training in

⁶¹ Though it is clear that Lux-Development had experience in the sector and that it had developed a good relationship with the Government, it is not entirely clear why AECID was not selected given that at the time (and as of 2010), it was implementing the regional programme entitled "Support to the Colonial Cities and Volcanoes Route with a budget of € 10 million. In effect, AECID has focussed more on Colonial Cities, leaving the EU (through Lux Dev) to focus more on the rural areas of the Volcanoes.

the forest sector in the country” i.e. GIZ’s comparative advantage in the field. GIZ’s experience is also the key argument presented in the Action Fiche, which states that: “the selection of German development cooperation as delegatee is due to its wide experience in the forestry sector and in SME promotion in Nicaragua, and to the commitment of the EU to contribute to donor harmonisation. German development cooperation has been for several years the most active donor in the forestry sector, with strong relations with government, private sector and civil society. The use of indirect centralized management will capitalize on GIZ experience in Nicaragua in these fields, on its expertise, its network of contacts in the sector and its collaboration with INAFOR”.

In the case of D&C, The Action Fiche refers to the experience of AECID in this sector; “of the three EU Member States’ cooperation agencies present in Nicaragua, AECID has the widest and most successful experience in the security field.” Also, “the Government has clearly shown its preference for AECID to be the EU public-sector body responsible for executing the project.” It emphasizes the good relationship AECID has with the National Police. The DA Assessment Fiche points out that AECID is the “last remaining donor with a ‘considerable cooperation, as the Netherlands is phasing out support and GIZ had already terminated its programmes in this area... the PNN, but also the other beneficiary institutions, consider this project ambitious but feasible and believe the support of AECID to be a crucial element for attaining all objectives set out in the FA”.

In the case of TECNICA, the Assessment Fiche states (and this is confirmed by EUD staff): “delegating the implementation of funds to AECID so that they can be used with greater flexibility than the current Commission modalities allow for in Nicaragua (i.e. the impossibility to use Sector Reform Contracts for better alignment to national financial management and procurement procedures) seems to be the most appropriate decision for the efficient use of funds. This is expected to favour the timely implementation of activities that are part of the Education Quality Component, minimising the administrative delays that can occur with the use of EC procedures given the size of the contribution (i.e. implementing €12 million through devis programme)”. In other words, in the absence of the budget support option, Delegated Cooperation was deemed to be the most appropriate modality for channelling these funds. The choice of AECID as partner was appropriate as the EU had already delegated the RCV project to Lux Dev (the other EU-MS active in this sector at that time) though it is interesting to note that it was not primarily AECID’s comparative advantage in the sector that guided the decision.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

Delegated cooperation has not promoted more effective donor coordination and harmonisation, which, like the division of labour, follows its own agenda, the case of Nicaragua being a good case in point. In addition to the significant reduction in the number of donors present in the country in recent years, donor coordination efforts have been undermined by the centralist approach adopted by the Government combined with its preference for bilateral rather than multilateral discussions. Since coming to power in 2007, the Government has suspended the Plan for the Harmonisation and Alignment of Official Development Aid (ODA), which had been in place until then and which allowed for the revision of indicators and targets for complying with the Principles of the Paris Declaration on Aid Effectiveness. Though the Government meets the donors at the highest level (ministers and ambassadors) in the ‘global roundtable’ (*Mesa Global de Diálogo*), these meetings take place only once every two years on average and the format allows for only limited discussion. The *Espacio de Administración del diálogo*, where the

Vice-Minister of Foreign Affairs meets the president and secretary of the ‘donors’ roundtables’ allows for an exchange of information and opinions, but experiences with these sectoral roundtables have varied, as have their achievements. Given this unfavourable context, the role of DC in promoting more effective donor harmonisation is therefore very limited.

Table 3.7. Effect of DC agreements in Nicaragua on improving donor coordination and harmonisation

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012			X	
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013			X	
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013			X	
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			X	

Further clarifications and explanations

In the case of RCV, there is no round table for tourism and the “Espacio de Dialogo Programatico INTUR (EDPI) incorporating all the main donors (Lux-Development, AECID, USAID, IADB, COSUDE, EU and SNV) stopped functioning over a year ago. According to Lux-Development and IADB, coordination is complicated by the diversity of approaches and interests of the different actors and by the limited leadership of INTUR. Although a “Routes Unit” was supposed to be created within INTUR with the purpose of streamlining its management of the different Routes with all actions supporting tourism with the Route approach to be managed by that unit, this has not materialised.

In the case of CAVAMA, the Roundtable for Rural Development, one of the more active roundtables, incorporates representatives from the government, donors and other stakeholders, with discussions focused on policy and implementation issues related to the national sectoral Plan for Inclusive Rural Development (PRORURAL Includente). A sub-group of this Roundtable was created last year, at the initiative of and coordinated by the EU, to deal specifically with the forestry sub-sector but is no longer functioning.

In the case of D&C, the Action Fiche and DC Assessment Fiche state that coordination among donors working in the security sector is implemented in the framework of the Dialogue Forum with the National Police (in operation since 2009). “This Forum provides clear systems for coordination, accountability and information exchange (including defining a common set of indicators to monitor results)”. Nicaraguan authorities such as the Ministry of Foreign Affairs and the Ministry of Finance also participate in this forum. However, this round table is no longer active. It also notes that several donors (GIZ, Sweden, etc.) “will discontinue their support to the security sector” which has been the case. Other donors have also stopped supporting the sector such as the Netherlands and the UNDP, which means that the number of donors remaining in the sector is very limited, implying that the issues of donor coordination is far less relevant in the current context.

In the case of TECNICA, the education round table, comprising the EU, LUX-DEV, SDC, Swiss Aid, AECID, JICA, UNICEF, USAID, OIAS and the World Bank, is one of the more active groups (alongside the Rural Development one). The establishment of a Working Group on Vocational Education and Training, as a sub-group within this donor group on education, is a recent development and reflects the importance attached by donors to this sub sector. Though this development cannot be attributed to the existence of TECNICA as

such, the EUD observed that “the fact that the EU was formulating TECNICA at the time served as a catalyser to create and establish the group. The EU and LuxDev, in particular, made significant efforts to establish an effective coordination mechanism between agencies and shared information about their programmes”.

4 Analysis of outcome-level indicators (EQ1-5)

4.1 Reduced transaction costs (EQ-1)

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs? (EQ 1)

Response

In three of the four cases (RCV, CAVAMA and TECNICA) transaction costs have increased according to the parties involved. In the case of D&C they have decreased (see the scores in table 4.1).

Table 4.1. Effect of DC agreements in Nicaragua on reducing transaction costs

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012				X
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013				X
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013	X			
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014				X

Further clarifications and explanations

The issue of transaction costs is closely associated with the use of management systems (and alignment, discussed below), hence it is no surprise that the DAs that have implied the use of complex (i.e. more than one), and unfamiliar administrative, contractual and reporting systems have led to increased transaction costs. Of note is the degree of consistency in the opinions of the different stakeholders of the DA (EUD, DA partner and national counterpart) in each of the four cases.

As regards RCV, all three stakeholders of the DA claim that transaction costs have increased due to the imposition of mixed systems (EU and Luxembourg) and the lack of familiarity/experience of the DA beneficiary (INTUR) with these systems. The most recent progress report from Lux-Development comments that "the national counterparts' lack of experience with EU and Luxembourg procedures was one of the main causes of delays, tensions and lack of confidence".

In the case of CAVAMA, the situation is more complicated as this project comprises two separate sub projects each with its own management and reporting systems (Components 1 & 2 with a budget of €8 million managed directly by the national counterpart INAFOR, and Components 3 & 4 with a budget of €2 million, delegated to GIZ and applying German norms and procedures). Though GIZ and the EUD did not indicate that the arrangement has led to increased transaction costs, the national counterpart INAFOR claims that the "imposition of German systems is frustrating and a source of delays".

In the case of D&C, reduced transaction costs were a key factor in the decision to use the DC modality. The Action Fiche refers to the lack of experience with EU procedures within the National Police and goes on to say that: “AECID’s implementation of the project via indirect centralised management will largely make up for the fact that the PNN lacks administrative staff trained in EU rules and regulations and has limited practical experience in the application of the PRAG (Practical Guide to contractual procedures for actions outside the EU). In particular the PNN is not familiar with EU grants procedures, which represent a significant part of the budget”. It also states that “the setup of the project, by letting AECID take over the administrative burden, will leave more time for implementation to the beneficiary”. Similar arguments are used for the justification of the DA implementation mode in the Quality Assessment Grid for Technical Cooperation. Furthermore, the DA Assessment Fiche points out that “the PNN is implementing another EC funded project and is facing considerable difficulties to get acquainted with EC administrative and financial procedures. There is no PNN personnel experts with EC procedures”. The expected reduction in transaction costs has been borne out in the implementation of the Action, this being the only DA (of the four) where all parties confirm that transaction costs have been reduced. The key elements distinguishing this DA from the other three is that the counterpart (the National Police- NP) was familiar with the procedures of the DA partner (AECID) whereas it was struggling with EU procedures in another EU supported action.

Of the four, TECNICA is the project which has caused the greatest increase in transaction costs with all three partners complaining about the time wasted in meetings, correspondence, consultations etc. as a result of using the DC modality. According to the most recent progress report elaborated by AECID (July 2015), “the application of Spanish legislation” is complicating implementation as “it is the first time that the implementing partners are not applying national legislation (Nicaraguan) for financial and administrative procedures”. Of greater concern is the observation that “both MINED and AECID are immersed in a learning process and in seeking solutions for those situations not elaborated on in the Manual”. Of note is the fact that two training days had to be organised by AECID in order to familiarise MINED staff (59 persons) with the relevant Spanish legislation. AECID staff also complain that they are not even experienced in applying the relevant Spanish legislation in this field.

4.2 Strengthened ownership and leadership (EQ-2)

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)? (EQ 2).

Response

In three of the four analysed DAs (RCV, CAVAMA and TECNICA) there has been no contribution to strengthening national ownership and leadership of the corresponding programmes though in any event, the capacity to do so in a country such as Nicaragua is questionable. As project implementation is delegated to the respective partners (Lux-Development, GIZ and AECID), which use their own procedures, there is less involvement of the counterpart institutions (INTUR, INAFOR and MINED) in project implementation than in the case of direct management by the EU. Also bearing in mind that Nicaragua is a country that up until 2009 had been the recipient of budget support operations, the lack of alignment with national systems implied by the use of the DC modality has contributed to undermining the commitment of counterpart institutions to the goals of the different actions. In the case of D&C, there is a (relatively strong) national policy in place led by a

competent and focussed national counterpart that is familiar with the working methods implied by the DA modality (AECID procedures). See the scores in table 4.2.

Table 4.2. Effect of DC agreements in Nicaragua on strengthening ownership and leadership of the partner country

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012				X
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013				X
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013		X		
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014				X

Further clarifications and explanations

In the case of RCV, the national counterpart, the National Institute for Tourism (INTUR) (INTUR) claims that the DA modality has undermined national ownership and institutional strengthening. The sector policy was described in the National Plan for the Development of Sustainable Tourism (2011 – 2020) based on territorial planning all along Nicaragua's Tourist Routes developed with the support of AECID and the IADB and to which RCV was closely aligned. However, since 2015, this Plan has been largely abandoned in favour of the so called Government's "10 axes (ejes) for a Tourism Strategy". Furthermore, the Nicaraguan Government is now reported to be considering a move away from the "Rutas" approach though the actual direction of its tourism policy currently remains unclear (the current Government's mandate runs out at the end of this year). Government ownership and leadership of the sector has therefore not been strengthened by RCV.

In the case of CAVAMA, the potential of the wood sector was identified by the Nicaraguan government in the National Plan for Human Development 2009-2011, which considers it as one of the priority sectors for sustainable economic development. The National Forest Programme (NFP) 2010-2014 is the guiding policy document for the sector and is embedded in the country's Rural Development Sector Programme (PRORURAL). The NFP establishes five core strategies for the forestry sector: i) governance and institutionalization; ii) reforestation; iii) management and conservation; iv) development of trade and industry and v) generation of knowledge management. Though the Financing Agreement and Delegation Agreement are silent on the subject, the "Standard Fiche for assessing Delegation Agreement files" states that INAFOR and MINREX were directly involved in the identification and formulation of the programme and that INAFOR had expressed its interest in directly executing Components 1 and 2 but "clearly acknowledged that components 3 and 4 did not fall under its mandate and should therefore be executed by an experienced organisation". The objective therefore was to strengthen the capacity and leadership of INAFOR in the field of private sector development in line with strategy (iv) of the NFP i.e. development of trade and industry. However, according to INAFOR, the parallel set up implied by the DA modality (as distinct from the "direct" implementation of Components 1 and 2 of the programme) has undermined leadership and ownership.

In the case of D&C, the support provided by AECID under the DA is deemed to have reinforced government (NP) ownership and leadership in particular by supporting articulation between the numerous institutions involved in the three pillars of: prevention, control and institutional strengthening both on the central and local levels and as a result of its close alignment with the recently approved Law 735 (of 2010) regarding the fight

against transnational crime, and the National Police's Strategic Plan for the 2013-2017 period.

In the case of TECNICA, the lack of policy stability combined with a lack of clarity as regards the roles of the two key players in the field of TVET, namely the Ministry of Education (MINED) and the National Technical Institute (INATEC) has not facilitated increased government ownership and leadership of TECNICA. At the time of formulation of TECNICA, there was no single coherent TVET policy in place in Nicaragua; the most relevant policies were identified as the National Human Development Plan 2008-2011 (PNDH), with the overarching objectives of economic growth, increased employment and a reduction of inequality and poverty and identifying job creation as a key objective; the Labour Ministry's National Plan for Decent and Dignified work for the Youth of Nicaragua 2012 – 2016 which was just entering into force at the time, aimed to “*Improve the employability of youths through better access to relevant and quality technical education, university and training linked to the needs of the market*”; and finally, an Annex to the Ministry of Education's Strategic Plan for the Education Sector (PEE, 2011-2015) dedicated to a strategy to strengthen the “*consistency with Technical Education and Professional Training*” to which this TECNICA was aligned. This lack of coherence in terms of policies was (and remains) accompanied by a complex institutional architecture: the General Law on Education which regulates this sub sector (Ley No. 582, 2006) considers TVET to be “*the responsibility of the Government of the Republic, to be administered by the Instituto Nacional Tecnológico (INATEC), as its single governing body*”. However, Article 23 of the “Ley de reforma y adición a la ley No. 290”, of 2007, attributes MINED with the responsibility for “*Regulating the common policies in the areas of primary, basic, secondary and technical education, the latter in “coordination with INATEC*”, thereby undermining somewhat the role attributed to INATEC under the 2006 General Law on Education. The upshot of this lack of policy and institutional coherence is the emergence of several key players, each offering its own version of TVET. Into this mix came TECNICA, an action aimed at providing support to the implementation of the National Strategy for Technical and Vocational Education and Training to be managed by MINED notwithstanding the mandate attributed to INATEC in this area and that the majority of donors including EU Member States implement vocational training actions through INATEC rather than MINED.

4.3 Strengthened complementarity and increased added value (EQ-3)

Main question to be answered

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

Response

The effects of the 4 DAs on ‘strengthening complementarity and increasing the added value of the EU and other DC partners’ have been quite strong (see table 4.3). In all cases, they contributed to an improved intra-sector Division of Labour based on the comparative advantages of the agencies implementing the projects.

Table 4.3. Effect of DC agreements in Nicaragua on strengthening complementarity and increasing the added value of donors

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012	X			
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013	X			
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013	X			
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014	X			

Further clarifications and explanations

In the case of RCV, the Action Fiche clearly states that this is a new sector for the EU and "in line with EU commitments of donor coordination and harmonisation, and taking into account the limited capacity of INTUR to take up simultaneously the management of projects by three new donors (EU, Spain and IADB), this project will be implemented by indirect centralised management by INTUR's main strategic donor, Lux-Development" There is a clear acknowledgement of Lux-Development's comparative advantage in the tourism sector in Nicaragua mainly acquired through its "La Ruta del Café" project.

In the case of CAVAMA, the EU had no prior experience of working with SMEs in the forestry sector whereas GIZ did. The DA Assessment Fiche refers to the desire to capitalise on GIZ's experience in the area of support for SMEs and training in the forest sector in the country i.e. its comparative advantage. GIZ's experience is also the key argument presented in the Action Fiche, which states that: "the selection of German development cooperation as delegatee is due to its wide experience in the forestry sector and in SME promotion in Nicaragua; German development cooperation has been for several years the most active donor in the forestry sector, with strong relations with government, private sector and civil society. The use of indirect centralized management will capitalize on GIZ experience in Nicaragua in these fields, on its expertise, its network of contacts in the sector and its collaboration with INAFOR. Indirect centralised management will hence contribute to the effectiveness and efficiency of the project, and to the implementation of the principles of Paris and Accra."

In the case of D&C, though the Action Fiche places more emphasis of the fact that "AECID's implementation of the project via indirect centralised management will largely make up for the fact that the PNN lacks administrative staff trained in EU rules and regulations and has limited practical experience in the application of the PRAG (Practical Guide to contractual procedures for actions outside the EU)" it does note that "of the three EU Member States' cooperation agencies present in Nicaragua, AECID has the widest and most successful experience in the security field." Similarly, the DA Assessment Fiche points out that AECID is the "last remaining donor with a 'considerable cooperation', as the Netherlands is phasing out support and GIZ had already terminated its programmes in this area".

TECNICA was the first EU programme to provide specific support to vocational education and training sub-sector, whereas AECID had a long history of support to the education sector in Nicaragua mainly delivered through two bilateral programmes: el Programa de Escuelas Talleres with INATEC and the Youth and Adult Education programme (PAEBANIC) with MINED. In addition to these two bilateral programmes, AECID also supports education on the regional level through FOIL (programme for professional education and insertion into the labour market) and MECE (regional programme for the

improvement in the quality of education) thus indicating a clear comparative advantage in the (sub) sector of TVET.

4.4 Reduced aid fragmentation (EQ-4)

Main question to be answered.

To what extent have the DC agreements reduced aid fragmentation? (EQ 4).

Response

Given the significant reduction in the number of donors operating in Nicaragua, aid fragmentation has become much less of an issue, though in the case of certain sectors (education and rural development), where there is still a relatively high number of donors, more could be done to improve coordination and reduce fragmentation. In the case of the four DAs under review, given that two DAS (RCV and CAVAMA) prevented the entry of a “new” donor (the EU) into the sector and built on the work of two donors with relevant experience, and active in those sectors, they can be considered as having contributed to reduced aid fragmentation. In the cases of D&C and TECNICA though these sub sectors were new to the EU, the sector was not, so we cannot speak of a reduction in aid fragmentation (see the scores in table 4.4).

Table 4.4. Effect of DC agreements in Nicaragua on reducing aid fragmentation

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012		X		
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013		X		
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013			X	
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			X	

4.5 Strengthened alignment (EQ-5)

Main question to be answered.

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

The four projects supported by the reviewed DAs are all aligned with the relevant national policies (or at least were, at the time of formulation). However, the DAs as such did not particularly contribute to that already existing level of satisfactory policy alignment. Thus a “no change” has been recorded.

As regards system alignment, it has to be concluded that the DA supported projects are not aligned with national procedures and systems as they are implemented using the procedures and systems of the DA partner and for some aspects of some projects, EU systems are applied (see the scores in table 4.5). That said, there are numerous obstacles facing donors as regards harmonisation and alignment with national systems such as the centralisation of decision-making and the limited institutional capacities of some governmental institutions. In the counterfactual case that the EU would have implemented these projects under ‘direct management’, the EUD would have been faced

most likely with the same weaknesses as regards system alignment and therefore a ‘no change’ has been scored.

Table 4.5. Effect of DC agreements in Nicaragua on strengthening alignment

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
DA	Apoyo al desarrollo económico local a través del sector turístico: “Ruta Colonial y de los Volcanes (RCV)”;			Policy / System	
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013			Policy / System	
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013			Policy / System	
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			Policy / System	

Further clarifications and explanations

As regards policy alignment, at the time of formulation, RCV was based on the National Plan for the Development of Sustainable Tourism (2011 – 2020), which was based on territorial planning all along Nicaragua’s Tourist Routes. It forms part of the regional “Ruta Colonial y de los Volcanes de Centroamérica” programme which includes more than one hundred colonial and natural destinations in 6 out of the 7 countries of the Central American region. However, since 2015 the Plan has been largely abandoned in favour of the so-called Government’s “10 axes (ejes) for a Tourism Strategy” and the Government is now reported to be considering a move away from the “Rutas” approach though the actual direction of its tourism policy currently remains unclear (the current Government’s mandate runs out at the end of this year).

As regards systems alignment, as noted above, a mixed system was put in place (Luxembourg and EU). The use of Luxembourg’s procedures has caused efficiency losses, as described in the most recent progress report from Lux-Development, indicating that the national counterparts’ lack of experience with EU and Luxembourg procedures was one of the main causes of “delays, tensions and lack of confidence”.

According to the DA Assessment Fiche of CAVAMA, “INAFOR had expressed its interest in directly executing Components 1 and 2 but clearly acknowledged that Components 3 and 4 did not fall under its mandate and should therefore be executed by an experienced organisation”. That statement is somewhat surprising because according to the official mandate of INAFOR as defined in the National Forestry Policy (NFP), all four Components are part of INAFOR’s mandate. That mandate includes undertaking activities aimed at achieving the objectives of “developing trade and industry” and the “generation of knowledge management”, which correspond with Components 3 and 4 of CAVAMA. The decision to implement components 3 and 4 through a DA rather than having them directly managed by INAFOR seems to have more to do with a perceived lack of capacity of INAFOR rather than the “not falling under its mandate” argument put forward in the DA Assessment Fiche. As regards systems alignment three systems are used for implementing this DA funding components 3 and 4 of CAVAMA, namely German, EU and national) systems, whereas components 1 and 2 of CAVAMA are managed directly by INAFOR on the basis of national systems are used. INAFOR argues that the DA modality has introduced a parallel management system which does not contribute to strengthening country systems.

The multi-institutional nature of D&C means that the policy base for this action is very broad but it was and is closely aligned with the Law 735 (of 2010) regarding the fight against transnational crime, and the National Police's Strategic Plan for the 2013-2017

period. In terms of systems, though implementation is sub delegated to the NP, AECID procedures are applied.

The absence of a coherent TVET policy and the complex institutional architecture did not facilitate alignment, though at the time of formulation, TECNICA can be considered to have been aligned with the prevailing policy at the time. In terms of systems there was no alignment with national systems. According to the most recent progress report elaborated by AECID (July 2015), “the application of Spanish legislation” is complicating implementation as “it is the first time that the implementing partners are not applying national legislation (Nicaraguan) for financial and administrative procedures”. Of greater concern is the observation that “both MINED and AECID are immersed in a learning process and in seeking solutions for those situations not elaborated on in the Manual”. Of note is the fact that two training days had to be organised by AECID in order to familiarise MINED staff (59 persons) with the relevant Spanish legislation. AECID staff also complain that they are not even familiar with applying the relevant Spanish legislation in this field.

5 Analysis of process and implementation aspects (EQ 5-9)

5.1 Visibility (EQ-6)

Main question to be answered

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement? (EQ6).

Response

As the EU is the sole donor in all four cases, the source of funding is very clear to all concerned stakeholders and this is clearly noted on the material produced by the different projects. In the case of two of the actions (RCV and TECNICA), there have been some issues relating to EU visibility (see the scores in table 5.1).

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Contract title, DC partner and contract year		Strong	Modest	No actions	Poor visibility
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012		X		
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013	X			
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013	X			
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			X	

Further clarifications and explanations

In the case of RCV though all key stakeholders clearly acknowledge the EU as the source of funding and the EU logo is clearly visible on the material produced by the project there were some difficulties encountered with the Government insofar as it was reluctant to have references to the EU included in the more visible aspects of the project such as signposting, websites and other "public" venues. In the case of CAVAMA and C&D no issues were reported. In the case of TECNICA, the EUD was not satisfied with the degree of visibility attributed to the EU by AECID, whereas the latter claims that this was due to the fact that there were delays in the approval of the project's Communication and Visibility plan. In any event, there has been little real progress made by this project in terms of concrete actions and outputs so the scope for visibility has been limited.

5.2 TA/DA ratio (EQ-7)

Main question to be answered

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 7).

Response

There are no TAs in operation in Nicaragua. The main reason for this is because the EU has ample funding available and without recourse to the Budget Support option, DAs become an attractive alternative to the direct management of projects. The reduction in administrative burden is also a key factor influencing the uptake of DAs by EUD staff so there is little incentive to become engaged in TAs which would simply add to the workload (see the scores in table 5.2).

Table 5.2. Main reasons why there are more DAs than TAs in Nicaragua.

Reasons	Strong	Modest	No	Not at all
The EU is faced with more constraints to sign a TA than to sign a DA.			X	
The DC partner is faced with more constraints to sign a TA than to sign a DA.			X	
DAs are much more attractive to DC partners, because they increase their scope of activities.		X		
EUDs aim for reducing their workload: thus more DAs than TAs.	X			
The EU has sufficient funds available for DAs, while DC partners are faced with a scarcity of funds making it difficult to finance (more) TAs.	X			

5.3 Assessment of DC proposals (EQ-8)

Main question to be answered

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

Response

The DA proposals are generally clear in terms of planned results and alignment with national policies at the time of formulation. DA Assessment Fiches were made for all four DAs and contain a clear explanation why the DA modality would be used and why that particular DA partner had been chosen, but the justification of the EU action in the sector concerned is sometimes less clear. A number of the conditions that need to be satisfied for using the DA modality, as laid down by the EC in its Guidance Paper on Delegated Cooperation, were not met in the case of the 4 DAs. The need for “two or more donors with a like-minded approach and interest in jointly funding a partner’s existing programme” was not met as there is no co financing by another donor in any of the four projects. The condition that “designing small stand-alone projects funded only by the Commission should be avoided” and “the Commission must move towards larger programmes in line with the partner country’s policy and jointly funded with other donors” was also not met insofar as the EU is the only source of funding for the 4 DAs reviewed (albeit with some contributions in kind from the Government and direct beneficiaries of EU grants). Neither was the condition that “it should be stressed that operational co-financing should be, in principle, a major pre-requisite for the Commission to delegate authority to manage funds to another donor”. Operational costs were covered by the EU up to a maximum of 7% of the total DA budget though in the case of CAVAMA, BMZ provided an additional €200.000 in operational costs as this amount (7%) was not sufficient (see the scores in table 5.3).

Table 5.3. Quality of the decision making process and assessment of DC proposals

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012			X	
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013			X	
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013		X		
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014			X	

Further clarifications and explanations

In the case of RCV, the DA proposal is clear in terms of its planned results and appears to be aligned with the national policy prevailing at the time though this is thrown into question during the course of implementation. The DA fiche makes a good case for the use of the instrument (lack of EU experience in the sector, budget support is not an option and lack of institutional capacity of INTUR) and for the choice of Lux-Development: "Lux-Development is one of the most active and committed implementing agencies in the tourism sector in Nicaragua and has acquired valuable expertise with "La Ruta del Café" and has built a solid relationship and collaborative way of working with INTUR...". What is less clear is the justification of the EU action in this sector (though it is described as falling under the EU's "economic and trade issues" focal sector) and the reason why AECID was not selected as DA partner.

In the case of CAVAMA, the DA proposal is clearly articulated in terms of its planned results and is aligned with national policy. The DA assessment fiche makes a good case for the use of the instrument (lack of EU experience in the sector, lack of BS as an option) and for the choice of GIZ. What is less clear is the justification of the EU action in this sector (though it is described as falling under the EU's "economic and trade issues" focal sector as one of its components aims at the strengthening of MSMEs in the forestry sector) and the reason why INAFOR was deemed not to be able to directly execute Components 3 and 4 (as well as 1 and 2).

The DA proposal for D&C is clear in terms of its planned results and is aligned with the national policy (as borne out during the course of implementation). The DA Action Fiche and Assessment Fiche make a good case for the use of the tool (the lack of EC expertise in this specific (sub) sector and lack of experience with EC procedures of the National Police) and for AECID as the preferred partner for Delegated Cooperation.

The DA proposal for TECNICA is clear in terms of its planned results and appears to be aligned with national policy at the time, though given the instability of the policy in this area this has not always been the case during implementation. The DA Assessment Fiche puts forward a clear argument for the use of a DA as the most appropriate modality (absence of the budget support option and the inflexibility of the project modality) and for the choice of AECID: its "long standing involvement in the sector and its extensive experience in technical and vocational education and training. In addition, the Ministry of Education emphasises the level of technical expertise of AECID staff in the field, the pertinence of their work methodology and their knowledge of the national context". This justification is backed up by a note drafted by MINED outlining the strengths and weaknesses of the three options (World Bank, Lux Dev and AECID) and explaining its preference for AECID. What is less clear however, was the choice of MINED over INATEC as the latter is the national entity with responsibility for Technical Education.

5.4 Implementation of DC agreements (EQ-9)

Main question to be answered

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

Response

The scope and quality of the cooperation between the EU and the DC partners varies from project to project (see the scores in table 5.4).

Table 5.4. Quality of the cooperation between the EU and the DC partner during implementation of the DC agreement

	Contract title, DC partner and contract year	Very good	Good	Average	Weak
DA	Apoyo al desarrollo económico local a través del sector turístico: "Ruta Colonial y de los Volcanes (RCV)"; Lux-Development, 2012		X		
DA	Apoyo al desarrollo de la cadena de valor de la madera - Componentes 3 y 4; GIZ, 2013		X		
DA	"Apoyo a medidas de prevención y control de drogas y crimen organizado en Nicaragua" AECID, 2013	X			
DA	Componente I del "Programa de Apoyo a la Educación Técnica y Formación Profesional en Nicaragua" – TECNICA; AECID 2014				X

Further clarifications and explanations

In the case of RCV and CAVAMA information sharing and coordination between the EUD and the DC partner is described as good by both sides with fluid communication and delivery/approval of reports. In the case of D&C, there is very good communication between the EUD and the DC partner. Both parties expressed satisfaction with the working arrangement while in the case of TECNICA, communication and information sharing between the EUD and AECID could be improved. Both sides complain of delays and confusing/unclear information and AECID laments that it is treated more like a supplier of technical assistance than a real partner in cooperation.

6 Conclusions

DC has served a useful purpose by facilitating the delivery of EU aid in a more efficient manner than would have been possible in its absence. The use of DC as an aid modality in Nicaragua has been influenced by a number of developments, the most significant were: (i) the withdrawal of several donors from the country in recent years, (ii) the evolving political landscape which gave rise to concerns about an increasing democratic deficit and (iii) good governance issues as well as diverging views about the electoral process, ultimately resulting in the EU decision to suspend budget support (BS) operations which made up a large part of EU funding in the country (over 50%). The removal of BS as an option for aid delivery meant that the DC tool became an attractive option as compared to direct management of projects/programmes by the EUD⁶². This is borne out by the justifications for the use of the DC modality in all four DAs under review e.g. in the case of TECNICA, the DA Assessment Fiche is unequivocal: “Delegating the implementation of funds so that they can be used with greater flexibility than the current Commission modalities allow for in Nicaragua (i.e. the impossibility to use Sector Reform Contracts for better alignment to national financial management and procurement procedures) seems to be the most appropriate decision for the efficient use of funds. This is expected to favour the timely implementation of activities that are part of the Educational Quality Component, minimising the administrative delays that can occur with the use of EC procedures given the size of the contribution (i.e. implementing 12 M€ through *devis programme*)”.

The use of DC in Nicaragua has demonstrated the most weaknesses as regards the interrelated issues of alignment, government ownership and leadership, single management systems and transaction costs. Although project implementation is sub delegated to the respective national authorities (INTUR, INAFOR, PN and MINED) by the respective DA partners (Lux-Development, GIZ and AECID), these national entities are required to “exclusively use the national procedures of the delegated partner country in the implementation of all sub delegated tasks” in other words Luxembourg, German and Spanish procedures. In a country accustomed to aid being delivered through national systems e.g. EU budget support and actions financed by AECID and Lux- Development using national procedures, DC is perceived as a step back from alignment with national systems thereby undermining government ownership and leadership and increasing the transaction costs of all concerned. This perception has led to a high level of frustration on all sides in particular on the side of the Nicaraguan Government, contributing to a decreased sense of commitment of counterpart institutions to the goals of the different actions (with the notable exception of the D&C project). Given that there are numerous obstacles facing donors as regards harmonisation and alignment with national systems such as the centralisation of decision-making and the limited institutional capacities of some governmental institutions, the decision not to use national systems is justified, however there would appear to be ample scope for the strengthening of those national systems and this is perhaps where DAs could have placed more emphasis.

One of the key benefits of the use of the DC modality has been the exploitation of the comparative advantages of the different Member States agencies. The lack of EU experience in a given sector or sub sector combined with the expertise of a MS agency in that same sector or sub sector was a major driving force behind the decision to allocate funds to a MS agency by means of a DA. For example, the DA Assessment Fiche for

⁶² Letter from the EU Ambassador to Nicaragua to Blanca Yanez of AECID Nicaragua on 26 August 2013.

CAVAMA is unequivocal in this regard: to “capitalise on GIZ’s experience in the area of support for SMEs and training in the forest sector in the country” i.e. GIZ’s comparative advantage in the field. GIZ’s experience is also the key argument presented in the Action Fiche, which states that: “the selection of German development cooperation as delegatee is due to its wide experience in the forestry sector and in SME promotion in Nicaragua, and to the commitment of the EU to contribute to donor harmonisation. German development cooperation has been for several years the most active donor in the forestry sector, with strong relations with government, private sector and civil society. The use of indirect centralized management will capitalize on GIZ experience in Nicaragua in these fields, on its expertise, its network of contacts in the sector and its collaboration with INAFOR” or in the case of RCV: “Lux-Development is one of the most active and committed implementing agencies in the tourism sector in Nicaragua and has acquired valuable expertise with its project "La Ruta del Café". Lux-Development has built a solid relationship and a collaborative way of working with INTUR, which guarantees the involvement of the institution and encourages the ownership of the action by INTUR”.

Though DC did not result in an improved inter sectoral division of labour it did contribute to an improved intra sectoral division of labour. The use of the DC modality in order to deliver aid more efficiently by exploiting the comparative advantages of different donors thereby reducing aid fragmentation seems to suggest that the tool should be used in non-focal sectors in order to facilitate EU withdrawal from a given sector (due to a change in priorities) or to continue support to a given sector even though it is not a priority for the EU. The DC Assessment fiche reinforces this notion by asking whether the DA (or TA) is “in a focal or a non-focal sector; if focal please justify” suggesting that the use of DAs in focal sectors should be exceptional and similarly in the Guidance Paper on Delegated Cooperation with Member States where it is stated that: “A delegated cooperation/partnership role in a sector will be considered additional to the maximum of three sectors in which a given donor is engaged”. In the case of Nicaragua, the instrument was not used in this way. On the contrary, it was used to allow the EU to enter new sectors (forestry and tourism) and within two focal sectors (governance and education), hence DC did not promote an inter-sectoral division of labour. It did however promote an intra-sectoral division of labour and exploitation of the comparative advantages of the different donors. Given the broad scope of most sectors e.g. economic and trade issues; governance; support to the productive sector and even education (basic, secondary, TVET etc.), it is natural that no one donor will be specialised in all areas covered by these “sectors” hence the tendency towards intra-sectoral specialisation can be considered as positive in terms of aid effectiveness.

The efficiency and effectiveness of the DC instrument varies according to the degree of stability of the related policy and the strength of national leadership in the given sector. The DC instrument works best when deployed in support of a clearly developed, stable policy led by a strong national counterpart e.g. the case of D&C. In contrast, the lack of a coherent TVET policy and unclear institutional roles and responsibilities has led to a lack of efficiency and of effectiveness in the case of TECNICA. In other words, the DC modality builds on what is there, it does not create it.

The scope of DC to promote a better division of labour, or increased government ownership and leadership or more effective donor coordination and harmonisation is very limited. Developments on these levels follow their own agenda and are subject to a whole series of factors and are not influenced by the use (or not) of the DC modality. The value of DC is that it can reinforce these developments i.e. improved division of labour or improved government leadership, or improved donor coordination and harmonisation, not the other way around.

Although the 4 DAs did not contribute to reducing the number of active donors in a given sector, in two cases they did avoid an increase i.e. avoiding that the EU would move into new sectors. As tourism and forestry were not priority sectors for the

EU, by using the DC modality, the EU did not become an active donor in the sector thus the number of donors was not increased.

A number of the conditions that need to be in place as laid down by the EC in its Guidance Paper on Delegated Cooperation were not met in the case of the 4 DAs in Nicaragua. The need for “two or more donors with a like-minded approach and interest in jointly funding a partner’s existing programme” was not met as there is no co financing by another donor in any of the four projects. The condition that “designing small stand-alone projects funded only by the Commission should be avoided” and “the Commission must move towards larger programmes in line with the partner country’s policy and jointly funded with other donors” was also not met insofar as the EU is the only source of funding for the 4 projects reviewed (albeit with some contributions in kind from the Government and direct beneficiaries of EU grants). Neither was the condition that “it should be stressed that operational co-financing should be, in principle, a major pre-requisite for the Commission to delegate authority to manage funds to another donor”. Operational costs were also covered by the EU up to a maximum of 7% of the total DA budget though in the case of CAVAMA, BMZ provided an additional €200.000 in operational costs as this amount (7%) was not sufficient.

The communication between the DC partners is not adequate. There seem to be a number of misconceptions and misunderstandings about the use of the DC modality among the various stakeholders. For its part the Government seems to think that direct management of a project by the EUD would be less cumbersome but given the complexity of EU rules, this is not likely to be the case. For their part the donor agencies (AECID in particular) consider that their role in the DC arrangement is reduced to that of a Technical Assistance provider rather than a partner of the EU, while in the case of AECID and LUX-Development, there is a perception that DC represents a step backwards in terms of alignment with national systems.

Annex A. List of people interviewed

EU Delegation

- Isabel Tercero, Asesora en Asuntos de Cooperacion (RCV);
- Sandra Mariela Pena, Asesora en Asuntos de Cooperacion (TECNICA);
- Constanzo Fisogni, Asesor en Asuntos de Cooperacion (D&C);
- Helena Guarin, Jefa de Seccion de Cooperacion;
- Matilde Ceravolo, Jefa de Seccion;
- Laurent Sillano, Jefe de Cooperacion.

Government Representatives

- Anasha Campbell Directora INTUR;
- William Schwartz; Director INAFOR;
- Salvador Vanegas asesor para temas de educación MINED;
- Aldo Sáenz, Alto Comisionado, Policia Nacional;
- Ovidio Reyes, Presidente, Banco Central;
- Gustavo Porras, Asesor para temas Sociales Banco Central;
- Arlette Marengo, Vice Ministra, MINREX.

Cooperacion Espanola (AECID)

- Blanca Yanez Minondo, Coordinadora Adjunta;
- Jose Mariscal, Coordinador General;
- Ana Belen Villamil Soler, Responsable de Programa;
- Isabel Gonzalez, Responsable de Programa;
- Elena Gutierrez Lausen, Responsable de Proyecto.

Lux-Development

- Marc Riehl, Representante Regional;
- Jean Bourgeois, Consejero Tecnico Principal;
- Guerzan Matus, Especialista Subvenciones UE;
- Rocio Vazquez, Responsable de Proyecto;
- Mikel Valcarcel, Responsable de Proyecto.

GIZ

- Dr. Heinz Gerhard Jansen, Coordinador;
- Marvin Centeno, Coordinador de Componentes 3 & 4.

Other Donors

- Marion Le Pommellec, Rural Development Senior Specialist, IDB;
- Carmen Largaespada Fredersdorff, Representante Permanente;
- Angela Cardenas, Education Specialist, USAID;
- Giovanni Ferrazzi, Terre des Hommes, Italia;
- Hilton Ruiz Guevara, Terre des Hommes, Italia;
- Alvaro Rodriguez Garcia, Amigos de la Tierra.

Annex B. List of documents consulted

General

- MTR of the CSP 2007-2010;
- CSP and MIP 2014-2020;
- AAP Summary 2012;
- AECID Association Framework for development between Nicaragua and Spain 2015-2017.

RCV: Support to local economic development through the tourism sector

- Action Fiche;
- QSG checklist;
- Financing Agreement plus Addendum;
- Delegation Agreement plus Annexes;
- DA Assessment Fiche;
- Plan Nacional de Desarrollo Turístico Sostenible de Nicaragua (2011-2020);
- 2013, 2014 and 2015 Annual RCV Reports;
- “Temas Transversales; Lecciones Aprendidas” by Lux Development;
- Libro 1: “Guía Práctica: Línea de Base de la RCV”;
- Libro 2: “Guía de Gestión de los Gabinetes de Turismo Municipales y Departamentales RCV” 2015-2020;
- Libro 3: “Plan Maestro-Lineamientos Estratégicos de la RCV” 2015-2020;
- October 2015 Presentation of Government’s “Ejes para una Estrategia de Turismo”.

CAVAMA: Support to the wood value chain

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes
- Standard fiche for assessing Delegation Agreement files
- Implementation Report 2014 + Annexes,
- Implementation Report 2015 + Annexes
- ROM Report 2015

D&C: Support to prevention and control of drugs and organized crime in Nicaragua

- Identification Fiche;
 - Action Fiche;
 - Financing Agreement plus DTAs and LFM;
 - Delegation Agreement + Annexes;
 - DA Assessment Fiche;
- (Annual progress report not available as it had not been approved by EUD).

TECNICA: Support to Technical Education and Training

- Formulation report;
- Identification Fiche;
- Action Fiche;
- QSG checklist;
- Selection of multilateral and bilateral organisations for the coordination of TECNICA;
- Financing Agreement plus Addendum;
- Delegation Agreement;
- DA Assessment Fiche;
- July 2015 TECNICA progress report.

4.6 Case study notes Palestine

Executive summary

The Palestine case study is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) commissioned by the DG DEVCO Evaluation Unit. It is one of the nine country case studies carried out in the context of this evaluation.

Palestine has been the partner country where the highest number of Delegation Agreements (9 DAs) and the highest number of Transfer Agreements (14-15 TAs) have been implemented during the period 2008-2014. DAs were implemented by five DA partners: AFD, BTC, DFID, GIZ and KfW. TAs were signed with four TA partners: Austria, Belgium, Luxembourg and Japan, all related to the EU PEGASE mechanism of Direct Financial Support to the Palestinian Authority. The volume of support related to these DAs and TAs was relatively limited, with a total amount of € 55 million for the DAs and € 35 million for the TAs, which is 3-4% of the total EU portfolio in Palestine. Since 2015, new DAs and TAs have already been started or are being discussed, which emphasizes the continued importance of this aid delivery mechanism in the Palestinian context.

An assessment of the contribution of the Delegated Cooperation mechanism to achieving the objectives of aid effectiveness and efficiency should be understood in the context of the stagnating peace process in the Middle East and the lack of progress towards resolving two major binding constraints i.e. the Israeli occupation and the limitations on the Palestinian side related to the absence of democratically elected governments on the West Bank (PLO) and Gaza (Hamas). The series of Gaza wars, continued donor dependence, stagnating economic growth, aid fragmentation and elaborated aid coordination structures having lost functionality determine the development cooperation context to a large extent. In this context, the DC modality cannot be expected to have made a major contribution towards improving aid effectiveness and aid efficiency.

In practice, the evaluation found that the EU aid delivery mechanism of Delegated Cooperation made a positive, though rather limited contribution to improving some aspects of aid effectiveness and efficiency in Palestine. A main reason for engaging in TAs or DAs has been to share risks in this problematic context. The PEGASE mechanism in particular provided TA partners with an opportunity to provide earmarked or non-earmarked support, by channelling funds through the EU instead of establishing a direct relation with the partner country. However, it should be realised that the four TA partners were not the most important contributing donors to PEGASE. The majority of the 19 contributing donors to PEGASE provided their support via a Memorandum of Understanding (MoU) with the Palestinian Authority. These donors channelled their funds directly to the PA, while the TA partners transferred funds and related risks to the EU. The most important contribution of the PEGASE-related TAs (and the MoUs) is that it allowed the EU to join forces with Member States and this facilitated further EU-Member States coordination.

The DAs also offered a specific added value to improved EU-Member States cooperation, facilitating like-minded donors to work together in the politicized context. Positive effects of DAs were found regarding the improvement of the intra-sectoral division of labour, the intention to operate together in larger projects and programmes while making use of joint or parallel co-funding mechanisms and of comparative advantages. In the case of larger co-funded programmes positive effects on transaction costs have been observed in relation to positive effects regarding strengthening complementarity and increasing the added value of donors. In the case of smaller stand-alone projects or too much insistence of the EU on separate project components because of visibility reasons, these effects were found to be less strong or could not be observed.

The various implementing agencies employed different working methods, which led to different DC outputs and outcomes. KfW and AFD sub-delegated implementation to Palestinian institutions, involving the partner country directly in project management, which is also the case for PEGASE where the EU has been the implementing partner. The other DC partners set up project offices, sometimes with selected service providers, and established Project Steering Committees. This implementation mode led to higher management costs and a relatively lower level of use of partner country systems, while in case of sub-delegation, reporting was found to be less detailed and EU-visibility to be lower.

Although at individual DA/TA-level positive effects were observed, the overall effects of DC on improved donor coordination and harmonization, strengthened country ownership and leadership and reduction of aid fragmentation have been negligible. This was mainly due to the extremely complex context, in which the PA has been unable to lead aid coordination and in which donors have suffered from a 'seat at the table' mentality. Donors faced pressure to disburse money and wanted to spread their risks. Therefore, they often remained active in a relatively large number of sectors even if this further complicated aid coordination. This also applied to EUREP, which also used flexible and rather broad focal sector definitions.

There are some lessons to be learnt from the use of the DC aid delivery mechanism in Palestine. The DC modality has not been included in strategic documents as a means for implementation, but has been used by EUREP as an ad-hoc, practical modality, employed on a case-by-case basis. This is not necessarily negative, but there is an opportunity to use the DC modality more strategically. As DC fits very well in improving EU-Member States cooperation, it could be used more strategically and coordinated in the context of Joint Programming, which is currently being prepared in Palestine. In addition, recognizing the specific advantages of the different implementation modes employed by DA partners could lead to a more targeted use of the DC modality. More opportunities can be grasped through DC to further improve cooperation with a view towards improving the policy and political dialogue to address the binding constraints. The new politically-sensitive Area C programme could be an example of such a new approach: three new TA partners – France, Denmark and the UK – decided to delegate funds to the EU to strengthen a joint EU position.

List of abbreviations

AFD	Agence Française de Développement
AHLC	Ad Hoc Liaison Committee
AP	Action Plan
BMZ	German Federal Ministry for Economic Cooperation and Development
BTC	Belgian Technical Cooperation
COGAT	Coordination of Government Activities in the Territories
CRIS	EU Information System
CSP	Country Strategy Programme
DA	Delegation Agreement
DAC	Development Assistance Committee
DC	Delegated cooperation
DCI	Development Cooperation Instrument
DEVCO	Directorate General of the EC charged with Development Cooperation
DFID	Department for International Development UK
DFS	Direct Financial Support
DoL	Division of Labour
DP	Development Partner
DPCM	Development Policy Coordination Mechanism
EC	European Commission
ECoA	European Court of Auditors
ENP	European Neighbourhood Policy
EU	European Union
EUREP	European Union Representative Office
EDF	European Development Fund
EEAS	European External Action Service
EU	European Union
EQ	Evaluation Question
FR	Financial Regulations
GCCA	Global Climate Change Alliance
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoI	Government of Israel
HoC	Head of Cooperation
HoM	Head of Mission
IED	Intended Effects Diagram
IMDA	Indirect Management Delegation Agreement
IMF	International Monetary Fund
JAIP	Jericho Agro-Industrial Park
JP	Joint Programming
KfW	Kreditanstalt für Wiederaufbau
LACS	Local Aid Coordination Secretariat
LDF	Local Development Forum
MoU	Memorandum of Understanding
MS	EU Member State
MFA	Ministry of Foreign Affairs
MDLF	Municipal Development and Lending Fund
MDP	Municipality Development Programme
MoLG	Ministry of Local Government
MS	Member State
NDP	National Development Plan
NIP	National Indicative Programme

NPA	National Policy Agenda
oPT	occupied Palestinian territory
ODA	Official Development Assistance
OECD	Organisation of Economic Cooperation and Development
PAR	Public Administration Reform
P(N)A	Palestinian (National) Authority
PEFA	Public Expenditure and Financial Accountability
PEGASE	European Mechanism for the Direct Financial Support of the Palestinian Population - <i>Mécanisme Palestino-Européen de Gestion et de l'Aide Socio-Economique</i>
PFM	Public Finance Management
PLC	Palestinian Legislative Council
PLO	Palestinian Liberation Organisation
PMDP	Palestinian Market Development Programme
PMO	Prime Minister's Office
PRDP	Palestinian Reform and Development Plan
PRIDE	Partnership for Regional Investment, Development and Employment
PSC	Project Steering Committee
PSD	Private Sector Development
PSRG	Private Sector Reconstruction in Gaza
RG	Reference Group
SDC	Swiss Development Agency
SG	Strategy Group
SWG	Sector Working Group
TA	Transfer Agreement
ToR	Terms of Reference
TVET	Technical and Vocational Education Training
UNRWA	United Nations Relief and Work Agency for Palestine
USAID	United States of America Development Assistance
WBTF	World Bank Trust Fund

1 Introduction

This evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 is part of **DEVCO's evaluation programme approved by the Commissioner for Development**. The main objectives of this evaluation are:⁶³

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

Annex C presents the Results Chain or Intended Effects Diagram that has guided this evaluation, while Annex E includes an overview of specific terms used in this evaluation.

In the inception phase of this evaluation, Palestine has been selected as one of the nine country case studies based on criteria such as number of Delegation Agreements (DAs) and Transfer Agreements (TAs)⁶⁴, volume of DA and TA agreements, geographical spread and spread of DC partners. The other selected countries are Mali, Benin, Ghana, Mozambique, Tanzania, Timor-Leste, Haiti, and Nicaragua. In addition, there will be a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA). Palestine stood out among the partner countries as it had the highest number of DAs of all partner countries, but not the highest total value.⁶⁵ Also in terms of TAs, Palestine presented the highest number of TAs and was ranked fourth in terms of value of TAs.

The overview of DAs implemented during the period 2008-2014 in Palestine is presented in table 1.1 and is based on the information available in CRIS. This information was checked and validated during the field mission to Palestine, but no corrections were necessary. The DAs signed in 2015 or DAs that are still in the pipeline are not part of the scope of this evaluation and have thus not been included in the overview below. However, if relevant, new DAs are mentioned in the text. The main features of the DAs are:

- The nine DAs all relate to different projects, meaning that there is no case where multiple DAs relate to the same programme. All nine DAs are described and analysed in separate information fiches in Annex D;
- The DAs are part of the following three sectors: water & sanitation (2 DAs with KfW), Private Sector and TVET (4 DAs, of which 2 with GIZ, 1 with BTC and 1 with DFID), and (municipal) infrastructure (3 DAs, of which 1 with AFD; 1 with KfW and 1 with GIZ);
- Most DAs were implemented by a German implementing agency (3 by KfW and 3 by GIZ).

⁶³ See Terms of Reference (ToR), page 1.

⁶⁴ There are two types of delegated cooperation agreements, namely:

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

⁶⁵ Egypt had the highest value related to 6 DAs, followed by Mali with 8 DAs and Palestine takes third place regarding DA value of its 9 DAs.

Table 1.1 Overview Delegation Agreements 2008-2014 per sector, Palestine

Nr	Contract Number	Contract Title	Del Coop Partner	Contract Year	Contract Amount (€)
Water and Sanitation					
1	304653	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City	KfW	2012	3,500,000
2	331912	Sewerage Nablus East	KfW	2013	18,000,000
Private Sector Development and TVET					
3	270253	EU Support to TVET Development in the occupied Palestinian territory	GIZ	2011	4,000,000
4	312718	EU Support to TVET Sector in the Gaza Strip	GIZ	2013	2,000,000
5	328532	Palestinian Market Development Programme (PMDP)	DFID	2013	5,500,000
6	350744	Start-up Business Incubators in Palestine	BTC	2014	3,500,000
Infrastructure					
7	321636	Gaza Solid Waste Management	AFD	2013	5,000,000
8	299322	Construction of Community Police Stations	GIZ	2013	5,993,546
9	345867	Municipality Development Programme - Phase 2	KfW	2014	7,300,000

The overview of TAs implemented during the period 2008-2014 in Palestine is presented in table 1.2 and is based on the information available in CRIS. This information was checked and validated during the field mission to Palestine as the information on TAs available in CRIS was rather incomplete. A more complete overview is presented below the table, based on additional information received. The TAs that were signed in 2015 or TAs that are still in the pipeline are not part of the scope of this evaluation and have not been included in the overview below. However, if relevant, new TAs are mentioned in the text. The main features of the TAs as found in CRIS are:

Table 1.2 Overview Transfer Agreements PEGASE 2008-2014, Palestine

Nr	Dec. Nr	Contract Title	Del Coop Partner	Contract Year	Contract Amount (€)
PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority					
1	23610	2012 - Part II	Belgium	2012	9,000,000
2	23843	2012– Part II	Austria	2012	1,250,000
3	24408	2013 (Part I)	Luxembourg	2013	1,000,000
4	24609	2013 (Part II)	Austria	2013	1,250,000
5	24609	2013 (Part II)	Luxembourg	2013	700,000
6	?	Aid to vulnerable Palestinian Families	Austria	2008	1,000,000
7	?	Aid to vulnerable Palestinian Families	Austria	2009	500,000
8	?	Aid to vulnerable Palestinian Families	Austria	2014	1,500,000
PEGASE: Private sector support					
9	21839	Private Sector Reconstruction in Gaza (PSRG)	Japan	2011	4,781,282
10	23129	Support to Private Sector and Capacity Building to institutions related to the Economy later referred to as Partnership for Regional Investment, Development and Employment (PRIDE)	Japan	2011	1,453,277

- The two TAs concluded with Japan were directed towards support to private sector development. One TA supported businesses in Gaza; the other TA supported agricultural companies in the West Bank. Two separate information fiches are included in Annex D, because of the significantly different nature of both TAs;
- The other 8 TAs in Table 2.2 are all related to PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority. These 8 TAs were signed by three different TA partners: Austria, Belgium and Luxembourg. However, for none of the three partners the information provided in CRIS was complete;
- Austria had signed a total of 7 TAs (an additional 2 TAs compared to Table 2.2) as each year a TA was signed (plus a new TA for 2015 and one for 2016 in the pipeline, with amounts varying between € 0.5 million and € 1.5 million, for a total of € 7.5 million, all related to Component II of PEGASE, support to Poor and Vulnerable Palestinians;
- Belgium signed two TAs (an additional TA compared to Table 2.2): one related to Part II and one to Fuel to Gaza, € 18 million in total;
- Luxembourg signed 3 or 4 TAs (an additional 1 or 2 TAs compared to Table 2.2) for a total amount of € 3.7 million, all related to Component I, Support for civil servants and pensioners (CSP);
- Thus, the total number of TAs contributing to PEGASE recurrent expenditures is 12-13 with a total amount of € 29.2 million;
- When the two Japanese 2 TAs are added, the total number of TAs in Palestine during the period 2008-2014 is 14-15 with a total amount of € 35.4 million.

The total value of the 14-15 TAs (€ 35 million) is lower than the total value of the 9 DAs (€ 55 million) and it represents only a minor proportion of the entire EU portfolio in Palestine (3-4%).

Prior to the field mission, the evaluation team carried out a desk-based assessment of the DAs and TAs. The documents consulted are presented in Annex B. The field phase took place from 25 to 29 April 2016 and started with a briefing meeting with staff from the EU Representative Office (EUREP). Interviews were held with EUREP, DC partners and partner government stakeholders (see Annex A for list of persons interviewed). At the end of the field mission preliminary findings and conclusions were presented to EUREP staff and invited Heads of Cooperation of EU Member States. Anneke Slob and Andrea Dijkstra were responsible for the Palestine case study.

According to the overall evaluation design, the depth and focus of the analysis/evaluation have been somewhat different across the DC agreements. Because of the high number of agreements in Palestine, it was decided to differentiate the level of analysis per project:

- All 9 DAs and 14-15 TAs in Palestine have been subjected to a desk-based assessment. During the field visit, the evaluators managed to interview all EU project managers for the DAs and TAs;
- 5 DAs, larger than € 5 million, with 4 different DC partners (GIZ, KfW, AFD, DFID), and in different sectors, were selected for further assessment (DAs no. 2, 5, 7, 8 and 9). This included an additional interview with the DC partner. During the field mission, the other DAs from KfW and GIZ were also addressed in the interviews with these agencies. As such, the evaluators were able to analyse almost all the DAs more in-depth than initially planned (except for the DA with BTC);
- It was decided to conduct a sector study for the 12-13 TAs related to the PEGASE Direct Financial Support (DFS) mechanism to support funding recurrent expenditures of the Palestinian Authority (PA). In addition to interviews with the responsible EU project managers and the main TA partners (Austria, Belgium)⁶⁶, the evaluators

⁶⁶ The third TA partner Luxembourg could not be interviewed as it has no representative office in Palestine.

conducted interviews with the Palestinian counterparts, being the Prime Minister's Office, the Ministry of Social Affairs and the Ministry of Finance (see Annex A for a list of people interviewed). The project fiche regarding PEGASE DFS and the analysis in the report make clear that most donors / EU Member States provided support via Memoranda of Understanding (MOU), while signing TAs was the less preferred option that was only used by the four TA partners. In total 19 countries have contributed to PEGASE and the contribution via TAs was 15% of the overall contribution provided by other donors than the EU.

In the results chapter, the report refers to 12 projects/interventions. These are the 9 DAs, the 2 TAs concluded with Japan and all the TAs related to the PEGASE DFS. Because of their similar nature, the TAs related to PEGASE DFS are assessed as one intervention.

2 Country context

Political, economic and social situation and developments in the country *Political developments and the two-state solution*

The 1993 Oslo Accords marked the beginning of a potential two-state solution. However, key ‘final status’ issues⁶⁷ remained unsolved, which represent fundamental issues of Israeli control and Palestinian national aspirations. After the Oslo Accords in, no progress has been made on the final status issues despite a series of peace negotiations. The peace process has stagnated for quite some time and came to a standstill in 2014. The continued Israeli occupation, expanding settlements and the blockade of Gaza since 2007 have severely diminished the feasibility of a two state solution and have also seriously affected the Palestinian economy and the lives of Palestinians.

The conflicts in Gaza, partly related to the election victory of Hamas in 2006, including the battle of Gaza in 2007 (Hamas-Fatah), the Gaza war of December 2008-January 2009 also known as Operation Cast Lead (Israel- Hamas), the Operation Pillar of Defence in 2012 and the Gaza war in the summer of 2014, also known as Operation Protective Edge (Hamas-Israel) affected the political and economic context considerably.

The PLO played a leading role in setting up the Palestinian National Authority in 1994, referred to in this report as the Palestinian Authority (PA). Since winning the elections in January 2006 that were deemed free and fair, Hamas governs Gaza⁶⁸ and the PA governs the West Bank.⁶⁹

The PA has managed to build the necessary institutions for an independent state. This was confirmed by assessments of the World Bank, IMF and UN prior to the vote on the non-member observer status for Palestine in the UN in 2012. In April 2012, the Ad-Hoc Liaison Committee (AHLIC) welcomed the assessment that the Palestinian Authority “was above the threshold” for running state institutions. Yet, despite the explicit intent of the Oslo Accords, twenty years of substantial international assistance, institutional improvements and the 2012 UN recognition, Palestine still lacks the fundamental attributes of a state. Crucially, it does not have a monopoly of the use of force for security in its territory, even in the relatively small West Bank Area A. In the West Bank, the PA’s span of control and governance has continually diminished as Israeli settlements, entirely subject to Israeli law and governance, have expanded. Furthermore, there is no free flow of people, goods, investments and services between the West Bank and Gaza. The PA has therefore limited authority but broad responsibility for administering two non-adjacent land areas. This task has been difficult from the outset of the Oslo process in 1993 and has become more so since the 2007 divergence of the ruling authorities in the West Bank and Gaza.

⁶⁷ Among them: 1) the nature and borders of a Palestinian state; 2) the status of Jerusalem; 3) Palestinian refugees; and 4) Israeli settlements in the occupied territories.

⁶⁸ Hamas won a decisive majority in the Palestinian Parliament, defeating the PLO-affiliated Fatah party. A unity government was formed, but was short-lived as tensions over the control of Palestinian security forces soon erupted in the June 2007 Battle of Gaza, after which Hamas retained control of Gaza, while its officials were ousted from government positions in the West Bank.

⁶⁹ The overall political line of the EU and US is to consider Hamas as a terrorist organisation and accordingly not to engage with Hamas.

Economic developments

The overall economic situation in Palestine is very volatile as illustrated by varying annual economic growth rates. According to the World Bank, the lack of a comprehensive peace agreement has led to a vicious circle of economic decline and conflict.⁷⁰ Economic growth figures of the West Bank were positive from 2009 to 2011: between 8 and 10% real GDP growth rate per year. Also Gaza experienced some economic growth after easing of the blockade and the influx of humanitarian aid from the second half of 2009 onwards. However, after this temporary period of economic recovery, the Palestinian economy buckled under the many constraints related to the political uncertainty, continued restrictions on movement and access, fragmented regulatory business environments and the Gaza energy crisis. As a consequence, growth decelerated since 2012 to less than 2% in 2013 and the economy entered into recession in 2014. In 2015, the economy bounced back from the 2014 recession, but economic growth was barely enough to keep up with population growth. Growth is mainly confined to sectors whose output in terms of goods or services are not traded internationally, mainly services and residential construction.

The majority of the Palestinian private sector businesses consists of SMEs; while a small number of large companies supported by the PA has played a role in providing employment opportunities over the years. The Israeli occupation limits Palestinian movement and access to resources and markets to a very important extent. The blockade and permit regime halt economic development and lead to structural economic distortions. Due to the occupation and settlement construction, the Palestinian economy lost access to 40% of the West Bank, 82% of its groundwater and more than two-thirds of its grazing land. The Palestinian cultivated areas shrank by 30% from 1965 to 1994.⁷¹ Because the root of the conflict is about land, the disputes between Israel and Palestine are well-manifested in the agricultural and water sector of Palestine. In the Gaza Strip, despite more consumption goods, animal feed and construction materials especially related to international projects coming through the official crossings than during the period 2006-2010, the private productive sector remains at a standstill. With only one official commercial crossing operational, the 1.8 million people in Gaza are especially vulnerable to fluctuations of prices of food and fuel, as well as to any sudden, prolonged closure of the border. Additionally, a continuation of power cuts, unreliable access to raw materials through the official crossing, and the insignificant relaxation of restrictions on exports of agricultural products (vegetables, legumes and herbs) create major obstacles for jumpstarting the productive economy. Furthermore, the disconnect between the West Bank and Gaza Strip and the continued fiscal crisis of the Palestinian Authority have provided limited space to a vibrant and resilient Palestinian economic sector.

Government policies

Starting in 2007, the PA has formulated a series of National Development Plans including the Palestinian Reform and Development Plan (PRDP) 2008-2010, the National Development Plan (NDP) 2011-2013, the NDP 2014-2016 State Building as Sovereignty, while a new and costed six-year National Policy Agenda 2017-2022 is being prepared by the Prime Minister's Office (PMO).

In addition, the PA formulated sector strategies for most sectors and sub-sectors including the sectors supported by DAs and TAs such as the Technical Vocational Education and Training (TVET) strategy (2010), a Police Development Strategy 2010-2012, a Security

⁷⁰ World Bank, Economic Monitoring Report to the AHLC, September 22, 2014, p. 4.

⁷¹ Emergency Water and Sanitation/Hygiene (EWASH), Fact Sheet 14, 2013; and Palestinian Central Bureau of Statistics, "Palestine in Figures 2012", March 2013.

Sector Strategy 2014-2016, a Water Law in June 2014, and a National Water Sector Strategy 2014-201.

New government policies and strategies are being formulated often with the assistance of donors and Technical Assistance based in the Ministries. However, implementation of policies and the necessary structural reforms in various sectors lag behind.

Aid Architecture

Continuing dependence on development and humanitarian assistance

Following the Oslo Accords, the international support to the Palestinian areas increased sharply. Aid was often pledged in international conferences such as the Paris Donor Conference in December 2007, where donors widely endorsed the PRDP and pledged over US\$ 7.7 billion to support the PRDP. The conference in Cairo in October 2014 led to pledges up to US\$ 5.4 billion for the recovery of Gaza. However, in practice there are important differences between pledges and actual disbursements. The substantial foreign aid made the Palestinian economy very donor-dependent, but ODA decreased considerably in recent years. The World Bank indicates that donor funding was equivalent to 32% of GDP in 2008 but only 6% of GDP in 2015. That decline contributed significantly to recent economic weakening.⁷² However, it should be acknowledged that there are no reliable records of international assistance provided to Palestine. One reason is that an important part of the aid is provided off-budget and, therefore, the PA has no reliable figures. Secondly, donors tend to pledge large sums of money at international conferences, while the relation between the pledges, commitments and disbursements is not always clear. Thirdly, contributions from Arab countries are often not included in the overviews of development assistance. The EU is listed as the second most important donor to Palestine after the USA.

The character and nature of EU's engagement in Palestine is largely if not entirely defined by the geopolitical context. This context confronts all external actors wishing to contribute to a solution of the conflict between Palestine and Israel and internal Palestinian issues. Given the Israeli occupation, the Palestinian economy is heavily donor-dependent and donors such as the EU and its Member States have to deal with the consequences of this binding constraint in their work. It is argued by many stakeholders that donors are paying for the Israeli occupation.

Donors disagree on many issues related to the political dialogue with Israel, including the blockade of Gaza, the Israeli settlements, the permit and closure regime, human rights etc. Donors also disagree on whether and how issues these issues should be debated with the PA, including good governance, human rights, the unity government, etc. Within the EU there is a lack of consensus on the way forward and Member States take different positions on various issues including the vote on the "non-member observer state" status in the UN.

The binding constraints related to the Israeli occupation and limitations on the Palestinian side set limits on the scope and success of EUs engagement with Palestine. It has become clear that in the absence of a political solution, EU support can only serve to mitigate the negative effects of the political status quo and ensure stability to a certain extent.

⁷² World Bank, Economic Monitoring Report to the Ad Hoc Liaison Committee, April 19, 2016.

Formal adherence to aid effectiveness principles and an elaborate donor coordination structure in place, but the system is heavy and complicated

All stakeholders agree that there is no traditional donor-recipient aid relationship in the case of Palestine. Donors have political motives to provide aid to Palestine and this affects donor strategies and aid implementation to an important extent. Dialogue with Israel is not the mandate of most of the representative donor offices in Palestine, but is the mandate of the Embassies in Tel Aviv. Donor representatives are sometimes involved in technical coordination issues with Israel regarding permits and authorisation at technical level. There were some tripartite committees, such as the Joint Water committee in which donors participated as observers, but it does not meet anymore since 2011 due to disputes about settlements.

Related to the Oslo Accords, the Ad Hoc Liaison Committee (AHLC) and the related aid coordination structure was set up in 1993 to promote dialogue between donors, the Palestinian Authority (PA) and the Government of Israel (GoI). The AHLC serves as the principal policy-level coordination mechanism for development assistance to the Palestinian people. The AHLC is chaired by Norway and co-sponsored by the EU and the USA. The World Bank is responsible for the Secretariat. Since 2002, the Quartet, consisting of the UN, EU, USA and Russia, is also linked with the AHLC. A Local Development Forum (LDF) regroups all donors, aid agencies and the PA. In addition, a Local Aid Coordination Secretariat (LACS) supports the donor coordination structures. In addition, four Strategy Groups (Economic Policy, Infrastructure, Governance and Social Development) have been set up with 18 (Sector) Working Groups. A PA Ministry is in principle chairing the Strategy Groups and the Sector Working Groups, while one or two donors assume the co-chair role.

Despite this very elaborate donor coordination structure, there are challenges regarding donor coordination. This is partly related to the fact that the large majority of aid is provided off-budget.⁷³ The National Development Plans (NDPs) were meant as one step in the direction of further alignment of aid, but various evaluation reports indicate that the NDPs on the one hand provide an insufficient framework, while on the other hand donors are not really interested in further alignment and harmonisation of their aid.

The evaluation of the World Bank Group Program 2001-2009 concluded that despite the uniqueness of the overall aid coordination structure, *“it is also heavy, complicated, time-consuming, inefficient but indispensable and somewhat effective.”* In December 2015, an independent review of the aid management system in Palestine was carried out at the request of the AHLC co-chairs, which formulated also proposals for reforms.⁷⁴ That report states that the present structure is based on “the Oslo tripartite template but has lost functionality as the peace process has metastasized”. One of the main flaws is the “absence of Israeli commitment to structures and demise of tripartite committees”. Donors have politicized aid management and the “seat the table” mentality is detrimental to practical action. Today’s structure delivers “ritualistic” meetings, not outcomes, There are too many layers and players, while important donors such as Russia, China and the Arab states do not participate. The review contains many practical proposals to make the system leaner and meaner and to link it with new six-year National Policy Agenda, which is the new name for the NDP. These proposals are still under discussion. Main features of a new aid system would be to reduce the number of different groups per strategy and/or sector and to reduce the size of each forum, i.e. less participants within each group to promote effectiveness and efficiency. Results, not representation, should determine the management and coordination structure.

⁷³ The PA estimated that in 2014 only 20-25% of the aid is provided on-budget.

⁷⁴ Nigel Roberts, Reforming aid management in the West Bank and Gaza: Proposals for discussion, 16 December 2015.

EU strategies

The EU has also set out parameters for a comprehensive and lasting two-state solution, most notably in the Foreign Affairs Council conclusions of December 2009, December 2010, December 2012 and July 2014 focusing on the two-state solution. A recently completed evaluation of EU support to the Palestinian people points at incoherence in EU external action between its declared policies and its practice: “There was a disconnect or incoherence between declared policies and the practice for achieving them”.⁷⁵ It concludes that failure to overcome the two major binding constraints explain why the EU cooperation had “little demonstrable impact on the main obstacles to achieving the Two-State solution”. Also the World Bank, IMF and AHLC reports (see Annex B) describing and analysing the geopolitical context, recognise these widely documented constraints.

As Palestine cannot be considered as an ordinary partner country, specific EU strategies have to be put in place that are different from the usual Country Strategy Papers (CSPs) and National Indicative Plans (NIPs). An EU-PA European Neighbourhood Policy (ENP) Action Plan was signed in May 2005. It was meant to cover a period of three to five years, but it finally expired on 30 June 2012. A new Action Plan was prepared that is planned to remain in place for another 3-5 years period. The Action Plan is broad and not limited to development cooperation and includes nine priority objectives ranging from political objectives such as resolving the Middle-East conflict and deepening bilateral relations to poverty reduction, social protection, human rights and economic priorities. No focal sectors are defined in the action plan. In internal EUREP documents and interviews, different tracks of development cooperation support are being distinguished:

- Track 1: PEGASE, DFS to recurrent expenditures of the PA;
- Track 2: Focal sector support financed through thematic and geographical instruments;
- Track 3: EU support to refugees via UNRWA.

The Action Plan is linked with the Single Support Framework that was prepared in 2013.

The majority of support is channelled via Track 1 (more than € 1.7 billion during the period 2008-2014) followed by Track 2 (€ 373 million during the period 2008-2012, so probably more than € 500 million during the period 2008-2014), in which also the TAs and DAs are situated. The total DA and TA support of approximately 90 million is only 3-4 % of the overall support.

The focal sectors have remained roughly the same during the evaluation period 2008-2014, but been somewhat redefined over time. According to the present organisational structure of EUREP the following main clusters of sectors can be distinguished:

1. Governance, which includes Security Sector Reform, Rule of Law, Human rights, Culture, and Civil society;
2. Macroeconomic support, which includes Public Finance Management (PFM), Public Administration Reform, Fiscal Outlook, Education and Social Protection;⁷⁶
3. Private Sector and Trade, which remained roughly the same under the name of Economic Development and Private Sector;
4. Infrastructure that was later renamed as Water and Sanitation and more recently as Water and Land Management.

⁷⁵ European Commission, Evaluation of the EU cooperation with the occupied Palestinian territory and support to the Palestinian people, Final Report, Volume 1, May 2014, p. xii.

⁷⁶ In the past there was a focal sector ‘Social delivery’ including social protection, education and health, which is not considered a focal sector anymore and main parts of previous support under this sector are now included in ‘Macroeconomic support’.

The Single Support Framework Palestine 2014-2015 (extended until 31 December 2016) indicates that the EU support will focus on three focal sectors, namely:

- Support to governance at local and national levels;
- Support to the private sector and sustainable economic development;
- Support to water and land development.

It seems that the governance and macroeconomic support have been put together in this classification.

Given the need to work together in the fragmented aid context and the many actors involved, EUREP aimed to reinforce the cooperation between like-minded donors, in particular the EU and its Member States. Therefore a gradual process towards Joint Programming was started. In 2013-2014, the Heads of Cooperation (HoCs) of the EU and its Member States represented in Palestine agreed to make sector fiches for the main sectors the EU and the EU MS are active in. In October 2013, the idea of Joint Programming took shape in the HoCs retreat. For each sector, a lead donor was appointed, which was in charge for drafting the fiche. End 2014, sector fiches were realised for 16 sectors.⁷⁷ Although these fiches provide a useful overview of the current situation and ongoing activities in the respective sectors, they do not yet contain a forward-looking strategy for the sector, but include only an overview of projects and programmes. Currently, the EU and the MS have started to work, on the basis of these fiches, towards joint programming.

Political and strategic considerations for using the DC modality

Because of the complex situation, the strategy documents for Palestine are of a more ad-hoc nature than for other countries. This affects the use of the DC modality, which is by definition also ad hoc. The Action Plan 2013, SFF and the roadmap to Joint Programming do not refer to the use of Delegated Cooperation. The main reason for Delegated Cooperation has been a pragmatic one. The DAs were used for improving the intra-sectoral division of labour, which fits into the efforts to work together pragmatically in order to avoid overlaps. However, the relatively high number of DAs can also be explained by the interest of EUREP to reinforce the EU-MS cooperation. This implicitly more strategic argument is promising for using DC in a more formalised strategic manner in the upcoming Joint Programming efforts. The reasons why there are so many TAs in Palestine can be explained by the uniqueness of the PEGASE DFS instrument with the EU in a clear lead position and the risk-averse attitude of many donors. However, during the field mission, examples were found of new TAs, which were signed to take a joint EU approach towards improving the policy and political dialogue to address the binding constraints.

⁷⁷ Sectors (lead donor): Agriculture (Spain, East Jerusalem (EU), Education (Belgium), Energy (EU), Gender Equality and Women's Empowerment (Italy), Health (Italy), Justice (The Netherlands), Local Governance (Denmark), Macroeconomic Support (EU), PFM (EU), Private Sector (EU), Public Administration Reform (UK), Refugees (EU), Security (UK), Social Protection (EU), Water (Germany).

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

In all cases, except PEGASE DFS, Delegated Cooperation did not improve the inter-sectoral division of labour. The DC modality was rather used for improving the intra-sector division of labour.

The DC-modality was not used by the EU to exit a certain sector, or to become a passive donor in a sector. In all cases, the EU remained an active donor. In the majority of cases (8 out of 12 projects) DC did not lead to any change in the inter-sectoral division of labour. In three cases, a negative effect on the inter-sectoral division of labour was observed caused by DC, because the EU became a more active donor in the TVET sub-sector (2 DAs with GIZ), and engaged more actively in municipal development (DA with KfW). Only for PEGASE DFS, a modestly positive effect was observed – as the TA partners fully delegated implementation to the EU and did not bilaterally engage in direct financial support to the PA.⁷⁸

In half of the cases (6 out of 12 projects) the DC modality did positively affect the intra-sector division of labour. This was the case when the implementing DA partner was already active in the sector by means of an ongoing intervention. GIZ was already active in the TVET sector, KfW funded sewerage activities in the Municipality of Nablus and supported MDP, DFID had set up its flagship PMDP in the private sector, and the EU had already its PEGASE system to support PA recurrent expenditures to which donors could contribute. A strong effect was seen in the Solid Waste intervention, where the DA was part of a programmatic approach to strengthen solid waste management in Gaza that was supported by several donors. No effect was observed in cases where the DA or TA supported a new project: KfW setting up a new project in Gaza, BTC undertaking new activities on business incubators, GIZ supporting Community Police Stations⁷⁹, while the EU engaged in applying the PEGASE mechanism to support businesses both in Gaza and the West Bank.

⁷⁸ This was also the case for all other donors contributing to PEGASE via MoUs.

⁷⁹ In case of the support to Community Police Stations, a parallel BMZ-funded capacity building component was being implemented by GIZ. However, since the construction of police stations is a fundamentally different activity, it was considered as having the same effect on division of labour as when a service contractor would have been hired for the construction part.

Table 3.1. Effect of DC agreements in Palestine on improving the division of labour among donors

1	Contract title, DC partner and contract year	Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City			Inter + intra-sectoral	
DA	Sewerage Nablus East- KfW		Intra-sectoral	Inter-sectoral	
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ		Intra-sectoral		Inter-sectoral
DA	EU Support to TVET Sector in the Gaza Strip		Intra-sectoral		Inter-sectoral
DA	Palestinian Market Development Programme (PMDP)- DFID		Intra-sectoral	Inter-sectoral	
DA	Start-up Business Incubators in Palestine- BTC			Inter + intra sectoral	
TA	Private Sector Reconstruction in Gaza (PSRG) – Japan			Inter + intra sectoral	
TA	Partnership for Regional Investment, Development and Employment (PRIDE) – Japan			Inter + intra-sectoral	
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW				Inter + intra sectoral
DA	Gaza Solid Waste Management- AFD	Intra-sectoral		Inter-sectoral	
DA	Construction of Community Police Stations- GIZ			Inter + intra sectoral	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		Inter + intra sectoral		

Clarifications and explanations

In Palestine, not only the EU but also other donors use quite broad sector definitions, which makes it difficult to make steps forward towards improving the inter-sectoral division of labour. Donors have political interests of being visible and want to avoid risks as far as possible and therefore tend to ‘put their eggs in different baskets’. As a result, they are often active in several sectors. This means that the EU and its Member States are not directly inclined to use the DC modality to phase out of a sector, or to become a silent partner. As indicated in chapter 2, the focal sectors of the EU are very broadly defined, which allows for entering new (sub-) sectors. The DAs in the TVET sector are an example of broad and shifting sector definitions on the side of the EU. The documents indicate that, initially, the DC modality was used to exit the education sector. However, later on, TVET was placed as a new sub-sector under Private Sector Development (an EU focal sector) so that in practice, these DAs actually led to the EU entering the TVET sub-sector. A similar effect can be noticed in the municipal development and local governance sector, which was originally part of the ‘Infrastructure’ focal sector, which was a sector supported by many donors. The EU decided to provide support via KfW to MDP2, which is part of the

local governance sector. Many donors provide support to this sector and Denmark is the lead donor and co-chair of the SWG, while KfW is one of the active donors. Historically, the local governance support focused on infrastructure support, but the focus has gradually shifted to include governance issues. Various donors, including KfW, provide support to local governance via MDP, which is focused to an important extent on infrastructure for municipalities, but also gradually broadening to governance. The EU provided infrastructure support to municipalities in the past as part of its focal sector Infrastructure. The DA that was concluded with KfW was a follow-up of previous infrastructure support. As the definition of the focal sectors changed, this support is now part of the EUREP 'water and land' focal sector, which includes solid waste, energy, infrastructure, transportation, area C, local development, agriculture and food security, environment and climate change. Given the increased focus on governance issues and the fact that most donors consider local governance as an important separate sector, the question is whether the DA with KfW did not lead to an increase of (sub-)focal sectors for the EU. This is related to the broad sector definition of the EU.

A specific example of the lack of division of labour and lack of coordination, including lack of sharing of information between not-like-minded donors is the KfW water and sanitation project in Gaza, which originally would consist of two storm water projects in Gaza, according to the Action fiche. However, the counterpart, the Palestinian Water Authority (PWA), informed KfW and the EU that Qatar, which does not participate in donor coordination, would fund the project and new projects had to be defined.

Furthermore, given the political situation in Gaza it is very difficult to fund projects in Gaza. According to interviewees it is considered to be more important to fund feasible projects in Gaza than focusing on division of labour issues. As several interviewees stated: "If you can put money in Gaza, you do it".

In the context of joint programming and making the sector fiches, the EU and its Member States (MS) have taken initial steps towards improving division of labour, but at present this remains mainly limited to information sharing and further steps are being planned. It will still take some time. Given the limited volume of aid provided via DC agreements, it could not be expected that DC would substantially contribute to improved inter-sectoral division of labour.

Nevertheless, donors and in particular like-minded donors are interested in avoiding overlaps and creating synergies between projects and programmes. This is why DC did contribute to improved intra-sectoral division of labour.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes in Palestine?

Response

There is a variable, but mainly positive contribution of DC to increasing co-financing, in particular parallel co-financing. A distinction is being made between joint co-financing on the one hand, which means that funds are pooled together and not earmarked as EU or DC partner's funds, and parallel co-financing on the other hand, which means that donor contributions for a specific project or programme are earmarked and not put together in a basket fund (see Annex E for definitions).

Five EU-funded DA projects were not jointly co-financed: the Gaza water & sanitation programme (KfW), the two TVET projects, the business incubators and the community police stations. As such, in these cases no change was observed as regards joint co-financing. In four out of these five cases, this effect was leveraged by a modest to strong effect with parallel co-financing, because the DA partner had a complementary project next to the DA. The TVET programmes implemented by GIZ are scored as strongly contributing to parallel co-financing, as clear linkages were observed between the BMZ-funded TVET programme and the EU interventions. The DA of KfW in Gaza contributed modestly to parallel co-financing as the DA could be placed in the larger context of the 'Open Programme'.⁸⁰ The construction of Community Police Stations was indirectly linked to GIZ providing BMZ-funded police capacity building. In one case, the DA with BTC, no improvement was observed in both types of co-financing as this was an EU-funded stand-alone project.

In the seven other cases there was joint co-financing. Two of the five cases with a strong effect on joint co-financing, also had a strong effect on parallel co-financing, as they were part of a multi-donor intervention (the Solid Waste programme and the MDP). Two other strongly jointly co-financed efforts did not have an effect on parallel co-financing as these interventions were not part of a larger programme: KfW sewerage Nablus and DFID's PMDP. The TA concluded with Japan in the West Bank had a modest effect on parallel co-financing, as the project was closely related to the Japanese-funded flagship project the Jericho Agro-Industrial Park (JAIP).

In case of the other TAs - PEGASE DFS to PA recurrent expenditures and PSRG - the effect on parallel co-financing has been modest. Although the TAs did co-finance the PEGASE mechanism, the difference between the EU contribution and the TA amounts is so substantial that it is not possible to speak of a strong joint co-financing effect. Nevertheless, there were strong parallel co-financing effects, as PEGASE had many donors.

Table 3.2. Effect of DC agreements in Palestine on increasing co-financing

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City		Parallel	Joint	
DA	Sewerage Nablus East- KfW	Joint		Parallel	
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ	Parallel		Joint	
DA	EU Support to TVET Sector in the Gaza Strip	Parallel		Joint	
DA	Palestinian Market Development Programme (PMDP) – DFID	Joint		Parallel	
DA	Start-up Business Incubators in Palestine- BTC			Joint & Parallel	
TA	Private Sector Reconstruction in Gaza (PSRG) – Japan	Parallel	Joint		
TA	Partnership for Regional Investment, Development and Employment (PRIDE) – Japan	Joint	Parallel		

⁸⁰ Although no direct linkages between the DA-project and the 'Open Programme' could be observed.

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW	Joint & Parallel			
DA	Gaza Solid Waste Management- AFD	Joint & Parallel			
DA	Construction of Community Police Stations – GIZ		Parallel	Joint	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium	Parallel	Joint		

Clarifications and explanations

The findings regarding joint and parallel co-financing fit within the Palestinian aid context dominated by many dispersed projects. Like-minded donors are interested to work together and create synergies where possible. In this context, co-funding of projects is a logical step as long as visibility is guaranteed. The visibility of the EU has been a reason why in some specific cases the EU insisted on its own project components, e.g. the TVET projects, but also the KfW water project in Gaza, rather than contributing to a bigger programme. In case of the KfW project, the fact that specific actions seemed ready to be implemented, as an identification and feasibility study were carried out, was also an important argument for the EU to provide funding for these specific components – although this fast start did not materialise because the activities appeared to be funded by a third party.

With regard to the joint co-financing of the DFID PMDP programme, it should be noted that the EU funds are partly earmarked as they cannot be used for the payment of grants due to legal restrictions as reflected in the DFID pillar assessment. DFID and the EU decided to use the EU funds for other components of the projects and to allocate DFID-funds to the grant-component.

It is worth mentioning that GIZ ‘co-funded’ the projects by using resources from its ongoing, related programmes. The TVET projects supported by the EU received additional support from the umbrella TVET programme (funded by BMZ), which was reflected in the EU budget. In the TVET project in Gaza, BMZ provided € 200.000 for immediate relief and reconstruction after the Gaza war in 2014, because it was difficult to reallocate the EU funds for these purposes. This illustrates the ‘invisible’ operational support given by GIZ to the EU projects – and reinforces their score as being strong in parallel co-financing. Also for the GIZ community police stations, GIZ considers this as “an EU co-financing arrangement”,⁸¹ given the parallel activities, while for the EU it is a standalone project. Furthermore, for all GIZ projects the EU only covers overhead costs up to a maximum of 7% of the DA budget; additional overhead costs of the EU-funded components are included in the BMZ (or the German Ministry of Foreign Affairs for the police stations).

⁸¹ See website GIZ: <https://www.giz.de/en/worldwide/18101.html>.

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

All but one contract contributed either directly or indirectly to a larger programme, which is in line with the findings regarding co-financing presented above. The findings regarding the effect of DC on the size of projects and programmes are in line with the previous findings on division of labour and co-funding in the fragmented Palestinian aid context. Like-minded donors are interested to avoid overlap between projects and create synergies where possible. DC is one instrument to do so if visibility and 'a seat at the table' are assured. So, the EU definitely aimed, through DAs and TAs, for getting more comprehensive projects, and this was realised to some extent as reflected in the scores presented in table 3.3.

Table 3.3. Effect of DC agreements in Palestine on increasing the size of projects and programmes

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation (W&S)					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City		X		
DA	Sewerage Nablus East- KfW	X			
Private Sector Development (PSD) and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ		X		
DA	EU Support to TVET Sector in the Gaza Strip		X		
DA	Palestinian Market Development Programme (PMDP) - DFID	X			
DA	Start-up Business Incubators in Palestine - BTC				X
TA	Private Sector Reconstruction in Gaza (PSRG) - Japan		X		
TA	Partnership for Regional Investment, Development and Employment (PRIDE) – Japan		X		
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW	X			
DA	Gaza Solid Waste Management – AFD	X			
DA	Construction of Community Police Stations - GIZ		X		
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		X		

Clarifications and explanations

In four cases, a strong effect was brought about by the DA, as a significant amount was contributed to a larger programme, which had a strong effect on the budget and the scope of the programme (see scores in table 3.3). This was the case for the DA with KfW for the Sewerage Nablus East, which strongly increased both the budget and the scope of the project, as the EU funds delegated to KfW made up for almost 50% of the budget although disbursements lag behind. The EU contributed about 32% to the DFID PMDP, which also had a strong effect on the size of this programme. The contribution of the EU to the MDP phase 2 represented an increase of 20% of the total budget for this phase, which can be potentially considered as a strong effect, although so far only € 0.4 million has been committed. The DA with AFD also contributed 20% to the entire programme.

The strong effect of DC on the MDP and the solid waste programme is further confirmed by the fact that both are multi-donor programmes.

The projects that were managed as stand-alone EU interventions, but which were part of a larger 'umbrella' project, had a modest effect on the size of projects and programmes. This was the case for the two TVET programmes that were closely related to the TVET interventions supported by BMZ and SDC. However, because of the missed opportunity to construct one multi-donor funded large programme, the effect of these DAs was scored as 'modest'. The DA with GIZ supporting the Community Police Stations was also linked with parallel BMZ-support for capacity building, but its effect remained modest as the project was managed as a separate intervention and not integrated into a larger joint intervention. The DA with KfW under the Open Programme fitted into a larger umbrella-programme which was funded by BMZ with an amount of 15.8 million euro. However, it was a separate intervention with a specific budget and scope, and as such it only modestly contributed to a larger programme.

The TAs had also a modest effect on creating larger programmes, due to their relatively small size. The Japanese contribution to private sector development in Gaza and Jericho on the West Bank as well the TAs from Austria, Belgium and Luxembourg did contribute to creating larger programmes, but the financial contribution was relatively small compared to the entire budget, so that they did not significantly increase the scope of the programme.

The DA for Business Incubators had a negative effect on establishing a larger programme: it was not related to another existing intervention, and was not co-financed.

The exception is the case of the BTC business incubators, where joint and parallel support were absent and the size was relatively small (€ 3.5 million). Therefore, a negative effect was observed as it created a new stand-alone project in a PSD sector already supported by many donors.

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

The scores on the use of single management systems vary between strong positive effects and no change (see table 3.4). Strong effects were found for the six projects where funds from both the EU and the DC partners were managed by making use of the same management system, i.e. all cases with joint co-financing. In these cases, the funds were managed by the same team and joint reports were published. The DFID PMDP project has led to a modest effect, because the EU did only fund the technical assistance components, and not the grants component.

For the TAs related to the PEGASE DFS mechanism to support PA recurrent expenditures or private sector development, a complex management system has been set up with EUREP in a central role including the PA being responsible for preparing the quarterly lists of eligible applicants for salaries and pensions, allowances or private sector grants. External audit firms are responsible for ex-ante and ex-post verifications of the eligibility. On the basis of the audits the EU authorises payments by the Palestinian Treasury. The suitability of this systems for large groups of persons is clear, but its appropriateness for private sector grants is questionable.

No effects were found in the five cases where the EU funds were managed by the system of the DC partner, while funds from the DC partner were managed separately. Although the programmes implemented by GIZ were very much integrated into the BMZ or Foreign Affairs-funded parallel interventions, a separate management structure was set up and separate reporting about the use of the EU funds was required. This was similar to the water and sanitation programme managed by KfW in Gaza, Deir Al Balah and Rafah City. In addition, the EU insisted often on quite detailed reporting, compared to what implementing agencies were used to. In the case of BTC, the absence of both parallel and joint co-financing led also to no effect on single management systems, as this DA effectively meant that BTC had to set up an entirely new management system for the EU funds.

Table 3.4. Effect of DC agreements in Palestine on increasing the use of single management systems

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City			X	
DA	Sewerage Nablus East – KfW	X			
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ			X	
DA	EU Support to TVET Sector in the Gaza Strip - GIZ			X	
DA	Palestinian Market Development Programme (PMD) - DFID		X		
DA	Start-up Business Incubators in Palestine - BTC			X	
TA	Private Sector Reconstruction in Gaza (PSRG) - Japan	X			
TA	Partnership for Regional Investment, Development and Employment (PRIDE)– Japan	X			
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW	X			
DA	Gaza Solid Waste Management- AFD	X			
DA	Construction of Community Police Stations- GIZ			X	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium	X			

Clarifications and explanations

Management systems of implementing agencies are quite different, which corresponds to the degree of sub-delegation. GIZ prepares rather detailed reports, while AFD and KfW make Project Executing Agencies responsible for producing reports that are often more concise and do not always satisfy EUREP requirements.

In general, DA partners and the PA consider the EU procedures to be quite heavy. Also the European Court of Auditors reports on heavy EU procedures in its report on PEGASE.⁸²

⁸² European Court of Auditors, European Union Direct Financial Support to the Palestinian Authority, report no. 14, 2013.

EUREP and EU partners indicate that the DC rules, procedures and templates have changed too frequently and still allow for too much room for different interpretations. The new set of procedures called Project Assessed Grants or Delegated Agreements (PAGODA) should have improved the system, but according to interviewees this is insufficiently the case.

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

There has not been any positive effect of DC agreements on the reduction on the number of active donors per sector (see table 3.5). This outcome is not surprising given the outcomes regarding the inter-sectoral division of labour (see section 3.1), which was not a main motivation of using the DC modality in Palestine. Given the politically sensitive environment, donors want 'a seat at the table' in many platforms, including sector platforms, but also want to share the risks of project implementation. Silent partnerships hardly exist.

Table 3.5. Effect of DC agreements in Palestine on reducing the number of donors active per sector

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City			X	
DA	Sewerage Nablus East- KfW			X	
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ				X
DA	EU Support to TVET Sector in the Gaza Strip				X
DA	Palestinian Market Development Programme (PMDP)- DFID			X	
DA	Start-up Business Incubators in Palestine- BTC			X	
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan			X	
TA	Partnership for Regional Investment, Development and Employment (PRIDE)-Japan			X	
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW			X	
DA	Gaza Solid Waste Management- AFD			X	
DA	Construction of Community Police Stations- GIZ			X	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium			X	

Clarifications and explanations

The EU wanted to exit the education sector, including the TVET sub-sector, through Delegated Cooperation. However, the two DCs in TVET led to renewed interest and engagement of the EU in this sub-sector, which was subsequently added as a specific sub-sector of the EU focal sector Private Sector Development. Hence, in this case the DC led to continued engagement of the EU in this sub-sector, which compared to the original

intentions, is considered as a negative effect on the number of donors in this sub-sector. However, it should be realised that the TVET sub-sector is not supported by many donors and the EU funds were welcomed by the PA to reinforce the implementation of the endorsed TVET strategy.

The EU decided to remain involved as delegating donor in the local governance sector as part of the water and land management focal sector, which raises some questions as most donors consider local governance as a separate sector (see 3.1). The EU is now reflecting on continuation of its support to this sector through MDP 3, but no decision has been taken. If the support is not continued this might in the future lead to a reduced number of donors active in the sector.

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

The use of comparative advantages varies greatly per project, but despite the mainly positive scores (see table 3.6) it has not been a main determining factor for signing DC agreements.

Table 3.6. Effect of DC agreements in Palestine on increasing the use of comparative advantages

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City	X			
DA	Sewerage Nablus East- KfW	X			
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ	X			
DA	EU Support to TVET Sector in the Gaza Strip – GIZ	X			
DA	Palestinian Market Development Programme (PMDP) – DFID		X		
DA	Start-up Business Incubators in Palestine – BTC				X
TA	Private Sector Reconstruction in Gaza (PSRG) – Japan		X		
TA	Partnership for Regional Investment, Development and Employment (PRIDE) – Japan		X		
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW		X		
DA	Gaza Solid Waste Management- AFD		X		
DA	Construction of Community Police Stations- GIZ		X		
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium	X			

Clarifications and explanations

In five cases, a strong effect on the use of comparative advantages was found: implementation was delegated to the lead agency with proven experience in the sector.

Germany is the lead donor in the water sector, with KfW as leading implementing agency. GIZ took the lead in the TVET sector and was, therefore, the most suitable partner for managing interventions in this sector. The strong lead of the EU in Direct Financial Support via the PEGASE mechanism provides it with a clear comparative advantage in particular for the recurrent expenditures component and to a lesser extent for the private sector support.

In six other cases, including the two TAs for PSD, a modest effect was found. Although the DC partner had a good position in all cases, other alternative partners were available for managing projects in the sector concerned and they were also considered in the decision-making process. For pragmatic reasons⁸³ the choice was made for the specific DC partner.

In the case of KfW MDP 2, one reason for concluding the DA was that KfW was the biggest contributor to MDP 2. KfW's long-standing experience in the local governance sector and in particular with infrastructure were additional reasons.

In the case of BTC, the DC partner had no experience in private sector development/business incubator. Reference was made to relevant TVET expertise and broader Palestinian expertise, but this cannot be considered as good use of comparative advantages.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

The overall contribution of DC on improving donor coordination and harmonization is limited. The potential contribution of relatively small DC agreements in the complex and fragmented aid architecture in Palestine should not be overestimated.

In a small sub-sector such as TVET, which is supported by only a few donors, and where no formal coordination structure was in place, the contribution of the DC agreements to improving coordination is considered to be strong. Due to intense cooperation between the EU and GIZ, together with the German Representative Office, and also with the other donors in the sector (BTC and SDC), it was possible to establish strong informal donor coordination in the absence of a strong lead by the PA. The establishment of a formal TVET coordination platform by the PA in 2015 is achieved partly due to the strengthened coordination due to DC.

However, in most cases, the DC projects were too small-scale to contribute significantly to positive changes in the complex aid management structure in Palestine. The interventions in the water and sanitation sector via KfW did not contribute to improved donor coordination and harmonisation in the sector. This was partly due to the absence of effective donor coordination in the water sector as a whole, but also because of the limited opportunities to capitalise on the cooperation with KfW in the policy dialogue. The EU was only to some extent involved in the projects. Moreover, the policy dialogue is led by the

⁸³ The World Bank and DFID jointly implemented PMDP, phase I, but the World Bank withdrew during the discussions on Phase 2. AFD was better positioned than the EU for the Solid Waste programme, but the World Bank and UNDP could be considered as the strongest donors here. Although GIZ had experience in constructing Community Police Stations, comparative advantage does not seem to have been the decisive factor for delegation – the political decision to implement the project with an EU Member State instead of UNOPS or a private service provider was more important.

German Representative Office and not by KfW. Donor coordination in Private Sector Development has also been difficult partly due to high number of active donors involved. The DA with BTC and the TAs with Japan were too small-scale to make any difference in donor coordination. The intervention with DFID modestly contributed to a joint position of the EU and UK towards the PA as the size of the project increased leverage of both donors.

The TAs supporting PEGASE DFS modestly improved donor coordination. The TAs positively influenced the position of PEGASE as joint European mechanism; however, as most donors continue to contribute to PEGASE via Memoranda of Understanding, these TAs only modestly contributed to better coordination.

Table 3.7. Effect of DC agreements in Palestine on improving donor coordination and harmonisation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City			X	
DA	Sewerage Nablus East- KfW			X	
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ	X			
DA	EU Support to TVET Sector in the Gaza Strip	X			
DA	Palestinian Market Development Programme (PMD)-DFID		X		
DA	Start-up Business Incubators in Palestine- BTC			X	
TA	Private Sector Reconstruction in Gaza (PSRG)-Japan			X	
TA	Partnership for Regional Investment, Development and Employment (PRIDE)-Japan			X	
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW			X	
DA	Gaza Solid Waste Management- AFD		X		
DA	Construction of Community Police Stations- GIZ		X		
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		X		

Clarifications and explanations

DC can in principle contribute in various ways to improved donor coordination and harmonization. The delegation of project management to an implementing agency will in most cases lead to better coordination with the lead donor and may allow the EU to focus more on donor coordination and the policy dialogue.

These potentially positive effects are only visible to a limited extent in Palestine for a variety of reasons. At sub-sector level better results are more visible than at sector level. The main explanations of these limited effects on improving donor coordination at sector level are related with the stagnating overall donor coordination in Palestine. From 2008-2011 there was renewed enthusiasm related to the PRDP and aid coordination and harmonization got some momentum after the standstill in 2006 up to early 2007 and after Hamas had won the elections. However, this momentum faded away (see chapter 2) from 2011 to 2014/15. There are obstacles both at the Palestinian side and the donors' side. The Palestinian side is affected by frequent changes of Ministers and internal PA discussions. The donors have a political incentive to be visible in various sectors and

there is often quite some pressure to spend funds. Hence, DC is bound by the limitations of the context.

Many sector working groups are not functioning properly, which affects also the intra-sectoral division of labour. For example, the Private Sector Working Group consists of 50 to 80 participants, and it is not strange that in such a setting it is difficult to agree on one unified approach. It is also logical that in this context DC can only have a modest effect on strengthening cooperation. However, as indicated before, there are many informal, pragmatic efforts at sub-sector level and on the ground to inform each other and avoid overlap.

It is the question whether the full opportunities of DC have been grasped in order to improve the policy dialogue and aid coordination. Through Joint Programming new efforts are being made to improve the EU-MS coordination and this is where DC can have more added value. A more stringent application of the DC modality, for example to delegate by definition to the lead donor, or to a donor with a (large) existing intervention, could help to use the DC modality in a more strategic way.

In principle, coordination mechanisms with Israel were set up, but tripartite committees such as the important Joint Water Committee, do not meet anymore since 2011 (see chapter 2). This level (tripartite committees) is beyond the mandate of DC projects. Nevertheless, at technical level implementing agencies have some contact with authorities such as COGAT (Coordination of Government Activities in the Territories) for authorization issues regarding water and land resources. The 2014 evaluation of EU cooperation in Palestine is of the opinion that insufficient linkages have been established between development cooperation activities and the policy and political dialogue with both Palestine and Israel. The findings of this DC-evaluation confirm this to a large extent. However, a new initiative for a programme in the contested Area C to be led by the EU and to be implemented by MDLF with France, DFID and Denmark as TA partners,⁸⁴ is a potential promising example how DC could contribute to an enhanced joint EU position, although this new programme is outside the scope of this evaluation.

⁸⁴ In the politically very sensitive area of Area C the EU is a logical lead partner, which is reflected by the support from three TA partners.

4 Analysis of outcome-level indicators

4.1 Reduced transaction costs

Main question to be answered

To what extent have the DC agreements led to a reduction of transaction costs?

Response

Transaction costs are expected to be influenced by the following four outputs: co-financing, larger projects, single management systems and improved division of labour (see Annex C for the relation between outcomes and outputs and Annex E for definitions).

Those DAs that show high scores on most of these outputs, also score high on reduced transaction costs (see table 4.1). This is specifically the case with three DAs: KfW water & sanitation in Gaza, DFID PMDP and AFD solid waste in Gaza. Improved division of labour was the least important output.

However, most DC contracts had only a modest effect on reduced transaction costs. While there were gains on transaction costs through linkages with parallel projects and, for a few cases, with a strong use of single management systems, the absence of joint co-financing, the modest size of the projects and/or contributions or the missed opportunities to engage in a single management system led only to a modest reduction of transaction costs.

In line with the scores on the related outputs (see section 3), for one case - GIZ construction of police stations - no change on transaction costs was found, and in one instance - the BTC business incubators - an increase of transaction costs was observed.

For the TAs, the TA partners experienced a reduction of their management costs because the burden of the labour-intensive management of PEGASE is born by EUREP. In particular, the TAs related to PEGASE recurrent expenditures involved hardly any management costs on the side of the TA partner. TA partners are invited to the quarterly PEGASE Interest Groups and are free to attend or not. With the introduction of the pilot Results Oriented Framework (RoF) in 2015,⁸⁵ some Member States leading one of the selected sector fiches and related indicators became more actively involved in PEGASE management as they are now participating in the quarterly meetings with PA counterparts. Member States involved are Belgium for education (TA-partner), Italy for health (contribution via MoU) and the UK for public administration reform (not a contributor to PEGASE).

⁸⁵ The 2013 European Court of Auditors report found that PEGASE was not results-oriented and recommended to improve the results orientation, which led to the pilot RoF in 2015 to be extended in 2016.

Table 4.1. Effect of DC agreements in Palestine on reducing transaction costs

Contract title, DC partner and contract year		Strong effect	Modest Effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City		X		
DA	Sewerage Nablus East- KfW	X			
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ		X		
DA	EU Support to TVET Sector in the Gaza Strip		X		
DA	Palestinian Market Development Programme (PMD)- DFID	X			
DA	Start-up Business Incubators in Palestine- BTC				X
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan		X		
TA	Partnership for Regional Investment, Development and Employment (PRIDE)-Japan		X		
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW		X		
DA	Gaza Solid Waste Management- AFD	X			
DA	Construction of Community Police Stations- GIZ			X	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		X		

Clarifications and explanations

Japan was quite actively involved in the projects funded by its own TAs, which had implication for its transaction costs. In particular, the linkages of PRIDE to the Japanese-funded Jericho Agro-Industrial Park (JAIP) are quite labour intensive, which increase the transaction costs at both sides, while also the pressure to disburse at the Japanese side led to intensive exchange between EUREP and Japan.

In principle, DAs are expected to lead to a reduced management load of EUREP. In practice, this was only partially the case, because in most cases EUREP remained quite actively involved in project monitoring and the sector policy dialogue. EUREP even insisted in some cases on funding specific project components in order to strengthen its visibility (see section 5.1). Therefore, EUREP staff considers DA projects still as quite labour intensive and no clear difference regarding the management load was observed compared to overseeing projects implemented by service providers. In addition, a common feature of DAs is that the management load was partly shifted to the DA partner being the agency implementing the project, and the related costs were covered by 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 cost’ covered by the project budget.

4.2 Strengthened ownership and leadership

Main question to be answered

To what extent have the DC agreements strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)?

Response

Delegated Cooperation did not contribute to increased leadership and ownership in Palestine. This conclusion should be understood in the context of a rather fragmented aid landscape dominated by project aid in which DC agreements can only play a limited role to strengthen the PA ownership and leadership, and an internally divided PA.

The most important mechanism, the PEGASE DFS to partly finance PA's recurrent expenditures, can potentially play an important role in strengthening ownership and leadership, but this is not yet the case. PEGASE DFS funds are channelled through the Ministry of Finance, based on the lists of eligible beneficiaries prepared by other PA institutions such as the Ministry of Social Affairs, while the EU carries out ex-ante and ex-post verifications of eligibility and payments. This involves the PA in project management, but so far this cannot be considered as country ownership or leadership. The focus has always been on the unconditional payment of specific and earmarked recurrent expenditures, but it is quite different from budget support. The European Court of Auditors criticized this set-up in particular its results-orientation and the lack of possibilities to stimulate PA reforms as well as the lack of a related dialogue with Israel. The pilot PEGASE Results-oriented Framework (RoF) was introduced in 2015 to stimulate the policy dialogue on necessary policy and institutional reforms. The intention is to link the indicators in the future, which are now based on six of the EU sector fiches that were prepared for Joint Programming (see Section 2), to the indicators of PA's new six-year National Policy Agenda (NPA). This is potentially the clearest example of strengthening PA ownership and leadership. However, this is not yet the case. Another challenge is to join forces with the PRDP WBTF in the policy dialogue with the PA and to agree on common indicators. However, as the TAs constitute only a small proportion of donor's contributions to PEGASE and as most Member States contribute via MoUs, the potentially strengthened ownership and leadership cannot be attributed to the TAs.

Although none of the DC agreements positively contributed to strengthened country ownership and leadership, there were important variations in the involvement of the PA across the DA projects and programmes. This is primarily determined by the way implementing agencies relate to the partner country. KfW and AFD enter into a Financing Agreement with the PA, and define a 'Project Executing Agency' (PEA) which is a Palestinian government body. In this way, the partner country has a dominant role in the implementation of the project. PEAs are the Palestinian Water Authority (PWA) for the KfW water project, Municipality of Nablus for the sewerage project and the Municipal Development and Lending Fund (MDLF) for MDP2.

On the other hand, GIZ, DFID and BTC (5 projects) sign contracts with a service contractors to implement the projects, and involve the PA via Project Steering Committees. The latter ensures a role for the PA on a strategic level. In the case of the GIZ TVET projects separate steering committees had to be set up for the DA projects and were not combined with the steering committees of the related BMZ-funded TVET projects.

Table 4.2. Effect of DC agreements in Palestine on strengthening ownership and leadership of the partner country

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City			X	
DA	Sewerage Nablus East – KfW			X	
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ			X	
DA	EU Support to TVET Sector in the Gaza Strip – GIZ			X	
DA	Palestinian Market Development Programme (PMDP)- DFID			X	
DA	Start-up Business Incubators in Palestine – BTC			X	
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan			X	
TA	Partnership for Regional Investment, Development and Employment (PRIDE) – Japan			X	
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW			X	
DA	Gaza Solid Waste Management- AFD			X	
DA	Construction of Community Police Stations- GIZ			X	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg en 1 Belgium			X	

Clarifications and explanations

The lack of DC-effects on strengthened ownership and leadership has to be understood within the complicated Palestinian context and its two major binding constraints related to the Israeli occupation on the one hand and limitations on the Palestinian side on the other hand (see chapter 2). This leads to a focus on providing Direct Financial Support and project support, as budget support, which stimulates country ownership and leadership, is excluded in this context.

A few main obstacles offset efforts of DC projects and programmes to increase country ownership and leadership:

- Weak institutions and/ or delays in reforms. E.g. the Palestinian Water Authority (PWA) makes little progress regarding the reforms agreed upon in the Water Law. According to this new Water Law neither the PWA nor municipalities such as Nablus could act as Project Executing agencies anymore;
- Internal government issues. E.g. although the TVET programmes were very much aligned with the TVET strategy, for years there was no formal sector dialogue because of disagreements between the Ministry of Education and the Ministry of Labour;
- Abundance of donors and weak donor coordination. E.g. the PSD working group is attended by so many donors that it is hardly effective;
- The EU and DC partners work with PA institutions in Gaza, which is problematic given the Hamas de-facto government in Gaza, but there is a strict no-contact policy with the Hamas authorities in Gaza. E.g. the water & sanitation DA with KfW had to be revised because the initial project plan was already financed by Qatar. This country communicates with Hamas, whereas KfW and EU depend on the PWA for coordination in Gaza.

4.3 Strengthened complementarity and increased added value

Main question to be answered

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners?

Response

This outcome is expected to be related to the following three outputs: improved division of labour, improved donor coordination and harmonisation and use of comparative advantages (see Annex C). A mixed result was found for this outcome, which reflects the absence of a clear division of labour in many sectors, the general difficulties in donor coordination in Palestine and the relatively limited attention for applying strict criteria regarding comparative advantages when awarding a DC contract.

The positive exceptions are the DAs concluded in the TVET sub-sector which had a strong effect on complementarity and added value, as they were clearly in line with the comparative advantage of GIZ in this sub-sector supported by a limited number of donors only. The DAs were used to reinforce this advantage and promote the role of GIZ as one of the lead agencies, which improved donor coordination and intra-sectoral division of labour. GIZ and EU took a joint approach towards the PA in the sub-sector dialogue. Although these DAs implied that the EU was entering the TVET sub-sector, this was not necessarily a negative development, as it adhered to the intra-sectoral division of labour by delegating the implementation of the project to the agency with the largest comparative advantage.

In eight cases modest effects of the DC agreements on complementarity and increasing the added value of donors were observed on the basis of a clear comparative advantage.

In one case, no complementarity or added value was found: the DA with BTC regarding business incubators.

Table 4.3. Effect of DC agreements in Palestine on strengthening complementarity and increasing the added value of donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City		X		
DA	Sewerage Nablus East- KfW		X		
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ	X			
DA	EU Support to TVET Sector in the Gaza Strip	X			
DA	Palestinian Market Development Programme (PMDP)- DFID		X		
DA	Start-up Business Incubators in Palestine- BTC				X
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan		X		
TA	Partnership for Regional Investment, Development and Employment (PRIDE)-Japan			X	
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW			X	
DA	Gaza Solid Waste Management- AFD		X		
DA	Construction of Community Police Stations- GIZ		X		
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		X		

Clarifications and explanations

Again the Palestinian context explains to a large extent the modest effects on strengthened complementarity and added value of donors. This also explains why the wish to work with an EU Member State was in some cases more pressing than mobilising “leading technical expertise” (e.g. to work with GIZ to construct Police Stations, and probably also to working with AFD to improve solid waste management instead of directly with the lead donors World Bank and UNDP), This makes sense in the given context and the importance of linking the development interventions with the policy and political dialogue.

Complementarity and added value are also related to progress made in the political and policy dialogues, but at sector level little progress has been made with strengthening those dialogues, although at sub-sector level (e.g. TVET) improvements have been made.

4.4 Reduced aid fragmentation

Main question to be answered

To what extent have the DC agreements reduced aid fragmentation?

Response

The majority of the DAs had a modest effect on reducing aid fragmentation, which is a logical outcome in view of the fragmented Palestinian aid context.

A positive exception is the DA with AFD on solid waste management in Gaza, which had a strong effect on reducing aid fragmentation. It was a joint co-financed, larger intervention by multiple donors, and was part of an intra-sectoral division of labour approach.

Most DAs (9 out of 12) contributed modestly to aid fragmentation, but for different reasons. Some DAs contributed to joint co-financing and a larger programme, but had only a limited effect on donor coordination and division of labour. Therefore, the overall effect on reducing ad fragmentation remained limited. Sometimes the relatively small share of the DC agreements, in particular the TAs as part of the entire PEGASE mechanism, was too small to provide a significant positive contribution to reducing aid fragmentation.

Two DAs - KfW water& sanitation Gaza and BTC business incubators- did not lead to any change in aid fragmentation or even led to a negative change (see table 4.4). The DA with KfW in Gaza was part of the Open Programme, but the absence of both inter- and intra-sectoral division of labour, joint co-financing and improvement in donor coordination indicates that potential synergies with this broader parallel programme were not exploited.

Table 4.4. Effect of DC agreements in Palestine on reducing aid fragmentation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City			X	
DA	Sewerage Nablus East- KfW		X		
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ		X		
DA	EU Support to TVET Sector in the Gaza Strip		X		
DA	Palestinian Market Development Programme (PMD)- DFID		X		
DA	Start-up Business Incubators in Palestine- BTC				X
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan		X		
TA	Partnership for Regional Investment, Development and Employment (PRIDE)-Japan		X		
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW		X		
DA	Gaza Solid Waste Management- AFD	X			
DA	Construction of Community Police Stations- GIZ		X		
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		X		

4.5 Strengthened alignment

Main question to be answered

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country?

Response

As could be expected given the scores on strengthened country ownership and leadership also the scores regarding policy and systems alignment remain limited to modest effects or no change.

All DC-related project documents pay attention to policy alignment. All projects are formally aligned to the NDPs and there is always some link to sector strategies. However, in practice in the problematic Palestinian context, policy implementation and reforms lag often seriously behind. This limits the effective contribution of DC agreements to policy alignment. Policy alignment tends to vary from one sector to another. In the Water & Sanitation sector, a new Water Law has been formulated, but the necessary reforms are implemented at a very low pace and the policy dialogue is rather limited. The same applies to most of the PSD sector and the municipal development and local governance sector. For some sub-sectors such as TVET, solid waste management and the police it has been possible to make some progress regarding policy alignment. This might be related to the fact that at sub-sector level issues are more technical and less politically sensitive. DC for the PEGASE DFS enabled the TA partners to strengthen policy alignment, compared to if they would have intervened separately.

As explained in section 3.2 (ownership and leadership), there is no complete system alignment in Palestine. Nevertheless, the working methods and procedures of the implementing agency determine to a large extent the degree of system alignment.

Agencies such as KfW and AFD tend to make more use of partner country systems and make use of Palestinian Project Executing Agencies as mentioned above, which use their own reporting templates. This leads to modest effects regarding system alignment. Also the PEGASE DFS mechanism managed by the EU works closely together with PA institutions. GIZ, BTC and DFID tend to work with PMUs and service contractors, which implies that less use is made of PA systems. Therefore, the system alignment scores in these cases are 'no change'.

Table 4.5. Effect of DC agreements in Palestine on strengthening alignment

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City		Systems	Policy	
DA	Sewerage Nablus East- KfW		Systems	Policy	
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ		Policy	Systems	
DA	EU Support to TVET Sector in the Gaza Strip		Policy	Systems	
DA	Palestinian Market Development Programme (PMD)- DFID			Systems & Policy	
DA	Start-up Business Incubators in Palestine- BTC			Systems & Policy	
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan		Systems	Policy	
TA	Partnership for Regional Investment, Development and Employment (PRIDE)-Japan		Systems	Policy	
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW		Systems	Policy	
DA	Gaza Solid Waste Management- AFD		Systems & Policy		
DA	Construction of Community Police Stations- GIZ		Policy	Systems	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		Systems & Policy		

5 Analysis of process and implementation aspects

5.1 Visibility

Main question to be answered

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement?

Response

In almost all DA projects and programmes considerable attention has been paid to visibility. Communication plans were made and the EU logo figured on reports. It was found that visibility was highest in the projects where the EU was an active partner in the projects without co-funding, which is a logical outcome. Visibility was somewhat lower in the DAs with KfW and AFD, which could partly be explained by the fact that these agencies sub-delegate implementation to a Project Executing Agency (PEA), which then sometimes hires a consulting firm for implementing most activities. In these cases the number of actors is higher and communication lines are longer, which makes the EU less visible. This has been an issue of debate in some cases between the EU and the implementing agency as EUREP paid a lot of attention to promoting EU visibility. In some cases the EU insisted on funding specific project components for visibility reasons. In these cases tensions can be observed between the DC objectives of co-funding, larger projects and programmes and division of labour on the one hand and visibility on the other.

Visibility was not a main issue for the Transfer Agreements. Although the visibility of TA partners was limited, especially of the three EU Member States contributing to PEGASE DFS recurrent expenditures, this was not perceived as a problem by these TA partners. Japan was the only TA partner of the PSD projects relatively well visible, in particular in PRIDE that is related to the JAIP flagship project.

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Contract title, DC partner and contract year		Strong	Modest	No actions	Poor visibility
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City		X		
DA	Sewerage Nablus East- KfW		X		
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ	X			
DA	EU Support to TVET Sector in the Gaza Strip – GIZ	X			
DA	Palestinian Market Development Programme (PMD)- DFID		X		
DA	Start-up Business Incubators in Palestine- BTC		X		
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan		X		
TA	Partnership for Regional Investment, Development and Employment (PRIDE)- Japan	X			
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW			X	

Contract title, DC partner and contract year		Strong	Modest	No actions	Poor visibility
DA	Gaza Solid Waste Management- AFD		X		
DA	Construction of Community Police Stations- GIZ	X			
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium			X	

5.2 TA/DA ratio

Main question to be answered

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?

Response

For Palestine, the formulation of this question is not appropriate as more TAs (14-15) have been signed than DAs (9), but for the entire portfolio of DC agreements this is a pertinent question. Therefore, the situation in Palestine is particularly interesting given the completely different TA/DA ratio. However, it should be kept in mind that the total value of TAs (€ 35 million) is still lower than the total value of DAs (€ 55 million) and it represents only a minor proportion of the entire EU portfolio in Palestine (3-4%) (See chapter 1).

One of the main reasons for signing DC agreements -both DAs and TAs- is the intention to take joint risks or to share the risks of operating in the politically sensitive Palestinian context with its binding constraints. Given the perceived limited implementation capacity of the EU, most EU Member States are not inclined to sign a TA, which is also valid in Palestine.⁸⁶ Nevertheless, the PEGASE mechanism is perceived to be interesting for Member States, but also for Japan. Most donors refrain from providing direct budget support to the PA. PEGASE offers an alternative mechanism to support the PA. It should be noticed that the TA modality is by far not the most important mechanism to contribute to PEGASE as signing a MoU is the main instrument to provide support to PEGASE. 19 donors contributed to PEGASE, mainly EU Member States plus Switzerland and Japan, for a total amount of € 242 million in the period 2008-2014 of which € 35 million via TAs, i.e. 15%. Only in the case of Component 2, consisting of providing support to Vulnerable Palestinian Families (VPF), the TA support was a substantial proportion (31%) of the total non-EU contribution.

For PEGASE the EU has a clear comparative advantage especially since the internal management by EUREP has been reinforced after the European Court of Auditors Report. However, the main reason for signing TAs is to avoid or share the risks. This is confirmed through three new TAs concluded with the UK, France and Belgium for an EU-led project in the very politically-sensitive Area C. Although these TAs are outside the scope of this evaluation, it is worth mentioning, because it illustrates well the motivations of TA partners to adopt a joint European approach, in which EUREP is expected to take a natural lead.

Compared to other countries the number of DAs is also relatively high (see chapter 1). EUREP is still active in a relatively large number of sectors and sub-sectors and project aid remains the dominant aid modality, with the exception of the DFS provided via PEGASE. This means that the management load of EUREP remains quite high, which has a relatively high number of staff even if compared to other countries. Given the importance of common EU approaches and the efforts to make progress towards Joint

⁸⁶ There are other reasons that will be elaborated in more detail in the overall synthesis report.

Programming, DAs are considered as an appropriate aid modality to reinforce the cooperation between the EU and its Member States, to make use of comparative advantages and to setting up larger projects and programmes.

The reason why other donors and in particular EU Member States are interested in TAs in Palestine, but also in MoUs, is directly related to the political context in Palestine where the EU has a natural lead regarding the PEGASE DFS mechanism, even although some Member States prefer the PRDP WBTF. A new series of TAs has been agreed upon for the new Programme in Area C that has been mentioned above, which again illustrates the importance of EU-MS cooperation in the Palestinian context where EUREP has an important role to play. In this context the DC aid modality, both TAs and DAs, have a role to play that can be further strengthened. Objections of EU Member States to enter into TAs in other contexts such as limited implementation capacity of the EU are of less importance in Palestine.

5.3 Assessment of DC proposals

Main question to be answered

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

Response

In the majority of cases, the assessment of DC proposals is qualified as average (5 projects) or even weak (5 projects). For nine of the DA projects, only four DA Assessment Fiches were completed. In three cases, at the time of drafting the Action Fiche, it was not clear which implementation modality would be chosen.

Retrospectively, for seven DA projects the choice to use Delegated Cooperation could be explained and makes sense on the basis of the arguments provided. For the two remaining DA projects the arguments were not particularly strong as the choice of the implementing agency was not based on comparative advantage. Either a choice for another implementing agency would have been possible (MDLF rather than KfW for MDP 2, which will be the implementing agency for the Area C programme) or the choice for a new stand-alone not co-funded project with an agency without comparative advantage was not obvious (BTC).

Notably, the lack of a documented motivation for the decision to sign a DA makes it difficult for the current programme managers to confirm what has been the initial thought on which the decision to sign a DA was based. For example, with the benefit of hindsight, the reasons for channelling the contribution for MDP 2 through KfW are difficult to understand, because the EU could have worked directly with MDLF or the Ministry of Finance, but this would have led to complicated procedures. Furthermore, the motivation for signing a DA in the TVET sector as a way to exit the education sector (stated in the Action Fiche) is not entirely clear. Although most of the cases can be reasonably explained, it would be worthwhile if some specific objectives for signing a DA were made explicit in the documents, as this improves follow-up of the project by a new programme manager and encourages strategic use of the DC instrument.

The assessment of the three TA PEGASE programme components is quite brief. This is logical to some extent, in view of the limited contribution of the TAs to PEGASE; and also because in general, the EU is always welcoming contributions to PEGASE. In fact, it has been difficult to obtain a full overview as not all information was uploaded in CRIS. While the initial information showed 10 TAs, in practice 14-15 TAs in the period 2008-2014 were found on the basis of cross-checked information.

Regarding the two Japanese TAs, the information in the files was also rather incomplete, but during the field mission, on the basis of interviews and additional documents, the reasons for signing the TAs could be reconstructed. The Action Fiche for PSRG was written two years before the TA with Japan was concluded. The Action was meant to provide immediate support to the private sector after the 2008-2009 Operation Cast Lead (see section 2). After two years this project had a funding gap and Japan, given its focus on private sector development on the West Bank in particular related to the Jericho Agro-Industrial Park (JAIP), wanted to support also PSD in Gaza in a risk-averse way.⁸⁷ Japan could allocate US\$ 10 million for a TA related to PRSG on the condition that part of the funds (USD 2 million) would be reallocated to PSD activities on the West Bank. This became later the PRIDE programme, which is linked to JAIP. So, in fact the Japanese TA contributions to PRIDE consisted of one part that was originally allocated to PRSG (USD 2 million of the total TA of USD 10 million) and an additional TA directly for PRIDE (and a new TA in the making).

Table 5.3. Quality of the decision making process and assessment of DC proposals

Contract title, DC partner and contract year		Very good	Good	Average	Weak
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City			X	
DA	Sewerage Nablus East- KfW		X		
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ			X	
DA	EU Support to TVET Sector in the Gaza Strip			X	
DA	Palestinian Market Development Programme (PMDP)- DFID			X	
DA	Start-up Business Incubators in Palestine- BTC				X
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan				X
TA	Partnership for Regional Investment, Development and Employment (PRIDE)- Japan				X
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW				X
DA	Gaza Solid Waste Management- AFD		X		
DA	Construction of Community Police Stations- GIZ			X	
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium				X

⁸⁷ Regarding PSRG the calculated financial gap disappeared, because of implementation issues. The reasons were exchange rate fluctuations, and in particular beneficiaries that lost their rights to follow-up instalments as they did not meet the obligations after the first instalment. The biggest grant applicant the Gaza Juice Factory, eligible for more than € 2 million, was seized by Hamas and no further instalments were made. When the project was closed, € 2.9 million of the EU funds remained unspent.

5.4 Implementation of DC agreements

Main question to be answered

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

Response

No instances were encountered where the cooperation between the EU and the DC partner was weak: generally it is perceived as good or very good. A general characteristic is that EUREP wants to be quite actively involved in project management, which affects the work load. Opportunities that the DAs offer to EUREP to become more involved in the policy dialogue were only grasped to a limited extent. TA partners considered the cooperation as good. The TA partners in the PEGASE DFS participate in the meetings in which also the MoU contributors are present. Japan has good cooperation with the EU regarding the two TAs although delays in implementation are a source of concern.

Some specific issues were found with regard to the DA partners, which sub-delegate implementation to a third party. Also, the tension between delegating tasks in case of DAs and EUREP still wanting to be involved, caused at times confusion regarding the role of the EU in a DA. Lastly, frequently changing templates and contracts were a burden to all involved.

Table 5.4. Quality of the cooperation between the EU and the DC partner during implementation of the DC agreement

Contract title, DC partner and contract year		Very good	Good	Average	Weak
Water and Sanitation					
DA	EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City		X		
DA	Sewerage Nablus East- KfW		X		
Private Sector Development and TVET					
DA	EU Support to TVET Development in the occupied Palestinian territory – GIZ	X			
DA	EU Support to TVET Sector in the Gaza Strip	X			
DA	Palestinian Market Development Programme (PMDP)- DFID	X			
DA	Start-up Business Incubators in Palestine- BTC			X	
TA	Private Sector Reconstruction in Gaza (PSRG)- Japan		X		
TA	Partnership for Regional Investment, Development and Employment (PRIDE)-Japan		X		
Infrastructure					
DA	Municipality Development Programme (MDP) - Phase 2 KfW			X	
DA	Gaza Solid Waste Management- AFD		X		
DA	Construction of Community Police Stations- GIZ	X			
PEGASE- DFS Recurrent expenditures PA					
TA	8 TAs in total: 5 Austria, 2 Luxembourg and 1 Belgium		X		

Clarifications and explanations

Generally, communication between the EU and the DC partner was perceived as good on both sides. Nevertheless, it was noted by both EUREP staff and DC partner staff that the frequent changes in templates and instructions caused delays and irritations.

Reporting was an issue in some of the agreements. Most problems were observed with the agreements where reporting is done by a 'third party': in the case of KfW, the Project Executing Agency (i.e. a PA agency) is responsible for reporting, which often outsources this to a hired consulting firm. In the Solid Waste Management Project, AFD sub-delegated reporting to MDLF. The EU is not always satisfied with the quality and especially the level of detail of these reports.

Another effect of using a PEA is that the EU is less involved in the actual implementation. Mostly there is no Project Steering Committee. For KfW, programme managers are based in Germany and visit Palestine every 4-5 months. The EU can join the monitoring missions and the KfW office in Ramallah can deal with some operational concerns. However, this is perceived by EUREP as a complicated hands-off set-up.

A third issue regarding the implementation practices of AFD and KfW is that many decisions are taken at their Headquarters (HQ). For instance, sub-delegation and the consequences for liability of the DA partner were debated at HQ-level.

In some cases, the EU insisted on having a 100% EU-funded project: for example, whereas KfW places the DA-intervention in the water sector in Gaza under the umbrella of the Open Programme, the EU considers this as a stand-alone EU intervention. In the DAs with GIZ, the EU also did not want to merge its funds with those of BMZ, but required a separate management structure and separate reporting. This caused some confusion at the start of these projects.

As indicated above Japan was quite actively involved in the projects funded by its own TAs. Given the specific annual supplementary budget for emergencies that the TAs belong to, there is pressure to disburse fast, which proved to be impossible given the complexities of private sector support in Palestine, and particularly in Gaza. Also the linkages of PRIDE to the Japanese-funded Jericho Agro-Industrial Park (JAIP) are quite labour intensive.

Lastly, GIZ's management costs are higher than the maximum of 7% that is covered through the DC contract, while the remainder is paid by BMZ, which in the case of parallel co-financing is included in the contribution of BMZ (TVET projects) or the German Ministry of Foreign Affairs (police stations).

6 Conclusions

The EU aid delivery mechanism of delegated cooperation had a positive, though rather limited effect on some aspects of aid effectiveness and efficiency in Palestine. This conclusion has to be situated in the context of the stagnating peace process in the Middle East and the lack of progress regarding two major binding constraints i.e. the Israeli occupation and the limitations on the Palestinian side related to the absence of democratically elected governments on the West Bank (PLO) and Gaza (Hamas). A series of Gaza wars since 2008, strong dependence on (gradually declining) development support, and a multitude of donors providing rather fragmented project support are some key characteristics of this context. The elaborate aid coordination structures set up after the 1993 Oslo accords, have lost quite some of their functionality. Donors have political reasons to be present in Palestine, but want to minimize the risks, which explains why important sectors such as private sector development, water and sanitation, municipal development and local governance tend to be supported by many donors. These are also the sectors in which EUREP is active in addition to the important PEGASE DFS mechanism. This context creates some opportunities and challenges for the use of the DC aid delivery mechanism, which is reflected in both the highest number of TAs and the highest number of DAs in Palestine compared to all other partner countries.

The 14-15 TAs are all linked to the PEGASE DFS mechanism with four contributing TA partners: Austria, Belgium, Luxembourg and Japan. The reasons why there are so many TAs in Palestine can be explained by the uniqueness of the PEGASE DFS instrument with the EU in a clear lead position and the risk-averse attitude of many donors. A TA offers an opportunity to provide earmarked or non-earmarked support in a very controlled context and where the EU can be held accountable. It should be realised that the four TA partners are a minority among the 19 donors contributing to PEGASE (the volume of support provided through TAs is 15% of the overall non-EU contribution). The other 15 donors contribute on the basis of MoUs concluded with the PA and transfer the money directly to the sub-account of the PA Treasury that only releases the funds after prior EU authorization. In practice, there are only minor differences between TAs and MoUs. Therefore, the joint efforts to make further progress as regards results-orientation and a better policy dialogue that should result in more country ownership and leadership can hardly be directly attributed to the TAs. However, the most important aspect of the TAs (and the MoUs) is that it allows the EU to join forces with EU Member States. This facilitates further EU-MS coordination.

The relatively high number of DAs can also be explained by the interest of EUREP to reinforce the EU-MS cooperation. In addition, the DAs are used for improving the intra-sectoral division of labour, which fits into the efforts to work together pragmatically in order to avoid overlaps. However, DAs are not used to exit a sector or to become a silent partner. In most cases DAs are concluded with the intention to operate together in larger projects and programmes making use of joint or parallel co-funding. However, this positive effect is counterbalanced by EUREP's explicit wish, in 5 of the 9 DA projects, to fund a specific project or project components in order to strengthen its visibility, even if there is an option to create a bigger joint programme. DAs did also contribute to increasing the use of comparative advantages, while also the use of single management systems was improved. However, DAs did not lead to a reduced work burden for EUREP, which is partly due to the emphasis on visibility.

DC did not have significant positive effects on the inter-sectoral division of labour, on reducing the number of active donors per sector and on improving donor coordination and harmonisation. This can be partially explained by the limited role and importance of DC in the total EU portfolio. A more important explanatory factor is the complex aid coordination

context, where donors ‘want a seat at the table’ and face pressure to disburse money in particular in Gaza. Donors also want to spread their risks and therefore remain active in a relatively large number of sectors even if this further complicates aid coordination. For EUREP this is reflected in very broad, and not very precise definitions of focal sectors consisting of many sub-sectors. It is interesting to note that at sub-sector level such as the TVET, it has proven to be possible to improve donor coordination to some extent, thanks to the fact that there are less donors involved.

Given the mixed results regarding DC outputs, the results regarding DC outcomes are also mixed. DC did lead in most cases to reduced transaction costs, in particular for large co-funded projects and programmes making use of comparative advantages. This positive outcome is related to positive effects regarding strengthening of complementarity and increasing the added value of donors. The effects were most positive in the TVET sub-sector with GIZ as implementing agency.

However, there were no positive DC outcomes related to reduced aid fragmentation, strengthened partner country ownership and leadership, and very modest effects regarding strengthening alignment. Donors and implementing agencies make use of partner country systems only to a very limited extent, which varies per implementing agency. In the PEGASE DFS components, PA institutions have specific roles and responsibilities such as preparing the lists of eligible expenditures of salaries, pensions, social allowances and business grants, while the PA Ministry of Finance disburses the money after EU authorisation.

KfW and AFD are the implementing agencies that tend to make more use of partner country systems as they make use of Palestinian Project Executing Agencies. GIZ, BTC and DFID tend to work with PMUs and service contractors. In most cases they set up Project Steering Committees in which Palestinian institutions participate.

In almost all DA projects and programmes considerable attention has been paid to visibility. The EU insisted in some cases to finance specific project components in order to strengthen its visibility. In these cases tensions can be observed between the DC objectives of co-funding, larger projects and programmes and division of labour on the one hand and visibility on the other.

Sharing of risks is an important reason for the use of the DC aid modality in Palestine. In addition, DC fits very well in a process to improve EU-Member States cooperation, which prepares for Joint Programming. It is the question whether the full opportunities of DC have been grasped to further improve the EU-MS cooperation with a view towards improving the policy and political dialogue to address the binding constraints. A new potential positive example how DC might contribute to an enhanced joint EU position is the new Area C programme led by EUREP, implemented by MDLF and co-funded by France, DFID and Denmark. This is how DC might create more added value.

There is further scope for reducing EUREP’s management burden through DC. New stand-alone DA projects without co-funding should be avoided. It should be realised that the various implementing agencies have different working methods, which lead to different DC outputs and outcomes. Using the advantages of the various working methods in view of achieving particular objectives would enhance a more strategic use of the DC modality. DC assessments could be further improved if comparative advantages and working methods are better taken into consideration with a view on final results to be achieved within the complex Palestinian politicised context.

A more stringent application of the DC modality, for example to delegate by definition to the lead donor, or to a donor with a (large) existing intervention, could also help to use the DC modality in a more strategic way.

Annex A. List of people interviewed

EU Representation

- Alessandra Viezzer*, Head of Cooperation
 - Ricardo Rossi, Head of Section Economic Development & East Jerusalem Programme
 - Paolo Curradi, Head of Section Water and Land Development
 - Joseph Desquens, Programme Manager - OPS4 - PEGASE DFS CSP - Education
 - Sophie Collette, Programme Manager OPS2 - Water and Sanitation
 - Johnny Bassil, Programme Manager - OPS1 - Infrastructure Development
 - Thomas Boyer, Programme Manager - OPS1 - Economic Issues
 - Beatrice Campodonico, Programme Manager - OPS1 - Skills and Employment Development/TVET/NSA
 - Laura Lindoro, Program Manager - OPS2 - Infrastructure, Transport &
 - Susana Fernandez Rodriguez, Program Manager - OPS2 - Local Governance and Area C
 - Rami Al-Azzeh, Programme Manager- OPS4 - Microeconomic Fiscal Issues
 - Chrystelle Lucas*, Programme Manager - OPS3 - Civil Society - Gender
 - Simona Gallotta*, Programme Manager - OPS3 - Rule of Law & Judiciary
- *Present at briefing and/or debriefing, but no separate interview

AFD

- Nicolas Gury, Deputy Director

DFID

- Louise Hancock, Governance Adviser
- Michael Sansour, Private Sector Adviser

GIZ

- Martin Homola, GIZ Office Al Bireh, Country Director
- Volker Bode, GIZ Office Al Bireh, Deputy Country Director
- Andreas König, Head of Programme TVET and Employment Promotion Programme (TEP)
- Mohammed Al-Malki, Senior Programme Advisor, Deputy Head of Programme, Vocational Training and Employment Programme
- Marion Höltken, Head of programme Strengthening of Police Structures
- Nicole Zreineh, Strengthening of Police Structures programme

KfW

- Jonas Blume, Senior Programme Coordinator
- Waddah Hamadalla, Director of KfW Office Al Bireh, Ramallah

Austria

- Andrea Nasi, Austrian Representative Office, Representative
- Riham Kharroub, Austrian Representative Office, Programme Manager

Belgium

- Florence Duvieusart, Consulate General of Belgium, Jerusalem, Head of Development Cooperation

BMZ / Germany

- Sabine Brickenkamp, Representative Office of the Federal republic of Germany, Ramallah, Deputy Head of Development Cooperation

Japan

- Shoko Hanzawa, Representative Office of Japan in Palestine, Second Secretary

World Bank

- Mark Ahern, World Bank Group, Program Leader for Governance and Jobs

Government representatives

- Esthephan Salameh, PMO, Head of Policy Priorities and Reform
- Diyala Ablrasul, PMO, Policy Priorities and Reform Unit
- Daoud Al-Deek, PA, Ministry of Social Affairs, Assistant Deputy Minister for Planning and Administrative Development
- Abu Myyaleh, PA, Ministry of Finance

Annex B. List of documents consulted

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EU contribution to KfW Water and Sanitation Programme Palestinian Territory in Deir Al Balah and Rafah City

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- Financing Agreement
- Delegation Agreement
- Memorandum of Understanding EuropeAid – KfW
- Implementation Report 2013, 1014, 2015
- EU response to IR 2014 and KfW response to IR 2014

Sewerage Nablus East - KfW

- Action Fiche
- Financing Agreement
- Delegation Agreement
- DA Assessment Fiche
- Implementation Reports 2014 and 2015
- Response from EU to IR 2014
- Revision of Report 2014 by KfW
- Memorandum of Understanding (2012) PA – donors

EU support to TVET development in the occupied Palestinian Territory - GIZ

- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes
- Progress report 2011-2012, Progress report 2013-2014
- MTR (2014)
- Final Evaluation (2015)
- ROM Report 2012

EU Support to TVET Sector in the Gaza Strip - GIZ

- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes
- DA Assessment Fiche
- Implementation report Mar 2013 - Oct 2014
- Implementation report Mar 2013 - Mar 2015
- Mid-Term Evaluation (March 2014)

Palestinian Market Development Programme (PMDP) - DFID

- Action Fiche
- Financing Agreement
- Delegation Agreement
- Progress reports 2015

Start-up Business Incubators in Palestine - BTC

- Financing Agreement
- Delegation Agreement, Action Fiche
- DA Assessment fiche
- First inception and progress report

Private Sector Reconstruction in Gaza (PSRG)- Japan

- Action Fiche
- Financing Agreement + Annexes
- Transfer Agreement + Annexes
- Final report E&Y
- Final report PWC
- Closure Note PRSG
- Final Impact evaluation PRSG

Partnership for Regional Investment, Development and Employment (PRIDE) – Japan

- Action Fiche
- Financing Agreement + Annexes
- Transfer Agreement + Annexes

Municipality Development Programme (MDP) - Phase 2 - KfW

- Action Fiche
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Gaza Solid Waste Management - AFD

- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes, DA Assessment Fiche
- Memorandum of Understanding (draft)
- Implementation Reports 2014 and 2015

- Quarterly Reports of 2015.

Construction of Community Police Stations in the oPt – GIZ

- Action Fiche
- Financing Agreement
- Delegation Agreement + Annexes
- Implementation Report Jun 2013 - Jun 2014
- 2nd Implementation Report Jun 2013 - Oct 2014

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4.7 Case study notes Tanzania

Executive summary

The Tanzania case study –one of a total of nine country case studies- is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) commissioned by the DG DEVCO Evaluation Unit. This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality.

An assessment of the DC mechanism should be understood in the context of the evolving aid landscape of Tanzania. On the one hand, the Government and the Development Partners (DPs) have developed an extensive dialogue structure at global and sector level with the aim of reducing overlaps and duplication, and of reducing transaction costs. At political level, the MS and the EU went further to improve the complementarity of their interventions and developing an EU division of labour, based on comparative advantages of the EU and each of its MS. On the other hand, most DPs confirm that fragmentation is currently still a persisting issue in Tanzania, that coordination structures need to be further rationalised and that there is still insufficient Government-led coordination and dialogue at sector levels.

Two Delegation Agreements (DAs) and two Transfer Agreements (TAs) have been or are being implemented in Tanzania. All four have been concluded with different partners. Two DC agreements (one DA and one TA) are linked with the SAGCOT Initiative, one DA is supporting the Kilombero and Lower Rufiji Wetlands Ecosystem Management Project and one TA is linked with the Global Climate Change Alliance (GCCA). The two DAs amounted to a total of €54 million and the two TAs to a total of €14 million.

Most of the original output and outcome objectives of DC have been achieved in Tanzania. In fact, making use of the comparative advantages of other donors (experience, expertise, network, etc.) was the main motivation of the EUD in Tanzania to conclude DAs and of the two TA partners to delegate an activity to the EUD. Most of the implementing agencies did have more extensive expertise and knowledge in the sector at the start of the project than the delegating donor. Overall, most DC agreements have also performed well in terms of promoting division of labour, expanding joint co-financing, increasing the size of the supported projects, promoting the use of single management systems and reducing aid fragmentation. The DC agreements contributed also to strengthening donor coordination and harmonisation, but the dialogue has mainly been limited to information exchange and efforts to avoid overlap between projects. The DC agreements have had mixed or no effects on reducing the number of donors per sector, on strengthening systems alignment, on making more effective use of the complementarity and added value of the EU and the DC partners and on ownership and leadership.

In most DC arrangements the transaction cost have been reduced. The DC modality has made it possible to shift transaction costs previously borne by the DPs (in particular the EUD) to the project or programme budget, particularly when use was made of a Project/Programme Implementation Unit. In such cases, transaction costs have been reduced, but project/programme costs have been increased.

List of abbreviations

ACP	African, Caribbean and Pacific Group of States
AFD	France Development Agency
AfDB	African Development Bank
BMZ	German Federal Ministry for Economic Cooperation and Development
BTC	Belgium Technical Cooperation
CCM	Chama Cha Mapinduzi (Party of the Revolution)
CRIS	EU Information System
CSO	Civil Society Organisation
CSP	Country Strategy Paper
CUF	Civic United Front
DA	Delegation Agreement
DAC	Development Assistance Committee
DC	Delegated cooperation
DCI	Development Cooperation Instrument
DCF	Development Cooperation Framework
DEVCO	Directorate general of the EC charged with development cooperation
DfID	Department for International Development
DP	Development Partner
DPG	Development Partners Group
EC	European Commission
ESPS	Environment Sector Programme Support
EU	European Union
EUD	European Union Delegation
EDF	European Development Fund
EEAS	European External Action Service
EU	European Union
EQ	Evaluation question
FR	Financial regulations
FYDP	Five Year Development Plan
GBS	General Budget Support
GCCA	Global Climate Change Alliance
GIZ	Gesellschaft für Internationale Zusammenarbeit
GoT	Government of Tanzania
HDI	Human Development Index
HoM	Head of Mission
HoC	Head of Cooperation
IED	Intended Effects Diagram
IMDA	Indirect Management Delegation Agreement
JAST	Joint Assistance Strategy for Tanzania
JICA	Japanese International Cooperation Agency
JLPC	Joint Local Partnership Committee
JP	Joint Programming
JPD	Joint Program Document
KfW	Kreditanstalt für Wiederaufbau
KILORWEMP	Kilombero and Lower Rufiji Wetlands Ecosystem Management Project
LED	Local Economic Development
MCC	Millennium Challenge Corporation
MDG	Millennium Development Goals
MKUKUTA	National Strategy for Growth and Reduction of Poverty
MNRT	Ministry of Natural Resources & Tourism
MoFP	Ministry of Finance & Planning
MoHSW	Ministry of Health and Social Welfare

MoWI	Ministry of Water & Irrigation
MS	EU Member States
NAO	National Authorising Officer
ODA	Official Development Assistance
OECD	Organisation of Economic Cooperation and Development
PAF	Performance Assessment Framework
PEA	Project Executing Agency
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Finance Management
PO	President's Office
PS	Permanent Secretary
RALG	Regional Administration and Local Government
REA	Rural Energy Agency
RG	Reference Group
SAGCOT	Southern Africa Growth Corridor Tanzania
SBS	Sector Budget Support
SDP	Strategic Development Plan
SWAp	Sector Wide Approach
TA	Transfer Agreement
TANESCO	Tanzania Electric Supplying Company
TANROADS	Tanzania National Roads Agency
TAP	Technical and Administrative Provisions
ToR	Terms of Reference
TWG	Technical Working Group
UWASA	Urban Water and Sanitation Authorities
WB	World Bank
WSDP	Water Sector Development Programme

1 Introduction

This evaluation of the European Union (EU) aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 is part of DEVCO's evaluation programme approved by the Commissioner for Development. The main objectives of this evaluation are:⁸⁸

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014; and
- 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, namely:

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

Tanzania has been selected as one of the nine country case studies based on criteria such as number of Delegation Agreements (DAs) and Transfer Agreements (TAs), volume of DA and TA agreements, geographical spread of country cases, coverage of as many DC partners as possible, etc. The other selected countries are Mali, Benin, Ghana, Haiti, Mozambique, Nicaragua, Timor-Leste and Palestine. In addition, there will be a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA).

This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

The overview of DAs and TAs in Tanzania is presented in tables 1.1 and 1.2 below. The main features are:

- There are two DAs and two TAs being implemented or having been implemented in the recent past;
- The EU has concluded these four DC agreements with four different parties linked with four different countries (EU member states);
- KfW has been involved in the largest DC agreement on Urban Water Supply with a value more than €51 million;
- The DA with BTC and the TA with United Kingdom (UK) are both linked and part of the broader Southern Africa Growth Corridor Tanzania (SAGCOT) programme;
- The TA concluded with Sweden is funding a GCCA project. All DC agreements related to the GCCA will be analysed in a separate desk study, supplemented by findings from country case studies.

⁸⁸ See Terms of Reference (ToR), page 1.

Table 1.1: Overview Delegation Agreements in Tanzania, 2008-2014

Nr	Decision Number	Contract Title	DC Partner	Contract Year	Contract amount (€)
1	23784	EU MDG Initiative in Tanzania - Urban Water Supply and Sanitation Interventions in Kigoma, Lindi and Sumbawanga Towns	KfW	2012	51,260,000
2	23851	EU support to Kilombero and Lower Rufiji Wetlands Ecosystem Management Project (KILORWEMP)	BTC	2014	3,000,000
Total					54,260,000

Table 1.2: Overview Transfer Agreements in Tanzania, 2008-2014

Nr	Decision Number	Contract Title	DC Partner	Contract Year	Contract Amount (€)
1	23851	Southern Africa Growth Corridor Tanzania upgrading Mikumi-Ifakara road section (SAGCOT)	United Kingdom	2014	11,933,600
2	21477	GCCA - Global Climate Change Alliance - Contribution to Tanzania	Sweden	2008	2,205,816
Total					14,139,416

Prior to the field mission, the evaluation team has carried out a desk-based assessment of the DAs and TAs. The documents consulted are presented in Annex B. During the field phase that took place from 4 to 11 April 2016 follow-up interviews were held with the EU Delegation (EUD) in Tanzania, DA and TA partners, donor agencies and Government institutions and agencies involved in the project and programmes funded by a DC agreements (see Annex A for list of persons interviewed). Albert de Groot was responsible for the Tanzania case study.

Limited written information was available on the Swedish TA funding a GCCA project. Moreover, the Swedish Embassy in Dar es Salaam could not give any further information on this project, while the EUD could only provide very limited information, because there was no staff available having been involved in the project concerned (TA concluded in 2008, project implemented from December 2009 till June 2014 and managed by EU Headquarters). Hence, the TA was not further analysed during this Tanzania case study. The basic characteristics of that TA and the project being supported by that TA are presented in an information fiche in annex D and it will also be covered by the GCCA DC desk study.

Detailed information fiches have been made for each of the two projects being supported by two DAs and the two projects supported by the two TAs (see annex D). The text of this main document is structured in accordance with the seven main envisaged outputs of DC (see chapter 3), the five envisaged outcomes (chapter 4) and a few process and implementation aspects (see chapter 5). Those three chapters are preceded by chapter 2 dealing with a description and analysis of some aspects of the country context, in particular those relevant for evaluating DC. Overall conclusions are finally presented chapter 6.

According to the overall evaluation design, the depth and focus of the analysis/evaluation might be somewhat different across the DC agreements. The EU Millennium Development Goals (MDG) Initiative and the KILORWEMP got most attention during the field mission. The SAGCOT road project, for which the road construction still needs to be contracted, got less attention.

2 Country context

Political, economic and social situation

Political developments

Tanzania is an emerging multiparty democracy. Executive power rests with the president, while the ruling party Chama Cha Mapinduzi (CCM; Party of the Revolution) has effectively dominated Tanzanian politics since shortly after independence in 1961. After assuming the Presidency in late 1995, President Mkapa governed for 10 years through two terms, leaving an impressive track record on economic growth, fiscal management (including recognized leadership in aid effectiveness), governance, and steady progress on a number of the MDGs. In late 2005, President Jakaya Kikwete, the CCM candidate, gained an overwhelming victory in Tanzania's third elections. Observers concluded that voters were able to cast their ballots according to their choices. During the 2010 election, the opposition almost doubled its share of the votes. Although President Kikwete was sworn in for another five-year term, he took his office with a reduced mandate of 62% of the vote. As a consequence of both this electoral result and the expansion of the media – particularly new, internet-based media - the opposition has become stronger and more vocal throughout the evaluation period (2008-2014). The last elections took place in October 2015. CCM retained a large majority in parliament, and its candidate, John Magufuli, was elected president. The new authorities have sent strong signals on their determination to reform the government, strengthen the work ethics of the public service, streamline expenditure, and fight tax evasion.

The October 2015-elections on Zanzibar were cancelled by the Zanzibar Electoral Commission because of fraud allegations. According to the opposition, the decision was motivated to cover up a CCM loss. International observers, including the EU and the African Union, criticized the electoral commission's decision, saying that the poll was conducted "in a generally peaceful and organized manner" and that the decision to nullify the vote put "democracy, peace and unity" in Zanzibar at stake. There are two main political parties on Zanzibar—the CCM and the Civic United Front (CUF). The CCM has held political power in Zanzibar ever since it was established as a republic following a bloody revolution in 1964. In March 2016 a controversial re-run elections took place which was boycotted by the opposition. The CCM party was declared as the winner. Fifteen European and USA diplomats issued a joint statement regretting the vote.

Economic and social developments

In recent years, Tanzania has managed to maintain the relative macroeconomic stability of the past decade. The economy has been growing at an average annual rate of 7% per year over the past decade and growth prospects remain strong. Inflation, which rose to 6.3 percent in October 2015, is expected to converge to the authorities' 5-percent target in 2016. The external current account deficit is projected to decrease further due to lower oil imports.

However, the economic growth of the last decade has not yet translated into reduction of poverty. Over 28% of the population continues to live under the national poverty line, while the level of inequality is relatively high and increasing. Regarding the MDGs, the country has achieved goals of primary education, gender equality, reduction of infant mortality and fight against HIV and AIDS, malaria and others diseases. However, goals related to the eradication of extreme poverty and hunger, maternal health and access to safe drinking water and sanitation have not been met.

The Government - in its pursuit to accelerate economic growth and reduction of poverty - is implementing the National Strategies for Growth and Poverty Reduction (MKUKUTA for Tanzania Mainland and MKUZA for Zanzibar) as well as Five Year Development Plans (FYDPs). MKUKUTA/MKUZA strategies are centered on the MDGs and have been used as guiding overall development strategies. These strategies are focused on poverty reduction whereas the FYDP (coordinated by the Planning Commission) are focused on economic growth. The Government is implementing these policies through a results-oriented agenda focusing on a few areas where impacts are expected to be achieved quickly (the "Big Results Now" initiative led by the President's Office).

To maximize the synergies between the two national development strategies, MKUKUTA II and the FYDP, the GoT extended MKUKUTA II for 1 year (until 2015/16) to synchronize it with the period of the FYDP and to ensure that the focus on poverty will be kept, and started a joint review process for both MKUKUTA II and FYDP. Going forward – after the end of the implementation of MKUKUTA II and FYDP in 2016 - the Government is preparing one policy document which will focus on both poverty reduction and growth.

Corruption persists within the government and is pervasive in all aspects of political and commercial life, but especially in the lucrative energy and natural resources sectors. The External Payments Arrears (EPA) scandal at the Bank of Tanzania in 2008 and then the Independent Power Tanzania Limited (IPTL) corruption case in 2014 have led to a temporary suspensions of budget support disbursements and dialogue – on the basis of a breach of the underlying principles in the Partnership Framework Memorandum (PFM) signed by the Government of Tanzania (GoT) and the budget support partners.

Tanzania was ranked 119 out of 175 countries and territories surveyed in the Transparency International's 2014 Corruption Perceptions Index. Citizens generally enjoy basic freedoms, including in travel, residence, employment, and education. However, the prevalence of petty corruption can inhibit these freedoms.

Aid effectiveness and donor coordination

Tanzania has for long been a front-runner as regards implementing the aid effectiveness agenda. Since the mid-1990s, Development Partners (DPs) have largely aligned to national policies, aid has become more predictable and the number of parallel implementation structures have been reduced. The EU development cooperation support to Tanzania is embedded in a comprehensive donor coordination framework, which was developed under the Joint Assistance Strategy for Tanzania (JAST). The main focus of JAST was to promote national ownership and government leadership in development cooperation through joint actions that seek to enhance development effectiveness. The JAST was the central articulation of the aid effectiveness process from 2006 till end 2012.

The Development Partners Group (DPG), formally established in 2004, has been working with the GoT and other domestic stakeholders to strengthen development partnership and effectiveness of development cooperation. The DPG comprises 17 bilateral and 5 multilateral (UN counted as one) development agencies providing assistance to Tanzania.

The DPG came together in 2006 to prepare a results-based Joint Program Document (JPD) as a response to MKUKUTA, MKUZA and the JAST. For many DPs the JPD provided a common framework in which their individual agency programmes were embedded. The JPD's objective was to reduce the transaction costs of the Government and to continue to better align DPs support with MKUKUTA and MKUZA. For the JPD, a division of labour exercise was carried out and several donors committed to exit certain sectors (the EU expressed that it would withdraw from 6 sectors).

For particular DPs the process went further. At political level, the EU Member States (MS) and the EU were engaged to improve the complementarity of their interventions, with the goal of increasing aid effectiveness. In Tanzania, progress was made with developing an EU division of labour, allowing a rationalisation of interventions by EU actors on the basis of comparative and competitive advantages of the EU and each of its MS.

In general, DPs agree that fragmentation is currently still a persisting issue in Tanzania, that coordination structures need to be further rationalised and that there is still insufficient Government-led coordination and dialogue at sector levels. The JPD ended in 2010 and the JAST in 2012 and have not been renewed. A new framework is in the making but it is unclear when it will be approved. In the meantime, the EU and its MS have stepped up efforts to put in place a joint programming system, initially focusing on joint analysis and coordination in sectors such as agriculture, energy and governance.

The National Dialogue Structure

During the implementation of JAST (2006-2012) and as jointly agreed with the DPs, the Government integrated MKUKUTA, the Public Expenditure Review (PER) and the General Budget Support (GBS) dialogue into one dialogue structure with the aim of reducing overlaps and duplication of the three processes as well as associated transaction costs while at the same time fostering cooperation and synergy-building under government leadership. With the engagement of a high number of DPs in Tanzania, coordinating aid in a coherent and consistent manner is of paramount importance. To guide the coordination of aid and the implementation of the JAST, the GoT and its DPs developed in 2008 the Dialogue Structure. The structure is organised around MKUKUTA II and consists of four main levels:

- The *Sector and Thematic Working Groups* for each sector are representing the technical level;
- The *Cluster Working Groups* maintain the dialogue between the Government, DPs and domestic stakeholders on all issues relating to MKUKUTA clusters and macro-economic and financial management. They also provide an important forum for the GBS dialogue. Each of the four clusters build on a number of Sectors and Thematic Areas, e.g. Cluster 1 (Growth and Income Poverty) builds on Agriculture, Industry and Trade, Energy and Minerals, Natural Resources and Tourism, Lands and Human Settlement and Infrastructure Sectors in addition to the Employment Thematic Area. Cluster 2 deals with improvement of Quality of Life and Social Well-being. Cluster 3 covers governance and accountability and the subject of cluster 4 is macroeconomic and public financial management;
- The *MKUKUTA-PER Main group* maintains the dialogue between the Government, development partners and domestic stakeholders on the national MKUKUTA II implementation and budget/PER process;
- The *Joint Coordinating Group* provides the highest level of dialogue as regards the coordination of development assistance and includes participants such as the Permanent Secretaries and DP Heads of Cooperation.

This dialogue structure will be revised in view of the new national development strategy starting in 2016.

EU support

The EU has been supporting Tanzania for a long time. A large part of its aid is disbursed in the form of budget support.

Overview allocation EU support (focal sectors in bold)	
Sector	Amount (€)
Allocation of the 10th EDF envelope	
Infrastructure, Communications, Transport	139.0
Trade and Regional Integration (Non-State Actors component)	55.5
Macroeconomic (GBS)	305
Support for Non State Actors	23.0
Support to the NAO	5.0
Support to elections 2010	3.0
Technical Cooperation Facility	5.0
Core reform programmes (including Zanzibar)	8.0
Energy and climate research	8.0
Contingencies/ claims	3.5
Total	555.0
Allocation of the 11th EDF envelope (2014-2020; indicative allocations)⁸⁹	
Good Governance and Development	291.0
- General Budget Support (GBS)	270.0
- Technical Accompanying measures	21.0
Energy	180.0
- Sector reform contract	90.0
- Infrastructure and capacity development	90.0
Sustainable agriculture	140
Measures in favour of civil society	3.0
Support measures	12.0
Total	626.0

Political and strategic considerations for using the DC modality

As mentioned above, the DPG of 22 donors prepared in 2006 a results-based Joint Program Document as a response to the JAST. For the preparation of this document, a division of labour exercise was carried out and several donors committed to exit certain sectors. At political level, the MS and the EU went further to improve the complementarity of their interventions and developing an EU division of labour, based on comparative advantages of the EU and each of its MS. Nevertheless, fragmentation is currently still a persisting issue and there is limited Government-led coordination and dialogue at sector level. Making use of comparative advantage and intra-sectoral division of labour have been main reasons to move into DCs.

⁸⁹ [NIP 2014-2020](#).

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

Both DAs analysed in Tanzania did contribute to improving the inter-sector division of labour. In the TA, DfID remained active in other areas of the sector, but this TA contributed to strengthening the intra-sector division of labour (see the scores in table 3.1).

Table 3.1. Effect of DC agreements in Tanzania on improving the division of labour among donors

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)	Inter-sector			
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)	Inter-sector			
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)	Intra-sector		Inter-sector	

Evidence and further clarifications

Focus of EDF-10 in Tanzania.

The National Indicative Programme, linked to the EDF-10 (2008-2013), had the following three focal sectors:

- Infrastructure, Communication and Transport. Infrastructure, Communications and Transport addressed the physical access to local, regional and international markets, and in particular the development of a reliable and sustainably maintained and financed road network;
- Trade and Regional integration. Trade and Regional Integration addressed more specific capacity and technical challenges, including policy and standards issues, and had a focus on agriculture as the key pro-poor economic activity in Tanzania;
- General Budget Support (GBS). GBS complements the economic growth focus, as well as the sustainability of the overall Poverty Reduction Strategy.

Finally, non-focal support was targeted firstly on Non-State Actors (including environmental measures), and secondly on reform in Zanzibar and on the election process, both of which are priority areas of the Government of Tanzania (GoT).

EU MDG Initiative - Urban Water Supply and Sanitation

The EU support for this project was provided through the MDG initiative. This Initiative, managed by EU HQ, mobilised money from EDF-10 for additional funding to the African, Caribbean and Pacific Group of States (ACP) countries to achieve their MDGs. These countries could submit proposals, and funding was provided in addition to the NIP's financial envelope.

This project was not in one of the focal sectors of the EU and therefore it was decided to delegate the implementation of this project to another entity. This decision seems a logical implication of the JAST and the division of labour exercise carried out by the DPs (see chapter 2). In the context of the JAST, the GoT agreed with the DPs that they will focus on a limited number of sectors and delegate in other sectors. Germany indicated that it would

continue to be engaged actively in the water sector, while the EU indicated that it would withdraw from the water sector and delegate its funds to other partners. It could not be verified whether this EU decision was made by Headquarters (as was indicated by some stakeholders) or by the EUD in Dar es Salaam.

During the field visit, Germany (BMZ) confirmed that water & sanitation has been and still is one of its priority sectors in Tanzania. The EU was active in the water sector in the period before the project started, mainly through the EU Water Facility. The EU, together with KfW, also funded the feasibility study '7 towns upgrading programme' through this Water Facility.

KILORWEMP

The SAGCOT initiative was funded under EDF-10 (2008-2013). It was part of the EU focal sector Trade & Regional Integration. Yet, in this period, the EU was not active in environment, natural resources and sustainable agriculture in Tanzania and had limited experience in this sector. Recently the EU has become more active in sustainable agriculture, which has become one of the EU focal sectors in the EDF-11.

Natural resources management is one of the two concentration sector of the Belgian bilateral cooperation in Tanzania. Therefore, the DA with Belgium for KILORWEMP resulted in a clear inter-sectoral division of labour.

SAGCOT-roads

The project preparation started in 2010. Transport was one of the focal sectors of the EU in the EDF-10 and the EU has large experience in this sector. DfID is active in the transport sector in rural roads but does not have an internal implementation unit and limited experience in trunk road construction.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes in Tanzania?

Response

The two DAs and one TA have strongly contributed to more joint co-financing in Tanzania (see table 3.2).

Table 3.2. Effect of DC agreements in Tanzania on increasing co-financing

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)	Joint / Parallel			
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)	Joint / Parallel			
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)	Joint			

Evidence and further clarifications

EU MDG Initiative- Urban Water Supply and Sanitation

The cost of the total Action eligible for financing was estimated at €60,456,225. The EU allocated € 51,510,000 to this project. Of this amount, €51,260,000 million was delegated to KfW to contribute to the cost of this project. The remaining €250,000 was earmarked for evaluation and audit. The KfW and the GoT contributed to this action €8,896,225 and €300,000 (in kind), respectively. This is a case of joint co-financing between KfW and the EU: each budget line is for 85.65% funded by the EU and for 14.35% by KfW. The own

contribution of the GoT has a separate budget line. The EU contribution included an amount of €2,214,000 (3.8%), which may be claimed as indirect (management) cost by KfW.

Separately from the co-financed Action with the EU described above, KfW also committed in 2012 €2.4 million for communal sanitation (mainly public toilets in hospitals, schools and markets) to the same three towns, Kigoma, Lindi and Sumbawanga, and another €8.7 million for the first phase of support to improve water & sanitation in two other towns, Mtwara and Babati. Furthermore, KfW committed in 2015 another €10 million, of which €8 million to a second phase of support to these two towns and €2 million for more school toilets in Kigoma, Lindi and Sumbawanga. This has increased the total commitment of KfW to €30 million. Furthermore, AFD has committed €45 million to support water supply in two other towns, Musoma and Bukoba. With these contributions of the three DPs, all seven towns covered by the feasibility study (funded by EU and KfW) are receiving support. The table below shows the contribution of each of the three DPs with in bold the action jointly co-financed by the EU. If the support from the three donors (EU, KfW and AFD) to the seven towns is considered, it can also be seen as parallel co-financing, because the EU resources are earmarked for three towns only.

Town	Contract year	Measures	Financing	Amount (EUR, mln)
Kigoma, Lindi and Sumbawanga	2012	Water supply and sludge treatment, capacity development and hygiene campaigns	EU MDGI KfW	51.3 8.9
		Communal sanitation	KfW	2.4
	2015	Additional sanitation (school toilets)		2.0
Mtwara and Babati	2012	Phase 1		8.7
	2015	Phase 2		8.0
Musoma and Bukoba	2011	Water supply	AFD	45.0

KILORWEMP

The total cost of the action co-financed by the EU and Belgium amounts to €5 million. The EU contributes €3 million through the DA. From this amount, BTC may claim a maximum of 7% as implementation costs. BTC's contribution to KILORWEMP is split in two parts of €2 million, one part is combined with the contribution €3 million from the EU (joint co-financing). This constitutes a sub-component implemented "en régie" (direct management). The other part of €2 million has been implemented under co-management, using (partly) national rules and regulations. For the first part BTC is using its own rules and regulations, while for this second part, the national (Tanzanian) procurement rules are applied. The shift to direct management was an EU requirement and reflected the fact that BTC had not yet been subject of a 7th pillar assessment (a positive 7th pillar assessment would have allowed the BTC to sub-delegate activities). If the whole project of €7 million is taken into consideration, it can be seen a parallel co-financing.

This action is component 4 of the EU support to the broader SAGCOT Initiative. The EU contribution and the contribution from other DPs to each of the components is shown in the table below (in €).

Components	EU Contribution	Government Contribution	Other donors	Total
1. Roads	17,500,000		(DfID) 12,297,700*	29,797,700
2. Energy	6,500,000	1,500,000		8,000,000
3. Agriculture	4,500,000			4,500,000
4. Land & Environment	3,000,000		(BTC) 2,000,000	5,000,000
Technical Assistance (FWC, Service or grant contracts)	1,000,000			1,000,000
Monitoring, Evaluation & Audit	400,000			400,000
Contingencies	3,600,000			3,600,000
TOTAL	36,500,000	1,500,000	14,297,700	52,297,700

* DfID committed to contribute 10 million GBP. In the Financing Agreement a lower overall value was presented due to another exchange rate.

SAGCOT-roads

The EU has committed €17.5 million to the road component under SAGCOT and DfID has committed 10 million GBP (see the table above). In addition DfID will pay the EU an amount of €480,000 as administration fee, equivalent to the cost of a 'contractual agent' during three years (see Financing Agreement).

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

The two DAs and the one TA have strongly contributed to increasing the size of the supported programmes and/or to facilitate having a project with a larger budget. In the case of KILORWEMP, the DA also broadened the scope of the project. (See table 3.3).

Table 3.3. Effect of DC agreements in Tanzania on increasing the size of projects and programmes

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)	X			
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)	X			
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)	X			

Evidence and further clarifications

EU MDG Initiative- Urban Water Supply and Sanitation

The EU funds are key for the project 'water supply and sludge treatment' in the three towns. The EU contribution of about € 51.3 million or 85.65% of the project budget is large in absolute and relative terms. Without this EU support the project would most likely not exist.

KILORWEMP

The EU funds have been merged with the funds of the existing BTC intervention. As a result, not only the project size increased from € 4 million to € 7 million, but the project could also broaden its scope and cover important additional substantive issues and therefore fit better the emerging requirements. The initial focus of project was on community based natural resource management, while with the additional funding attention could also be paid to the landscape issues.

Within component 4 of the SAGCOT, the EU wanted to spend €3 million on environment and the BTC was running the KILORWEMP project. If the TA would not have been agreed, the EU would probably have spent the same amount of money through a service contract in environment.

SAGCOT-roads

The DFID contribution created a larger road component and thus a larger united support to component 1 of the SAGCOT Initiative.

In a design review of the upgrading of the road Mikumi – Ifakara in 2015 it was concluded that the available financial resources were insufficient to create an upgrade with a sustainability of at least 20 years. A significant additional amount of money was needed. In follow up, DfID indicated its willingness to double its contribution from 10 million to 20 million GBP, while the EU agreed to make another €10 million available using EDF-11 resources.

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

All DCs in Tanzania have contributed to bringing the financial contributions of the EU and the DC partners under one single management system (see table 3.4).

Table 3.4. Effect of DC agreements in Tanzania on increasing the use of single management systems

	Projects	Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)	X			
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)		X		
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)	X			

Evidence and further clarifications

EU MDG Initiative - Urban Water Supply and Sanitation

This DA concluded by the EU and KfW has unified the management of the contributions of the EU and KfW in one single system. KfW's rules and procedures are applied. These fulfil the criteria set out in the Financial Regulations applicable to the EDF-10.

Procurement of works, its supervision and capacity building will be sub-delegated to the Ministry of Water & Irrigation (MoWI). The MoWI is using its own national procurement rules, while KfW needs to give a no-objection for each step in the procurement process. KfW has signed a separate agreement with the GoT for this sub-delegation.

Furthermore, both KfW and AFD are providing complementary support in water & sanitation, each to two other towns (see section 3.1). There is coordination between KfW and AFD, and AFD is an observer in the Steering Committee meetings of this project.

KILORWEMP

One single management system is used for the first part of € 2 million provided by BTC and the € 3 million co-financed by the EU. This part of the project is implemented "en régie" (direct management) where BTC is signing all contracts and making all payments directly to the contractor following their own procurement rules (mostly for service and supply procurements).

The other € 2 million of BTC funding is implemented under "co-gestion" (co-management) with the ministry or public body concerned. For the (financial) management of this part of the DA, a different system is used. BTC is co-signing all contracts and acting as contracting authority together with the ministry or public body concerned.

SAGCOT-roads

The road component of SAGCOT will be implemented by the Tanzania National Roads Agency, TANROADS, as supervising body. Based on the feasibility study, project design and the Environmental Impact Assessment, a works contract will be procured through an international open tender for the upgrading of the Road. For this project the EU procedure will be used.

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

Both DAs analysed in Tanzania - the EU MDG Initiative project and KILORWEMP - have only to a lesser extent contributed to a reduction of the number of active donors in the sectors concerned, while the TA related to SAGCOT has not contributed to a reduction of donors in the sector concerned (see table 3.5).

Table 3.5. Effect of DC agreements in Tanzania on reducing the number of donors active per sector

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		X		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)		X		
TA	SAGCOT - upgrading Mikumi-Ikara road section (United Kingdom, 2014)			X	

Evidence and further clarifications

EU MDG Initiative - Urban Water Supply and Sanitation

Water & sanitation is not a priority sector in the EDF-10 and -11 in Tanzania. The EU was not active in this sector, apart from some centrally managed initiatives such as the Water Facility. Therefore, the DC with KfW has prevented the EU from entering the water sector and becoming active.

KILORWEMP

The EU contribution to this project did initially reduce the role of the EU in the environment sector. Currently, under EDF-11, the EU has become more active in a number of projects in this sector, especially in sustainable agriculture.

SAGCOT-roads

Dfid is still active in the transport sector, but it does not have an internal implementation unit as regards transport sector support and less expertise in the construction of trunk roads. DfID indicated that it would never do this project alone. Its focus is more on sustainable growth and rural roads.

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response.

Most of the DCs in Tanzania were based on clear comparative advantages of the implementing agencies in the sector or sub-sector concerned. Most of the agencies did have extensive specific expertise and knowledge in the sector at the start of the project.

Table 3.6. Effect of DC agreements in Tanzania on increasing the use of comparative advantages

	Projects	Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		X		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)	X			
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)	X			

Evidence and further clarifications

EU MDG Initiative - Urban Water Supply and Sanitation

Water & sanitation is a priority sector of Germany in Tanzania. For the EU, water & sanitation was not one of its focal sectors. In the period before the start of the project, KfW was also funding several other Urban and Rural Water and Sanitation projects. In the 10 years before the start of the project, German development Cooperation contributed €95 million to the sector. Germany clearly indicated that the water sector would remain a priority for Germany in Tanzania. The EU and KfW also had a long and fruitful working relationship in the water sector in Tanzania. For instance, between 2006 and 2011, the EU funded together with KfW the Water Supply Regional Centres, phase I and II, under the EDF-8/9.

This DA was in line with the agreements made within the framework of the JAST (see chapter 2 and section 3.1). Due to this DA and the related compensation for management provided by the EU (€2,214,000 or 3.8%), KfW was able to set up the institutional structures and hire a team of two programme officers to manage this action on its behalf.

KILORWEMP

Natural resources management is one of the two concentration sectors of the Belgian bilateral cooperation in Tanzania. BTC has been actively involved in the sector since 2003 supporting wildlife management and conservation (Kilombero valley RAMSAR site project). BTC has also (positive) experience with EU's Delegated Cooperation. The GoT requested Belgium to implement the KILORWEMP in March 23, 2011. The GoT

welcomed the upscaling of the project in 2014 and was happy with the agreed division of labour between the EU and BTC as they have already a longstanding relation with BTC.

SAGCOT-roads

DfID has recognized the need to upgrade this trunk road, but has limited human resources to implement large road construction projects. It has therefore signed a TA with the EU. The EU has a comparative advantage in this kind of projects based on its long-term experience in trunk road construction.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

An assessment of the DC contribution to donor coordination and harmonisation should be understood in the overall context of the JAST and the division of labour exercise that took place in Tanzania. The effects of the 2 DAs and 1 TA analysed in Tanzania on improving donor coordination and harmonisation have been modest. In both, the water sector and the SAGCOT Initiative, donor coordination and harmonisation was already well organised before the start of these agreements. The DAs and TA have not particularly contributed to making donor coordination more effective (see table 3.7).

Table 3.7. Effect of DC agreements in Tanzania on improving donor coordination and harmonisation

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		X		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)		X		
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)		X		

Evidence and further clarifications

EU MDG Initiative- Urban Water Supply and Sanitation

In 2006, the GoT adopted a road map for a transformation in the water sector geared towards addressing the various bottlenecks in broad terms, and to improve the coordination of the many government and donor funded programmes. In the same year, the GoT decided to adopt a sector wide approach (SWAp) when it formulated the Water Sector Development Programme (WSDP- 2006-2025), which was meant to be also the basis for a coordinated financing mechanism for the water sector. The WSDP is financed through two distinct funding mechanisms, a basket fund using common implementation arrangements and earmarked projects funded by DPs. Phase 1 of this Programme (2006-2010) was fully funded with US\$ 1.7 billion.

The water sector has strong coordination arrangements and there is a well-articulated dialogue mechanism between the GoT and the DPs for effective coordination. Coordination efforts comprise Annual Joint Water Sector Reviews, regular Water Sector Working Group meetings and Technical Working Groups. The technical groups are aligned with the four components of the program: 1) Water sources management; 2) Rural water and sanitation services; 3) Urban water and sanitation services; and 4) Sector support.

The highest level of coordination is through the WSDP Steering Committee, which meets twice a year. The Government is represented by the MoWI, the President's Office for Regional Administration and Local Government (PO-RALG), Ministry of Finance and Planning (MoFP) and Ministry of Health and Social Welfare (MoHSW). The DPs are represented by the two DPG Co-Chairs, the World Bank (WB) and DfID, and by AfDB, AFD, KfW, GIZ and JICA. DPs can either contribute to the basket fund or provide project support. The DPs have also set up a DP Group – Water (DPG-Water) and one of its tasks is the monitoring of sector performance.

For the EU MDG Initiative, a Steering Committee has been established composed of the MoWI (chair), the water utilities of the 3 towns, the regulator and KfW. The EU, AFD, GIZ, the consultant for the site supervision and the water utilities of the other 4 towns are observers. The Steering Committee meets at least quarterly.

KILORWEMP (SAGCOT)

The Support to SAGCOT has been coordinated with all main stakeholders, and in particular with the DPs directly involved in the initiative (EU, DFID, WB and USAID). The DA with BTC is an opportunity to join forces with EU MS in the implementation of specific components, in line with EU commitments on aid effectiveness. The DPs are coordinating their interventions in the natural resource management sector through regular meetings of the DPG for Environment.

For the SAGCOT Initiative, a Steering Committee is composed of the different key players. This Committee ensures the technical oversight and coordination of the project and meets at least once a year.

A Joint Local Partnership Committee (JLPC) is the highest level of decision-making with regard to the implementation of the KILORWEMP project. The Ministry of Natural Resources & Tourism (MNRT) and BTC are co-chairing this committee. Other members are the MoF, the Ministry of Local Government, the regional administrations and the Prime Ministers' Office. The JLPC meets every 6 months. The EU has the observer status.

There is regular coordination at project level between BTC and the EU. BTC actively seeks feedback from the EU and involves the EU in the strategic milestones of the project. The EU has also participated in the field visits.

SAGCOT-roads

See KILORWEMP above. It is not yet clear whether a specific Steering Committee will be established for the road component.

4 Analysis of outcome-level indicators

4.1 Reduced transaction costs

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs? (EQ 1).

Response

The effects of the 2 DAs and 1 TA analysed in Tanzania on reducing transaction costs have been rather positive. Most of the reduction has been realised at the level of the EUD in case of DAs and obviously at the level of the TA partner in the case of the TA. The most important factors contributing to reducing these transaction costs were; (i) increasing the size of the projects; (ii) more co-financing; and (iii) bringing more funds under a single management system. The better inter-sector division of labour was only relevant for the EU MDG Initiative project in which the EU delegation kept an important role in the monitoring and assessment process.

Reduction of the transaction costs at the level of the GoT partner seems to have been modest and was mainly related to joint co-financing and the use of a single management system with only one set of reports to be provided to all DPs involved. The representative of the MoWI, interviewed during the field mission for the EU MDG Initiative project, indicated that the DA reduced the coordination cost and facilitated supervision and payment.

Table 4.1. Effect of DC agreements in Tanzania on reducing transaction costs

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		X		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)	X			
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)		X		

Evidence and further clarifications:

EU MDG Initiative - Urban Water Supply and Sanitation

The single management system made it easier for the MoWI to deal with its contractual obligations. The MoWI had to report quarterly to KfW on the progress of the project (progress reports), including the development of all important general conditions.

The EU had limited involvement in the project in the first year of project implementation. When delays occurred mainly due to non-performance of contractors and lack of KfW reactions, the EUD supported KfW to deal with the situation and pushed the MoWI to take action. The EU is still having an active role in the monitoring and assessment.

KILORWEMP

The DA with BTC has reduced the administrative cost of transaction and avoided duplication and overlap. Although the negotiation between the EU and BTC was a time consuming process, after the signing of the DA the EU could limit its input to strategic interventions and contributions. For the GoT, the DA saved it from the need to set up a separate implementing unit for the implementation of the project.

SAGCOT-roads

The TA with DfID has offered DfID the opportunity to provide financial support to the upgrading of this important trunk road without putting a large burden on its limited human resources. DfID will not be a silent but most likely a constructive and 'fairly assertive partner'.

A complicating factor is the denomination of the amounts of the TA in GBP and not in Euros. This causes an additional workload to the EUD and to EU-HQs because of the need to adjust the exchange rate to changing market rates.

4.2 Strengthened ownership and leadership

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)? (EQ 2).

Response

The GoT was consulted when the DC projects were formulated and has been involved in the implementation of the DC projects in varying degrees. Nevertheless, it cannot be stated that the DCs have strengthened country ownership and leadership. The key underlying output that has contributed to this outcome was the reduced number of donors, but this was only clearly the case with the EU MDG Initiative project (see the IED in Annex C and section 3.5).

For most projects and programmes, Steering Committees have been set up and they generally meet at least annually. The Steering Committees often involve the political level, which has advantages but also disadvantages. For some projects, technical coordination meetings take place separately.

Table 4.2. Effect of DC agreements in Tanzania on strengthening ownership and leadership of the partner country

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		X		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)				X
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)		X		

Evidence and further clarifications

EU MDG Initiative- Urban Water Supply and Sanitation

In this project, the MoWI is dealing with fewer active donors and is therefore able to apply a more coherent strategy. The use of the national procurement procedures has increased the ownership of the GoT, but it also included a risk for the project implementation. This increased ownership, however, was not a result of the DA itself but because KfW is using management procedures different from those of the EU.

KILORWEMP

Due to the DA with BTC, the management of the KILORWEMP was adjusted from co-management to direct management by BTC, leading to a reduction in responsibility for the GoT.

BTC is working on the basis of a participatory approach, involving the beneficiary institutions closely in the formulation, implementation and monitoring of the specific project activities. This standard approach of BTC implies a joint responsibility of BTC and the recipient government. This means that the GoT is managing the process according to its own rules, while BTC provides a no-objection for each step in this process. This approach was initially also agreed by the GoT and BTC for this project, but BTC had to adjust this approach and use its own rules and regulations to get the EU on board. As a result, the GoT became less involved in project implementation. On the other hand, the DA saved the GoT from having to coordinate two separate projects with two active donors.

SAGCOT-roads

The road component under SAGCOT will be implemented by TANROADS as supervising body. The contribution of DFID through the TA will not change GOT’s level of ownership.

4.3 Strengthened complementarity and increased added value

Main question to be answered.

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

Response

The effect of the DCs on strengthening complementarity and increasing the added value of the EU and MS in general has been modest. Strengthened complementarity and increased EU added value are related to three underlying outputs (see the IED in Annex C and the sections 3.1, 3.6 and 3.7) which indicated a strong contribution to the inter-sectoral division of labour, a modest positive contribution to donor coordination and harmonisation and a modest to strong use of comparative advantages.

The complementarity between the EU and its partners was limited, but there have been occasions where the EUD has provided useful support to its DA partners at crucial moments in project implementation. For instance, in response to the implementation delays of the EU MDG Initiative project in 2014, the EUD sent a formal letter to KfW, with a copy to the NAO, to express its concerns. Based on this letter, KfW was more empowered and MoWI was pushed to take tough decisions with regard to the contractors. KfW itself has limited power to intervene, because it is not the contracting party for the contractors. The contracts were signed by the MoWI and the contractors only.

In KILORWEMP, the EUD was also involved in some key decisions, for instance regarding some land disputes issues. The EUD has also given advice on specific contract issues and has been appreciated for its role as powerful donor which can help ‘to get things moving’ at the political level. For the SAGCOT roads project, a modest added value of DfID as assertive partner is likely, but it is too early to make a fair assessment, because the project implementation still needs to start.

Table 4.3. Effect of DC agreements in Tanzania on strengthening complementarity and increasing the added value of donors

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		X		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)		X		
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)		X		

4.4 Reduced aid fragmentation

Main question to be answered.

To what extent have the DC agreements reduced aid fragmentation? (EQ 4).

Response

The effects of the DC agreements on aid fragmentation in Tanzania range from moderate to strong. Reduced aid fragmentation is defined as each donor supporting less sectors without reducing total aid and/or each sector supported by less donors without a reduction of total aid received. As regards the first element of this definition, each donor supporting less sectors, this seems relevant for both DAs. The DA with KfW prevented the EU from becoming active in the water & sanitation sector, while the DA with BTC prevented the same in the environment and natural resources sector. The second element of the above mentioned definition refers to the output factor discussed in section 3.5 (reduced number of active donors per sector). The score of the DC agreements on this underlying factor ranged from no change to strong.

These considerations have led to the conclusion that two of the three DCs agreements in Tanzania have contributed strongly and the other one modestly to reducing aid fragmentation (see the scores in table 4.4). These modest scores reflect the fact that the DC agreements have avoided further fragmentation of aid in the (sub-)sectors concerned. Reduced aid fragmentation is linked with co-funding, larger projects and programmes, improved division of labour and improved donor coordination and harmonisation (see the IED and the sections 3.1, 3.2, 3.3 and 3.7).

Table 4.4. Effect of DC agreements in Tanzania on reducing aid fragmentation

Projects		Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)	X			
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)	X			
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)		X		

4.5 Strengthened alignment

Main question to be answered.

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

The assessment of all DC projects regarding strengthened policy alignment is neutral (no change). For systems alignment, the assessment for each DC agreement is different (see table 4.5).

With regard to alignment, a distinction needs to be made between policy and systems alignment. Policy alignment refers to national and sector policies while systems alignment refers to making use of the institutions, systems and procedures of the Government. All identification reports and many progress reports refer to the formal alignment of the DC supported project with the policies of the GoT, which includes a large number of overall, sectoral and thematic policies. In theory, formal policy alignment of all DC projects is optimal. In practice these policies are often made by international advisers – and are thus not (automatically) entirely “owned” by the GoT - and are often only partially implemented. In the case of both SAGCOT related projects (KILORWEMP and SAGCOT-roads), the interventions are part of the government owned SAGCOT Initiative launched by the Prime

Minister in 2011. The road upgrade project is a high priority of TANROADS Morogoro Regional Office. Nevertheless, none of the three DC projects did contribute to better policy formulation, for instance through formulating new policies and strategies or improving existing policies. For the EU MDG Initiative, the large size of the DC agreement significantly increased the value of the policy aligned activities in the water sector. For the other two DC agreements, the size was much smaller and therefore neutral score is provided.

The systems alignment has been increased for the DA supporting the EU MDG Initiative project, where KfW sub-delegated the procurement and contracting of works, site supervision and capacity building to the MoWI, using the national rules. In this DA project, systems alignment is stronger compared implementation by the EU, for instance through a service contract.

The systems alignment has been reduced for the KILORWEMP. The DA did have sincere implications for the project co-financed by the EU. The implementation mode was changed from co-management to direct management, where BTC is signing all contracts and making all payments directly to the contractor following their own procurement rules (see also section 4.2).

With regard to systems alignment, there is no change for SAGCOT- roads.

For the implementation of the TA funded SAGCOT roads project, the EU will use its own, systems, rules and procedures, which are only partly aligned with those of the GoT.

Table 4.5. Effect of DC agreements in Tanzania on strengthening alignment

	Projects	Strong effect	Modest effect	No change	Negative effect
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		Policy / Systems		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)			Policy	Systems
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)			Policy / Systems	

5 Analysis of process and implementation aspects

5.1 Visibility

Main question to be answered.

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement? (EQ6).

Response

Most donors have substantially increased their attention to their visibility in recent years. In theory, visibility has been well covered in DAs, mainly through the contractual obligation to make a communication plan. However, these plans are in practice not always (successfully) implemented. In case of all DC projects, the logos of all partners are shown on all reports and communication material, and there is often a specific text mentioning who is funding the project or activity.

Lack of visibility has been conceived as an issue by the EU. Yet, some donors expressed their concern about the tension between visibility on the one hand and ownership and aid effectiveness on the other hand.

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Projects		Strong effect	Modest effect	No change	Poor visibility
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)	X			
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)	X			
TA	SAGCOT - upgrading Mikumi-Ikara road section (United Kingdom, 2014)		X		

Evidence and further clarifications

EU MDG Initiative- Urban Water Supply and Sanitation

Annex I to the DA states that KfW “will take in due account the EU visibility requirements and the standard activities” and a (visibility) “strategy will be presented to the European Commission during the first quarter of the project.”

In response, KfW prepared a brief and simple Communication and Visibility Plan with the specific objective to ensure that the beneficiaries and the broader population are aware of the roles of the EU, KfW and the GoT in delivering water supply and sanitation services to the three towns. The main outputs and activities mentioned in this plan are sign boards, stickers / vehicle panels, leaflets, local radio, plates on civil structures, ground breaking ceremony and inauguration incl. high level visits. The communication activities need to be implemented by the contractors in each town and by the site supervision consultant. KfW supervises the implementation of this Plan and monitors the activities in its annual report to EU.

It needs to be mentioned that no budget has been allocated to the implementation of this plan. Furthermore, the representative of the MoWI indicated that a large part of the beneficiary population is aware of EU involvement but that KfW is in the ‘mind of the people’.

KILORWEMP

BTC has prepared and is implementing a project visibility plan. This plan is monitored and updated every year and an implementation note is provided as an annex to the annual project implementation report. It deals with visual identity, visibility through communication for development (C4D), project website and project brochure, banners, newsletters, mailing list and press releases.

SAGCOT-roads

Visibility is not seen as a big issue by DfID, but politically it is becoming more important in the UK. No communication plan is required but it is expected that the involvement of DfID will be acknowledged (with logos) on sign boards along the road. It is too early to assess whether this will happen.

5.2 TA/DA ratio

Main question to be answered

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 7).

Response

The two DAs and two TAs (see section 1, Table 1.1 and 1.2) implemented in Tanzania in the evaluation period (2007-2014) leads to a TA/DA ratio of 1.0 in terms of number of agreements and 0.26 in value terms (the ratios of the entire DC portfolio are respectively 0.33 and 0.22). The main reason why the ratio in value terms is lower than average in numbers is the large DA related to the MDG Initiative project.

For the coming years a significant increase in the number DAs is foreseen in Tanzania, because a number of DAs are in the pipeline. For the TAs, a lower number is expected.

5.3 Assessment of DC proposals

Main question to be answered

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

Response

A DA/TA Assessment Fiche is supposed to be the main document regarding the assessment of delegating the implementation of a certain project to an implementing agency. These fiches are meant to provide a sound analysis and justification why the choice has been made to use the DA/TA modality, including an assessment to what extent the DA/TA would contribute to the output and outcome objectives of DC. However, only for the KILORWEMP such a DA Assessment Fiche is available in Tanzania.

The quality of the Identification Fiches, Action Fiches and the Technical and Administrative Provisions (TAP) attached to the Financing Decisions is generally good. Those documents provide adequate and sufficient information about the objectives, approach, justification and implementation modalities of the project concerned and to some extent about the suitability of the implementing agencies (in the case of DAs). In general, the arguments presented in the documents are sound. However, these documents provide limited information on the rationale of using the DA modality (see scores of table 5.2).

Table 5.2. Quality of the decision making process and assessment of DC proposal

Projects		Very good	Good	Average	Weak
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)			X	
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)		X		
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)			X	

5.4 Implementation of DC agreements

Main question to be answered

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

Response

The scope and the quality of cooperation between the EU and the DC partners have been good in general, as argued above.

Table 5.3. Quality of the cooperation between the EU and the DC partner during implementation of the DC agreement

Projects		Very good	Good	Average	Weak
DA	EU MDG Initiative - Urban Water Supply and Sanitation (KfW, 2012)		X		
DA	KILORWEMP - Wetlands Ecosystem Management (BTC, 2014)		X		
TA	SAGCOT - upgrading Mikumi-Ifakara road section (United Kingdom, 2014)	N.A.*			

*Project implementation has not started yet.

Evidence and further clarifications

EU MDG Initiative- Urban Water Supply and Sanitation

In the first year of implementation the EU was operating as a silent partner with limited involvement in project implementation. From 2014 onwards, however, the EU became more actively involved, in response to the delays in project implementation due to problems with the contractors.

In general, the EUD is of the opinion that it is sufficiently informed. KfW monitors and reports on implementation of the Action. It prepared and provided its annual project implementation reports on a timely basis and also shared informally the quarterly reports prepared by the site supervision consultant, although not consistently. KfW has based its annual reports on the quarterly reports received from the site supervision consultant.

KILORWEMP

BTC reports annually to the EU about the project progress. These reports consist of a narrative part and a financial part. They also describe the implementation of the Action according to the agreed indicators. The EUD has participated in the field visits and is involved in the key strategic issues and discussions.

SAGCOT-roads

It is too early to assess this, because project implementation has not yet started.

In Tanzania, the EU aid delivery mechanism of DC made overall a positive contribution to improving aid effectiveness in the period 2008-2014. Its contribution has been small with two DAs amounting to a total of €54 million and the two TAs to €14 million.

The DC modality should create a division of labour between different donors thereby reducing aid fragmentation. This suggests that DAs should be used outside the focal sectors in order to facilitate the EU to withdraw from these sectors or to become a silent partner. One of the two DAs in Tanzania is supporting the project on Urban Water Supply, which is funded through the MDG Initiative managed by EU HQ and not part of an EU focal sector strategy in Tanzania. The other DA is supporting the Kilombero and Lower Rufiji Wetlands Ecosystem Management Project (KILORWEMP). This project is part of the SAGCOT Initiative which is funded under EDF-10 (2008-2013). The SAGCOT is consistent with the two main focal sectors of the 10th EDF, namely, (i) infrastructure, communications and transport; and ii) trade and regional integration. The focus of the DA support to KILORWEMP, however, was on natural resource management which was not an EU priority at that time. One of the TAs is related to the SAGCOT roads project which is consistent with the first focal sector where the EU had a clear comparative advantage. The other TA was GCCA support provided by Sweden. Based on this assessment, it can be concluded that the EU has used the DC modality in Tanzania broadly but not consistently to concentrate more on focal sectors and to phase out of other sectors or become a silent partner.

The aid in Tanzania is still fragmented with limited division of labour, but both DAs have contributed strongly and the TA (supporting SAGCOT) modestly to reducing aid fragmentation. The high scores reflect the fact that the DAs prevented the EU from becoming active in the water & sanitation and the environment & natural resource management sector, respectively. The lower scores for the TA indicates that it has not reduced the fragmentation but only avoided further fragmentation in the sub-sector concerned.

All three analysed DC agreements have contributed to a reduction of transaction cost. Most of the reduction has been realised at the level of the EUD in case of DAs and at the level of the TA partner DfID in the case of the TA. The key factors contributing to reducing these transaction costs on the donor side were; (i) increasing the size of the projects; (ii) more co-financing; (iii) bringing more funds under a single management system; and (iv) better inter-sector division of labour. The DC modality has made it possible to shift transaction costs previously borne by the DPs (in particular the EU) to the project or programme budget. In such cases, transaction costs have been reduced, but project/programme costs increased. On the Government side, also a reduction of transaction costs occurred. The Government had to deal with less active donors, usually each with its own requirements, and there was no need to set up additional implementing units and steering committees.

A complicating factor for the transaction cost in the SAGCOT road project is the denominating of the amounts in the TA in GBP and not in Euros. This is providing a substantial additional workload to the EUD and to HQs because of they need to adjust the exchange rate to changing market rates.

An assessment of the contribution of DC agreements to improving donor coordination and harmonisation should be understood in the overall context of the high level of donor coordination and harmonisation in Tanzania with an extensive dialogue structure. All three analysed DC agreements in Tanzania have promoted the general cooperation between the EU and its MS, but its contribution to improving donor coordination and harmonisation is considered limited.

In practice, the DC agreements have not been used as a policy or strategic tool for promoting division of labour, but largely as a practical and operational tool of cooperation between the EU and its MS at country level. The major reasons to conclude a DC agreement were:

- To create larger and more efficient projects or programmes;
- To benefit from comparative advantages of implementing agencies with expertise and knowledge in the sector;
- To delegate project management to a partner (because of limited manpower);
- To join an existing project instead of designing a new one itself.

In most cases, the DAs and TAs did hardly lead to increased country ownership and leadership, nor to strengthened policy and systems alignment. The role of the Government has often remained limited as the management systems of the implementing agencies are being used. In the KILORWEMP the DA has even reduced the role of the GoT, because BTC needed to change the management procedures to 'direct management', which implied that the responsibility for project implementation was taken away from the Government. Although the use of systems of the implementing agencies may have had positive effects on the quality of project implementation, it may have hampered strengthening ownership and leadership by the recipient Government.

Most donors have increased their attention paid to visibility and communication in recent years. In theory, visibility has been well covered in DAs, mainly through the general requirement to design a communication plan, but in practice these plans are not always (successfully) implemented. For the DA projects it is mentioned that the logos of all partners should be shown on all reports and communication material. For the TA with DfID no communication plan was/is required, but the name of DfID with logo should be shown on the sign boards along the road.

The partners of the EU MS and their implementing agencies involved in DC agreements gave a mixed feedback on their experience with DCs arrangements with the EU. Both, KfW and BTC expressed appreciation about the level of expertise of EUD staff and have actively requested their inputs and support, including to use the EU's political power to convince the Government. Yet, some concerns were raised about the complicated and time consuming EU procedures. This may reduce their enthusiasm to step into new DC agreements.

6 Conclusions

In Tanzania, the EU aid delivery mechanism of DC made overall a positive contribution to improving aid effectiveness in the period 2008-2014. Its contribution has been small with two DAs amounting to a total of €54 million and the two TAs to €14 million.

The DC modality should create a division of labour between different donors thereby reducing aid fragmentation. This suggests that DAs should be used outside the focal sectors in order to facilitate the EU to withdraw from these sectors or to become a silent partner. One of the two DAs in Tanzania is supporting the project on Urban Water Supply, which is funded through the MDG Initiative managed by EU HQ and not part of an EU focal sector strategy in Tanzania. The other DA is supporting the Kilombero and Lower Rufiji Wetlands Ecosystem Management Project (KILORWEMP). This project is part of the SAGCOT Initiative which is funded under EDF-10 (2008-2013). The SAGCOT is consistent with the two main focal sectors of the 10th EDF, namely, (i) infrastructure, communications and transport; and ii) trade and regional integration. The focus of the DA support to KILORWEMP, however, was on natural resource management which was not an EU priority at that time. One of the TAs is related to the SAGCOT roads project which is consistent with the first focal sector where the EU had a clear comparative advantage. The other TA was GCCA support provided by Sweden. Based on this assessment, it can be concluded that the EU has used the DC modality in Tanzania broadly but not consistently to concentrate more on focal sectors and to phase out of other sectors or become a silent partner.

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Annex A. List of people interviewed

EU Delegation

- Fabrizio Moroni, International Aid / Cooperation Officer, Infrastructure Section
- Olivier Coupleux, Head of Section, Economics, Governance & Regional Integration
- Hans-Juergen Scheck, Head of Section, Finance, Contracts and Audit
- Gianluca Azzoni, Head of Section, Natural Resources
- Virginie de Ruyt, Programme Officer, Economics & Governance
- Maria Chairi Femiano, Programme Officer, Natural Resources

KfW

- Norbert Geyer, Senior Project Officer, Water and Sanitation

DFID

- Amanda Duff, Water Resources Adviser

BMZ / Germany

- Lena Thiede, Counsellor, Deputy Head of Cooperation

BTC

- Tom Smis, Belgium, BTC, Resident Representative

Government representatives

- Godlove Stephan, Deputy NAO, EDF Programme Support Unit, Ministry of Finance
- Justus Rwetabula, Director, Urban Water Supply & Sanitation, Ministry of Water

Other

- Guiseppe Daconto, International Technical Assistant & Co-manager

Annex B. List of documents consulted

General

- ADE, Public Expenditure and Financial Accountability (PEFA) Assessment Mainland Tanzania (Central Government), Final Report, September 2013
- Chatham House, Adjoa Anyimadu, Politics and Development in Tanzania, Shifting the Status Quo, Africa Programme, Research Paper, March 2016
- Deutsches Institut für Entwicklungspolitik, Heiner Janus and Niels Keijzer, Big Results Now? Emerging Lessons from Results-Based Aid in Tanzania, Discussion Paper, ISSN 1860-0441, 2015
- Development Partners Group, Tanzania Joint Program Document, December 2006
- DFID, Operational Plan 2011-2016, DFID Tanzania, Updated December 2014
- European Community and Mozambique, Country Strategy Paper and National Indicative Programme for the period 2008-2013, 10th EDF
- European Commission, Joint Evaluation of Budget Support to Tanzania: lessons learned and recommendations for the future, Final Report, 2013, Vol I and II
- European Commission and Tanzania, National Indicative Programme for the period 2014-2020, 11th EDF
- Government of Tanzania, Water Sector Status Report, Ministry of Water, 2112
- Policy Research for Development (REPOA), Assessing Data for the Sustainable Development Goals in Tanzania, February 2016
- United Republic of Tanzania, Ministry of Finance, Development Cooperation Framework (DCF)

EU MDG Initiative in Tanzania - Urban Water Supply and Sanitation

- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes
- MDG proposal made by Government of Tanzania, May 2011
- Communication and Visibility Plan, KfW
- Financing Agreement between KfW and Government of Tanzania and Separate Agreement (Annex)
- GIZ, Annual Implementation Report No.2– 12/2013 to 11/2014, December 2014
- GIZ, Annual Implementation Report No.3– 12/2014 to 11/2015

EU Support to the SAGCOT - Environmental component

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes
- Delegation Agreement + Annexes DA Assessment Fiche
- Inception cum Annual Report 2013
- Annual Report 2014 (incl. visibility plan)
- Annual Report 2015

EU Support to the SAGCOT – Upgrading Works to Paved Standard

- Identification Fiche
- Action Fiche
- Financing Agreement + Annexes

- Transfer Agreement + Annexes
- Final Identification Report, Identification of an EU Programme in Support of the SAGCOT Initiative (Southern Agricultural Growth Corridor of Tanzania), March 2012

4.8 Case study notes Timor-Leste

Executive summary

The Timor-Leste case study –one of a total of nine country case studies- is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) commissioned by the DG DEVCO Evaluation Unit. Six Delegation Agreements (DAs) have been or are being implemented in Timor-Leste, of which four concluded with the Portuguese CICL and two with German GIZ as implementing agencies for EU-funded projects. The four DAs in the rural development focal sector of the EU concerned the implementation of two projects: RDP IV and GCCA-TL making in both cases two agencies responsible for implementation of one and the same project. In addition there were two DAs concluded with CICL for the implementation of two components of the governance support programme. The six DAs amounted to a total of almost € 18 million (the A-envelope of the 10th EDF for Timor-Leste was € 63 million).

An assessment of the contribution of the Delegated Cooperation mechanism should be understood against the evolving background of Timor-Leste characterised by improved political stability, petroleum-related economic growth that has led to the lower middle-income status, and a fragmented project-focused aid architecture with no effective donor coordination. In recent years, DPs have reduced their aid and some have left the country, including EU Member States such as Spain and Ireland, leaving the EU, Portugal and Germany as the main active EU partners in development cooperation with Timor-Leste.

The use of DC was a logical choice given the country context, the limited EUD capacity and the comparative advantages of the implementing agencies in the two focal sectors. The EU had only a very limited choice of agencies for implementing DAs, as there are no other MS implementing agencies than GIZ and CICL present in Timor-Leste. The serious staffing constraints of the EUD was another explanatory factor of the delegation of implementation to CICL and GIZ with limited involvement of the EUD for quite some time.

The EU aid delivery mechanism of delegated cooperation made a positive, though rather limited contribution to improving aid effectiveness in Timor-Leste. Delegating the implementation of the two rural development / climate change projects to the two implementing agencies did not reduce the already existing aid fragmentation, neither did the fragmented project design and the lack of co-financing. Nevertheless, while the DC modality was not primarily used for strategic reasons, the DAs allowed the EU to be more pro-active in donor coordination and the policy dialogue. In this way, the DAs did contribute to improved EU-MS coordination and to an improved intra-sectoral division of labour. The dialogue is still mainly limited to information exchange and efforts to avoid overlap between projects. Further improvements towards real coordination and harmonisation are being planned.

Although the DA projects did strengthen capacity of the Government, there is no evidence that the DAs did lead to increased country ownership and leadership, or to strengthened policy and systems alignment. The DA-projects functioned as standalone projects. Various levels of the government of Timor-Leste have been involved in project planning and implementation e.g. through Joint Steering Committees. Nevertheless, the role of these Committees has remained limited, partly because the management systems of the implementing agencies are being used. The fact that there were frequent reorganisations in the Ministries and constant reshuffling of staff also hindered strengthening country ownership and leadership.

The EU has already learned lessons from its experience with having two DAs with two different agencies implementing different components of one single project or programme: under the 11th EDF only one implementing agency will be made responsible through DAs

for the implementation of the support for one particular focal sector: CIGL for governance and GIZ for rural development.

List of abbreviations

ATP	Aid Transparency Portal
AUSAID	Former implementing agency for Australian development aid
BMZ	German Federal Ministry for Economic Cooperation and Development
CCC-PIR	Coping with Climate Change in the Pacific Island Region
CICL	Camoos Instituto da Cooperacao e da Lingua
CRIS	EU Information System
CSP	Country Strategy Programme
DA	Delegation agreement
DAC	Development Assistance Committee
DC	Delegated cooperation
DCI	Development Cooperation Instrument
DEVCO	Directorate general of the EC charged with development cooperation
DoL	Division of Labour
DP	Development Partner
DPCM	Development Policy Coordination Mechanism
EC	European Commission
EU	European Union
EUD	European Union Delegation
EDF	European Development Fund
EEAS	European External Action Service
EU	European Union
EQ	Evaluation question
FR	Financial regulations
GCCA	Global Climate Change Alliance
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IED	Intended Effects Diagram
IMDA	Indirect Management Delegation Agreement
IPAD	Instituto Portuguesa de Apoio ao Desenvolvimento
JP	Joint Programming
MAF	Ministry of Agriculture and Fisheries
MS	EU Member State
MoFA	Ministry of Foreign Affairs
MS	Member State
NIP	National Indicative Programme
ODA	Official Development Assistance
OECD	Organisation of Economic Cooperation and Development
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
RDP	Rural Development Programme
RG	Reference Group
SDP	Strategic Development Plan
TA	Transfer agreement
TL	Timor-Leste
ToR	Terms of Reference
TWG	Technical Working Group
UNIMTL	UN Integrated Mission of Timor-Leste
USAID	United States of America Development Assistance

1 Introduction

This evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 is part of DEVCO's evaluation programme approved by the Commissioner for Development. The main objectives of this evaluation are:⁹⁰

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

Annex C presents the Results Chain or Intended Effects Diagram that has guided this evaluation, while Annex E includes an overview of the relevant terms used in this evaluation.

In the inception phase of this evaluation, Timor-Leste has been selected as one of the nine country case studies based on criteria such as number of Delegation Agreements (DAs) and Transfer Agreements (TAs)⁹¹, volume of DA and TA agreements, geographical spread and spread of DA partners. The other selected countries are Mali, Benin, Ghana, Mozambique, Tanzania, Haiti, Nicaragua, and Palestine. In addition, there will be a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA).

The overview of DAs and TAs in Timor-Leste is presented in tables 1.1 and 1.2 below. The main features are:

- There are six DAs and one TA being implemented or having been implemented in the recent past;
- CICL is the main Delegated Cooperation partner of the EU, as it is partner in 4 DAs. GIZ is partner in 2 DAs, while Ireland is the TA partner;
- 2 DAs are supporting the Programa de Apoio à Governação Democrática em Timor-Leste. The detailed findings are summarised in one project fiche in Annex D.1;
- 2 DAs are supporting the Fourth Rural Development Project. The detailed findings are summarised in one project fiche in Annex D.2;
- The Global Climate Change Alliance (GCCA) support programme in Timor-Leste (2 DAs and 1 TA) forms a special case as all DAs and TAs related to GCCA will be analysed in a separate desk study, but findings from field studies – see project fiche of the 2 DAs in Annex D.3 – will contribute to this.

⁹⁰ See Terms of Reference (ToR), page 1.

⁹¹ There are two types of delegated cooperation agreements, namely:

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

Table 1.1 Overview Delegation Agreements 2008-2014, Timor-Leste

Nr	Contract Number	Contract title	DC Partner	Contr . year	Contract amount (€)
1	275758	Programa de Apoio à Governação Democrática em Timor-Leste –Programa de Justiça	CICL	2011	4,500,000
2	276596	Programa de Apoio à Governação Democrática em Timor-Leste - Componente de apoio à Comunicação Social	CICL	2011	1,600,148
3	278069	Fourth Rural Development Project (RDP IV) - Project Purpose I: Strengthening Agricultural Extension	GIZ	2011	4,797,150
4	278104	Fourth Rural Development Project (RDP IV) - Project Purpose I: Strengthening Agricultural Extension	CICL	2011	3,202,850
5	336310	Global Climate Change Alliance (GCCA) support programme to Timor-Leste	GIZ	2013	1,900,000
6	336311	Global Climate Change Alliance (GCCA) support programme to Timor-Leste	CICL	2013	1,900,000

Table 1.2 Overview Transfer Agreements 2008-2014, Timor-Leste

Nr	Decision Number	Contract title	DC Partner	Contr. year	Contract amount (€)
1	23745	Global Climate Change Alliance support programme to Timor-Leste	Ireland	2011	3,840,000

Prior to the field mission, the evaluation team has carried out a desk-based assessment of the DAs and TAs. The documents consulted are presented in Annex B. During the field phase that took place from 4 to 8 April 2016 follow-up interviews took place with the EU Delegation (EUD), DA partners and partner government stakeholders and some additional interviews per telephone and skype took place after the field visit (see Annex A for list of persons interviewed). Anneke Slob was responsible for the Timor-Leste case study.

As no additional written information was available on the Irish TA to the GCCA and Ireland has no representation in Timor-Leste, the TA was not analysed as part of the Timor-Leste case study, but will be part of the overall GCCA DC desk study. The basic characteristics of that TA and the project being supported by that TA, are presented in annex D.3.

According to the overall evaluation design, the depth and focus of the analysis/evaluation might be somewhat different across the DC agreements. As the six DAs cover 3 programmes and as there are only two DA partners and all the government stakeholders were available for an interview, all six DAs have been analysed in more or less equal depth.

2 Country context

Political, economic and social situation and developments in the country

Political developments and fragility

Timor-Leste has a complex historical background that affects its contemporary nature. After centuries of Portuguese colonisation and the political changes in Portugal in April 1974, the country wanted to be independent. However, Indonesia invaded the country in December 1975. The Indonesian annexation lasted 24 years, during which one third of the population died because of violence and starvation. The resistance movement succeeded in establishing strong international support for independence. After a referendum in 1999 and a transition period supported by the United Nations, the country regained independence in May 2002. At that time nearly 70 percent of all buildings, homes and schools was destroyed, and an estimated 75 percent of the population was displaced.⁹² From 2002 to 2008, violence persisted and the nation was extremely fragile. From August 2006 to December 2012, the UN Integrated Mission of Timor-Leste (UNIMTL) was present in the country, which helped to create political stability.

After largely peaceful, free and fair presidential and parliamentary elections in 2007 the situation started improving, which is reflected in other peaceful and fair elections in 2012. From that time onwards, tremendous progress has been made. Instead of receiving peacekeeping assistance from the United Nations, Timor-Leste is nowadays contributing personnel to UN missions elsewhere in the world. State institutions such as the Ministry of Finance, the Ministry of Defence and the police and judiciary have gradually been strengthened, but challenges remain.

Timor-Leste has been actively involved in developing the New Deal for Engagement in Fragile States. In 2008, at the 3rd High Level Forum on Aid Effectiveness a group of seven countries established an International Dialogue on Peacebuilding and State Building focusing on how to make development aid more effective and relevant to the needs of fragile countries. In April 2010, this group of seven countries met in Timor-Leste and created the g7, now transformed into the g7+ a group of 20 countries transitioning from conflict to resilience. This led to the formulation of a set of core principles for development engagement in fragile states, the so called New Deal. This was presented for the first time in 2011 at the 4th High Level Forum on Aid Effectiveness in Busan.

Economic developments

Timor-Leste has recorded economic growth rates of 8% per year.⁹³ The economy is heavily reliant on petroleum extraction contributing 76% to its GDP. The economic growth has led to an increase in public expenditures. Timor-Leste has become a lower middle income country. However, its economy is still in the early stages of development and the country's comparative advantages are limited.

The latest IMF consultation mission took place in February 2016 and concluded that although the worldwide drop in oil prices had affected the prospects for Timor-Leste, the effects were softened by the savings of the oil wealth in the national Petroleum Fund, which was established in 2005.⁹⁴ Average non-oil real GDP growth in the medium term is

⁹² World Bank, Country context Timor-Leste, <http://www.worldbank.org/en/country/timor-leste/overview#1>, accessed on 5-4-2016: last update 6 October 2015.

⁹³ Ministry of Finance Timor-Leste, Development Cooperation Report 2015.

⁹⁴ IMF, IMF Concludes 2016 Article IV Consultation Mission to Timor-Leste, Press Release No. 16/60, February 16, 2016.

projected at around 6 percent, supported in part by an increase in foreign direct investment. The last Public Expenditure and Financial Accountability (PEFA) assessment dates from 2013 and concluded that improvement in a number of important areas were recorded, but some weaknesses in PFM systems and processes remained unchanged or even worsened since 2010.⁹⁵

Social developments

There have been important social improvements as well, as reflected in increased life expectancy, reduced child mortality, boosted school enrolment and reduced illiteracy. However, the country still faces widespread food insecurity, high unemployment figures and poverty rates. Timor Leste has presently a population is of 1.27 million, but this number is expected to grow substantially in the coming years, which puts further pressure on the economy, social services and natural resources.

Government policies

Timor-Leste's Strategic Development Plan 2011-2030 (SDP) aims to develop a middle-income and diversified economy by 2030 – which is essential as the oil fields are expected to be depleted by 2024. Timor-Leste's SDP distinguishes four pillars:

1. **Social Capital** (Education and Training, Health, Social Inclusion, Environment, and Culture and Heritage);
2. **Infrastructure Development** (Roads and Bridges, Water and Sanitation, Electricity, Seaports, Airports, and Telecommunications);
3. **Economic Development** (Rural Development, Agriculture, Petroleum, Tourism, and Private Sector Investment);
4. **Institutional Frameworks** (Security, Defence, Foreign Affairs, Justice, Public Sector Management and Good Governance, National Development Agency/Economic Policy and Investment Agency).

In addition there are a large number of sectoral and thematic policies, quite often prepared by international advisers working at the Ministries. Implementation of most of these policies lags behind.

Development challenges

Despite the progress made, a number of development challenges have still to be met:⁹⁶

- Capacity remains weak and the administration is highly fragmented, especially as regards strategic oversight and planning activities. Reorganisations are frequent and there is a high turnover of government staff that is often politically affiliated. Inter-ministerial co-ordination is also weak due to the multitude of line ministries and agencies, sometimes involved in one sector. There is still high though decreasing reliance on external advisors. Corruption and mismanagement remain to be widespread;
- Increasing inequalities, high population growth and very high youth unemployment negatively affect the social fabric of the country;
- Threats to human rights. Late 2014, the government passed a new Media Act, which was internationally perceived as a threat to press freedom. Furthermore, the state decided to expel foreign judges and prosecutors from the country, while since its independence, the country has relied on support from the international community to build a competent and independent judiciary;

⁹⁵ Pohl Consulting and Associates, Repeat PEFA Assessment 2013 Timor-Leste, PFM Performance Report, Final, 26 May 2014.

⁹⁶ This section is based on background documents including EU Policy documents (NIP), EU commissioned studies and other studies (see Annex B).

- Timor-Leste is affected by climate change and becomes increasingly prone to severe and recurrent droughts, flooding and landslides, and other risks such as tropical cyclones, earthquakes and tsunamis;
- After independence, Timor-Leste adopted Portuguese as the second official language next to Tetum, a Malayo-Polynesian language with Portuguese influence spoken throughout the country but with no written tradition or grammar. During the Indonesian occupation, Bahasa was the official language and people were trained in that language. Nowadays, only a minority of the population speaks Portuguese. English is often preferred by the new elite, including government staff in the ministries.

Aid Architecture

Gradually reducing ODA, less traditional donors, while aid fragmentation continues

The Timorese economy was heavily aid dependent at independence in 2002, but the contribution of ODA flows to the government budget and the economy is declining rapidly. While volumes of ODA flows have stabilised in nominal terms in the last few years, as a percentage of GDP and/or the country's state budget ratios have been falling rapidly. In 2002 grants were 86% of the budget, but in 2012 they contributed only 16% due to the influx of oil revenues since 2006. Official Development Aid to Timor-Leste has been more than US\$ 200 million per year for the past 11 years.⁹⁷ Initially, foreign aid largely consisted of humanitarian aid, but gradually development aid became more important. Grants decrease in importance and loans increase. The most important bilateral Development Partners (DPs) of Timor-Leste are Australia, the United States of America, Portugal and Japan. Other important DPs are the European Union and the Asian Development Bank. Some donors, including EU Member States such as Spain and Ireland, have withdrawn from the country. On the other hand, new non-traditional donors emerge such as China, Indonesia, South-Korea, Thailand and Brazil.

A report on the Division of Labour among European Development Partners (DPs) in Timor-Leste concludes: "To summarize the latest developments in a nutshell: the ODA is slowly but steadily decreasing as well as the overall number of development partners, also among EU MS".⁹⁸

Aid is quite fragmented. Despite an increase in budget support, project aid remains the dominant aid modality. According to the Government's Development Cooperation Report 2015 the larger the sector, the more fragmented development assistance is. This is explained by the lack of sector programmes and limited use of joint financing mechanisms. The Infrastructure Development Pillar and Security sub-pillar are less fragmented, which is seen as a consequence of the larger average size of the programmes in these sectors.

Formal adherence to aid effectiveness principles, but implementation problems

There is formal overall adherence to the principles and objectives of aid effectiveness, in particular since the adoption of the SDP and the New Deal. The New Deal is structured around three interconnected frameworks: five Peacebuilding and Statebuilding Goals (PSGs) and two guiding frameworks for implementation by recipient countries and donors: FOCUS and TRUST.

⁹⁷ OECD-DAC, The New Development Finance Landscape: Development Country's Perspective, June 2014 including a case study on Timor-Leste.

⁹⁸ Markard-Narten Juliane, Towards a Division of Labour among European Development Partners in Timor-Leste, updated version: September 2014.

In line with the four pillars of the SDP, the government has defined four strategic sectors or pillars, for the purposes of coordinating and monitoring aid disbursed. In order to operationalize the SDP, the Government established the Development Policy Coordination Mechanism (DPCM) in March 2013. In addition, the Government established the Aid Transparency Portal (ATP), which collects data of Development Partners, in order to assist the Government in preparing the General State Budget and to improve overall aid coordination and effectiveness. Despite increased ownership of its development agenda in recent years around the SDP, this plan is still primarily visionary in nature and remains to be translated into operational content for donors and sector strategies.⁹⁹

The aid architecture remains fragmented but there are some DP sector coordination groups and also quite some Technical Working Groups (TWGs) in which the government participates as well. However most groups function on an informal/ ad hoc basis; the DPCM structure has not been enforced by the Government and remains largely dysfunctional. The level of participation of new donors in donor coordination remains limited. International NGOs have been active in Timor-Leste since independence. Although their role has decreased somewhat, they remain active and participate in donor coordination especially in the DP sector coordination groups and in some TWGs.

The Government has expressed its concern about the limited increase in using and strengthening the country systems. Although both the Government and the Development Partners committed to respectively strengthening and using country systems, no specific measures and targets were formulated and jointly agreed.

EU strategies

From 2002 to 2005 Timor-Leste received EU support from the Asia-Latin America (ALA) budget line. Priority sectors were food security, rural development and health. When Timor-Leste ratified the Cotonou Partnership Agreement in 2005, it formally joined the African Caribbean and Pacific (ACP) countries and started to receive funding from the EDF. Under the 9th EDF – when the transition from ALA to EDF was made - 18 million was allocated to rural development. The 10th EDF had as focal sectors rural development, institutional capacity development, and health. The National Indicative Programme 2014-2020 has selected good governance and rural development as key sectors for the 11th EDF. For both sectors Budget Support (BS) would be considered¹⁰⁰ and one implementing agency per sector would be made responsible for programme implementation: CICL for governance and GIZ for rural development.

An evaluation of the EU cooperation with Timor-Leste over the period 2008-2013 was carried out and one of the main strategic conclusions was that the EU cooperation was insufficiently pro-active and more attention should be paid to enhanced sector leadership, political dialogue and counterpart engagement. One of the problems the EUD faced was a lack of capacity, because of understaffing. The recommendations of the country evaluation were addressed and the EU has taken up a much more pro-active role in sector coordination and policy discussions.

In 2012, there were some attempts to start with Joint Programming of the EU and the EU MS. The EU commissioned a Division of Labour (DoL) study, which was supposed to inform a joint programming exercise, ideally leading to an enhanced cooperation and complementary programming of the EU and its MS within the framework of the 11th

⁹⁹ OECD-DAC, The New Development Finance Landscape: Development Country's Perspective, June 2014 including a case study on Timor-Leste.

¹⁰⁰ A decision was taken to postpone the BS for the rural development /agriculture sector, due to very weak PFM and M&E systems in that sector.

European Development Fund (EDF) 2014-2020. However, for various reasons such as staff turnover in the EUD and time pressure to finalize the EDF-11 programming, this objective could not be achieved. The number of MS is quite limited, since Spain and Ireland have stopped their support. France is mainly active in culture and heritage. There are regular EU meetings with the active MS. The DoL study was updated in 2014 and supported the EU decision to work with only one EU MS in each of the two EDF-11 focal sectors.

Portugal and Germany are the most important EU MS donors in Timor-Leste.

Portugal has an Embassy in Timor-Leste in which CICL is located as well. In 2008, the Portuguese Institute for Development Assistance (IPAD- Instituto Português de Apoio ao Desenvolvimento) published an Indicative Cooperation Programme for the period 2007-2010.¹⁰¹ The Portuguese cooperation is based on the following three pillars: i) preferential relations with Portuguese-Speaking African Countries (PALOP) and Timor-Leste; ii) the promotion of Portuguese as a language community of historical value; and iii) the promotion of the capacity to hold dialogues and exert influence on international issues. This document mentions three strategic aims: 1) good governance, participation and democracy; 2) sustainable development and the fight against poverty (including education and rural development) and 3) complementary intervention. In 2012, due to the merger between IPAD and Camões Institute, which led to the creation of a new institute CICL. CICL took over all IPAD's tasks and functions in Portuguese development cooperation. For the period 2014-2017 a new strategic cooperation programme has been published,¹⁰² with four strategic axes: 1) governance, justice and human rights; 2) human development and global public goods; 3) economic development: promotion of sustainable economic growth; and 4) infrastructure development. So, good governance and rural development have been strategic priorities for Portugal for more than a decade.

GIZ and KfW have been working in Timor-Leste on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) since 2000. The GIZ representative in Timor-Leste also coordinates German Cooperation with Timor-Leste on behalf of BMZ. The focal area of German support was for a long time rural development and maritime transport.¹⁰³ In the Government Negotiations of 2007, the focus of Timorese-German Development Cooperation was agreed to be Peace Building. This focal area was reconfirmed in subsequent policy dialogues and slightly refocused in the 2015 Consultations to be *Consolidation of Peace and Stability*.¹⁰⁴ The definition of the focal area changed over time and in 2013 when the DA on GCCA was concluded rural development/ climate change was not considered to be part of the focal area. At present, Germany's contribution to the Consolidation of Peace and Stability is made through promotion of a) Employability and Employment, as well as b) Peace and Youth Promotion especially for marginalized young people living in the rural areas of Timor-Leste. This includes activities in rural development and agriculture and climate change adaptation.

Political and strategic considerations of using the DC modality

The Country Strategy Paper (2008-2013) does not address Delegated Cooperation. As explained above, attempts have been made towards Joint Programming but this has not yet taken off. The Division of Labour strategy did reflect on the use of DC, by saying that

¹⁰¹ IPAD, Portugal: East Timor 2007-2010, Indicative Cooperation Programme, 2008.

¹⁰² Programa Estratégico de Cooperacao Portugal-Timor-Leste 2014 -2017.

¹⁰³ Germany and Timor-Leste, publication on website BMZ Indonesia: http://www.jakarta.diplo.de/contentblob/3836806/Daten/3703658/download_Einfhrungstext_TLS.pdf.

¹⁰⁴ The priorities and joint strategies are discussed and agreed upon during regular political dialogues between the Government of Timor-Leste and the Government of the federal Republic of Germany during which the respective financial commitments are also announced.

the cooperation with GIZ and CICL allowed the three partners to explore a new sector (climate change) which had not received much funding so far. This illustrates the different country context in Timor Leste, where only three EU MS are active. The choice for DC was mainly driven by the limited EUD capacity and the comparative advantages of the implementing agencies in the two focal sectors, i.e. better intra-sectoral division of labour. Nevertheless, the DC did have a strategic result, as it allowed the EU to be more proactive in donor coordination and the policy dialogue.

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

The 6 DAs of the three projects analysed in Timor-Leste did not contribute to improving the inter-sector Division of Labour (DoL). In fact, the EU and the two implementing agencies remained active in the same sectors Rural Development/Agriculture and Governance, in which they were already active and the DAs did not change this situation. On the other hand, these DAs and TAs contributed to strengthening the intra-sector DoL because, the implementation of the agreement (action) was delegated to the agency or institution best placed to implement it in view of its expertise and comparative advantages. This allowed the EUD to focus better on the policy dialogue. The EUD took the lead in 2014 in starting DP coordination in the agricultural sector and was also pro-active in improving donor coordination in governance. (See the scores in table 3.1).

Table 3.1. Effect of DC agreements per project on improving the division of labour among donors

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV: agricultural extension (2 DAs: CICL and GIZ)		Intra-sector	Inter-sector	
DAs	GCCA (2 DAs: CICL and GIZ)		Intra-sector	Inter-sector	
DAs	Governance programme: Justice and Media (2 DAs: CICL)		Intra-sector	Inter-sector	

Clarifications and explanations

In 2012 after the first DAs were agreed upon, the EUD took the initiative to carry out a Division of Labour (DoL) analysis as the EUD was determined to take up a more proactive role in donor coordination processes. An update of the DoL study was carried out in 2014 (see section 2). The two DoL reports do not explicitly refer to DC as a mechanism to improve the division of labour among the EU and MS. Although the GCCA project appeared to focus on a new sector/theme, namely 'climate change', in practice this was a continuation of the support to rural development. The fact that the implementation of the two rural development programmes - RDP IV agricultural extension and GCCA - was delegated to two agencies was a continuation of the active role of the two agencies in this sector.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes in Timor-Leste?

Response

None of the projects was jointly co-financed when the DAs were signed. There is no indication that there has been a discussion regarding co-financing at the start of the projects. Portugal provided a rather limited amount of co-funding (€ 30.000) for the Justice

programme in order to allow for an extension of the programme, because otherwise the D+3 rule would be applied.¹⁰⁵ For the GCCA project all money was provided by Ireland through a TA.

Table 3.2. Effect of DC agreements in Timor-Leste on increasing co-financing

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension: (2 DAs: CICL and GIZ)			Joint	
DAs	GCCA (2 DAs: CICL and GIZ)			Joint	
DAs	Governance programme: Justice and Media (2 DAs: CICL)			Joint	

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

None of the DAs did directly contribute to larger projects or programmes. As the two Rural Development projects were the subject of two DAs with two implementing agencies, in fact this led to smaller projects, in particular for RDP IV and to a lesser extent for the GCCA-TL project. (See the scores in table 3.3). In practice, this RDP IV component was managed as two separate projects, despite initial intentions that it should be one project. For the GCCA project the formal situation is the same, although the programme coordinators and staff work better together in this project (see 3.4 on single management systems).

Table 3.3. Effect of DC agreements in Timor-Leste on increasing the size of projects and programmes

Projects		Strong Effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)				X
DAs	GCCA (2 DAs: CICL and GIZ)				X
DAs	Governance programme: Justice and Media (2 DAs: CICL)			X	

Clarifications and explanations

Both the RDP IV and the Governance programme consisted of various components. RDP IV consisted of three projects:

1. Strengthen Public Extension Services – implemented through centralized indirect management with two Delegation Agreements concluded with GIZ and IPAD/CICL (€8 million);
2. Enhance Rural Access – implemented through joint management by a Contribution Agreement concluded by the EU and ILO (€10 million);

¹⁰⁵ The D+3 rule means that DA projects or programmes without co-funding cannot be extended beyond a period of 3 years. It means that all planned and outstanding financial commitments have to be finalised in the form of service contracts before that date.

3. TA support to the Inter-ministerial Commission for Rural Development – implemented by National Authorizing Officer (NAO) of the Ministry of Foreign Affairs, as the Contracting Authority by the use of service contracts for Technical Assistance (€2 million).

The two DAs covered the first component “Strengthening of Public Agricultural Extension Services”. Originally, RDP IV as a continuation of earlier RDPs, was meant as a kind of sector programme with a broader scope than RDP II and III (RDP I was more relief-focused). However, in practice there were hardly any synergies between the three components as component 3 never really took off, and the rural roads project was linked to another ministry. Therefore, the synergies between these components was very limited and the different components were managed as standalone projects (see for more detail the project fiches in Annex D). In addition, the RDP IV agricultural extension component was managed as two separate projects and this was also the case to a lesser extent with the GCCA project. Nevertheless, during project implementation the two implementing agencies collaborated closely on all decisions and activities on national and (to a lesser degree) on municipality levels.

The Support Program for Democratic Governance (decision 2010/22-100), which consists of three components: (1) support for the National Parliament, (2) support for the justice sector and (3) support for social communication / media. The first component is implemented by UNDP. The second and third components are implemented by CICL. The synergies between the three components are very limited. The justice programme focused on support to (i) the scientific criminal investigation police and (ii) the establishment of a Supreme Audit Institution/ Chamber of Audit. The social communication /media project did organise some media campaigns to present the progress achieved through the justice sector component. In fact, although the components of the governance support programme addressed relevant needs, there were no real synergies between the components and the programme consisted of a variety of standalone projects.

The EUD has realised the negative effects of having two implementing agencies for one and the same project in one focal sector. Therefore, under the 11th EDF, CIZ will implement the governance support through a DA, while GIZ will implement rural development support also through a DA, and co-funding from BMZ is agreed. The governance support will be focused on PFM and oversight, which allows for a more coherent and less dispersed approach.

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

As the two projects in rural development/agriculture are implemented by two agencies CIZ and GIZ, different management systems were used. For the GCCA project, the two implementing agencies agreed on joint narrative reporting and separate financial reporting, which means that there was no single management system. RDP IV also aimed initially for joint narrative reporting, but continued with separate technical and financial reporting, which according to the Mid-Term Evaluation of RDP IV led to additional management costs of the EUD. In practice, RDP IV, agricultural extension, was formally

managed as two separate projects.¹⁰⁶ While there was a joint mid-term review, GIZ commissioned a final evaluation of its part of the RDP IV project.

The two components of the governance programme were both implemented by CICL using the CICL systems. Nevertheless, the two components were also managed as separate projects, although office space was shared for practical reasons. No partner country systems were being used to manage the projects (see 4.5 for system alignment). Therefore, none of the DAs did contribute to the use of single management systems and given the set-up of the projects this was no a realistic expectation (see table 3.4).

Table 3.4. Effect of DC agreements in Timor-Leste on increasing the use of single management systems

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)				X
DAs	GCCA (2 DAs: CICL and GIZ)				X
DAs	Governance programme: Justice and Media (2 DAs: CICL)			X	

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

The EU, Portugal and Germany were all active in rural development, while the EU and Portugal were active in governance prior to the DAs. The EU remained active in both sectors, in particular through the policy dialogue. Therefore, the DAs did not lead to a reduced number of active donors in the sector. As the GCCA project started considerably later than RDP IV, there was an internal German discussion whether this project still fitted the priority sectors of Germany in Timor-Leste (see section 2). It was decided that Germany would focus on “peace-building”, while rural development would not be a focal sector anymore. Therefore, BMZ had to list the funding¹⁰⁷ for the project under its regional budget line, because it did not fit anymore in its priorities for Timor Leste. The GCCA-Timor Leste project was linked with a regional programme ‘Coping with Climate Change in the Pacific Island Region (CCC-PIR)’. GIZ implemented another regional GCCA project and an EU-funded food security project (thematic budget line). More recently, the German focus on *Consolidation of peace and stability* for Timor-Leste has been broadened and addresses explicitly the issue of youth unemployment through promoting employability and employment, especially in the rural areas. This can only be achieved by making use of the opportunities available in the agricultural sector of Timor-Leste, which allows for continuation of activities in rural development. Therefore, it might be argued that the GCCA DA concluded with GIZ, led in an indirect way to an increase of the number of active donors per sector. Germany has been involved in the rural development sector in Timor-Leste since 2000 and will continue to be involved. However, without the DA (and other EU funding) Germany would probably have left this sector supported many donors.

¹⁰⁶ The two implementing agencies collaborated closely in the implementation of RDP IV.

¹⁰⁷ BMZ did not co-finance the project, but the EU only pays 7% overhead costs while GIZ overhead costs are 14%. Hence, BMZ covers the additional overhead costs that are not considered as co-financing.

Table 3.5. Effect of DC agreements in Timor-Leste on reducing the number of donors active per sector

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)			X	
DAs	GCCA (2 DAs: CICL and GIZ)				X
DAs	Governance programme: Justice and Media (2 DAs: CICL)			X	

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

The DAs were based on clear comparative advantages of the implementing agencies in the sectors concerned. CICL has particular comparative advantages in the justice sector, related to similarities in legal frameworks and language in Portugal and Timor-Leste. In addition, the Portuguese cooperation makes use of twinning arrangements through which specialised qualified expertise is available for implementing projects. This has been the case for staff from the *Tribunal das Contas* that assisted in establishing the Chamber of Audit in Timor Leste as part of the justice programme, but also for specialised police officers for strengthening the Timor-Leste scientific police crime investigation, and for radio and television journalist in the media programme. Both GIZ and IPAD (before there organisation, after which CICL took over IPAD's tasks) had previous relevant expertise in rural development that made them qualified implementing partners for the EU.

Table 3.6. Effect of DC agreements in Timor-Leste on increasing the use of comparative advantages

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)		X		
DAs	GCCA (2 DAs: CICL and GIZ)		X		
DAs	Governance programme: Justice and Media (2 DAs: CICL)	X			

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

An assessment of the DC contribution to donor coordination and harmonisation should be understood in the overall context of stagnating donor coordination and harmonisation in Timor-Leste, despite good intentions reflected in the New Deal and DPCM (see section 2). In this context, the EU took the initiative to improve donor coordination in rural development/agriculture. There are now regular DP agriculture meetings and also meetings involving the Ministry of Agriculture and Forestry. The meetings focus on information exchange and avoiding overlaps. The EU has been able to take up this proactive role, partly because of the DC agreements. To a lesser extent this has also been the case in the governance sector. The DAs helped also in improving the coordination between the EU and the Member States (see section 2 for the background), Through the

DAs the most active MS worked closely together with the EU and each other, which positively contributed to the EU MS coordination.

In addition, it deserves to be mentioned that the donors (including the EU, Germany and Portugal) and sometimes the programme staff of the DA programmes are actively involved in other formal and informal coordination efforts such as Technical Working Groups e.g. on Climate Change, PFM and oversight (relevant for the Chamber of Audit as part of the Justice Programme) and in coordination meetings at district and municipal level. This type of coordination involves local authorities and is focused on information exchange and avoiding overlaps

As the EUD, the implementing agencies and project/programme staff are active in all these coordination and harmonisation efforts in a still very fragmented aid landscape, the contribution of DC to improving donor coordination and harmonisation is considered to be modest in all cases. (See table 3.7).

Table 3.7. Effect of DC agreements in Timor-Leste on improving donor coordination and harmonisation

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)		X		
DAs	GCCA (2 DAs: CICL and GIZ)		X		
DAs	Governance programme: Justice and Media (2 DAs: CICL)		X		

Evidence and further clarifications

In October 2014, a consultant prepared a ‘Situation analysis of the agricultural sector in Timor-Leste: Draft for Development Partners’ that was meant to provide relevant sector information which would stimulate discussion amongst DPs and lead to the development of harmonised views on key agricultural sector policy issues. The consultant mentioned that he was aware of “libraries full of recommended strategies for the country’s agricultural sector” and the limited progress made. Furthermore, he mentioned that there were many “agricultural policies and ideas on the shelf”. Nevertheless, this and other reports reinforce the joint reflexion on problems and challenges in the Timor-Leste agricultural sector, but the way towards harmonised approaches remains slow.

4 Analysis of outcome-level indicators

4.1 Reduced transaction costs

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs?

Response

The assessment of the effect of DAs on transaction costs is rather difficult in the case of Timor-Leste. Overall, on the basis of scattered evidence, it is concluded that there have been no convincing positive or negative effects of DAs on transaction costs in Timor-Leste, and therefore the score is in all cases 'no change'.

There was no co-funding and there was no real contribution to larger projects and programmes, which negatively affects the transaction costs. On the positive side, the DAs did reduce in general the management load of the EUD, which was struggling for quite some time with understaffing. Therefore, the DAs were helpful in reducing the EUD management load to some extent. If all these effects are combined, the effect of the DC agreements on transaction costs in Timor-Leste is neutral. The delegation of one and the same project to two implementing agencies as was the case for the RDP IV and GCCA-TL project is a complicated set-up. For RDP IV, the two implementing agencies moved from a joint report to separate reporting, which according to the mid-term evaluation led to additional management costs in the EUD. The collaboration in the GCCA project is better, which positively affects the EUD management burden.

In practice, the management load was partly shifted to the DA partner, which is not a saving at the level of total transaction costs, but it may become a 'hidden transaction cost' covered by the project budget as for the implementing agencies the management of the DAs is included in the project costs. GIZ indicated that the management/overhead costs of GIZ are higher than the maximum of 7% covered by the EU covers in the context of DAs.¹⁰⁸ The additional management costs (above the 7%) related to the implementation of DA projects is paid by BMZ. The EUD indicates that GIZ is more expensive than CICL, although DAs with EU MS are considered to be substantially cheaper than contracting out to commercial companies or contribution agreements with UN agencies.

The centralised CICL management system with very limited responsibilities delegated to the field as indicated in interviews with various stakeholders leads to delays and more management efforts required from the EUD compared to a DA partner with a more decentralised structure, like GIZ. The D+3 rule (see footnote number 15) led to complications around contract extension increasing the management burden at both sides. On the other hand, CICL costs are said to be relatively low, also because for public servants working on projects through twinning arrangements no fees are being charged.

¹⁰⁸ Evidence shows, that overhead costs of GIZ often exceed 7%. For example, a Special Report of the EU Court of Auditors on EU's development cooperation with Central Asia showed that the overhead costs of the European Commission and the EEAS in 2011 in the region were at 14.6% of the overall development expenditure. Same figures apply to UNDP, WB etc. However, other DA partners such as CICL charge overhead costs that are lower than 7%.

Table 4.1. Effect of DC agreements in Timor-Leste on reducing transaction costs

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)			X	
DAs	GCCA (2 DAs: CICL and GIZ)			X	
DAs	Governance programme: Justice and Media (2 DAs: CICL)			X	

4.2 Strengthened ownership and leadership

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)?

Response

Although the government of Timor-Leste is involved in the implementation of all projects and programmes supported by DAs in different ways and government capacity has been strengthened by the DA projects, it cannot be stated that the DAs have led to strengthened country ownership and leadership. The assessment of country ownership and leadership has to be understood in the overall context (see section 2) characterised by weak government capacity, politicisation resulting in reorganisations and frequent changes of staff and lack of country-led donor coordination.

The government has been consulted when the projects and programmes were formulated and is involved in the implementation of the DA projects and programmes in varying degrees. For all projects and programmes, Joint Steering Committees (JSCs) have been set up and these JSCs in general were meant to meet annually. With some exceptions this has been the case. The JSCs often involve the political level, which has advantages but also disadvantages. The EUD is of the opinion that for improved donor coordination, the policy and political dialogue should be organised in meetings with donor representatives and political representatives of the Government of Timor-Leste, while project/programme SCs should focus on the technical level, and should include both National Directors and donor representatives. In practice, the DA projects and programmes work together with national and local government representatives. CICL is more pro-active in engaging the central government in project implementation than GIZ, as indicated by government officials at central level.¹⁰⁹ In particular in the Justice Program the level of cooperation between the project staff was considered to be very good. This also included competent staff working in Portugal at the Supreme Audit Institution, the police, etc. that were available to provide advise via twinning arrangements.

The Government of Timor-Leste is becoming aware of the sustainability issues related to fragmented project aid with parallel project implementation units operated from within or outside Ministries, but no concrete action have been taken yet. The dominant aid modality is project aid with limited country ownership and leadership and the DA projects are no real exception. Therefore, it is concluded that DC itself did not contribute to strengthened country ownership and leadership, but in the Timor-Leste context this was also never a realistic expectation. However, it should be realised that specific DA projects and programmes might have contributed to strengthened ownership and leadership as a result

¹⁰⁹ This evaluation did not analyse interaction with government at local (municipal) level and this statement cannot be generalized.

of good project design and/or cooperation, but specific project results are not assessed in this evaluation. The same effects or lack of effects may have occurred with other implementation modalities.

Table 4.2. Effect of DC agreements in Timor-Leste on strengthening ownership and leadership of the partner country

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)			X	
DAs	GCCA (2 DAs: CICL and GIZ)			X	
DAs	Governance programme: Justice and Media (2 DAs: CICL)			X	

4.3 Strengthened complementarity and increased added value

Main question to be answered

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

Response

Strengthened complementarity and increased EU added value is related to three outputs (see the IED in Annex C and the sections 3.1, 3.6 and 3.7) which indicated a modest contribution to the inter-sectoral division of labour, a modest positive contribution to donor coordination and harmonisation and modest to strong (for the governance programme) use of comparative advantages.

It was already indicated that DC allowed the EU to focus on donor coordination and harmonisation, including division of labour issues where comparative advantages are taken into account. In particular, the Portuguese comparative advantages as regards governance issues were strong and for this particular theme/sector the mechanism of DC allowed the EU to intensify the dialogue and cooperation with Portugal, which before the DAs remained more superficial. This was to a lesser extent also the case with the DAs in rural development. The EUD suffered from staff shortages until end 2015, which hindered playing a pro-active role in donor coordination. Probably more could have been done with a complete staff.

It is concluded, based on the assessment of the underlying outputs, that the effect of the DAs on strengthening complementarity and increasing the value added of the EU and MS was modest for the two rural development projects and strong for the governance programme.

Table 4.3. Effect of DC agreements in Timor-Leste on strengthening complementarity and increasing the added value of donors

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)		X		
DAs	GCCA (2 DAs: CICL and GIZ)		X		
DAs	Governance programme: Justice and Media (2 DAs: CICL)	X			

4.4 Reduced aid fragmentation

Main question to be answered

To what extent have the DC agreements reduced aid fragmentation?

Response

Reduced aid fragmentation is linked to co-funding, larger projects and programmes, improved division of labour and improved donor coordination and harmonisation (see sections 3.1, 3.2, 3.3 and 3.7). Furthermore, any contribution of DC to reduced aid fragmentation has to be considered against the background of the quite extreme aid fragmentation in Timor-Leste with multiple dispersed projects.

The EU did aim for larger and more comprehensive projects, but in practice this was not realised due to lack of co-funding, but also because of limited linkages between different project and programme components (RDP IV and the governance programme), while also the delegation of project implementation to two different implementing agencies (for RDP IV agricultural extension and GCCA) did not help.

On the basis of these arguments it is concluded that the DAs did not lead to any change in aid fragmentation in Timor-Leste, and it might even be argued that for the two rural development projects it even contributed to limited extent to further aid fragmentation (see the scores in Table 4.4).

Table 4.4. Effect of DC agreements in Timor-Leste on reducing aid fragmentation

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)				X
DAs	GCCA (2 DAs: CICL and GIZ)				X
DAs	Governance programme: Justice and Media (2 DAs: CICL)			X	

Clarifications and explanations

Both RDP IV and the GCCA project are implemented by two agencies, which is a major factor why it is considered that a DA for these projects did lead to some further aid fragmentation. The dispersed programme design of RDP IV and the GCCA project (see section 3.3 for further clarifications and explanations) was another factor contributing to aid fragmentation.

The EU has already learned lessons and a clear evolution is visible in the programming of the 11th EDF focal sector support for rural development and governance as only one implementing agency will be responsible per sector (in principle CICL for governance and GIZ for rural development).

4.5 Strengthened alignment

Main question to be answered

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

All identification reports and many progress reports refer to the formal alignment with the policies of the Government, which includes a large number of overall (in particular the SDP 2011-2020), sectoral and thematic policies. In theory, formal policy alignment of all DA projects and programmes is optimal. However, in practice these policies are often made by international advisers and the policies are not being implemented. None of the DA projects or programmes did contribute directly to better policy formulation and implementation. Therefore, the assessment of all projects and programmes regarding strengthened policy alignment is neutral.

The same assessment applies to system alignment. None of the DA projects and programmes made use of partner country systems for the management of the projects beyond regular working contacts and steering committee meetings. It should be realised that through the projects, partner country institutions and systems have been strengthened, but this assessment is not part of the definition of system alignment being used for this evaluation (see annex E). The scores do not reflect the variations among DA projects and programmes, and some programmes may be better aligned than others, which appears to be the case for the Justice program.

Table 4.5. Effect of DC agreements in Timor-Leste on strengthening alignment

Projects		Strong effect	Modest effect	No change	Negative effect
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)			Policy / Systems	
DAs	GCCA (2 DAs: CICL and GIZ)			Policy / Systems	
DAs	Governance programme: Justice and Media (2 DAs: CICL)			Policy / Systems	

5 Analysis of process and implementation aspects

5.1 Visibility

Main question to be answered

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement?

Response

Insufficient visibility has not been conceived as a particular problem by the EUD and/or the DC partners at project level in Timor-Leste. For all projects the logos of all partners are shown on all reports and communication material and often there is a specific text mentioning who is funding the project or activity. Moreover, most projects have made specific communication plans. As DC allowed the EU to be more pro-active in donor coordination together with the implementing partners, this did contribute to the visibility of the EU and the MS. Ireland was not visible as TA-partner.

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Project		Strong	Modest	No actions	Poor visibility
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)	X			
DAs	GCCA (2 DAs: CICL and GIZ)	X			
DA	Governance programme: Justice and Media (2 DAs: CICL)	X			

5.2 TA/DA ratio

Main question to be answered

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?

Response

There was only one TA in Timor-Leste for the GGCA project (see section 1, Table 1.1), about which no additional information could be collected. Apparently, no other TAs were ever discussed as this is often not an issue for the EUD, but dealt with at headquarters level. Therefore, this question cannot be answered for Timor-Leste.

5.3 Assessment of DC proposals

Main question to be answered

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

Response

A DA assessment fiche is supposed to be the main document regarding the assessment of delegating the implementation of a certain project to an implementing agency. Only for the GGCA project, an assessments fiche is available, but such fiches are missing for the governance programme and RDP IV, agricultural extension component. In the section on comparative advantages (section 3.6) information was presented regarding the suitability

of the implementing agencies to implement the various projects and programmes. These arguments are also presented in quite some detail in the identification and action fiche.

In general, the arguments presented in the documents were sound, even when the formulation of the projects underwent some changes this did not fundamentally affect the quality of the decision-making processes. Although with the benefit of hindsight, the rationale of delegating the implementation of one and the same project to two agencies (in case of both RDP IV agricultural extension and the GCCA project) can be questioned, at the time it was a logical choice given the experience of IPAD (later CICL) and GIZ in the rural development sector and the wish not to exclude a Member State.

Table 5.2. Quality of the decision making process and assessment of DC proposals

Project		Very good	Good	Average	Weak
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)		X		
DAs	GCCA (2 DAs: CICL and GIZ)		X		
DA	Governance programme: Justice and Media (2 DAs: CICL)		X		

5.4 Implementation of DC agreements

Main question to be answered

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

Response

The scope and the quality of cooperation between the EU and the DC partners have been good in general, as argued above. In the case of RDP IV agricultural extension, the project was run as two separate projects and the project implementation units were separately managed. This was partly the result of differences in organisation culture. The same differences in organisation culture applied to the GCCA project, but in practice personalities can make a difference. This explains the difference in score for GCCA and RDP IV. There are clear examples of harmonisation such as that CICL took over the GIZ standards for travel costs and per diems. As regards the governance programme it has already been mentioned that the DAs promoted a better and intensified cooperation between the EU and Portugal. Nevertheless, the centralised way of working of CICL creates some problems regarding delays in reporting and decision-making.

Table 5.3. Quality of the cooperation between the EU and the DC partners during implementation of the DC agreement

Project		Very good	Good	Average	Weak
DAs	RDP IV agricultural extension (2 DAs: CICL and GIZ)		X		
DAs	GCCA (2 DAs: CICL and GIZ)	X			
DA	Governance programme: Justice and Media (2 DAs: CICL)	X			

6 Conclusions

The EU aid delivery mechanism of delegated cooperation made a positive, though rather limited contribution to aid effectiveness in Timor-Leste. This conclusion has to be situated in the evolving context of Timor-Leste being characterised by improved political stability, petroleum-related economic growth, a reducing role of Development Partners and a fragmented aid architecture with no effective donor coordination. In addition, the severe staffing shortage of the EUD until late 2015 prevented the staff to adequately manage the projects in its portfolio.

The use of DC, via six DAs with two implementing agencies CICL and GIZ, was a logical choice given the country context, the limited EUD capacity and the comparative advantages of the implementing agencies in the two focal sectors.

An assessment of the DC contribution to aid effectiveness and aid efficiency should be understood against the overall context of stagnating donor coordination and harmonisation in Timor-Leste, despite good intentions reflected in the New Deal and DPCM (see section 2).

Despite the clear rationale and justification of the DAs, in practice there were only limited positive DC outputs and DC outcomes. This is primarily due to the fragmented project design and the lack of co-financing in combination with the fact that no larger projects were created. The fact that the implementation of both the rural development / agriculture project and the GCCA-TL project was delegated to two implementing agencies further contributed to the aid fragmentation.

Nevertheless, the DAs allowed the EU to be more pro-active in donor coordination and policy dialogue especially from 2015 onwards when staff shortages in the EUD were overcome. The dialogue is still mainly limited to information exchange and efforts to avoid overlap between projects. Further improvements towards real coordination and harmonisation are being planned.

The DAs did contribute to improved EU-MS coordination and to an improved intra-sectoral division of labour. The EU, Portugal and Germany were all active in rural development, while the EU and Portugal were active in governance and this situation did not change because of the DAs. BMZ decided in 2007 to focus on Consolidation of Peace and Stability. The definition of this focal area changed over time. While BMZ had supported rural development since 2000, in 2013 when the DA on GCCA was concluded, rural development/ climate change was not anymore considered to be part of this focal area. Therefore, the majority of GIZ activities during the period 2013-2015 were funded by the EU. More recently however, the German focus has been broadened and the issue of youth unemployment through promoting employability and employment, especially in the rural areas, has become an integral part of the peacebuilding focus. This allows for continuation of activities in rural development. GIZ is now the preferred partner for implementing the 11th EDF rural development programme with BMZ co-funding. Portugal has always been active in rural development and intends to remain active even without DC. This would mean that DC (and other EU funded projects implemented by GIZ) did contribute to a larger number of donors in the rural development sector. For governance, where CICL remains the preferred partner for implementation of the 11th EDF governance support, the situation did not change.

The DAs did neither lead to increased country ownership and leadership, nor to strengthened policy and systems alignment. The DA-projects functioned as standalone projects. Various levels of the government of Timor-Leste have been involved in project

planning and implementation e.g. through Joint Steering Committees. Nevertheless, this role has remained limited as the management systems of the implementing agencies are being used. The fact that there were frequent reorganisations in the Ministries and constant reshuffling of staff also hindered strengthening country ownership and leadership.

The government of Timor-Leste is expressing increasingly concerns regarding the sustainability of the standalone projects, but concrete measures to effectively implement the New Deal and the formally agreed framework for donor coordination are still missing.

The contacts and exchange of information between the EUD on the one hand and GIZ and CICL on the other have been good. However, the fact that the EU had only a very limited choice of agencies for implementing DAs, as there are no other MS implementing agencies than GIZ and CICL present in Timor Leste, has probably negatively affected the EU negotiation position vis-a-vis those two agencies. The joint implementation of RDP IV and GCCA-TL by CICL and GIZ was a complicated set-up, because each implementing agency had its own management system and organisation culture. In the GCCA project, mainly because of personalities, the joint implementation in the form of two sub-projects works better than in RDP IV.

CICL has specific comparative advantages because of the expertise that becomes available through twinning arrangements (e.g. staff from the *Tribunal das Contas* for the TI Chamber of Audit). Moreover, CICL works with seconded government staff, for which no competitive international fees are being charged, which makes it relatively cheap. On the other hand, the centralised CICL management of projects negatively affects efficiency. GIZ has expertise in the rural development sector and clear decentralised management procedures. The overhead costs of GIZ as implementing partner of a DA project are only partially paid for by the EU (maximum 7% overhead). BMZ covers the additional overhead costs. Management costs of implementing agencies can (partly) be considered as 'hidden transaction costs' and are calculated in different ways, which leads to differences in transparency.

The EU has already learned lessons from its experience with having two DAs with two different agencies implementing different components of one single project or programme: under the 11th EDF only one implementing agency will be made responsible through Delegation agreements for the implementation of the support for one particular focal sector: CICL for governance and GIZ for rural development. The DC agreements will allow the EUD to continue focusing on improving the policy dialogue and donor coordination. Country ownership and leadership is still lagging behind in the planning of the 11th EDF. The Government of Timor-Leste is consulted on all choices made, but does not have formal decision-making power regarding DC agreements.

Annex A. List of people interviewed

EU Delegation

- Vincent Vire, Head of Cooperation
- Paolo Toselli, Cooperation Attaché Rural Development
- Pierre-Yves Lucas, Good governance Programme Officer
- Joanna Varao, Governance and Civil Society Programme Officer
- Giorgio Vanni, Head of Finance, Contracts and Audits
- E SILVA GUSMAO Dulce Maria, Rural development LA
- Juvita Guterres, Good Governance LA

Government representatives

- Madalena F.M. Hanjan Costa Soares, NAO, Ministry of Foreign Affairs and Cooperation, Deputy NAO
- António Gil Lobit, Ministry of Foreign Affairs and Cooperation, Senior Legal Advisor
- Luis Mota Court of Auditors, Adviser
- Dr. Vicente Fernandes e Brito, Policia Cientifica de Investigacao Criminal, National Director
- Cancio de Oliveira, Ministry of Finance, Director of Development Partnership Management Unit
- James Herreira, Ministry of Finance, Technical Adviser Development Partnership Management Unit
- Miranda Santo, Ministry of Finance, Development Partnership Management Unit
- Mario Ximenes, Ministry of Commerce, Industry and Environment, National Director Climate Change
- Mario Ribeiro Nunes, Ministry of Agriculture and Forestry, Director-General Forestry, Coffee and Plants Industry
- Manuel Mendes, Ministry of Agriculture and Forestry, National Director Forestry

CICL

- Dra. Graça Lima, Programme Manager Justice Programme
- Hugo Trindade, GCCA Programme Manager
- Yusuf Menezes, RDP IV Programme Coordinator
- Paula Barros, Director International Cooperation

GIZ

- Silvio Decurtins, Country Director
- Gregorio Ferreira da Silva, Joint Administration
- Heinz-Josef Heiler, Senior Adviser, RDP IV
- Dominik Langen, Programme Advisor RDP IV
- Mirko Gamez Arias, GCCA Programme Manager

Portugal

- Horácio Henriques, Embassy of Portugal

Other

- Philip Young, Independent consultant rural development

Annex B. List of documents consulted

General

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RDP IV – Component: Strengthening Public Agricultural Extension Services

- Financing Agreement + Annexes
- Delegation Agreement + Annexes
- Inception Report (joint)
- Annual Report 2012 (joint, first narrative implementation report)
- Progress Report June 2013 (Camoës) Progress Report March 2014 (Camoës)
- Narrative & Financial Report June 2014 (Camoës)
- Semi-annual Report 2013 (GIZ, second narrative implementation report)
- Annual Report 2013 (GIZ, third narrative implementation report)
- Semi-annual Report 2014 (GIZ, 4th narrative implementation report)
- Mid-Term Evaluation 2013
- Annual Report 2015 (GIZ, 5th narrative implementation report)
- Progress Report June 2013 (Camoës)
- Progress Report March 2014 (Camoës)
- Narrative & Financial Report June 2014 (Camoës)
- ROM report 2012

Programa de Apoio à Governação Democrática em Timor-Leste – Programa de Justiça e Programa de Comunicação Social

- Justice programme: ROM Report 2012, Technical and Financial Reports 2013, 2014 and 2015
- Social programme: Technical Report 2012, Technical Report 2013
- Social programme: Technical & Financial Report 2014

Climate Change Alliance (GCCA) support programme to Timor-Leste

- Identification Fiche
- Action Fiche, Financing Agreement + Annexes
- Delegation Agreement + Annexes
- DA Assessment Fiche, Inception Report (2014)
- Finance Report (2014-2015)
- Midterm Report for EU (Jan-Jun 2015)
- CICL RDP IV progress report 2015

4.9 Case study notes Haiti

Executive Summary

The Haiti case study is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) commissioned by the DG DEVCO Evaluation Unit. It is one of the nine country case studies carried out in the context of this evaluation. Contrary to the other country case studies, this case study is only desk-based.

Two Delegation Agreements (DAs) are being implemented in Haiti, both concluded with the French AFD. One DA is part of the EU's *Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)* and supports activities within AFD's *Programme d'aménagement intégré des quartiers informels de Port-au-Prince: Martissant et Baillergeau (AIQIP)*. The other DA is part of the EU's *Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD* and contributes to the AFD's *Sécurité Alimentaire dans le Sud (SECAL-Sud)* programme. The total value of the two DAs amounts to € 25.367 million.

There is only one Transfer Agreement (TA) being implemented in Haiti. It has also been concluded with the AFD and it supports the EU's *Programme d'Appui à la Politique Nationale des Transports (APONTRA)*. The value of the TA is € 39.1 million.

The assessment of the contribution of the Delegated Cooperation mechanism to improving aid effectiveness and efficiency in Haiti has to be placed in the specific context of Haiti, marked by severe institutional weaknesses and capacity challenges. This was especially the case in the aftermath of the earthquake of January 2010, marked by a major humanitarian crisis and a collapse of the state.

While aid effectiveness principles have not been ignored, it is mostly operational and pragmatic considerations that have driven the use of DC (and in particular DAs) in Haiti in that peculiar context. This is also reflected in the opportunistic way it has been planned: except for the co-financing by France for the APONTRA, the DC modality was not referred to in the NIP of the 10th EDF. With regards to PARAQ, the 2010 earthquake had created sudden needs (rehabilitation) which required a rapid response by the EU. In the case of the SECAL-Sud, funds were made available under the EU MDG Initiative to support food security – an area for which the EUD had limited operational capacity. As both those areas (rehabilitation, food security) were not among its focal areas and as the EUD faced severe human resource constraints, the prime advantage of the DC instrument was that it allowed the EU support to be delegated to an agency (AFD) which had a comparative advantage. (The situation was broadly similar with the APONTRA TA, with the AFD delegating its support to the EUD, which had a clear comparative advantage in the area).

Notwithstanding this very pragmatic rationale in the use of the DC instrument in that peculiar context, the DC instrument has had a broadly positive contribution towards improving aid effectiveness and aid efficiency in Haiti. The findings from the case study broadly confirm this. The DAs have played an important role in terms of improving intra-sector division of labour and increasing the use of comparative advantages (i.e. in the three cases, implementation was delegated to the lead agency with proven experience and expertise in the sector or sub-sector concerned). Positive effects on co-financing and the size of projects were also found. On the other hand, (inter-sector) division of labour has not been improved (or only modestly in the case of the APONTRA TA). Finally, effects on the use of single management systems were mixed, partly because the DAs were part of broader EU projects, in which various management systems were used.

On that basis, it is concluded that the original outcome objectives of DC have been partly achieved in Haiti. There has been a positive impact on complementarity and added-value thanks to the better use of comparative advantages, as well as on alignment, however the effects on transaction costs, ownership and aid fragmentation were less strong.

Besides undertaking an evaluation of the achievements of the expected outputs and outcomes of DC, some operational and implementation aspects concerning the use of the DC instrument in Haiti have also been analysed. The conclusion in that respect is that the cooperation between the two DC partners has not been facilitated by human resource constraints at the EUD and AFD offices, which have prevented staff to optimally manage the DC projects and/or to effectively monitor the projects being delegated. More broadly, the generally highly challenging context in which the DC projects have operated has also complicated the management of the DC-related projects.

Résumé exécutif

Cette étude de cas concernant Haïti fait partie de l'évaluation du mécanisme de coopération déléguée de l'Union européenne avec les Etats membres de l'UE commissionnée par l'unité d'évaluation de la DG DEVCO. C'est une des neuf études de cas pays menées dans le cadre de cette évaluation. Contrairement aux autres études de cas pays, cette étude de cas est seulement une étude de bureau.

Deux conventions de délégation (CD) ont été mises en œuvre, toutes les deux conclues avec l'AFD. L'une fait partie du projet de l'UE 'Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)' et appuie des activités intégrées au projet de l'AFD 'Programme d'aménagement intégré des quartiers informels de Port-au-Prince: Martissant et Baillergeau (AIQIP)'. L'autre fait partie du projet de l'UE d'Amélioration de la sécurité alimentaire en Haïti, Initiative OMD' et contribue au programme de l'AFD 'Sécurité Alimentaire dans le Sud (SECAL-Sud)'. Les deux CDs ont une valeur totale de € 25.367 million.

Il y a seulement une convention de transfert (CT) mise en œuvre en Haïti. Elle a également été conclue avec l'AFD et elle appuie une partie du programme de l'UE d'Appui à la Politique Nationale des Transports (APONTRA)'. La valeur de la CT est de € 39,1 millions.

L'évaluation de la contribution du mécanisme de coopération déléguée à l'amélioration de l'efficacité de l'aide en Haïti doit être placée dans le contexte particulier du pays, marqué par des faiblesses institutionnelles graves et des problèmes de capacité. Cela a été particulièrement le cas à la suite du tremblement de terre de Janvier 2010, suivi d'une crise humanitaire majeure et d'un effondrement de l'Etat.

Bien que les principes d'efficacité de l'aide n'ont pas été ignorés, ce sont des considérations essentiellement opérationnelles et pragmatiques qui ont déterminé l'utilisation de la coopération déléguée (et en particulier les CTs) en Haïti dans ce contexte particulier. Cela se reflète notamment dans la façon opportuniste avec laquelle l'instrument a été planifié: à l'exception d'une référence au cofinancement de l'APONTRA par la France, la modalité de coopération déléguée n'a pas été mentionnée dans le PIN du 10ème FED. En ce qui concerne le PARAQ, le séisme de 2010 a créé des besoins soudains (de réhabilitation urbaine) qui exigeaient une réponse rapide de l'UE. Dans le cas du SECAL-Sud, les fonds ont été mis à la disposition de l'initiative OMD de l'UE pour soutenir la sécurité alimentaire – un secteur dans lequel l'EUD avait une capacité opérationnelle limitée. Comme ces deux domaines (la réhabilitation urbaine, la sécurité alimentaire) ne faisaient pas partie des domaines d'intervention de la DUE et comme celle-ci faisait face à des contraintes de ressources humaines, l'avantage principal de l'instrument de coopération déléguée est qu'il a permis à l'assistance de l'UE d'être déléguée à une agence (AFD) qui avait un avantage comparatif. La situation était globalement similaire en ce qui concerne la convention de transfert de l'APONTRA, à travers laquelle l'AFD a délégué son soutien à la DUE, qui avait un avantage comparatif dans le domaine).

Nonobstant cette logique très pragmatique dans l'utilisation de l'instrument de coopération déléguée dans le contexte haïtien, l'instrument de coopération déléguée a eu une contribution globalement positive à l'amélioration de l'efficacité de l'aide en Haïti. Les résultats de l'étude de cas confirment globalement cela. Les CDs ont joué un rôle important dans l'amélioration de la division intra-sectorielle du travail et l'augmentation de l'utilisation des avantages comparatifs (par exemple dans les trois cas, la mise en œuvre a été confiée à un partenaire qui avait l'expérience et des compétences avérées dans le

secteur ou sous-secteur concerné). Des effets positifs sur le cofinancement et la taille des projets ont également été observés. D'autre part, la division intersectorielle du travail n'a pas été améliorée (sauf dans le cas de l'APONTRA, mais faiblement). Enfin, les effets sur l'utilisation des systèmes conjoints de gestion ont été mixtes, en partie parce que les CDs faisaient partie de projets plus vastes de l'UE, dans lesquels différents systèmes de gestion étaient utilisés.

Sur cette base, il est conclu que les objectifs initiaux du mécanisme de la coopération déléguée ont été partiellement atteints en Haïti. Il y a eu un impact positif sur la complémentarité et la valeur ajoutée grâce à une meilleure utilisation des avantages comparatifs, ainsi que sur l'alignement, mais les effets sur les coûts de transaction, l'appropriation et la fragmentation de l'aide ont été moins forts.

Outre l'évaluation des outputs et objectifs initiaux de la coopération déléguée, certains aspects opérationnels et de mise en œuvre ont également été analysés. La conclusion à cet égard est que la coopération entre les partenaires de coopération déléguée n'a pas été facilitée par les contraintes de ressources humaines tant à la DUE qu'à l'AFD, qui ont empêché le personnel de gérer au mieux les projets de coopération déléguée / ou d'effectuer leur suivi efficace. Plus largement, le contexte général très difficile dans lequel les projets de coopération déléguée ont opéré a également compliqué la gestion des projets concernés.

List of abbreviations

AFD	Agence Française de Développement
AIQIP	Programme d'Aménagement intégré des quartiers informels de Port-au-Prince: Martissant et Baillergeau
APONTRA	Programme d'Appui à la Politique Nationale des Transports
CAED	Cadre de Coordination de l'aide externe au développement
CSO	Civil Society Organisations
CSP	Country Strategy Paper
DA	Delegation Agreement
DDAS	Direction Départementale Agricole du Sud
DC	Delegated Cooperation
DCP	Document Cadre de Partenariat
DEU	Delegation of the European Union
DG DEVCO	Directorate General Development Cooperation
DoL	Division of labour
DP	Development Partner
EDF	European Development Fund
EQ	Evaluation Questions
EU	European Union
FAO	Food and Agriculture Organisation
GBS	General Budget Support
GDP	Gross domestic product
IHRC	Interim Haiti Recovery Commission
IMF	International Monetary Fund
MARNDR	Ministère de l'Agriculture, des Ressources Naturelles et du Développement Rural
MTPTC	Ministère des Travaux Publics, Transports et Communications
MDG	Millennium Development Goals
MS	Member State
NAO	National Authorising Officer
NIP	National Indicative Programme
ODA	Official Development Assistance
PARAQ	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées
PARDH	Plan d'Action National pour le Relèvement et le Développement d'Haïti
PRSP	Poverty Reduction Strategy Paper
SECAL-SUD	Programme Sécurité Alimentaire dans le Sud
TA	Transfer Agreement
UCLBP	Unité de Construction de Logements et de Bâtiments Publics
UNDP	United Nations Development Programme
WB	World Bank

1 Introduction

This country case study concerning Haiti is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 commissioned by the Evaluation Unit of DG-DEVCO. The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014; and
- 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, 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 or other governments, organisations and public donors.

Haiti has been selected as one of the nine country case studies based on criteria such as number and volume of DAs and TAs, geographical spread of the country cases, coverage of as many DC partners as possible, etc. The other selected countries are Benin, Ghana, Mali, Mozambique, Nicaragua, Palestine, Tanzania and Timor-Leste.¹¹⁰ Contrary to these other case studies, the study of DC in Haiti did not include a mission to the country. This is a desk-study only. Phone interviews were held with staff from the EU Delegation (EUD) and from AFD in Haiti during the week starting 30 May 2016. In addition, an interview took place in Paris with the AFD Haiti regional coordinator. Jonathan Wolsey was responsible for this case study. A list of persons interviewed is presented in annex A.

This evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

In total two DAs and one TA have been implemented in Haiti during the period 2008-2014.¹¹¹ They are listed in the tables 1.1 and 1.2. The two main features are as follows:

- Total value of the two DAs amounted to € 25.4 million while the value of the TA was € 39.1 million;
- For all the DC agreements, the EU's DC partner was the same: the Agence Française de Développement (AFD).

¹¹⁰ In addition, there is a desk-study of the DC agreements related to the Global Climate Change Alliance (GCCA).

¹¹¹ Another DA has been implemented in Haiti entitled "Irrigation et entreprenariat rural dans les régions Ouest, Artibonite et Plateau Central", signed with the AFD on 16 December 2009. That DA is however not part of the scope of this evaluation, because it is an "action grant" financed by the Food Facility and allocated on the basis of a call for proposal.

Table 1.1. Overview Delegation Agreements 2008-2014, Haiti

Nr	Contract Number	Contract title	DC Partner	Contr. Year	Contract amount (€)
1	283071	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)	AFD	2012	20,367,000
2	309378	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)	AFD	2012	5,000,000

Table 1.2. Overview Transfer Agreements 2008-2014, Haiti

Nr	Contract Number	Contract title	DC Partner	Contr. year	Contract amount (€)
1	21608	Programme d'Appui à la Politique Nationale des Transports (APONTRA)	France	2010	39,100,000

Detailed information fiches have been made for each of the DC-related projects (see annex D). The text of this main document is structured in accordance with the seven main envisaged outputs of DC (see chapter 3), the five envisaged outcomes (chapter 4) and a few process and implementation aspects (see chapter 5). Those three chapters are preceded by chapter 2 dealing with a description and analysis of some aspects of the country context, in particular those relevant for evaluating DC. Overall conclusions are finally presented in chapter 6.

2 Country context

Political, economic and social developments in the country

Haiti is a low-income country of about 10 million inhabitants situated in the Caribbean. Its recent history has been marked by political instability and natural disasters, most notably the earthquake that struck the island in January 2010, killing over 300,000 people and displacing 1.5 million residents.¹¹² While the overall situation has slightly improved since 2014, the country has yet to fully recover from the earthquake, due to both the severity of the damage Haiti has endured and to continued severe institutional and public administration weaknesses.

Poverty: Almost 58.5% of Haiti's population lives below the poverty line. The life expectancy in the country is 63 years.¹¹³ Haiti ranks 163th on the UN's Human Development Index out of the 187 countries evaluated, while income inequalities are high (Haiti's Gini coefficient was 0.61 in 2012).¹¹⁴ GDP per capita was \$1750 in 2015, making it the poorest country in the Americas and the 169th poorest in the world.¹¹⁵ In recent years, the poverty gap between the capital, Port-au-Prince, and the rest of the country (poorer) has grown.¹¹⁶

Economy: The economy is largely dependent on remittances (equalling 20% of GDP and representing more than five times the export earnings in 2012¹¹⁷) and foreign aid, which totalled 22% of GDP that same year (and 12% in 2014).¹¹⁸ Partly due to the rapid decrease in foreign assistance, GDP growth has been relatively sluggish in recent years, averaging about 3.4% between 2011 and 2015, after a contraction of 5.5% in the year of the earthquake. About half of all Haitians work in the agricultural sector. Haiti is the world's leading producer of vetiver, a root plant used to make luxury perfumes, essential oils and fragrances, providing for half the world's supply. It however relies upon imports for half its food needs and 80% of its rice consumption.¹¹⁹ Since mid-2015, discussions with the IMF on a new stand-by agreement have stalled, a situation which has strained government finances, partially because budget support from the EU and other donors is contingent upon an IMF agreement.

Politics/public administration: Haitian politics have been contentious: since independence, the country has suffered from 32 coups. Elections were held in late 2015, but were seen as fraudulent, with a commission recently suggesting a redoing of the vote. Public administration is marked by severe weaknesses and capacity constraints, which have been exacerbated by the earthquake, which killed many civil servants and destroyed government buildings. An important administration reform programme has been launched in 2012, but has moved very slowly. The level of corruption is estimated as very high. Transparency International ranked Haiti 158th out of 168 countries in 2015.

¹¹² Source: CIA World Factbook.

¹¹³ Based on World Bank data: <http://data.worldbank.org/country/haiti>.

¹¹⁴ Based on World Bank data: <http://data.worldbank.org/indicator/SI.POV.GINI>.

¹¹⁵ Source: IMF World Economic Outlook.

¹¹⁶ <http://www.worldbank.org/en/news/feature/2014/12/11/haiti-the-day-that-the-news-were-good>.

¹¹⁷ Source: CIA World Factbook.

¹¹⁸ Based on World Bank data: <http://data.worldbank.org/country/haiti>.

¹¹⁹ <http://www.economist.com/news/americas/21579875-government-tries-load-up-plates-poorest-people-americas-new->

Development policy: The Haiti Strategic Development Plan (*Plan Stratégique pour le Développement d’Haïti*) launched in 2014 is a multi-year plan aimed at making Haiti an emerging country by 2030. It includes a three year investment plan for the years 2014-16. The Strategic Development Plan presents a framework for the planning, programming, and management of Haitian development, the vision and the strategic guidelines for the country’s development, and the four major work areas to be implemented to ensure the recovery and development of Haiti: land reform, economic reform, social reform and institutional reform. Those areas had been identified as part of the Action Plan for the National Recovery and Development of Haiti (PARDH), which was launched in March 2010, and which had been the basis for the donor support following the earthquake.

Aid architecture and donor coordination

Haiti has a history of high aid dependency, with aid levels varying partly on the basis of the political situation in the country. The main donors are the USA, Canada, the EU, the Inter-American Development Bank, the World Bank and Venezuela. The earthquake led donors to pledge billions of dollars to the country for reconstruction and long-term efforts. The United Nations state that in total US\$13.34 billion has been earmarked for the crisis through 2020.¹²⁰ Against that background, ODA levels have been very high in recent years, albeit rapidly decreasing (from 22.4% of GDP in 2012 to 12.4% in 2014¹²¹).

There have been intense efforts in recent years to coordinate the development assistance of the international community provided to Haiti. The Interim Haiti Recovery Commission (IHRC) was established following the earthquake to help strengthen coordination of the recovery efforts. Upon expiration of its mandate in October 2011, responsibility of coordinating donors was taken over by the Government of Haiti. In 2013, the Government created the *Cadre de coordination de l’aide externe au développement* (CAED), which is now in charge of coordinating international assistance based on the Haiti Strategic Development Plan. The CAED is articulated around three levels: strategic, sectorial and territorial. The ‘*tables sectorielles*’ are the prime dialogue and coordination fora at sector level, involving governments, development partners and Civil Society Organisations (CSOs). The functionality of these various ‘*tables sectorielles*’ is said to be mixed.

Reviews of the effectiveness of aid in Haiti have generally not been overly positive. A common perspective is that aid has failed to catalyse a transformative development and an institutional change process.¹²² In the post-earthquake context, there was little alternative but to channel a high percentage of the aid through CSOs, which has therefore bypassed government institutions. It is estimated that *less than 1% of aid in the immediate aftermath of the earthquake was provided to public institutions or the government and that only 23% of the longer-term recovery funding was channelled through the Haitian government.*¹²³ Some donors, including the EU, have provided budget support to the country with precisely a state building objective. Under the 11th EDF, an envelope of € 112 million has been earmarked for a state building contract.

EU cooperation strategy

The financial envelope of the 10th EDF allocated to Haiti and covering the years 2008-2013 amounted to € 305 million¹²⁴ (envelopes A and B). Following the earthquake, it was

¹²⁰ <http://www.nbcnews.com/news/investigations/what-does-haiti-have-show-13-billion-earthquake-aid-n281661>.

¹²¹ Based on World Bank data: <http://data.worldbank.org/country/haiti>.

¹²² See <http://recom.wider.unu.edu/article/aid-failures-haiti-exploring-fatal-flaw>.

¹²³ See <http://www.cgdev.org/blog/haiti-doomed-be-republic-ngos>.

¹²⁴ As indicated in the NIP.

subsequently increased to € 391 million (envelope A), while the B envelope was allocated € 73.6 million.¹²⁵

For the years 2014-2020, under EDF 11th, an amount of € 420 million has been allocated to Haiti.¹²⁶

The Country Strategy Paper (CSP) and the National Indicative Programme (NIP) for the EU's development cooperation with Haiti during the years 2008-2013 was signed in December 2008. It was agreed to focus the EU's support on three "concentration domains", namely:

- Infrastructure;
- Governance;
- General Budget Support.

Furthermore, 11% of the available financial envelope was reserved for "other programmes", including among others support to (i) Civil Society Organisations, (ii) Support to the EPA and (iii) Support to Cultural Initiatives.

The NIP for the years 2014-2020 (11th EDF), signed in July 2014, focuses on four "concentration sectors", namely: (i) Reform of the State and Modernisation of Public Administration, (ii) Education, (iii) Urban Development and Infrastructure, and (iv) Food and Nutritional Security. Furthermore an amount of € 10 million has been allocated to supporting CSOs.

It is worth mentioning that starting in 2010, as part of the ad hoc revision of the 10th EDF NIP that followed the earthquake, the EU has implemented a joint programming exercise with the EU member states present in Haiti (France, Spain, Germany). In 2011, as part of the revised NIP (2011-13) a Joint Response Strategy in line with the PARDN was formulated, in which six concentration sectors were defined and a division of labour established between France and Spain in terms of focal sectors (with the EU focussing on infrastructure and governance).

That joint approach was broadly maintained when preparing the 11th EDF. A joint response strategy was concluded in which the four above-mentioned concentration areas were defined for the EU and its MS as a whole (with MS being allowed however to intervene in complementary sectors, based on their areas of expertise). The PIN though has remained a FED-only document – it does not specify where the EU MS would intervene.

Political and strategic considerations of using the DC modality

The DC modality was not used strategically in Haiti. Except for the co-financing by France for the APONTRA, DC was not referred to in the NIP of the 10th EDF. It was not mentioned in the revised NIP of 2011. While aid effectiveness principles have not been ignored, it is mostly operational and pragmatic considerations that have driven the use of DC (and in particular DAs) in the country.

Funds were made available/needs emerged in areas which were not part of the EUD focal areas and with the EUD facing severe human resource constraints, the prime advantage of the DC instrument was that it allowed the EU support to be delegated to an agency (AFD) which had a comparative advantage. (The situation was broadly similar with the

¹²⁵ An ad hoc revision of the 10th EDF Pin took place in 2010, which led to an increase in the overall envelope but did not impact the sectors of concentration.

¹²⁶ Envelopes A and B.

only TA, with the AFD delegating its support to the EUD, which had a clear comparative advantage in the area of intervention).

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

The two DAs and the TA contributed to strengthening the intra-sector Division of Labour (DoL) to a large extent because the implementation of the agreement (action) was delegated to the institution (either the AFD or the EU) best placed to implement the project concerned in view of its operational experience, expertise and comparative advantages (see the scores in table 3.1). The effects can be considered as strong in all three projects. In the case of SECAL-Sud and AIQIP¹²⁷, the AFD was already intervening in the specific geographical intervention area of the DA; with regards to APONTRA, the EU had a long-standing experience in the road sector in the country and had already supported the rehabilitation of other sections of the same national road.

In the two DA cases, Delegated Cooperation did not improve the inter-sectoral division of labour. The DC modality was not used by the EU or the DC partner to exit a certain sector, or to become a passive donor in a sector. On the contrary (although this cannot be seen as a direct effect of the DA), the EU became more operationally involved in the sector and more active in the sector policy dialogue (i.e. PARAQ) or more operationally involved but with relatively limited involvement in the policy dialogue (SECAL-Sud).

Regarding the TA, on the one hand, infrastructure, including roads, was among France's concentration sectors in France's *Document Cadre de Partenariat* (DCP) 2008-2012. As such, the TA, which origin was a promise made by France's President Chirac during an earlier visit to Haiti, was not explicitly part of a strategy to exit the sector. On the other hand, the AFD took a relatively passive role in the DA follow-up and in the sector dialogue, so it was in effect a relatively passive donor in the road sector. From that perspective, even if that may not have been the explicit intention, the TA can be seen as having a positive impact on inter-sectoral division of labour.

Table 3.1. Effect of DC agreements in Haiti on improving the division of labour among donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)	Intra-sector		Inter-sector	
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)	Intra-sector		Inter-sector	
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)	Intra-sector	Inter-sector		

Further clarifications and explanations

In Haiti, the DC instrument has in general been used in an ad-hoc and opportunistic way. In the case of APONTRA, the DA was a response to a 'presidential request'; with regards

¹²⁷ The PARAQ DA is implemented as part of AFD's *Programme d'Aménagement intégré des quartiers informels de Port-au-Prince: Martissant et Baillergeau* (AIQIP).

to PARAQ, the 2010 earthquake had created sudden needs (rehabilitation) which required a rapid response. In the case of the SECAL-Sud, funds were made available under the EU MDG Initiative to support food security – an area for which the EUD had limited operational capacity. As both those areas (rehabilitation, food security) were not among its focal areas and as the EUD faced severe human resource constraints, the prime advantage of the DC instrument was that it allowed the EU support to be delegated to an agency (AFD) which had a comparative advantage, in particular in terms of having an intervention already in place/in the making which could be rapidly topped-up.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes in Haiti?

Response

All DC projects in Haiti included some form of co-financing. The contribution of DC to increasing co-financing is positive, but varies in size. The largest co-financing effect in absolute terms comes from the APONTRA TA (€ 39.1 million) which co-finances a €131.7 million contribution made by the EU. In the case of SECAL-SUD, the DA (€ 5 million) co-finances a € 7.15 million AFD/French Ministry of Foreign Affairs contribution, while in the case of the AIQIP project supported by the PARAQ DA, the EU (€ 20.3 million) co-finances an AFD contribution of € 10.3 million.

In the two DA projects, funds are pooled together using the same financial management systems, however there is never full fungibility of funding: funds are kept separate in budgeting and reporting terms. As such, the co-financing of the two DA agreements can be considered as (an intense form of) parallel co-financing. In the case of the APONTRA, the various documents (transfer agreement; financing agreement) contain some contradictory provisions regarding the nature of the co-financing – and more specifically concerning whether the co-financing is earmarked to a specific sector of the road being rehabilitated. After a lengthy exchange of letters, the EC has recently clarified that the co-financing is joint (within the investment component of the project).

Table 3.2. Effect of DC agreements in Haiti on increasing co-financing

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)	Parallel			
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)	Parallel			
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)	Parallel			

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

The three DC contracts have increased the size of the programmes they were contributing to. While the increase in absolute terms is the most significant in the case of the

APONTRA (+€ 39.1 million), the increase in relative terms is most significant for the two DA-supported programmes (SECAL-Sud, +70%; AIQIP (PARAQ), +193%). That additional support allowed to rehabilitate the entire National Highway 3 in the case of APONTRA (the TA funding was earmarked for section 3 of that road). With regards to SECAL-Sud, the additional financing allowed the size of the result 1 component (strengthening of the vegetables' sector) to double. Finally, the PARAQ DA contributed to most of the reconstruction/rehabilitation work within the AIQIP programme. (See the scores in table 3.3).

It should be noted that the DC agreements were formulated when the underlying programmes they supported were yet to be signed off or were only in an early phase of implementation (i.e. preliminary studies were undertaken). As such, they didn't top up a well-established programme, but rather the extra-financing was integrated in the formulation of the more comprehensive programme that could be possible thanks to DC.

Table 3.3. Effect of DC agreements in Haiti on increasing the size of projects and programmes

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)	X			
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)	X			
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)	X			

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

The three DC contracts have contributed to bringing the financial contributions of the two DC partners under one single management system. The positive effects were found because funds from both the EU and the AFD were managed by making use of the same management system, managed by the same teams. Except for APONTRA, joint reports were also prepared. (See the scores in table 3.4).

On the other hand, the DAs with AFD were only one of many modalities used in the EU projects which the DAs were part of (i.e. the *Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD* in the case of SECAL-Sud; PARAQ). For example, within the project *Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD*, two components were handled by NGOs, one by FAO and one by AFD. As such, these projects as a whole did not contribute to the use of single management systems.

Table 3.4. Effect of DC agreements in Haiti on increasing the use of single management systems

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)		X		
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)		X		
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)	X			

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

DC agreements have had relatively little positive effects on the reduction of the number of active donors per sector (see table 3.5). This outcome is not surprising given the outcomes regarding inter-sectoral division of labour (see section 3.1), which was not a main motivation of using the DC modality in Haiti.

The only DC agreement that can be considered as having had a positive impact in terms of reduction of active donors is the APONTRA TA. While infrastructure, including roads, was among France's concentration sectors in France's *Document Cadre de Partenariat* (DCP) 2008-2012 and while the AFD had financed preliminary studies regarding the rehabilitation of National Highway 3, the AFD had relatively limited expertise and capacity to be actively involved in the road sector. Therefore, when (following a promise made by France's President Chirac to support road construction) it had funds available to spend in the sector, the choice of delegating the funds to the EU and not being actively involved in the sector was logical. In practice, with the TA, the AFD remained a relatively passive donor in the sector. It did not actively monitor implementation of the TA and it was also not present in the sector dialogue.

In the case of the two other projects, the DAs did not lead the EU to become less active in the sectors concerned. On the contrary, the DAs were part of two large EU projects (i.e. *Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD*; PARAQ) which led the EU (in the aftermath of the earthquake) to get more engaged in those sectors (which were not focal sectors under the 10th EDF), especially in rehabilitation/urban development in which the EU was previously not active. Both the sectors in question (urban development and food security) became focal sectors under the 11th EDF.

Table 3.5. Effect of DC agreements in Haiti on reducing the number of donors active per sector

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)				X
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)				X
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)		X		

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

In the three projects analysed, making use of the comparative advantages and specific expertise of the fund managing donor (the AFD or the EU) has been a major reason for concluding these DC agreements (see the scores in table 3.6). Implementation was delegated to the lead agency with proven experience in the sector or sub-sector, and with

the capacity to rapidly implement the proposed intervention. In Haiti, within the emergency context that followed the earthquake, the DC instrument has been used in an ad-hoc and opportunistic way: the sectors of interventions were not part of the sectors of concentration or expertise of the respective funding agencies. In that respect, the prime advantage of the instrument was that it allowed the implementation to be delegated to an agency which had a comparative advantage, in particular in terms of having an intervention already in place or in the making which could be rapidly topped-up.

In the case of the DAs (PARAQ and SECAL-Sud), the comparative advantage of the AFD was both its overall experience and/or expertise in the sectors concerned (rehabilitation/urban development and food security) and its specific operational experience in the geographical areas covered by the DAs. In the case of PARAQ, urban development was a focal area of France’s bilateral cooperation in Haiti for many years and, importantly, the AFD had already launched a number of preliminary activities in the Martissant and Baillergeau areas covered by the DA. In the case of the SECAL-Sud, the AFD, at the request of the government, had recently started a project to support the development of the maize and eggs sector in the South (a project which the DA then contributed to) and it had been involved in irrigation for some time.

With regards to the APONTRA TA, the choice of the EU as implementing partner was also largely justified. The EU, which was the *chef de file* of the donors in the infrastructure sector, had a long-standing experience in supporting the rehabilitation of the national roads network and it was formulating a project to support the rehabilitation of National Highway 3, which it had already supported under the 8th and 9th EDF.

Table 3.6. Effect of DC agreements in Haiti on increasing the use of comparative advantages

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d’appui à la reconstruction et à l’aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)	X			
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)	X			
TA	Programme d’Appui à la Politique Nationale des Transports (APONTRA)	X			

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

The overall contribution of DC to improving donor coordination and harmonization in Haiti has been positive, but modest (see the scores in table 3.7). Improving coordination and harmonisation, in the absence of strong government leadership in this area, was rarely the key driver behind the signature of the DC agreements; that was making use of comparative advantages (see previous section 3.6).

In most of the sectors or sub-sectors concerned, donors were in general already involved in formal and informal coordination fora, in particular the *Tables Sectorielles* (i.e. such as the *table sectorielle transport*), which had different degrees of functionality/effectiveness. In most cases, DC agreements did not significantly alter the dynamics of that overall sector coordination. The effect on coordination is likely to have been more positive in the case of the APONTRA (because the AFD took a silent partner approach in the donor dialogue) and less in the case of SECAL-Sud (because the AFD, the implementing donor, did not get much involved in donor coordination).

On the other hand, the DC agreements were all just one component of large and complex interventions, involving multiple implementing actors (including NGOs). Coordination of these projects was de facto very challenging. There is no evidence that the DAs per se played a major role in better structuring that intra-project coordination.

The effect on harmonisation varied per project. In the case of APONTRA, the effect was clearly positive, taking into account that the AFD had no parallel intervention in the sector. However, in the case of the PARAQ and SECAL-Sud, the fact that the DAs were part of larger EU interventions made the effect on harmonisation rather neutral. With regards to SECAL-Sud, the EU also had parallel interventions in the sector (i.e. through the food security thematic budget line and the food facility).

Table 3.7. Effect of DC agreements in Haiti on improving donor coordination and harmonisation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)		X		
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)		X		
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)		X		

4 Analysis of outcome-level indicators (EQ1-5)

4.1 Reduced transaction costs (EQ-1)

Main question to be answered

To what extent has/have the DC agreement(s) led to a reduction of transaction costs? (EQ 1)

Response

The effects of the DC agreements analysed in Haiti on reducing transaction costs have been quite mixed, and on the overall relatively modest (see the scores in table 4.1).

In the case of the two DAs, there has been a reduction in transaction costs of the EUD compared to a situation where the EU would have implemented the interventions directly. The factors contributing to reducing the transaction costs are; (i) a better intra-sector division of labour, (ii) more co-financing, (iii) increased size of the projects; and (iv) more funds brought under a single management system. Reducing the number of active donors in the sector has not played a role however because the EU – through the DA-related project – became more active in the urban development and food security sectors (even if it adopted a relatively ‘silent partner’ approach in the monitoring and follow-up of the DAs).

That reduction in transaction costs took place in a context where on the one hand the EU aid envelope to Haiti increased rapidly following the earthquake and where on the other hand, the EU had little expertise/capacity in the sectors concerned (there was no specialised food security/rural development or urban development staff at the EUD at the time). In that context, reducing the Delegation’s workload was an important motivation for using the DA instrument.

On the other hand, those positive effects, which also applied to the Government of Haiti, were partly counterbalanced by the fact that the concerned projects, in particular the PARAQ, were highly complex and involved significant coordination efforts. In the case of the SEQUAL-South, the DA (€ 5 million) was particularly small compared to the total size of the EU action, which also limited the positive effect.

In the case of the APONTRA TA, the effect on transaction costs of the AFD has also been overly positive. In addition to the positive factors that contributed to the reduction of the transaction costs of the EUD in relation to the two DAs (mentioned above), an additional factor that played a role is the fact that the AFD did not become more active in the sector concerned. It adopted a very silent partner approach both in the monitoring and follow-up of the DA and in the sector dialogue. It did though become more active in monitoring the DA since 2014, as implementation problems mounted (the contract as regards rehabilitating one sector of the National Highway 3 was never awarded; for the other, the contract had to be cancelled), and the question of the extension of the DA arose. A high-level mission from the AFD HQ then visited the project. As such, the transaction costs associated to monitoring the DA, which were originally very modest, significantly increased for the AFD.

Table 4.1. Effect of DC agreements in Haiti on reducing transaction costs

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)		X		
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)		X		
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)		X		

4.2 Strengthened ownership and leadership (EQ-2)

Main question to be answered

To what extent has/have the DC agreement(s) strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)? (EQ 2).

Response

The effects of the DC agreements analysed in Haiti on strengthening national ownership and leadership were broadly positive (see the scores in table 4.2).

In the case of the DAs, the effect was relatively positive because the DAs were used to transfer funds to an agency, AFD, which was using country systems and relying on government institutions in the implementation of the respective projects. The most likely alternative, in the Haiti context, would have been to delegate funds to a NGO, a modality which has dominated the post-earthquake aid landscape. (This is the approach taken in all the other six areas of Port-au-Prince supported under the *PARAQ* project and in two of the four regions covered in the *Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD*). In theory at least, the reliance on government institutions such as the *Unité de Construction de Logement et de Batiments publics* (UCLBP) or the *Direction Départementale Agricole du Sud* (DDAS) in the case of respectively AIQIP and SECAL-Sud, should have strengthened government ownership and leadership. However, in practice, a direct effect of that reliance on government institutions (as opposed to NGOs) was that it delayed project implementation, given institutional capacity weaknesses.

It is also noted, with respect to the *PARAQ*, that the AFD has used national procedures up to November 2014 only; then, due to the impossibility of obtaining the necessary agreements with the authorities to launch the tenders, AFD tender procedures were used.

With regards to the *APONTRA* TA, the effect on ownership is less clear, compared to a situation where the AFD would have implemented the intervention directly. Ex post, given the implementation problems experienced, one may consider that the EDF procedures used have been overly complex in the extremely challenging institutional context which have characterised Haiti since 2010 and that they have as such not facilitated government leadership and ownership. In practice, the Delegation had to take a leading role in project management.

Table 4.2. Effect of DC agreements in Haiti on strengthening ownership and leadership of the partner country

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)		X		
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)		X		
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)			X	

4.3 Strengthened complementarity and increased added value (EQ-3)

Main question to be answered.

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners? (EQ 3).

Response

The effects of the two DAs and the one TA analysed in Haiti on 'strengthening complementarity and increasing the added value of the EU and other DC partners' have been relatively strong (see table 4.3). In all cases, the improved intra-sector division of labour based on the comparative advantages of the agencies implementing the projects has contributed to these positive assessments. Improved donor coordination and harmonization has played only a modest role.

The two DAs had a positive effect on complementarity and added value, as they were clearly in line with the comparative advantage of the AFD in the benefiting sector and in the specific geographical area of intervention. The DAs were used to reinforce this advantage and to broaden the involvement of the AFD in the respective geographical area (the South in the case of SECAL-Sud and the Martissant and Baillergeau areas in the case of the AIQIP). On the other hand, delegating funds to the AFD has meant using government systems in project implementation which, while theoretically beneficial from a government ownership perspective, has meant slower implementation (compared to a situation where NGOs would have implemented the intervention).

The APONTRA TA had also a relatively strong impact on complementarity and added value. The EU has a clear comparative advantage in terms of its experience managing large road projects. On the other hand, and especially taking into account the extremely challenging and fragile institutional context at the time, the EDF procedures used may have lacked the flexibility required to be effective in that difficult context, as underscored by the regular addenda to the Financing Agreement that were signed during project implementation.

Table 4.3. Effect of DC agreements in Haiti on strengthening complementarity and increasing the added value of donors

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)	X			
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)	X			
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)	X			

4.4 Reduced aid fragmentation (EQ-4)

Main question to be answered.

To what extent have the DC agreements reduced aid fragmentation? (EQ 4).

Response

Reduced aid fragmentation is defined as each donor supporting less sectors without reducing total aid and/or each sector supported by less donors without a reduction of total aid received. As regards the first element of that definition, it can be observed that the EU has not used a DC agreement in Haiti as a means of phasing out its support to a particular sector. In the case of urban development/rehabilitation, the EU entered a new sector with the PARAQ. With regards to food security, it has broadened its interventions in the sector through the *Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD*. The DAs in Haiti have therefore not led to less aid fragmentation. This said, if fragmentation has increased (i.e. in urban development), it has not been the result of the DA per se. From that perspective, the impact of the DAs on fragmentation can be considered as neutral (see the scores in table 4.4).

The situation is slightly different with the APONTRA TA. The AFD was a (small) donor in the roads sector. From 2009 onwards when the TA was being implemented, AFD remained a largely passive donor. Despite infrastructure being one of the concentration sectors in *Document Cadre de Partenariat 2008-12*, it did not provide parallel support to the roads sector and it was not involved in the policy dialogue. The effect on fragmentation was therefore positive.

Table 4.4. Effect of DC agreements in Haiti on reducing aid fragmentation

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)			X	
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)			X	
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)		X		

4.5 Strengthened alignment (EQ-5)

Main question to be answered.

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country? (EQ 5).

Response

All DC-related project documents pay attention to policy alignment (see the scores in table 4.5). In the three projects supported by DC, efforts were made to align to sector strategies and plans. In the case of the APONTRA, reference was made to the (2000) transport sector plan. In the case of PARAQ/AIQIP, alignment with the Plan d'Action National pour le Relèvement et le Développement d'Haïti (2010 - PARDH) was emphasised. With regards to SECAL-Sud, reference was made to a number of sector documents, including the 2012 National Strategy for the Fight against Hunger and Malnutrition. On the other hand, the very fluid institutional context which characterised Haiti post-2010 made it difficult to define 'government policies', so the policy alignment of the DC interventions may have been by definition difficult to achieve.

The impact of DC on systems alignment is modest, but nevertheless positive, in the case of the two DAs (in which the AFD is the executing agency). The reason is that both the

AIQIP and SECAL-Sud projects are largely using government systems and procedures. They include small units staffed by an external service contractor, sometimes responsible for implementation, but mostly in an advisory/capacity building function, and fully integrated with the government's institutional structures. In the case of SECAL-Sud, the Direction Départementale Agricole du Sud (DDAS) from the Ministère de l'Agriculture, des Ressources Naturelles et du Développement Rural (MARNDR) is the implementing agency and within the DDAS, a team of civil servants execute the project, with the support from technical assistants. In the AIQIP, the project is managed by the Ministère des Travaux Publics, Transports et Communications (MTPTC), and more particularly the newly created Unité de Construction de Logements et de Batiments Publics (UCLBP). A private contractor was recruited to undertake studies and supervision of works, accompanied by two NGOs, Gret and Fokal, in the respective neighbourhoods. As noted in 4.2, with respect to the AIQIP, the AFD has used national procedures up to November 2014 only; then, due to the impossibility of obtaining the necessary agreements with the authorities to launch the tenders, AFD tender procedures were used.

In the case of the APONTRA, the impact of systems alignment could be considered as neutral. The implementing agency was also the MTPTC. The difference between APONTRA on the one hand and AIQIP and SECAL-Sud on the other hand was that EDF procedures were used for implementing APONTRA (for tendering and the subsequent implementation of the works contract), which can be considered as less aligned to the national procedures. Meanwhile, the same EDF procedures had been used in the past (8th and 9th EDF) for the rehabilitation of the same road.

Table 4.5. Effect of DC agreements in Haiti on strengthening alignment

Contract title, DC partner and contract year		Strong effect	Modest effect	No change	Negative effect
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)		Systems	Policy	
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)		Systems	Policy	
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)			Systems / Policy	

Further clarifications and explanations

It is worth mentioning that while the two DAs with AFD may have contributed positively to systems (and policy) alignment, there may have been also a downside effect. The reason is that, given the particular institutional capacity context in Haiti post-2010, those institutions (and in particular the newly created UCLBP in the case of PARAQ) were particularly weak. As a result, compared to similar interventions that were conducted in other geographical areas by NGOs, implementation of those DAs was significantly delayed.

Similar implementation delays were experienced with the APONTRA project, including notably the rehabilitation of National Highway 3. While some of the reasons behind those delays may be linked to the (poor) performance of the selected contractors, others may be related to the nature of the (EDF) procedures used, which may have been overly complex given the fragile and weak institutional context in Haiti (i.e. the contract as regards one section of the road is yet to be attributed).

Working with the Haitian government, whether on the basis of AFD or EU procedures, has presented major challenges. It is perhaps a slight paradox that the DA instrument, which aim was partially to ensure simplification and rapidity, has implied using an implementation approach (i.e. working with the government) which, independently of its merit, has been in practice much heavier and challenging to apply than the alternatives used (i.e. working with NGOs).

5 Analysis of process and implementation aspects (EQ 5-9)

5.1 Visibility (EQ-6)

Main question to be answered.

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement? (EQ6).

Response

A rather minimalist approach to visibility has been taken by the EUD and the AFD in the implementation of the three DC agreements in Haiti. In the case of the two DAs (SECAL-Sud and PARAQ), the AFD included EU logos in project documentation, shared draft press releases, and invited the EUD to events but no communication plan was prepared. In the case of the APONTRA TA, the AFD had complained about the lack of reference to AFD in the project documentation in the early phases of the project. It is worth mentioning that the severe implementation delays of the projects have not facilitated visibility (see scores in table 5.1).

Table 5.1. Extent to which the visibility of the EU and the DC partners has been ensured

Contract title, DC partner and contract year		Strong	Modest	No actions	Poor visibility
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)		X		
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)		X		
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)		X		

5.2 TA/DA ratio (EQ-7)

Main question to be answered

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 7).

Response

The TA/DA ratio in Haiti is 0.5 in terms of number of agreements and 1.5 in value terms. The first mentioned ratio is higher than the ratio of the total DC portfolio (which was 0.33), while the second ratio is significantly higher (overall ratio was 0.22).

The TA/DA ratio is not a strategic issue for the EUD. Particularly given the limited number of DC agreements in the country, not much importance can be attached to these ratios in the case of Haiti. From the discussions with the EUD however, one factor can partly explain the imbalance in terms of the number of TAs and DAs: the EUD has faced continued human resource constraints (understaffing) and an increasing workload, especially following the earthquake: DAs have been in that context an important tool to reduce the Delegation's workload.

5.3 Assessment of DC proposals (EQ-8)

Main question to be answered.

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

Response

A DA assessment fiche is supposed to be the main document regarding the assessment of delegating the implementation of a certain project to an implementing agency. No such fiches were found for the DC agreements in Haiti.

Taking into account the lack of DC assessment fiches and on the basis of broad indications (from interviews with the two DC partners) that this process was relatively effective and that ex post the rationale for signing the respective DC agreements appeared reasonable, we have scored the quality of the process for the three DC agreements as average.

Table 5.2. Quality of the decision-making process and assessment of the DC proposal

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)			X	
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)			X	
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)			X	

5.4 Implementation of DC agreements (EQ-9)

Main question to be answered

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

Response

In the three DC-related projects, the quality of the cooperation between the EU and the AFD, while good at the personal level, was relatively weak. Human resource constraints at both the EUD and the AFD local office have in general prevented staff to optimally manage the DC projects and/or to effectively monitor the projects being delegated. In parallel, the generally highly challenging context in which the DC projects had to be implemented, has also complicated the management of the DC-related projects.

In the case of the PARAQ DA, one difficulty was caused by the lack of details in the DA contract document about the budget and the logical/monitoring framework. It has been difficult for the EUD to follow the implementation of the DA in that regard. On the other hand, the EUD, partially reflecting human resource constraints, has taken an overly silent partner approach in the DA monitoring, which may not have facilitated cooperation. The EUD has taken a broadly similar approach in the case of the SECAL-Sud DA. Such an overly silent approach, combined with the fact that the AFD did not have senior staff in Port-au-Prince to manage the project did not facilitate overall management of the DA.

With regards to the APONTRA TA, the AFD has also taken a very silent approach in monitoring the DC. The EUD, meanwhile, has not been consistently sharing information with the AFD on project implementation. It has signed a number of riders to the Financing

Agreement (involving AFD funding) without informing the AFD. Execution reports from the EU have also been very thin (two pages) and have not provided the AFD with a clear picture about project implementation. The severe implementation delays, however, progressively led the AFD to monitor the project more closely. Those delays implied that the AFD would need to sign an extension to the DA agreement. In that context, a High-level mission from Paris took place in 2015, led by the AFD *Inspecteur Général*. One question which arose in parallel concerned the nature of the AFD co-financing (the DA was not clear on this – as mentioned in section 3.2). AFD eventually agreed to sign an extension of the DA, which is now being processed.

More broadly, it is possible that these difficulties partly reflected a difference in culture between the two agencies, with one being more 'procedural' (the EU) than the other. In that respect, the AFD has pointed to a certain lack of reciprocity between the extensive DA contract documents it signed (with annexes including multiple general conditions) and the much leaner TAs.

Table 5.3. Quality of the cooperation between the EU and the DC partner during implementation of the DC agreement

Contract title, DC partner and contract year		Very good	Good	Average	Weak
DA	Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)			X	
DA	Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)			X	
TA	Programme d'Appui à la Politique Nationale des Transports (APONTRA)			X	

6 Conclusions

The use of the DC instrument in Haiti has reflected the peculiar context of the country, marked by severe institutional and capacity weaknesses. While aid effectiveness principles have not been neglected, operational and pragmatic considerations have driven the use of the DC modality in Haiti. This was particularly the case for the two DAs (PARAQ and SECAL 2). With regards to PARAQ, the 2010 earthquake had created sudden needs (rehabilitation) which required a rapid response by the EU. In the case of the SECAL-Sud, funds were made available under the EU MDG Initiative to support food security – an area for which the EUD had limited operational capacity. As both those areas (rehabilitation, food security) were not among its focal areas and as the EUD faced severe human resource constraints, the prime advantage of the DC instrument was that it allowed the EU support to be delegated to an agency (AFD) which had a comparative advantage. (The situation was broadly similar with the APONTRA TA, with the AFD delegating its support to the EUD, which had a clear comparative advantage in the area). The use of the DC modality, in particular with regards to DAs, was as such not just the result of the effective lobbying of AFD. It was a logical choice given the country context, the limited EUD capacity and the comparative advantages of the implementing agencies in the two focal sectors.

While aid effectiveness principles have not been ignored, it is mostly operational and pragmatic considerations that have driven the use of DC (and in particular DAs) in Haiti in that peculiar context. This is also reflected in the opportunistic way it has been planned: except for the co-financing by France for the APONTRA, the DC modality was not referred to in the NIP of the 10th EDF.

Against that background, the delegated cooperation mechanism has had a positive but not overwhelming effect on some aspects of aid effectiveness and efficiency in Haiti. Viewed as an operational rather than a strategic tool, the DC instrument has mostly been used for improving intra-sectoral division of labour. Implementation was delegated to the lead agency with proven experience and expertise in the sector or sub-sector concerned. As such, the DC instrument also contributed to increasing the use of comparative advantages. Positive effects on co-financing and the size of projects were also found. On the other hand, (inter-sector) division of labour has not been improved (or only modestly in the case of the APONTRA). Finally, effects on the use of single management systems were mixed; on the one hand, the co-financing contributed to the use of joint systems but on the other hand the DAs were part of broader EU projects, in which various management systems were used.

All in all, it can be concluded that the original outcome objectives of DC have been partly achieved in Haiti. Given the broadly positive results regarding DC outputs, the results regarding DC outcomes were also generally positive. DC did lead to reduced transaction costs in the three projects, but the reduction was mostly limited, partly because the EUD stayed active in the concerned sectors in the case of the two DAs. Given that DA contributed to the increased use of comparative advantages, positive effects regarding strengthening of complementarity and increasing the added value of donors were found. However, there were more mixed DC outcomes related to reducing aid fragmentation (the EUD remained active in the concerned sectors, while the AFD did not). Finally, positive effects regarding strengthening partner country ownership and leadership and in particular improving alignment were noted because, especially in the case of AFD, country systems were used in project implementation. With regards to ownership and leadership, the general lack of such ownership and leadership as regards the development agenda by the Government of Haiti limited the effect DC could have had in that respect.

The strong reliance on government institutions when implementing DC-related interventions in Haiti has not been consistent with the pragmatic and operational motivations which made the EU and AFD to decide to use the DC modality in Haiti.

DC in Haiti has been primarily used for pragmatic/operational reasons: rapidly and effectively disbursing funds towards reconstruction, improving food security and road construction. At the same time, the DC instrument, and in particular the two DAs, consisted of delegating funds to donor entities (the AFD and the EU) which worked closely with Government institutions. While such an approach supports (in principle) alignment and ownership, the implication - in the peculiar post-2010 Haiti context – was also that project implementation was much more challenging than when the main alternative option (disbursing funds through NGOs) had been used. To some extent, such an approach has not been consistent with the pragmatic and operational considerations which had motivated the EU and AFD to use the DC modality.

The implementation of DC agreements has generally suffered from human resource constraints at both the EUD and AFD offices. The cooperation between DC partners and the overall management of DC-related projects have been hampered by human resource constraints at the EUD and AFD offices, which have prevented staff to optimally manage the DC projects and/or to effectively monitor the interventions being delegated. More broadly, the highly challenging context in which the DC projects have operated has also complicated the management of the DC-related projects.

Annex A. List of people interviewed¹²⁸

General

- Massimo Scalorbi, Head of Cooperation, Delegation of European Union in Haiti;
- Bénédicte Gazon, Directrice AFD, Port-au-Prince.

SECAL-SUD

- Ambroise Mazal, Programme Officer, Rural development, Food Security and Environment Section, Delegation of European Union in Haiti;
- Bénédicte Gazon, Directrice AFD, Port-au-Prince;
- Claude Torre, Chef de projet, Division ARB, AFD, Paris;

PARAQ

- Sylvanie Jardinet, Programme Officer, Infrastructure Section, Delegation of European Union in Haiti;
- Bénédicte Gazon, Directrice AFD, Port-au-Prince.

APONTRA

- Dominique de Longevialle, Coordonnateur regional Haiti, AFD, Paris;
- Jean-Philippe Aubry, Programme Officer Transport, Infrastructure Section, Delegation of European Union in Haiti.

¹²⁸ All the interviews were telephone interviews, except the ones with Mr de Longevialle and Mr Torre.

Annex B. List of documents consulted

General

- European Court of Auditors' Special Report No 13/2014 on the "EU Support for rehabilitation following the earthquake in Haiti;"
- IMF, 2015 Art IV Consultation, June 2015;
- Particip, Evaluation de la coopération de l'Union européenne avec la République d'Haïti, August 2014;
- République d'Haïti, Plan Stratégique de Développement, May 2012;
- UNDP, Human Development Report 2015;
- Union européenne, Programme indicative national 2014-2020;
- Union européenne, Document stratégie pays et Programme indicative national 2008-2013;
- World Bank, Country Overview, May 2016.

Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (PARAQ)

- Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées, Convention de Financement, December 2012;
- Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées, Convention de Délégation UE-AFD, February 2012;
- Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées (Partie AFD), ROM Report, October 2015;
- Programme d'appui à la reconstruction et à l'aménagement de quartiers pour faciliter le retour des populations sinistrées, Présentation PP DUE, No date;
- Programme d'Aménagement intégré des quartiers informels de Port-au-Prince: Martissant et Baillergeau (AIQIP), Etat d'avancement et propositions de résolutions, Présentation au CP, jeudi 28 avril 2016;
- Programme d'Aménagement intégré des quartiers informels de Port-au-Prince: Martissant et Baillergeau (AIQIP), Rapport d'Exécution technique et financier n.3;
- Evaluation of the Cooperation between the UE and the Republic of Haiti 2008-2012, Final Report, August 2014.

Programme Sécurité Alimentaire dans le SUD (SECAL-Sud)

- Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD, Fiche d'action (no date);
- Programme d'amélioration de la sécurité alimentaire en Haïti, Initiative OMD, Convention de Financement Commission européenne et République d'Haïti, (November 2012);
- Programme Sécurité Alimentaire dans le SUD (SECAL-Sud), Convention de Financement Commission européenne et République d'Haïti, (December 2012);
- Programme Sécurité Alimentaire dans le SUD (SECAL-Sud), Rapport annuel d'exécution technique et financier, période: novembre 2012/mars 2014;
- Programme Sécurité Alimentaire dans le SUD (SECAL-Sud), Rapport annuel d'exécution technique et financier, période: mars 2014/mars 2015.

Programme d'Appui à la Politique Nationale des Transports (APONTRA)

- Programme d'Appui à la Politique Nationale des Transports, Fiche d'action Fiche (no date);
- Programme d'Appui à la Politique Nationale des Transports, Transfer Agreement between the European Commission and AFD (December 2009);
- Programme d'Appui à la Politique Nationale des Transports, Financing Agreement

- between the European Commission and Republic of Haiti (April 2010);
- Programme d'Appui à la Politique Nationale des Transports, addenda to financing agreements and associated notes de dossiers (various dates).

4.10 Case study notes Global Climate Change Alliance (GCCA)

List of Abbreviations

ACP	African, Caribbean and Pacific Group of States
CICL	Camões - Instituto da Cooperação e da Língua
CRIS	EU Information System
CSP	Country Strategy Programme
DA	Delegation agreement
DANIDA	Danish Development Cooperation Agency
DC	Delegated cooperation
DEVCO	Directorate general of the EC charged with development cooperation
DFID	Department for International Development
DRR	Disaster Risk Reduction
EC	European Commission
EDF	European Development Fund
ENRTP	Thematic Programme for the environment and sustainable management of national resources, including energy
EU	European Union
EQ	Evaluation question
FSF	Fast Start Finance
GCCA	Global Climate Change Alliance
GCF	Green Climate Fund
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GSF	Global Support Facility
IPAD	Instituto Português de Apoio ao Desenvolvimento
LDC	Least Developed Country
MS	Member State
REDD	Reducing emissions from deforestation and forest degradation
ROM	Results Oriented Monitoring
SIDS	Small Islands Developing States
TA	Transfer agreement
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

Executive Summary

This GCCA case study is part of the evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 commissioned by DG DEVCO Evaluation Unit. This is the only thematic case study, in addition to nine country case studies carried out in the context of this evaluation.

The EU signed seven Transfer Agreements (TAs) with five EU MS between 2008 and 2012, which were used for funding 12 GCCA projects. The total value of the seven TAs amounted to € 37.2 million, which was 11.7% of the total amount made available to the GCCA from various sources between 2008 and 2014. Of the five contributing EU MS, Ireland made the largest contribution to the GCCA totalling € 31 million, made available through two TAs, which were used to support six GCCA projects. One TA was concluded with Sweden, amounting to SEK 50 million (about € 4.6 million in December 2008), which was used to support two GCCA projects. In addition, one TA was signed with Czech Republic, one with Estonia and two with Cyprus.

The results of the Transfer Agreements in terms of achieving the outputs and outcomes of Delegated Cooperation are mixed. The effects as regards improving inter-sectoral division of labour were limited, but intra-sectoral division of labour and improved donor coordination were positively affected. The effects on promoting comparative advantage and co-financing, creating larger programmes, reducing the number of donors per sector, and using single management systems proved to be project-specific. These varying results on output-level are reflected in equally mixed results on the level of DC outcomes, where some improvement in reduction of transaction costs, increased use of complementarity and added value and some reduction of aid fragmentation was found, but little effect was registered as regards strengthening ownership of the partner country, and alignment.

The contribution of these TAs to achieving the DC outputs and outcomes has thus been limited, because the objectives of DC were not always correspondent with the objectives of the GCCA. Whereas DC was developed to promote in-country division of labour, increased use of comparative advantages, co-financing, and setting up larger programmes, the GCCA intended to support multiple Least Developed Countries and Small Island States in need. Therefore, the TAs of the GCCA were in almost half of the cases used to fund a single intervention in an additional country, rather than contributing to a larger, co-funded programme. Also, building up a comparative advantage for the EU in each partner country, or offering only assistance to countries where the EU had chosen climate change as a focal sector, was not part of the objectives of the GCCA, which used other selection criteria. After all, the EU preferred to have a coordinating role and to delegate, if appropriate, the implementation of in-country climate change support to another party. As a result, it is not surprising that the effects on certain DC outputs vary greatly per TA.

Whereas on a strategic level DC turned out to be not the ideal modality for thematic, cross-country initiatives, on an operational level, the TAs provided certain advantages to the GCCA managers. The TA modality was used in a pragmatic way, enabling the GCCA to receive funds from EU MS.

At the same time, the low-profile and the low level of influence of the TA partners on how the TA funds would be used, have most probably been two key reasons why a couple of larger EU MS did not support the GCCA financially. Although the TAs proved to be a fairly easy procedure for EU MS to quickly channel funds to the GCCA, and as such had an

operational added value, a more elaborated mechanism offering more room for coordination between the EU and the MS and possibly a form of joint monitoring and steering could have been more attractive for EU MS to contribute to the GCCA.

1 Introduction

This case study concerning Delegated Cooperation and the Global Climate Change Alliance (GCCA) is part of the Evaluation of the EU aid delivery mechanism of Delegated Cooperation (DC) with EU Member States (MS) and third donor countries covering the years 2007-2014 commissioned by the Evaluation Unit of DG-DEVCO. The main objectives of the evaluation are:¹²⁹

- to provide the relevant external co-operation services of the European Union and the wider public with an overall **independent assessment** of Delegated Cooperation over the period 2007-2014; and
- 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, 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 or other governments, organisations and public donors.

The evaluation is not focused on assessing the outputs, outcomes and impact of the individual projects funded via DC, nor of the GCCA programme, but on assessing the efficiency and effectiveness of the Delegated Cooperation modality, in terms of its contribution to improving the division of labour among donors, making use of comparative advantages, promoting donor coordination, more co-financing, reducing aid fragmentation, reducing transaction costs, etc. All the intended effects of DC – as defined by the EU – have been put together in an Intended Effects Diagram showing the cause-effect relations between the various outputs, outcomes and impact (see annex C). A list of definitions of specific terms used in this evaluation is presented in annex E.

The evaluation is supported by ten case studies. This particular one is focussed on the DC agreements linked with the GCCA, while nine country level case studies are dealing respectively with Benin, Ghana, Haiti, Mali, Mozambique, Nicaragua, Tanzania, Timor-Leste and Palestine.

The portfolio analysis, made earlier on the basis of CRIS data and cross-checked with the list of DC agreements of DG DEVCO, revealed that 12 of the 54 TAs were related to the EU's GCCA initiative. Later on – when carrying out this case study – it appeared that these 12 TAs were in fact only 7 TAs funding 12 different projects. Two of these TAs have been concluded with Ireland (one of € 23 million signed in 2010 and another one of € 8 million signed in 2011) supporting six different projects. Another TA has been concluded with Sweden (of SEK 50 million; about € 4.6 million), funding two different projects. Furthermore two TAs have been concluded with Cyprus funding two different projects and one TA has been signed each with Czech Republic and Estonia, supporting one project each (see table 1.1).

These GCCA TAs have been selected as the subject of a special case study, because of the following four reasons. First of all, the high number of GCCA TAs and related projects was a reason to further study these agreements. Second, the fact that these agreements contributed to a thematic initiative rather than a country-specific intervention, deserved

¹²⁹ See Terms of Reference (ToR), page 1.

further attention. It enabled the evaluation team to get insight in the added value of the use of Delegated Cooperation (DC) for thematic facilities. Third, the preliminary desk study indicated that the funds transferred to the GCCA were used in many different ways (project support, budget support, contribution agreements, delegation agreements), which is interesting when studying the contribution of the DC modality to strengthening aid effectiveness. Lastly, this case study would allow getting more insight in the motivations of the headquarters of EU Member States (MS) to delegate funds to the EU in case of thematic programmes.

Table 1.1 lists the 12 projects funded by the 7 TAs that were signed for supporting the GCCA.

Table 1.1 List of TA-funded GCCA projects, 2008-2014

Project title (Decision number)	Benefiting zone	Donor	Amount (€)	Contract year
GCCA Support Facility (19960)	All countries	Czech Republic	200,000	2008
GGCA – Cambodia (21476)	Cambodia	Sweden	2,425,000	2008
GCCA - Contribution to Tanzania (21477)	Tanzania	Sweden	2,205,816	2008
Nepal Building Climate Resilience in Nepal - Support to Government of Nepal to respond to climate change (22504)	Nepal	Cyprus	600,000	2010
GCCA in the Lower Mekong Basin (23089)	Thailand	Ireland	1,540,000	2010
GCCA (23189)	Uganda	Ireland	11,000,000	2010
Reduction of Emission from Deforestation and forest degradation (REDD+) and capacity building in Sierra Leone (23261)	Sierra Leone	Ireland	5,000,000	2010
GCCA - Support to the Government of Mozambique for mainstreaming climate change into policies and strategies and to adapt climate change impact (22341)	Mozambique	Ireland	5,000,000	2011
GGCA - Climate Change Adaptation in the Renewable Natural Resources Sector (22962)	Bhutan	Estonia	796,972	2011
GGCA Support Programme to Timor-Leste (23745)	Timor-Leste	Ireland	3,840,000	2011
GGCA - Response Strategy - Kingdom of Lesotho (23850)	Lesotho	Ireland	4,000,000	2011
GCCA Project on Climate Change Adaptation (CCA) and Sustainable Land Management (SLM) in the Eastern Caribbean (24114)	Eastern Caribbean	Cyprus	600,000	2012

Next to the GCCA TAs, there were also six DAs related to the GCCA, i.e. the EU delegated project implementation to an EU Member State agency (see table 1.2). In four of these cases (Mozambique, Nepal, and the two DAs in Timor Leste), the DA-funded project was (co-) funded by a Transfer Agreement: which means that a Member State delegated funds to the EU, which in turn delegated the money to an agency from another Member State.

Although this case study predominantly addresses the TAs supporting the GCCA, it refers where relevant also to the DAs related to the GCCA. Andrea Dijkstra and Martin van der Linde were responsible for this case study.

Table 1.2 Delegation Agreements related to the GCCA, 2008-2014

Project title (Decision number / contract number)	Benefiting zone	DA partner	Amount (EUR)	Contract year
Environment Sector Programme Support II 2011-2015 (ESPS II) (22341 /	Mozambique	DANIDA	14,825,000 (of which € 5m from Ireland and the	2011

Project title (Decision number / contract number)	Benefiting zone	DA partner	Amount (EUR)	Contract year
264785)			remainder from the EU)	
GGCA Nepal Support Programme: Building Climate Resilience in Nepal (22504 / 283221)	Nepal	DFID	8,600,000 (of which € 600,000 from Cyprus and the remainder from the EU)	2011
GCCA Ethiopia: Pilot Testing Climate Change Activities within the SLM Programme (22456 / 281266)	Ethiopia	GIZ	8,500,000	2011
GGCA support programme to Timor Leste (23745 / 336310)	Timor Leste	GIZ	1,900,000 (entirely funded by Ireland)	2013
GGCA support programme to Timor Leste (23745 / 336311)	Timor Leste	CICL	1,900,000 (entirely funded by Ireland)	2013
GGCA-GIZ: Enclencher un processus de résilience en matière de sécurité alimentaire (24374 / 343931)	Mauritania	GIZ	1,230,000	2014

The structure of this case study is somewhat different from the structure of the country case studies. In the country case studies, the donor offices in the countries concerned were the relevant interview partners and the analyses were focussed on a selection of projects supported by DC agreements. In this GCCA desk study, the donor Headquarters were the main counterparts interviewed. A broader focus was needed than just studying the individual projects, in order to get a clear view of the rationale of using the TA modality in the context of a thematic programme. Therefore, this report refers to the contribution of TAs to the individual projects, as well as to the global initiative.

This case study is based on general information on the GCCA (including the recently conducted evaluation of the instrument, the GCCA website and related EU Communications) and project documentation of the twelve TA-funded projects. The most important documents are listed in Annex A. Interviews were conducted with current and former GCCA Programme Managers (DEVCO Directorate C), and with the two main GCCA TA partners (Ireland and Sweden). Names of the people interviewed can be found in Annex B. This information is complemented by the findings of the country case studies carried in Mozambique and Timor Leste. It was the intention to also use the findings from the case study carried out in Tanzania, but unfortunately the field mission in Tanzania provided little additional findings due to the fact neither the EUD nor the Swedish Embassy in Dar es Salaam could provide further information and also no additional written information was available at those levels (those two TAs had been signed in 2008). The TA-funded projects in Mozambique and Timor Leste were studied in-depth in both countries, and the results of these findings have been of added value to this desk study.

The GCCA project fiches of the country case studies of these countries are attached to this report (Annex D, D-1, 2 and 3). For the other nine TA funded projects, shorter project fiches are included in Annex D (D-4 – D-12).

2 Thematic context

The Global Climate Change Alliance (GCCA) was established in 2007 by the European Commission (EC) as the “EU answer to the development dimension of climate change”.¹³⁰ The GCCA was intended to serve as a platform for dialogue and information exchange as well as practical cooperation to tackle the combined challenge of the fight against poverty and climate change. The first phase GCCA intervened in five priority areas¹³¹:

1. Mainstreaming climate change into poverty reduction and development efforts;
2. Adaptation to climate change;
3. Promoting Disaster Risk Reduction (DRR);
4. Reducing emissions from deforestation and forest degradation (REDD);
5. Enhancing participation in the global carbon market.

The GCCA focuses its support on Least Developed Countries (LDCs) and Small Islands Developing States (SIDS).¹³²

The first phase of the GCCA lasted until 2014. In that year, a new phase of the GCCA, the GCCA+ flagship initiative, was initiated and three new priority areas (climate change mainstreaming and poverty reduction; increasing resilience to climate-related stresses and shocks; and sector-based climate change adaptation and mitigation strategies). Its duration is aligned with the European Commission’s new Multiannual Financial Framework (2014-2020).¹³³ This case study focuses on the first phase, as the TAs were signed between 2008 and 2012.

Delegated Cooperation

The Communication from the Commission to the Council and the European Parliament, proposing the GCCA, already voiced the desire to attract support from the EU MS: “the European Commission calls on EU Member States to join forces on the GCCA, and to work towards common arrangements for delivery. This collective effort could take the form of a joint GCCA financing mechanism managed by the Commission and governed in such a way as to reflect the participation of the Commission and the Member States”.¹³⁴ The Council in its response to the Communication encouraged the Commission to consider innovative means of financing.¹³⁵

A Commission Staff Working Document was drafted in 2008. It stated that EU MS and the EC could pool their GCCA funds both globally through the Commission’s thematic programme or geographic programmes, and at country level. Delegated Cooperation was specifically mentioned as the implementing modality through which EU MS could contribute to the GCCA. It was announced that the EC had recently extended the joint co-financing (or delegated cooperation) mechanism to EU Member States and other bilateral donors (joint management on the basis of a standard contribution agreement with

¹³⁰ European Commission (EC), Commission Staff Working Document: Implementation Framework of the Global Climate Change Alliance (GCCA), 18 July 2008.

¹³¹ Terms of Reference for Evaluation of the GCCA and Mid-term Assessment of the Intra ACP GCCA, Annex 1 of the Evaluation of the GCCA Global Programme, final report, April 2015.

¹³² Ibidem.

¹³³ The Plus of GCCA +, concept note, Ref. Ares(2015)5956167 - 18/12/2015.

¹³⁴ Communication from the Commission to the Council and the European Parliament, Building a Global Climate Change Alliance between the European Union and poor developing countries most vulnerable to climate change, 18 September 2007.

¹³⁵ EC, Commission Staff Working Document: Implementation Framework of the GCCA, 2008.

international organisations was already possible). The EC stated that it “is ready to act as the fund-managing donor on behalf of those Member States that are willing to co-finance the Global Climate Change Alliance through a global contribution, earmarked or not for a particular country or region. The funds transferred from Member States will be treated as assigned revenues (the legal instrument will be a transfer agreement in which an overhead cost is provided for). The funds will be included in the European Commission budget and their management will be governed by European Commission procedures. Involvement of the Member States in the programme will depend on the terms agreed upon in the transfer agreement.”¹³⁶

By using this instrument, EU donors could channel their resources via the EU. The Commission Staff Working Document noted that ideally the EU and the EU MS would co-fund the same programmes at country-level - preferably programmes led by the government, such as general or sector budget support. Other advantages that were mentioned in the Working Document were the effective use of resources, and the development and demonstration of a common EU effort towards climate change in the least developed countries.¹³⁷

Funding

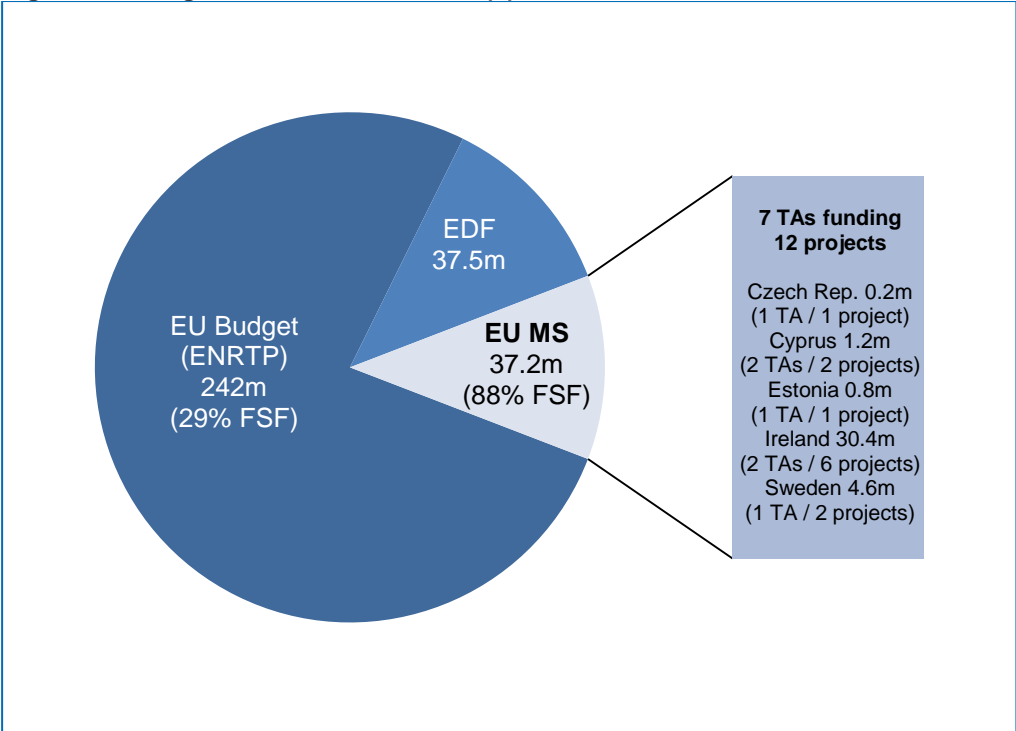
Between 2008 and 2014, € 316.7 million was committed to the GCCA. The largest share of funding originates from the EU budget, more specifically from the Thematic Programme for the environment and sustainable management of national resources, including energy (ENRTP) of the Development Cooperation Instrument. A specific GCCA programme of € 37.5m was launched for the African, Caribbean and Pacific (ACP) countries, under the 10th European Development Fund (EDF) Intra-ACP Financial Framework.¹³⁸ Finally, € 37 million was contributed to the GCCA by five EU Member States, namely Ireland, Sweden, Estonia, Cyprus and the Czech Republic. These contributions were made via Transfer Agreements (see figure 2.1).

¹³⁶ Ibidem.

¹³⁷ Ibidem.

¹³⁸ ToR for the Evaluation of the GCCA. Annex 1 of the Evaluation of the GCCA Global Programme, final report, April 2015.

Figure 2.1. Origin of committed funds (€), 2008-2014¹³⁹



The contributions of Sweden and Czech Republic were made in the first year of the GCCA (2008). The funds of Estonia, Ireland and Cyprus were committed between 2009 and 2012, in the context of the pledges made in 2009 at the 15th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen to support immediate action on climate change in developing countries ('Fast Start Finance' – see text box below).¹⁴⁰

¹³⁹ Adapted from GCCA website, Financial resources, <http://www.gcca.eu/about-the-gcca/financial-resources>.
¹⁴⁰ Ibidem.

Fast Start Finance (FSF)

At the summit in Copenhagen in 2009, developed countries committed to provide US\$ 30 billion in new and additional climate finance between 2010 and 2012: 'Fast Start Finance' (FSF). The aim of FSF was to help developing countries implement immediate, urgent action to tackle climate change and enable them to absorb a larger amount of finance in the long term. (European Court of Auditors, EU climate finance in the context of external aid, Special Report no. 17, 2013)

The EU was a significant contributor to FSF. For 2010-2012, € 7.2 billion was initially pledged and € 7.34 billion actually committed by the EU institutions and member states. Among the individual countries, the largest contributions were made by Germany, Japan, Norway, the UK, and the US. (<http://www.wri.org/resources/data-sets/fast-start-finance-contributions>)

The EU institutions, Ireland, Estonia and Cyprus made the following contributions for 2010-2012:

- EU Institutions: US\$ 206.5m
- Ireland: US\$148.3m
- Cyprus: US\$ 2.4m
- Estonia: US\$ 4.0m

The GCCA was one of the various channels through which FSF was implemented. € 104 million of FSF from the EC, Ireland, Estonia and Cyprus has been channeled through the GCCA. Ireland first channeled € 23 million through the GCCA; and later added another € 8 million. Cyprus agreed to have an annual transfer of € 0.6 million for 2010-2012. Only two transfers have been made. Estonia decided to commit € 0.8m of its commitment to the GCCA. It was indicated in a paper on the GCCA by ODI, written in 2011, that the EC was having talks with Portugal and Malta about bilateral funding. (Elizabeth Colebourn, A study on the Global Climate Change Alliance (GCCA), EDCSP, March 2011)

So far, since the start of the first phase of the GCCA in 2008 up to the new GCCA+ flagship initiative for the period 2014-2020, the GCCA has been supporting 51 programmes in 38 countries and 8 regions and sub-regions across the globe, and more programmes are being prepared. Most funds (€ 234 million) are committed to support national programmes, whereas about € 60.8 million has been committed to support regional programmes (this includes the EDF-funded Intra-ACP programme).¹⁴¹

Management

The GCCA initiative was initially coordinated by DG DEVCO's C2 Unit (Climate change, environment, natural resources). The ACP-Secretariat and DEVCO E3 (Regional programmes sub-Saharan Africa and ACP-wide Unit) were responsible for management of the € 37.5 million allocation from the EDF, commonly known as the Intra-ACP GCCA programme. A team of consultants, called the Global Support Facility (GSF), provided assistance on the identification and formulation of GCCA-funded interventions through the provision of short-term expertise to EU Delegations and government counterparts, and has been helping to organise policy dialogue events, regional mainstreaming workshops, global events, as well as knowledge management and communication activities. The Contract with the GSF was managed by the unit C2 in DEVCO.¹⁴²

The GCCA+ Flagship initiative is managed by a newly established unit, DEVCO C6 (Sustainable Energy and Climate Change), assisted by a new Support Facility. This Facility supports Unit C6 in identifying, formulating, managing and monitoring GCCA+ interventions, but also providing capacity building, networking and knowledge management services.¹⁴³

¹⁴¹ GCCA website, Financial resources, <http://www.gcca.eu/about-the-gcca/financial-resources>.

¹⁴² Evaluation of the Global Climate Change Alliance (GCCA) Global Programme world-wide, Final Report, revised version, April 2015, p. 4.

¹⁴³ The Plus of GCCA +, concept note, Ref. Ares(2015)5956167.

The interventions funded by the GCCA are implemented on the basis of various aid modalities: sector budget support, project approach, sector programmes; and by using several management modalities: joint management, multi-donor trust funds and delegation agreements.¹⁴⁴ In 2013, it was found that the project approach was the dominant aid modality used in the case of 77% of the GCCA interventions. About 17% of the interventions was supporting General and Sector Budget Support programmes, and 6% was supporting sector programmes (e.g. sector-wide approaches).¹⁴⁵

¹⁴⁴ Ibidem.

¹⁴⁵ Paul Renier Overview of the GCCA (Powerpoint presentation), Deputy Head of Unit DEVCO C2 Environment, Climate Change, Natural Resources and Water (2013).

3 Analysis of output-level indicators

3.1 Improved division of labour

Main question to be answered

To what extent has the use of the DC modality improved the division of labour?

Response

The contribution of the GCCA TAs to inter-sectoral division of labour was limited. The link between the GCCA-TAs and the focal sector strategy, i.e. adherence to the focal sectors defined in the Country Strategy Papers (CSPs)/National Indicative Programmes (NIPs) was not very strong. It appears that one of the internal DC guidelines issued in December 2007, indicating that TAs should only be concluded for projects being part of EU focal sectors in a country, is difficult to apply to TAs supporting a global thematic initiative.

The GCCA TAs contributed indirectly to a better intra-sectoral division of labour. For the implementation of the TA-supported projects, the EU has actively sought for an implementation modality in line with the principles of division of labour. In the country cases of Mozambique and Timor-Leste, where the TA-funded projects were executed via a Delegation Agreement, a modestly positive effect was found on intra-sectoral division of labour.

The nature of the GCCA, being a thematic programme, is difficult to align with the principles of inter-sectoral division of labour and adherence to the focal sectors. By using different implementation modalities for the execution of the projects, the TAs contributed indirectly to improvement of intra-sectoral division of labour.

Clarifications and explanations

EU's focal sectors are identified in the CSPs/NIPs, in which the geographic budgets¹⁴⁶ are allocated to the various (focal) sectors. In the case of the EDF for example, funds are allocated to a country, and then divided across various sectors according to the CSP. In the case of the GCCA, funds are firstly allocated to a climate-change related sector, before being allocated to a country. The implementation of the GCCA project is then left to the EUD, which identifies in which climate-change related field the funds are spent best.

According to the European Court of Auditors' Evaluation of EU climate finance, the GCCA has not been integrated either into the work of the Member States or into the Commission's own programming.¹⁴⁷ In a response to this evaluation, the EU argued that GCCA had been integrated in the Commission's programming, and that the interventions under the GCCA including support to the overall initiative are committed, approved and reported under the ENRTP and the 10th EDF.¹⁴⁸ The fact that the specific use of the GCCA funds was determined by the EU Delegation ensured a certain embedding of the GCCA project in the CSP and the focal sectors. However, the selection of countries for GCCA assistance was not based on whether or not the EU focal sectors in those countries were suitable for GCCA assistance, which is understandable as the GCCA used other criteria, such as vulnerability to climate change, to select countries.

¹⁴⁶ E.g. EDF, ENPI, DCI-ASIE, DCI-ALA.

¹⁴⁷ European Court of Auditors, EU climate finance in the context of external aid, Special Report no. 17, 2013.

¹⁴⁸ Ibidem.

The relation between the GCCA and the focal sector strategy of a CSP is a bit ambiguous, because the CSPs focus on how geographic budgets will be used, while GCCA funds are tied to a predetermined subject (climate change). Although CSPs mention the expected contributions of thematic budget lines whenever possible, the link between the CSP and its focal sectors on the one hand and the thematic budgets on the other hand is not very strong. The Thematic evaluation of the EU support to environment and climate change in third countries (2007-2013) noted that in only 22% of all CSPs environment and climate change had been selected as a focal sector, but 71% of all CSPs were at least to some extent addressing environment and climate change issues.¹⁴⁹ This makes it difficult for the GCCA, which is set up as a global initiative, to be always consistent with the focal sector strategy of the EU in a specific country. Moreover, it should be mentioned that the GCCA was launched just after the finalisation of most CSPs for the 10th EDF (2008-2013), which made it more difficult to take into account the additional GCCA funding into the multi-year planning.

Looking at the specific projects funded by Transfer Agreements, it turns out that only in one case, environment was a specific focal sector of the CSP (see table 3.1). However, in the majority of the cases, environment was mentioned as cross-cutting issue under one of the focal sectors. Only in two countries, environment was specifically labelled as 'non-focal sector'.

Table 3.1. EU focal sectors in countries of TA-funded projects (based on CSPs 2007/8-2013)

Benefiting zone	Focal sector	Explanation
All countries	N.A.	N.A.
Cambodia	Part of	<ul style="list-style-type: none"> Environment part of focal sector "Support to the National Strategic Development Plan (NSDP)".
Tanzania	No	<ul style="list-style-type: none"> Environment indicated as non-focal sector.
Nepal	Part of	<ul style="list-style-type: none"> Environment part of focal sector "Education (with human rights, gender, conflict prevention and the environment as cross-cutting issues)". The DA assessment fiche (for the DA with DFID – the implementation mode of this project) confirms this, by stating "The CSP (2007-2013) highlights environment and sustainable development as focal issues".
Thailand	Part of	<ul style="list-style-type: none"> Environment part of focal sector "Thailand-EC Co-operation Facility". However, this project covers four countries of the Mekong River area (Cambodia, Laos, Thailand and Vietnam).
Uganda	No	<ul style="list-style-type: none"> Environment not covered as focal or non-focal sector. According to the division of labour, the EUD wants to remain focused on the 2 focal sectors of the NIP (rural development and roads). Its expertise/human resources in the area of CC and environment are limited.
Sierra Leone	Part of	<ul style="list-style-type: none"> Environment part of focal sector "Promoting pro-poor sustainable growth".
Mozambique	Part of	<ul style="list-style-type: none"> Environment part of focal sector "Transport infrastructure and regional economic integration".
Bhutan	Yes	<ul style="list-style-type: none"> Focal sector is "Renewable Natural Resources Programme".
Timor-Leste	Part of	<ul style="list-style-type: none"> Environment included under "cross cutting issues in non focal sectors".

¹⁴⁹ Thematic evaluation of the EU support to environment and climate change in third countries (2007-2013), Final Report Volume 1 – Main Report, September 2015.

Benefiting zone	Focal sector	Explanation
Lesotho	Part of	<ul style="list-style-type: none"> • Environment as cross-cutting issue within focal sectors "Human Development" and "Infrastructure". • However, it is a new area, as it is also mentioned in the project documentation that this project will allow the EU to move into the area of climate change.
Eastern Caribbean	N.A.	<ul style="list-style-type: none"> • Not applicable as it is a regional programme. It is mentioned that this concept was discussed at the GCCA – Caribbean Regional Conference in 2011, at which it was agreed that it would be submitted to the EU Delegation in Barbados for consideration. • It is thus a project in line with the objectives of the ENTRP / GCCA; rather than being based on the focal sectors.

The DC partners having signed the TAs do not always have a specific focal sector strategy in the partner countries concerned. By studying their country approaches, it appears that environment is in most cases not a specific priority area (see table 3.2). The Swedish TA was used for funding two projects in two countries where it has no specific climate change focus or is planning to withdraw from the sector.¹⁵⁰ In the case of the two Irish TAs, funding six projects in six different countries. In three countries no specific reference to climate change was found in the Irish country strategy papers. In the other three countries, climate change and environment was referred to in the Irish strategies, but as a cross-cutting issue that will be mainstreamed in each project rather than as a specific focal sector. In the case of the Estonian TA, no specific focus was found on climate change in Bhutan. No relevant country strategy documents were found for the TAs of Cyprus (Nepal and the Eastern Caribbean).

Thus, no clear connection between sector focus and contribution to GCCA was found. As the TA partners were contributing to a programme with a global focus, the alignment with country support strategies has not been a prominent issue. The TA partners did earmark their funds to support climate change in specific countries: these were usually the traditional partner countries of the TA partners. This choice was not related to whether or not 'climate change' was a focal sector of the EU or the TA partner in these countries, as other criteria were used to select countries for GCCA support. Support for climate change adaptation was and is regarded as a cross-cutting issue which deserves attention and is additional to focal sector support defined within a country. As such, the objectives set in the DC guidance on the division of labour, are not relevant in the case of the GCCA.

Table 3.2. Priority sectors of DC partners in countries of TA funded projects

Benefiting zone	DC Partner	Focal sector	Explanation
All countries	Czech Republic	N.A.	N.A.
Cambodia	Sweden	Part of	<ul style="list-style-type: none"> • The Swedish strategy 2008-2010 lists the following priority sectors: 1) primary education; 2) democratic governance; 3) human rights. It is noted that "measures for adapting to the effects of climate change will be integrated into cooperation activities."
Tanzania	Sweden	No	<ul style="list-style-type: none"> • In the Joint Strategy for 2008-2013, Natural Resources

¹⁵⁰ EU-Tanzania, Country Strategy Paper and National Indicative Programme 2008-2013, p. 53.

Benefiting zone	DC Partner	Focal sector	Explanation
			and Environment is marked as a sector where Sweden is active, but planning to withdraw from.
Nepal	Cyprus	No	<ul style="list-style-type: none"> • Cyprus has decided to implement development projects in developing countries in cooperation with other EU member state development agencies or International Organisations, since Cyprus does not currently have a project implementation mechanism of its own. • This is the only project Cyprus funded in Nepal. It is not clear whether Cyprus had a dedicated country strategy in Nepal.
Thailand	Ireland	Part of	<ul style="list-style-type: none"> • Among the four supported Mekong countries, only Vietnam is an Irish priority country. • Although it is noted that Irish Aid will mainstream the priority issues of gender, governance, HIV/AIDS, and environment, no specific actions are formulated.
Uganda	Ireland	No	<ul style="list-style-type: none"> • The Irish strategy for Uganda (2010-2014) did not mention climate change as a specific priority. Programme components are: 1) Addressing Chronic Poverty and Vulnerability in Karamoja; 2) Education; 3) HIV and Aids; 4) Governance; 5) Gender Based violence.
Sierra Leone	Ireland	Part of	<ul style="list-style-type: none"> • In 2013 Ireland's new Policy for International Development, "One World One Future", announced that Sierra Leone is one of Ireland's nine Key Partner Countries. The current policy states that Irish support in Sierra Leone primarily centres on addressing the issues of nutrition and food security and gender, governance and human rights. However, attention is paid to climate change as well.
Mozambique	Ireland	No	<ul style="list-style-type: none"> • In Irish Aid's strategy for 2007-2010, environment is not mentioned specifically.
Bhutan	Estonia	No	<ul style="list-style-type: none"> • Bhutan is not mentioned in Estonia's Development Cooperation Strategy 2011-2015; neither is there a specific focus on environmental issues.
Timor-Leste	Ireland	No	<ul style="list-style-type: none"> • Ireland has three focus themes in its CSP 2010-2013 for Timor Leste: service delivery (building mechanisms for service delivery at the local levels), voice and accountability, and conflict reduction. Climate change is not directly related with these themes.
Lesotho	Ireland	Part of	<ul style="list-style-type: none"> • Lesotho is one of Ireland's Key Partner Countries. Although it is stated that currently "the objectives of co-operation focus on improving health and education services in the most remote parts of the country as well as assisting increased food production and reducing malnutrition", attention is paid to climate change as well.
Eastern Caribbean	Cyprus	N.A.	<ul style="list-style-type: none"> • CyprusAid is very small. No strategy document found. This TA funded project is the only project Cyprus is co-funding in the Caribbean Region.

Whether or not the TAs contributed to a better intra-sectoral division of labour is related to the implementation modality used by the EU to execute the project, and of the specific context in a country/sector. It appears that different modalities have been used (see sections 3.5 and 4.5). In Timor-Leste the GCCA project was implemented by GIZ and CICL and in Mozambique by Danida on the basis of a Delegation Agreement. The case studies of these two countries concluded that these DAs had a 'modest positive effect' on intra-sectoral division of labour. The global GCCA Evaluation found that "in most GCCA countries, the division of labour among donors – in line with the Paris Declaration *on Aid Effectiveness* (2005)– has allowed the programme to build upon existing initiatives lead (sic) by one of the Member States (Mozambique, Nepal, Belize) or another Development Partner (UNDP in Benin; World Bank in Burkina Faso)".¹⁵¹ Indeed, in many cases the GCCA funds were used to 'top up' an existing, successful project. This conclusion supports the findings in the country case studies, namely that the EU tried to look for intra-sectoral division of labour in each country. It can be concluded that the TAs contributed indirectly to the improvement of intra-sectoral division of labour.

To summarize, applying division of labour principles to TAs supporting the GCCA initiative is much less straight-forward than applying them to country assistance strategies, because of the fact that the GCCA is a global thematic and sector specific programme, operating outside the focal sector and division of labour strategies in individual countries. Intra-sectoral division of labour principles were applied at country level, because the EU actively looked for an implementation modality which was in line with the division of labour principles - in various cases the EU Delegation decided to delegate the implementation of a GCCA funded project.

3.2 More co-financing

Main question to be answered

Did the DAs and TAs contribute to more co-financing of development projects and programmes?

Response

Although the majority of the twelve TA-funded projects were co-financed, the absence of co-financing provided by the EU in the case of four of the TA-supported interventions indicates that (joint) co-financing was not always an objective in itself. It seems that the expansion of the GCCA initiative to more countries prevailed over having jointly co-funded projects.

Clarifications and explanations

Of the 12 TAs, four were/are not co-financed, while eight were/are co-financed. Of these eight, four were/are co-financed by the TA-partner and the EU only. The other four were/are funded by the TA partner, the EU and other donors (see table 3.3). Although the majority of the cases is co-financed, it is remarkable that four projects are not co-financed at all. Of all TAs which are part of the case studies, these are the only four where there is no direct co-financing by the EU to the project. The absence of co-financing might have been the result of the fact that the GCCA was initially focussing on expanding to more countries rather than creating co-funded large projects. This might be also the reason why for one TA (Cambodia), the project was co-financed by other donors but not by the EU itself. This case is particular, because Sweden also funded the project directly.

¹⁵¹ Evaluation of the GCCA, Final Report, April 2015, p. 21.

In Mozambique, the field mission concluded there that Delegated Cooperation had a strong effect on joint co-financing. In Timor-Leste, no effect was found on promoting co-financing. These findings underline that co-financing was not a core prerequisite in the use of the TAs for the GCCA.

Table 3.3. Overview of co-financing per TA-funded project

Project title (Decision number)	Benefiting zone	Donor	Amount (€)	Co-financing (partner & amount in €)
GCCA Support Facility (19960)	All countries	Czech Republic	200,000	EU: 3,000,000
GCCA – Cambodia (21476)	Cambodia	Sweden	2,425,000	Sweden: 1,450,000 Denmark: 374,150 UNDP: 2,040,816
GCCA - Tanzania (21477)	Tanzania	Sweden	2,205,816	
Building Climate Resilience (22504)	Nepal	Cyprus	600,000	EU: 8,000,000 UK: 10,800,000
GCCA in Lower Mekong Basin (23089)	Thailand	Ireland	1,540,000	EU: 3,460,000 Sweden: 400,000 Denmark: 650,000 Luxembourg: 1,880,000 Australia: 1,600,000 Germany: 580,000 Finland: 1,410,000
GCCA (23189)	Uganda	Ireland	11,000,000	
REDD+ and capacity building (23261)	Sierra Leone	Ireland	5,000,000	
GCCA – mainstreaming climate change (22341)	Mozambique	Ireland	5,000,000	EU: 10,200,000 Denmark: 31,500,000
Adaptation in Renewable Natural Resources Sector (22962)	Bhutan	Estonia	796,972	EU: 3,600,000
GCCA Support Programme (23745)	Timor-Leste	Ireland	3,840,000	EU: 160,000 (for M&E etc.)
GCCA - Response Strategy (23850)	Lesotho	Ireland	4,000,000	
Climate Change Adaptation and Sustainable Land Management (24114)	Eastern Caribbean	Cyprus	600,000	EU: 10,000,000

3.3 Larger projects and programmes

Main question to be answered

Have the size and scope of the projects/programmes supported by the DC agreements increased as a result of the DC agreement, as compared to the situation before signing the DC agreement?

Response

Supporting larger programmes in countries was not a core objective of the GCCA projects; and the TAs were thus not always used to create larger programmes. Although in seven of the cases the TA contribution was part of a larger programme, in five cases the TA did not increase the size and/or scope of the project. As mentioned in section 3.2,

this can be largely explained by the intention to increase country coverage of the GCCA, rather than having large projects in only a limited number of countries. In that sense, the TAs contributed to enlarging the GCCA as a whole, as the TA-funds made it possible to extend the budget and scope of the *entire* GCCA initiative.

Clarifications and explanations

The global GCCA Evaluation found that all GCCA interventions were built on existing actions (projects), either by increasing funding of an existing climate change action or by adding a climate change component to another existing programme. GCCA funding had a specific added value for an ongoing EU MS operation by adding funds to create an extra climate change component (Bhutan), or allowed to undertake pilot projects on climate change (Mozambique). Some funds simply reinforced climate change interventions led by other donors, by increasing financial means (Nepal).¹⁵²

The share of the TAs in the total project budget they are supporting vary from a modest 3.1% to 100% per project (see table 3.4). In case the TA funded the intervention for 100% or 96% (five cases), it could be concluded that the TA did not increase the size of an (existing) project or programme. In the other seven cases, the TAs contributed to creating a larger project or programme, of which four were co-financed by more than two donors (i.e. EU and the TA partner). From the perspective of the global GCCA, it could be argued that the TAs allowed the GCCA to expand to more countries, and as such contributed to a larger initiative.

Table 3.4 Share of TA-funded projects of total project budget

Project title (Decision number)	Amount (EUR)	Total size of the project (% TA funds)	Co-financing
GCCA Support Facility (19960)	200,000	3,200,000 (6.3%)	EU
GCCA – Cambodia (21476)	2,425,000	6,289,966 (38.6%)	Sweden, Denmark, UNDP
GCCA - Tanzania (21477)	2,205,816	2,205,816 (100%)	
Building Climate Resilience (22504)	600,000	19,400,000 (3.1%)	EU, UK
GCCA in Lower Mekong Basin (23089)	1,540,000	11,520,000 (13.4%)	EU, Sweden, Denmark, Luxembourg, Australia, Germany, Finland
GCCA (23189)	11,000,000	11,000,000 (100%)	
REDD+ and capacity building (23261)	5,000,000	5,000,000 (100%)	
GCCA – mainstreaming climate change (22341)	5,000,000	46,700,000 (10.7%)	EU Denmark
Adaptation in Renewable Natural Resources Sector (22962)	796,972	4,396,972 (18.1%)	EU
GCCA Support Programme (23745)	3,840,000	4,000,000 (96%)	EU (only admin costs)

¹⁵² Evaluation of the GCCA, Final Report, April 2015, p. 9-10.

Project title (Decision number)	Amount (EUR)	Total size of the project (% TA funds)	Co-financing
GCCA - Response Strategy 23850)	4,000,000	4,000,000 (100%)	
Climate Change Adaptation and Sustainable Land Management (24114)	600,000	10,600,000 (5.7%)	EU
Total	37,207,788	128,312,754 (29.0%)	

As regards the question to what extent the programmes can be classified as ‘large’ as compared to other interventions in the sector, the global GCCA Evaluation indicated that this is very country-specific. In Bangladesh and Nepal, the GCCA contribution is relatively modest in comparison with support from other donors; whereas in Jamaica the GCCA funds were the first of its kind and were therefore rather significant for the institutionalisation of climate change actions. This variation was also found during the field missions: a large intervention was supported in Mozambique, whereas in Timor-Leste the size of funding was relatively modest.

In sum, while the TAs in some cases contributed to a larger initiative, the fact that five TAs were used to fund a single, non-co-financed intervention, demonstrates that creating larger programmes in-country was not a prime objective of the TAs supporting the GCCA. More attention was paid to extending the scope of the GCCA in order to support more LDCs and SIDS, which is more in line with the objectives of GCCA.

3.4 Use of single management systems

Main question to be answered

Has Delegated Cooperation promoted the use of single management systems and a single set of procedures?

Response

If the TA-funded project was jointly co-financed by the EU and the TA partner, the TA has improved the use of single project management systems at donor level. This was the case with half of the TA projects. At the level of the partner country and the project, no general conclusion can be drawn on the improvement of using single management systems, as the GCCA does not use one specific implementation mode, but a variety of management modes and implementation modalities. Therefore, the TAs had little influence on the actual use of single management systems in the partner country.

Clarifications and explanations

TA funds are added to the EU budget as ‘assigned revenues’. The TA partners therefore entirely accept the EU regulations and let the EU manage their funds. If there is EU co-financing, it means that the EU contribution and TA contribution are managed on the basis of the same system. This is the case with six of the TA-funded projects. In the cases where the EU does not contribute, the TA contribution is managed on the basis of EU rules, but this does not specifically promote the use of one single management system, because the number of management systems used does not change compared to a situation in which the TA partner would have intervened on its own.

At partner country level, the GCCA does not use the same implementation modality for each individual project. The EU Delegation in the respective country decides on the most suitable modality to execute the project. The implementation of half of the TA projects has

been done on the basis of indirect centralised management or joint management, i.e. has been delegated to either an EU Member State (via a Delegation Agreement) or an international organisation (via a Contribution Agreement). Three TA-funded projects were implemented on the basis of partially decentralised management, which means the partner country was responsible for procurement, but the EU made the payments. For two TA-funded projects (Bhutan and Lesotho), the EU used centralised management - giving budget support and complementary Technical Assistance. One TA (concluded with the Czech Republic) contributed to the procurement of an international consulting firm to set up and manage the GCCA Support facility.

This means that in half of the cases, the EU systems were used; and in the other half, the EU agreed to use the system of a third party (either another EU MS or an international organisation). In those cases, the TA funds were thus actually managed by the management systems of a third party. This has not always been a smooth process. The global GCCA Evaluation noted that in the case of Nepal, the EU and DFID (the delegatee) had different understandings of the administrative and financial procedures to be applied. In the case of Timor-Leste, the EU delegated the funds to two DA partners, allowing them to use two different management systems. The field mission in Timor-Leste thus concluded that Delegated Cooperation in the case of the GCCA project had no effect on improving the use of single management systems. In contrast, it was found that in Mozambique, DC in case of the GCCA project had a strong effect on using single management systems, as DANIDA, the EU and Ireland used the system of the Government of Mozambique.

In sum, no general conclusion can be drawn on the improved use of single management systems, as the latter depends on the way the project is executed. Even within the use of a similar implementation mode, for example a Delegation Agreement, the modus operandi of the DA partner influences whether or not the use of a single management system has been promoted.

Table 3.5 Implementation mode per TA-funded project

Project title (Decision number)	Benefiting zone	Donor	Implementation mode
GCCA Support Facility (19960)	All countries	Czech Republic	Direct centralised management International tender procedure and/or addendum to a service contract
GCCA – Cambodia (21476)	Cambodia	Sweden	Joint management Contribution Agreement with UNDP
GCCA - Tanzania (21477)	Tanzania	Sweden	Partially decentralised management ¹⁵³ Restricted call for proposals (grants)
Building Climate Resilience (22504)	Nepal	Cyprus	Indirect centralised management Delegation Agreement with DFID
GCCA in Lower Mekong Basin (23089)	Thailand	Ireland	Joint Management Contribution Agreement with the Mekong River Commission Secretariat
GCCA (23189)	Uganda	Ireland	Joint Management Contribution Agreement with FAO
REDD+ and capacity building (23261)	Sierra Leone	Ireland	Partially decentralised management
GCCA – mainstreaming	Mozambique	Ireland	Indirect centralized management

¹⁵³ Contracts are concluded by the partner country but the corresponding payments are made by the European Commission.

Project title (Decision number)	Benefiting zone	Donor	Implementation mode
climate change (22341)			Delegation Agreement with DANIDA
Adaptation in Renewable Natural Resources Sector (22962)	Bhutan	Estonia	Centralised management Sector budget support
GCCA Support Programme (23745)	Timor-Leste	Ireland	Indirect centralised Management Delegation Agreement with GIZ and IPAD
GCCA - Response Strategy 23850)	Lesotho	Ireland	Centralised management & partially decentralized management Budget Support & complementary support through service tender and/or Framework contracts)
Climate Change Adaptation and Sustainable Land Management (24114)	Eastern Caribbean	Cyprus	Partially decentralised management

3.5 Reduced number of active donors in the sector

Main question to be answered

Did the DC agreements provoke a reduction of the number of active donors in the sector concerned?

Response

The motivation behind the GCCA is to generate more funding for climate change. In general, this output 'reducing the number of active donors' is less relevant in case of the GCCA, as the aim of the initiative was to mobilise more (financial) support for climate change. This explains why the EU did not seem to have been very concerned about the increase of active donors in the climate change sector in Timor-Leste.

Nevertheless, reducing the number of active donors was a consideration when choosing the implementation mode of the GCCA projects and the 'silent partner' status of the TA partners prevented them from becoming active donors. Therefore, in some cases, for example the decision not to enter the climate change sector in Mozambique, but to use the funds to contribute to a DANIDA-programme, a reduction of number of active donors in a sector was found.

In sum, because reduction of donors was never an objective set by the GCCA, but the number of donors was considered at country level and the TA prevented the TA partner from becoming active in the sector, contribution of the TAs to reduction of number of donors differed per country.

Clarifications and explanations

It is questionable whether this indicator applies to the TAs supporting the GCCA. The objective of the GCCA is to generate more funds for environment and climate change, rather than reducing the number of donors in this sector.

However, in the identification process of GCCA projects the number of donors in a sector is taken into account. The choice of implementation mode is left to the EU Delegation, which investigates whether a new project has to be formulated or whether the TA funds could be used as an additional contribution to an *existing* project or programme. In the latter case the EUD has to decide also whether it will be a silent partner or still be involved in the climate change policy dialogue and the (close) monitoring of the implementation of the TA funded project. The EU is thus not per definition entering the climate change sector as an active donor – if another donor is better positioned, funds could be delegated to that

donor, as well as the active involvement in the policy dialogue and the monitoring of the TA funded project. For example, in Mozambique, the delegation of project implementation to DANIDA had a strong effect on reducing the number of donors active per sector. On the other hand, a negative effect was observed in Timor-Leste, where using DAs for the implementation of the GCCA project increased the number of donors in this sector.

As for the TA partners, it would be highly unlikely that Cyprus, Estonia and Czech Republic would have entered the climate change sector in a specific country. In the case of Sweden and Ireland, it is more plausible that the TAs have prevented those donors from entering the sector in the partner countries concerned. As mentioned before, Sweden used the GCCA to fund projects in the climate change sector in countries where it was not active or intended to become less active. Sweden's motivation to sign the GCCA-TAs was in line with the guidelines of the 2007 Code of Conduct: use DC in addition to the focal sectors, to exit the sector or act as a passive donor. Ireland deliberately chose to fund projects in countries where it was already active.

3.6 Increased use of comparative advantages

Main question to be answered

Did the DC agreements promote the increased use of the comparative advantages and specific expertise of the EU and the DC partners?

Response

The comparative advantage of the EU as coordinator of this global initiative has not fully been materialised. The lack of support from other Member States illustrates that the EU is not recognised as the obvious leader in climate change. The EU MS that signed the TAs for the GCCA did so because of political motivations, for example in the case of Sweden, which wanted to show with the TA its commitment to working on environmental issues in a broader EU context and its adherence to the principles of Aid Effectiveness, or because of certain practical comparative advantages of the EU, namely that it is a big institution able to manage large projects – which was a motivation for Cyprus and Estonia, which do not have a government aid implementing agency. In none of the cases, the perception that the EU would have a comparative advantage in leading climate change interventions was a fundamental reason for signing the TA.

Nevertheless, as the EU was aware of its limitations, it delegated implementation in some cases to another party. The use of the DA modality for the GCCA projects in Timor Leste and Mozambique scored therefore as having a respectively 'modest' and 'strong' positive effect on the use of comparative advantages – because implementation was delegated to a better-positioned party. However, it then remains a question what the added value is of having the EU as a mediator (between the TA partner and the DA partner).

Clarifications and explanations

The global GCCA Evaluation suggested that the combination of global, regional and national activities could be a comparative advantage of this EU initiative (the GCCA), as it differentiates the GCCA from actions funded by other donors. It is also indicated that the participation of non-LDC/SIDS countries makes the GCCA a 'truly global initiative'.¹⁵⁴ Another comparative advantage would be the global position of the EU and its access to high-level policy dialogue. Another advantage of the GCCA is the learning process within the GCCA programme and the exchange of information between several GCCA-funded

¹⁵⁴ Evaluation of the GCCA, Final Report, April 2015, p. iii.

programmes. However, these comparative advantages turned out to be less strong than anticipated, as explained hereafter.

The ‘unique’ set up of the GCCA, focussing on LDCs and SIDS and providing the opportunity to engage in a joint EU initiative, has not been recognised. The Court of Auditors Evaluation concluded that the EC has struggled to convince the EU Member States of the added value of the initiative.¹⁵⁵ In section 3.7, the fragmentation in the climate change sector, the variety of funds and facilities and the difficulty of the GCCA to be a ‘flagship’ will be further explained.

The global position of the EU and its access to high-level policy dialogue did not fully materialise. It is mentioned in the global GCCA Evaluation that all GCCA-supported programmes have served as an opportunity for discussions between the EU Delegations and the countries concerned on climate change. It was found that this policy dialogue was not always led by the EU on behalf of the donors: “In several cases (Nepal, Mozambique, Mauritius), such dialogue is led by one of the EU Member States, on behalf of the Development Partners, with the EU Delegation in a secondary or ‘silent’ role.”¹⁵⁶ The Evaluation registered issues related to coordination of actions concerning (climate-related) policy dialogue and negotiations. This resulted in a recommendation for the EU to make use of its status to mobilise high level policy support for global climate change action.¹⁵⁷

The learning aspect of the GCCA was also less strong than expected. The Evaluation noted that there is scope for more exchange of information in order to benefit more from experiences.¹⁵⁸ Especially interaction between the national and regional GCCA programmes could be improved.¹⁵⁹

As such, the *lack* of an obvious comparative advantage on the level of the EU partly explains why not more EU MS have contributed to the GCCA. It can be observed that mainly the bigger MS have abstained from contributing, while a couple of ‘smaller’ MS did contribute. For MS with a modest development implementation apparatus, the EU has an additional comparative advantage: being able to manage a large amount of funds. This seems to be a factor explaining why Cyprus, Estonia, and to some extent Ireland as well, have supported the GCCA financially. While Ireland cannot really be called a ‘small’ MS, using the GCCA initiative was an efficient way of honouring its commitment as regards contributing to the Fast Start Finance for climate change in 2010 and 2011. For Sweden and Czech Republic, the motivations for contribution seemed to have been of a political nature; also not predominantly because of the comparative advantage of the EU. Sweden immediately supported the GCCA, as it wanted to demonstrate its commitment to broader EU cooperation in the field of climate change, and its willingness to work towards aid effectiveness, by delegating implementation to the EU. Czech Republic initially committed more funding, in anticipation of its upcoming EU presidency, of which only a small, rather symbolic amount materialized.

Nevertheless, the DC agreements related to the GCCA projects in Mozambique and Timor Leste have had a respectively ‘strong’ and ‘modest’ positive effect on increasing the use of comparative advantages. In practice, the EU adhered to the use of comparative advantages by delegating, if possible, the implementation to a better-positioned partner. While this is positive, it is questionable what the added value of the TA was in this case:

¹⁵⁵ European Court of Auditors, EU climate finance in the context of external aid, 2013.

¹⁵⁶ Evaluation of the GCCA, Final Report, April 2015, p. 13.

¹⁵⁷ Ibidem, p. 13.

¹⁵⁸ Ibidem, p. 14.

¹⁵⁹ Ibidem, p. 22.

after all, the TA partners could also have opted to directly give the money to the DA partner.

3.7 Improved donor coordination and harmonisation

Main question to be answered

Has Delegated Cooperation promoted effective donor coordination and harmonisation?

Response

The country case studies of this evaluation concluded that the TA-funded GCCA projects had a positive effect on donor coordination and harmonisation. This conclusion was supported by the findings of the global GCCA evaluation. The contribution of the TAs to better coordination at the overall level of the GCCA was less clear. The limited number of EU MS contributions was disappointing to the EU. This was a result of a couple of factors: many EU MS were not fully aware of the GCCA, some bigger EU MS preferred to have their own projects, and some were put off by the limited influence of the contributors on the steering of the GCCA.

The TAs thus contributed to fostering better donor coordination and harmonisation on project-level, but the effect on the global GCCA level, i.e. to promote effective EU donor coordination and harmonisation in the field of climate change, was limited. This is not surprising, given the overall difficulty of coordinating aid in the climate change sector.

Clarifications and explanations

In-country coordination seems to have been supported by the GCCA projects. The global GCCA Evaluation found a number of instances where the GCCA funds have strengthened actions led by EU Member States. Funds were used to support pilot initiatives for the roll-out of an EU MS-funded climate programme. The Evaluation concluded that harmonisation and linking of GCCA support with other (climate) actions is generally satisfactory to very good, in particular if the government is actively involved in donor coordination, and in cases where there is one strong lead donor.¹⁶⁰ However, it also observed room for improvement. Nepal (TA from Cyprus) was cited as example where support to climate change remained very fragmented and hardly harmonised or aligned. In Bhutan, donor coordination in the natural resources sector could be further activated.¹⁶¹ It is indicated that “donor platforms do not exist in all GCCA countries, and when they exist they are not necessarily operational”.¹⁶² The field missions of this evaluation found positive results for donor coordination and harmonisation. In Timor-Leste, the DC agreements (two DAs and one TA) supporting a GCCA project modestly improved donor coordination; in Mozambique, a strong effect of DC on improved donor coordination was found.

On the global level, it turned out to be a lot more difficult to promote donor coordination. It has been a challenge to mobilise support from the EU Member States, especially those with a significant track-record in climate-related programmes, to the GCCA.¹⁶³ One of the recommendations of the global GCCA Evaluation is that the EC should become more active in coordinating and harmonising European (EU and its MS) support for climate action. The EU Member States are not yet very aware of the GCCA: none of the respondents to the questionnaire that was distributed by the global GCCA Evaluation said

¹⁶⁰ Evaluation of the GCCA, Final Report, April 2015, p. 21.

¹⁶¹ Ibidem, p. 21.

¹⁶² Ibidem, p. 16.

¹⁶³ Ibidem, p. iii.

to be “well aware” of the GCCA. Another issue is that the MS that are quite involved in climate change interventions, often prefer to support their own initiatives – so even if they are aware, there could be other reasons not to support GCCA.¹⁶⁴ In addition, the fact that the contributors to the GCCA were ‘silent partners’ and not part of a round-table or not having voting rights, was mentioned by one interviewee as being a possible reason for EU MS to prefer contributing to another climate initiative in which the EU MS were formally more involved.

The global GCCA Evaluation concluded, based on the responses to the questionnaire distributed to EU MS, that while GCCA funds have contributed to strengthening actions led by EU MS, in “poorer countries and regions most vulnerable to climate change”, the EU has been less successful in involving EU MS to develop a joint European approach through the GCCA. While EU MS with a shorter history of international (development/environmental) cooperation appeared more willing to pool their limited funds in the GCCA, this was less the case with the EU MS with a long history in development cooperation.¹⁶⁵

These results should be placed in a broader context: this entire sector has faced difficulties in donor coordination. The European Court of Auditors concluded in its Special Report on EU Climate Finance in the context of External Aid (2013) that coordination between the EU and EU Member States in respect of climate finance for developing countries was inadequate. The EU had not exercised sufficient leadership in some areas and the EU MS had not been sufficiently responsive to some of its initiatives.¹⁶⁶

¹⁶⁴ Ibidem, p. vii.

¹⁶⁵ Evaluation of the GCCA, Final Report, April 2015, Volume 2, Annex 9.

¹⁶⁶ European Court of Auditors, EU climate finance in the context of external aid, 2013.

4 Analysis of outcome-level indicators (EQ1-5)

4.1 Reduced transaction costs (EQ-1)

Main question to be answered

To what extent have the DC agreements led to a reduction of transaction costs?

Response

All GCCA TAs contributed to a reduction of transaction costs because the procedure for concluding a TA was relatively easy, and all TA partners assumed a silent role after they had transferred the funds. Mixed results were found for the other DC outputs. Some TAs further contributed to lowering transaction costs, because they contributed to a co-financed, larger project, which was managed on the basis of a single management system. Only a limited relation was found between the TAs of this thematic programme and the focal sectors of the EUD and the DC partners in the partner countries concerned. As a consequence there was also little connection between GCCA-TA induced improved inter-sectoral division of labour and reduction of transaction costs. Even if intra-sectoral division of labour was promoted by the TA-supported project, it seemed to have been a not very efficient process to first transfer funds to the EU, which then transfers the funds to another EU MS agency.

Clarifications and explanations

The global GGCA Evaluation found that the fast-track funds provided by Ireland, Estonia and Cyprus provided a good opportunity to support climate change with low transaction costs in countries such as Nepal and Bhutan.¹⁶⁷ The Evaluation also concluded that GCCA's approach of adding funds to existing interventions to broaden them in scope (by adding a climate change component and/or simply reinforcing an existing climate change intervention by adding more means) clearly helped reducing the transaction costs of the partner countries and fragmentation of donor interventions.¹⁶⁸ However, the Evaluation also noted that in most cases, it took quite some time to identify the right entry point for the EU-supported climate action.¹⁶⁹

Findings from the country case studies indicate mixed results: DC in the GCCA project in Mozambique was scored as having a 'strong effect' on reduction of transaction costs, whereas no change was observed in the reduction of transaction costs for DC in the GCCA project in Timor-Leste.

With regard to the specific outputs that contribute to a reduction of transaction costs (see Annex C), the fact that the TA partners simply transferred the funds to the EU and assumed a silent role and thus did not become active donors had probably the most direct effect on a reduction of transaction costs.

The contribution of the TAs to increased co-financing and larger programmes turned out to differ per country. Some TAs led to increased co-financing and a larger intervention; however, the five TA funded projects that were for 100% or 96% funded by the TA partner, had a minimal effect in this regard – and thus also a limited effect on the reduction of transaction costs. Mixed results were also found for the use of single

¹⁶⁷ Evaluation of the GCCA, Final Report, April 2015, p. iii.

¹⁶⁸ Ibidem, p. 9-10.

¹⁶⁹ Ibidem, p. 10.

management system. As the GCCA uses various implementation modes, the effect of the TA on using a single management system is different per case. The effect is strongest when various donors are co-financing a project and these funds are managed using the same management system. In cases where the EU did not co-finance the TA, the effect on using single management systems was less strong; as well as on the reduction of transaction costs.

Better division of labour is a concept difficult to apply to this case study. The difference between a TA supporting a project in a specific country and a TA supporting a global thematic programme is that the first one is easier to link with a country specific division of labour or sector strategy. A commitment to a global thematic area (in this case, climate change), which is afterwards linked with a country, leaves not much room for adhering to division of labour agreements. It could be argued that the fact that the EU delegated the implementation of the six of the TA-funded GCCA projects to another donor agency (i.e. another EU MS via a Delegation agreement, or to a UN organisation, via a Contribution Agreement), improved the division of labour as implementation was left to the best-positioned donor. However, in view of transaction costs, it seems to have been a bit of a cumbersome procedure, to first receive TA funds and then delegate the implementation on the basis of a DA. (Alternatively the TA donor could have delegated the implementation directly to the DA partner, instead of involving the GCCA). The global GCCA Evaluation found that the identification of the right entry point (i.e. the party best suited to implement the project) was time-consuming.

Lastly, it was mentioned by a number of interviewees that concluding a TA is a relatively simple procedure to contribute funding to a thematic programme or project, especially when compared to the newly introduced 'EU Trust Fund' modality. This further added to a reduction of transaction costs as compared to alternatives.

4.2 Strengthened ownership and leadership (EQ-2)

Main question to be answered

To what extent have the DC agreements strengthened the ownership and leadership of the partner countries as regards the DC funded project(s) and/or programme(s) and the policy formulation and implementation in the sector of the DC project(s) or programme(s)?

Response

The connection between GCCA Transfer Agreements and strengthened ownership is very loose. The level of ownership is rather country dependent, and mainly influenced by the implementation modality used by the EU. The TA partner was consulted, but had no formal say in the choice of the implementation modality – and as such, had a limited influence on promoting ownership.

Clarifications and explanations

The global GCCA Evaluation found that the projects were most effective in those countries where a long-term Strategy or Plan for Climate Change was in place. However, not all target countries had such a plan or strategy. Where this was the case, GCCA tried to support the creation of an institutional framework.¹⁷⁰ The Evaluation recommended "that the EU (as part of the implementation of their regional and national programmes) support long-term strategic planning and institutional capacity building for climate action at

¹⁷⁰ Evaluation of the GCCA, Final Report, April 2015, p. 10.

national and regional level in EU beneficiary countries”, to ensure stronger regional and national ownership of the climate-change agenda.¹⁷¹

Findings from the country case studies indicate little effect of DC in relation to GCCA projects on increased ownership. For Timor-Leste, it was concluded that Delegated Cooperation in the GCCA project did not strengthen country ownership and leadership – however, strengthening ownership was never a realistic expectation in the Timor-Leste context. The GCCA project in Mozambique demonstrated a high level of country ownership, however it was concluded that DC had not specifically contributed to increasing the level of ownership.

In the TA contract document, the TA partners have specified the countries in which the funds should be used. Apart from this earmarking, the EU (especially the EUD) took the lead in identifying a suitable project for using the funds. While the TA partners were consulted in the identification and formulation, and implementation of the project, they did not have a formal role in the project selection and approval process, i.e. The TA partner could thus has not insist on using a project set-up promoting country ownership.

4.3 Strengthened complementarity and increased added value (EQ-3)

Main question to be answered

To what extent have the DC agreements strengthened complementarity and added value of the support provided by the EU and the other DC partners?

Response

On the global level, the GCCA TAs did not make significant contribution to strengthened complementarity and increased added value. No clear positive effects of GCCA TAs on donor coordination, comparative advantage of the EU as a ‘global’ player, and improved division of labour were found. It must be emphasised that this is largely due to the complexity and large scope of climate change issues. The size of the TAs was too small to make any difference.

On the country level, the TA-funded GCCA projects made better use of these outputs, and on this level, a modest added value can be noted.

Clarifications and explanations

As explained in section 3.7, the GCCA recorded mixed results at the level of donor coordination. While the individual projects seemed to have contributed to in-country coordination, the ‘global’ role of the EU was less strong. The Court of Auditors Evaluation found that the EU could not convince EU MS of the added value of GCCA. It is remarkable that many more EU MS contributed to other multinational funds such as the Green Climate Fund (GCF) than the number of MS having contributed to the GCCA. Denmark and the Netherlands made a joint contribution to the GCF, the EU and EU MS such as Germany and the UK contributed separately.¹⁷² The GCF is managed by a Governing Board, which is responsible for funding decisions, including the arrangements for implementation. Seven EU MS have a seat in the board. The EU MS chose to act individually instead of allocating one seat to the EC as the EU representative. As the USA and Russia opposed giving an additional seat to the EC, because this would mean double representation for some EU MS, the EC is not present at the decision-making table of this

¹⁷¹ Ibidem, p. 11.

¹⁷² European Court of Auditors, EU climate finance in the context of external aid, 2013.

fund.¹⁷³ The TAs improved coordination between the EU and the MS, but could not really make a difference because of their modest size, and because of the fact that the TA partners were not part of a formal GCCA steering group.

The comparative advantage of the EU has not been a main motivation for deluging funds to the GCCA. The TA partners appeared to have other motivations, related to taking a political stance or for practical reasons (quickly disbursing funds).

As there is no unanimous stance on the position of the EU as lead in climate change, division of labour at the global level remains fragmented with various EU MS contributing to different funds. In-country, division of labour is mainly based on how the geographic funds (such as the EDF) are allocated across sectors. The allocation of funds from a thematic instrument is not necessarily in line with the sector allocation of the geographic funds. As there is no relation between the objectives of the GCCA and the focal sector strategy in the partner countries concerned, the TAs contributed little to inter-sectoral division of labour. Intra-sector division of labour on the country-level is stronger in the GCCA projects, as more use is made of comparative advantages.

All in all, the TAs had little effect on improving complementarity and added value. They were too small to make a difference – the paragraphs above illustrate the complex situation in which these TAs were positioned and designed.

4.4 Reduced aid fragmentation (EQ-4)

Main question to be answered

To what extent have the DC agreements reduced aid fragmentation?

Response

On a global level, the TAs to the GCCA had no effect on the reduction of aid fragmentation in the climate change sector. This is caused by the overall fragmented nature of the climate change sector, without a clear lead donor or division of labour. The results are more positive for the TA-supported projects in-country – although this is closely related to the level of co-financing and whether the TAs contributed to a larger programme.

Clarifications and explanations

On a global level, the Court of Auditors Evaluation stated that the Commission has not succeeded in widening the base for its 'flagship' initiative. Many climate change initiatives are still prevalent. The EU MS have been reluctant to close down or merge their national climate funds, or to obtain greater synergies among them, as a way of reducing transaction costs and the administrative burden for developing countries.¹⁷⁴ The EU is not recognised as the lead donor and there is no agreed upon division of labour. Consequently, co-financing and the size of the GCCA is smaller than anticipated.

In-country, the picture is more positive. The global GGCA Evaluation concluded that fragmentation of support was avoided and in a number of countries a basis for a joint 'European' climate action is emerging.¹⁷⁵ It was noted by the global GCCA Evaluation that several EU MS acknowledged the added value of Joint Programming, and the advantage of being able to channel funds through the GCCA to countries which are very vulnerable

¹⁷³ Ibidem.

¹⁷⁴ European Court of Auditors, EU climate finance in the context of external aid, 2013.

¹⁷⁵ Evaluation of the GCCA, Final Report, April 2015, p. iii.

to climate change, but did not receive bilateral support from the EU MS concerned.¹⁷⁶ The strongest effects to reduction of aid fragmentation in-country were found for the TA-supported projects that were co-financed and part of a larger programme. The findings of the field missions in Mozambique and Timor-Leste found that the large co-funded project in Mozambique had a strong effect on the reduction of aid fragmentation, while the relatively small project in Timor-Leste, which was only funded by the Irish contribution, had a negative effect on aid fragmentation.

The relation between division of labour and aid fragmentation is ambiguous. On the one hand, the EU chooses the partner with the best comparative advantages to implement the project and thus to delegate the funds to; on the other hand, this 'reallocation' process raises the question why the TA partner should transfer its funds to the EU while later on it is used to finance a DA. In such cases the EU Delegations have to do additional work to process these thematic funds, which are often used to finance projects not being part of one of EU's focal sectors. This leads to a time-consuming process to identify the best approach to implement the project.

4.5 Strengthened alignment (EQ-5)

Main question to be answered

To what extent have the DC projects or programmes strengthened the alignment of aid with the policies, procedures and systems of the partner country?

Response

The effects of GCCA TAs on strengthening alignment proved to be very country-specific and dependent on both the aid modality and the implementation modality used. While the GCCA is formally committed to aligning with the policies and systems of the partner country, the actual level of policy and systems alignment is very dependent on the country context. Systems alignment differs per implementation mode used, but also within one implementation mode differences exist. For example, when using Delegated Cooperation, each implementing agency has its own mode of aligning with the country systems. Since the GCCA used a variety of implementation methods, no general conclusion can be drawn.

Clarifications and explanations

The Thematic evaluation of the EU support to environment and climate change in third countries noted that the GCCA is closely aligned with national priorities and needs.¹⁷⁷ The EC stated in its response to another evaluation carried out by the European Court of Auditors, that it aligned GCCA programmes with national strategies and programmes by focusing on climate change mainstreaming into national development processes.¹⁷⁸ In sum, if possible, GCCA projects were embedded in the policies and strategies of the partner countries; or, if no policy framework was in place, they assisted with establishing an institutional framework and drafting policies and strategies.

In practice, policy alignment is not always possible - policies are often made by international advisers – and possibly not entirely “owned” by the partner country government. This was the case in Timor Leste and Mozambique, where formally policy

¹⁷⁶ Evaluation of the GCCA, Final Report, April 2015, p. 11.

¹⁷⁷ Thematic evaluation of the EU support to environment and climate change in third countries (2007-2013), Final Report Volume 1 – Main Report, September 2015.

¹⁷⁸ European Court of Auditors, EU climate finance in the context of external aid, 2013.

alignment was in place, but both DC projects did not directly contribute to better policy formulation and implementation.

The implementation modalities were different per project, as demonstrated in table 3.5. As a result, the use of country systems differed per project. Naturally, system alignment is stronger in budget support operations than in a project-approach. If implementation is delegated to an international organisation or EU MS implementing agency, the level of system alignment also depends on their mode of operation. For example, DANIDA in Mozambique used the partner country systems, while the GIZ and IPAD in Timor Leste used their own systems. As a result, no general conclusions can be drawn as regards the effects of GCCA TAs on the level of system alignment.

5 Analysis of process and implementation aspects (EQ 5-9)

5.1 Visibility (EQ-6)

Main question to be answered

Was the visibility of both the EU and the DC partner ensured when implementing the project/programme supported by the DC agreement?

Response

Visibility of the GCCA in general, as well as of both the EU and the TA partner at project level, was not very high. However, this is not perceived as a major issue by the EUD and the TA partners.

Clarifications and explanations

The global GCCA Evaluation found that visibility of the GCCA programme at global level was good. However, the responses of the EU MS to the questionnaire of that Evaluation indicated that there was a moderate level of awareness among the MS: although none of the responses indicated a total lack of awareness, also no indication was made of 'high' awareness. This seems to be because the GCCA coordination and joint planning is done at the level of the EU Delegations and the Embassies, with limited direct involvement of development agencies' headquarters.¹⁷⁹

Most projects had developed websites, however, on these websites the EU or EU MS contributions were not always acknowledged. This was in line with the findings at the national level: visibility of the GCCA was generally found to be low. The implementation modalities contributed to this, especially budget support – but also the small role of GCCA funds in jointly managed or delegated actions (for example in Nepal). The global GCCA Evaluation concluded that this is not necessarily problematic, rather a logical consequence of increased donor cooperation.¹⁸⁰

Specifically the visibility of the TA partner is not very high. In official documents, the TA partners are often not mentioned. In the project in Mozambique, visibility has been an important point of discussion between the EU, DANIDA and Ireland. Ireland and the EU were hardly visible, however consensus has been reached on how to ensure more visibility of both partners. The TA partner in Timor-Leste was less visible.

5.2 TA/DA ratio (EQ-7)

Main question to be answered

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?

Response

This case study focuses on the Transfer Agreements. This question is thus answered by looking at explanations why the number of TAs for the GCCA has not been higher. It was

¹⁷⁹ Evaluation of the GCCA, Final Report, April 2015, Volume 2, Annex 9.

¹⁸⁰ Evaluation of the GCCA, Final Report, April 2015, p. 25.

found that the reluctance of EU MS to contribute (more) to the GCCA was caused by (i) not willing to contribute more funds to the EU on top of the general contribution to the EU budget, (ii) the limited formal influence of EU MS in the GCCA (no voting mechanism, no panel) and (iii) the political and financial climate in the EU MS in general. This was reinforced by the lack of an obvious comparative advantage of the EU, and the fact that the GCCA had sufficient funding from the EU budget and the EDF for the first few years (in view of its implementation capacity).

Clarifications and explanations

Various interviewees and documents expressed that the number of actual contributions of the Member States to the GCCA have been disappointing. It was noted that the EU MS initially reacted positively on the initiative, but that this never materialised in (additional) Transfer Agreements.

The global GCCA Evaluation distributed a questionnaire to the Member States. It was found that particularly the newer Member States without a long history of development cooperation and with limited financial means were more inclined to pool their limited funds in the GCCA; while this was less the case with the MS with a long history of involvement in development aid related to climate change. It was noted that these last mentioned MS have the tendency to assume that they support the GCCA through their “contribution to the EU budget in general and the EDF in particular”, while they prefer providing the bulk of their climate-related to other funds and initiatives.¹⁸¹ These initiatives include their own programmes, i.e. the UK government established the International Climate Fund. The evaluators of the GCCA concluded on the basis of the questionnaire results that there is a certain lack of interest on the level of the EU MS, which calls for the EU to undertake high level lobbying efforts to raise the profile and the importance of the GCCA.¹⁸²

The questionnaire of the global GCCA evaluation, combined with the findings from conducted interviews for this case study, identified a couple of explanations why EU MS signed so few GCCA TAs. First, some EU MS were/are reluctant to contribute more funds to the EU next to their contributions to the general EU budget and the EDF. Second, EU MS preferred to support a climate change initiative where they had a more formal say in the management and steering of the initiative. The silent partner position was not attractive to large donors. Third, decisions on which climate change initiative to support depend on the political climate and personal preferences of persons (politicians) in charge. Lastly, the willingness and ability of EU MS to contribute to the GCCA has decreased since the global financial crisis.

An additional factor has been the perception that the EU does not have a clear comparative advantage as regards climate change issues. As explained in section 3.6, the role of the EU as ‘global’ or even ‘European’ coordinator as regards climate change has not (yet) materialised. In other TA cases, even the larger EU MS are usually willing to sign a TA when there the EU has a clear comparative advantage and when there is a clear leading role to play for the EU.

Lastly, it appeared that the funds being available from the general EU budget and the EDF were sufficient for the first couple of years, in view of the implementation capacity of the relatively small team responsible for the management of the GCCA. Moreover, contacts between the EU MS and the GCCA managers were not very intense and there has not been a string lobby to mobilise more funds at the level of the EU MS. While there were annual GCCA meetings and informal contacts between the GCCA secretariat and

¹⁸¹ Evaluation of the GCCA, Final Report, April 2015, Volume 2, Annex 9.

¹⁸² Ibidem.

individual staff from MS, the MS were not closely involved in monitoring and steering the GGCA initiative in general and/or the TA funded programmes in particular.

5.3 Assessment of DC proposals (EQ-8)

Main question to be answered

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

Response

Not much information could be retrieved on the decision-making process as regards approving the GCCA TAs. It appeared that the TAs have been used in a pragmatic manner. The DC modality had been introduced late 2007, just after the establishment of the GCCA. Thus, at that time there was hardly any experience with using the TA modality. Moreover, the circumstances of using the TA modality for funding the GCCA were different from other use of TAs, where donors commit funds to a specific project instead of to a thematic initiative, of which the to be funded projects are not necessarily identified beforehand. It is understandable that not much time has been spent on justifying the acceptance of the TA contributions, as the EU was the “requesting party” and was pleased to receive contributions from EU MS. At the side of the TA partners, political motivations, honouring the commitments made to contribute to Fast Start Funding, and the possibility to disburse quickly, seemed to have been the main motivations to opt for a relatively easy transfer of funds to the EU on the basis of a TA.

Clarifications and explanations

This GCCA case study revealed that the motivations of the TA partners to sign a GCCA TA differed. The TAs of Sweden and Czech Republic were signed in the first year of the existence of this initiative, in 2008. The main motivation of Sweden to conclude a TA was to demonstrate its commitment to pursue the goals of the Paris Declaration also in the field of climate change. The TA should be interpreted as support for more EU leadership in the field of climate change through the GCCA as well as support for the newly introduced DC modality. For Czech Republic, one of the reasons was also politically connoted, e.g. to profile the Czech Republic in the light of its upcoming EU presidency in the first half of 2009. A larger contribution was intended to be made, but did not materialize in the end. Because of the small size of the Czech contribution, no formal TA was signed but an exchange of letters confirmed the agreement.

The other funds were committed from 2010 onwards, in the context of the Fast Start Finance (FSF) commitments. It turns out that all GCCA TA funds obtained from Ireland, Cyprus and Estonia were FSF funds – these countries thus decided to channel their funding through the GCCA to fulfil their obligations. The first Irish TA of € 23 million was signed at the end of 2010, when it turned out that the Irish Climate Change Department still had funds available, which could be used to adhere to the Irish commitments as regards contributing to Fast Start Funding. Apart from these pragmatic considerations, Ireland saw also other advantages of channelling the funds via the GCCA, such as the focus of GCCA on SIDS and LDCs, the possibility of directing the funds towards the key partner countries of Ireland, and a common EU approach. However, the direct reason was related to the Irish FSF pledges that needed to be committed within three years. The GCCA offered the opportunity to quickly spend these funds on climate change – so that Ireland fulfilled its promises made in Copenhagen. In 2011, Ireland made another € 10

million available for climate change, of which towards the end of 2011 € 8 million was again transferred to the GCCA, for the same reasons as mentioned above.

Little information has been found in the internal EU documents uploaded in CRIS¹⁸³ on the motivations of the EU and the TA partner to conclude a TA. No TA Assessment Fiches could be retrieved. Possibly no elaborate assessments were done, as the EU had repeatedly asked MS for contributions and was in the end happy to receive them. It must be emphasised that at that time - at the start of the GCCA - Delegated Cooperation had just been introduced as an implementation modality. The GCCA was looking for funding from the EU MS and this new instrument, the Transfer Agreement, was found to be the operational method to collect these funds. Other forms were not yet possible: the 'EU Trust Fund' or blending facilities had not yet been introduced. Other forms of receiving support from MS were not possible at that time in view of the Financial Regulations. DC was the only opportunity to accept EU MS contributions. At the time of the first TA, little was known on the procedures of this instrument.

The presentation of DEVCO on the State of Play of Delegated Cooperation (2011) cites as main "constraint" the need to anticipate a Transfer Agreement at an early stage, because it has to be taken into account in the Financing Decision of the EU and the related Action Fiche.¹⁸⁴ This was especially difficult for the GCCA, because the specific projects to be supported with the TA funds had not always been identified yet. Although TA partners listed their priority countries, the actual project to be supported still needed to be formulated. This led to a pragmatic use of the TA contract.

5.4 Implementation of DC agreements (EQ-9)

Main question to be answered

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

Response

The quality of cooperation between the EU and the TA partner has been satisfactory on both sides, although reporting could be improved. Most problems were associated with the efficiency and effectiveness of the implementation of the TA funded GCCA projects – especially in cases where the set-up of the project was complex, for example in cases where the EU delegated the funds to an international organisation via a Contribution Agreement or to an EU MS implementing agency via a Delegation Agreement. While for the TA partners the 'silent partner status' has not been a significant issue, it might have influenced other potential TA partners to abstain from contributing to the GCCA.

Clarifications and explanations

Communication between the TA partners and the EU was perceived as good by the partners. The TA partners had formally a 'silent' role, but were informally consulted during the formulation and implementation of the project. Their involvement differed per country. In Timor-Leste, no trace of the Irish involvement was found. In Mozambique, Ireland was recognized as a co-financier and was together with the EU and DANIDA involved in outreach activities of the project. Ireland described the TA as a 'win-win opportunity', as it

¹⁸³ EU information system.

¹⁸⁴ Lionel Atlan, EuropeAid/02, Delegated cooperation: State of Play (PPT presentation, 13 December 2011).

was able to support the DANIDA-programme and at the same time got easy access to sector information to monitor the Performance Assessment Framework.

The ‘silent’ role of the TA partners was not seem to have influenced negatively the cooperation between the EU and the TA partner at the level of individual TA agreements. The TA partners were in general satisfied about the level of informal consultation. However some remarks were made with regard to the quality of reporting. Furthermore, it was noted that the General and Specific Conditions of the TAs were much more lenient than those of the DAs.

Most problems were related to the implementation of the GCCA projects, notably in cases where the EU delegated implementation to a MS or an international organisation. The global GCCA Evaluation pointed out that the efficiency of implementation of the GCCA projects was often hampered by complex institutional and implementation arrangements. The use of local systems has sometimes caused further delays in the start-up phase of the programmes. This is partly due to the approach of the GCCA to add funds to existing projects. It was noted that especially in cases where several donors and/or implementing agencies were involved, institutional or management problems emerged: “The roles of each of the partners are often not clearly defined and still need to be agreed upon. Financing arrangements as well as accountability and reporting requirements of donors and implementing agencies often differ, despite adherence to the principles of the Paris Declaration.”¹⁸⁵ The global GCCA Evaluation refers to an example in Nepal, where implementation was done via a Delegation Agreement with DFID. It was noted that in that case the use of EU funds for Calls for Proposals was constrained by the EU requirements for such Calls, which differ from DFID/UK requirements. Similar issues were noted in Mozambique.

One of the lessons learned was: “Despite common adherence to principles of the Paris Declaration, EU-based donor requirements still require further alignment to make delegated management work properly”.¹⁸⁶ Implementation challenges were most obvious in the above mentioned Nepal project (implemented by DFID), and the Benin project – which was implemented through a Contribution Agreement with UNDP. Specifically for the DAs, the global GCCA Evaluation suggested that delegating the management to DFID added one more administrative layer.¹⁸⁷ Later on, it is again noted that in the case of Delegation Agreements, the reduction of oversight and control by the EU Delegations was experienced as an ‘obstacle to progress’.¹⁸⁸

These implementation problems put at times the communication between the EU and the TA partner to test. The GCCA management at EU HQ had to inform the TA partner, but was dependent on information to be obtained from the EU Delegation, which in turn was waiting for information from the DA partner. This chain of information with various ‘transmission station’ impacts on the timeliness and sometimes also on the quality of information finally provided to the TA partner.

All in all, involvement of the TA partner in the implementation of TA funded projects was limited. While this has not been a significant issue for the TA partners, it might have influenced other potential TA partners to abstain from contributing to the GCCA. The absence of a Steering Committee or a platform where the TA partners were represented, or any other form of formal involvement of the TA partner, was particularly not attractive to

¹⁸⁵ Evaluation of the GCCA, Final Report, April 2015, p.19.

¹⁸⁶ Ibidem.

¹⁸⁷ Ibidem, p.20.

¹⁸⁸ Ibidem, p. 21.

the larger EU MS. The set-up of the GCCA did not provide for significant EU MS involvement. This made the GCCA less interesting to EU MS than other climate change initiatives.

6 Conclusions

The results of the GCCA TAs on the outputs and outcomes of Delegated Cooperation have been mixed. While some of the TAs funded projects which promoted aid effectiveness, the contribution of the TAs themselves to promoting that effectiveness was very limited. The objectives of GCCA being a thematic programme and the objectives of Delegated Cooperation being an implementation modality specifically set up to promote in-country division of labour among donors, were not always complementary. The TA modality did offer certain operational advantages to a thematic initiative like the GCCA; but the lack of strategic involvement of TA partners in the GCCA may have been a reason for some EU MS to abstain from contributing.

Results at the output-level varied from little effect to positive results. A distinction can be made between the contribution of the TA to individual projects, and to the GCCA as a whole.

The TAs had little impact on the **inter-sectoral division of labour**. Often climate change was not a specific focal sector in the country for which the EU received a TA. It was found that this intended output of Delegated Cooperation was less applicable to the use of TAs in a global initiative. For example, the DC guideline that TAs should only be signed for projects in the EU's focal sectors was difficult to apply in case of a thematic programme such as the GCCA.

Mixed results were found as regards the effects of the GCCA TAs on improving the **use of single management systems**, the **use of comparative advantages**, and the **reduction of the number of donors**, as these effects were very much dependent on the way the EU chose to implement the project. The EU Delegation decided how the intervention would be organised, and it varied per project what effects this had on these three outputs. On the level of the GCCA, the TAs encouraged the use of one management system by the TA partners and the EU, which can be seen as positive. The connection between a GCCA TA and promoting the use of comparative advantages is less clear. The EU did not manifest itself as a strong global player in climate change initiatives.

Results also varied greatly as regards the effects of GCCA TAs per country for **larger programmes** and **co-financing**. In some countries, the TA contributed to setting up a larger, multi-donor programme, but in other cases, it was solely – even without EU contribution – financing a stand-alone, relatively small intervention. On the level of the GCCA, the TAs contributed to co-financing and enlarging the GCCA initiative, as the additional resources were used to set up GCCA activities in countries not yet covered. The funds thus enabled the GCCA to broaden its scope.

A positive result was found as regards the effect of GCCA TAs on **improved donor coordination and harmonisation** and **intra-sectoral division of labour** in the projects. The GCCA interventions were well-coordinated and the case studies in Mozambique and Timor Leste demonstrated how the projects accommodated the intra-sectoral division of work between donors. The anticipated effect on the global level to establish a more leading role for the EU to improve donor coordination and division of labour in the climate change sector did not materialise. Although the TAs gave support to this aim, the contributions were simply too limited in size to make a significant difference – especially because donor support in general is quite fragmented in climate change and coordination is not optimal.

The above mentioned varying results on output-level are reflected in also mixed results on the level of the DC outcomes.

The degree of the **reduction of transaction costs** was different per project – a positive effect of GCCA TAs on reducing transaction costs was found for the TAs that were co-financed, contributed to a larger programme and were managed via a single system. The weak relation between the GCCA TAs and inter-sectoral division of labour was at times costly: when the GCCA TA funds were not delegated to an EU focal sector, the EU had to find another partner better positioned to implement the project, which was a time-consuming exercise. However, one factor that reduced transaction costs of all TA-funded projects was the simplicity of the TA procedure. The low efforts involved in transferring funds to the EU saved costs at the level of the TA partners and the EU. Compared to other funding channels.

No relationship was found between **increased ownership** of the partner country and the use of DC. The level of ownership is heavily dependent on the country context and the implementation modality used. No general conclusions could be drawn as regards this envisaged DC outcome.

In line with the positive in-country effects of GCCA TAs on donor coordination and intra-sectoral division of labour and the use of comparative advantages, the TAs did also contribute to a **strengthened complementarity and increased added value** of the EU on the level of individual projects. As the EU is not recognised as having a clear comparative advantage in climate change and because donor coordination is difficult in this sector, an increased added value of the EU and the TA-partners at the overall level of climate change adaptation and mitigation was not realised.

Reduction of aid fragmentation was positively influenced in particular at country-level, especially in the cases where the project consisted of a larger, multi-donor funded intervention. The lack of coordination as regards climate change activities, combined with the limited size of the TAs, explain why the TAs had little effect on reducing aid fragmentation in climate change in general. While the TA partners attempted to contribute to this objective by transferring funds to the EU, the amounts remained too small to make a difference.

Strengthening alignment proved to be very country-specific and dependent on both the aid modality and the implementation modality used. It is therefore difficult to make any judgment about the contribution of the TAs to strengthening alignment.

Overall, many differences existed between the outputs and outcomes across the various TA funded projects. This is mainly explained by the fact that – in various cases - the objectives of the GCCA do not really match with the objectives of Delegated Cooperation. Whereas DC was developed to promote in-country division of labour, increased use of comparative advantages, co-financing, and setting up larger programmes, the GCCA intended to support a large number of Least Developed Countries and Small Island States to adapt to climate changes. Therefore, the TAs of the GCCA were in almost half of the cases used to fund a single intervention in a country where the GCCA was not yet funding a project, rather than contributing to a larger, co-funded programme. The GCCA preferred having smaller projects in many countries, instead of having a couple of large ones in a few countries. Also, the condition that the EU should have a comparative advantage in managing climate change activities, or the need to have a match with the focal sectors, were not part of the GCCA strategy to intervene in certain countries. After all, the EU preferred to have a more coordinating role, which included delegating aid in-country to the best-placed party. As a result, it is not surprising that the TAs vary greatly in having effects on certain DC outputs and outcomes – as achieving (some of) those effects was never the intention of the GCCA.

Whereas on a strategic level, DC turned out to be not the ideal modality for thematic, cross-country initiatives (as the DC modality was designed for in-country, cross- and intra-sectoral division of labour), on an operational level, the TAs offered certain advantages to

the GCCA managers. The TA was used in a pragmatic way, enabling the GCCA to accept funds from the EU MS. The procedure was relatively light for both parties. Although the TA partners were formally 'silent partners', informally they were regularly informed, which led to good and satisfactory cooperation. Visibility was low for the TA partners, but that was not a major concern to them.

At the same time, the low-profile and low level of influence of the TA partners on how the TA funds were allocated and managed have most probably been two key reasons why a couple of larger EU MS did not contribute funds to the GCCA. Initially the EU described the GCCA as a "joint GCCA financing mechanism managed by the Commission and governed in such a way as to reflect the participation of the Commission and the Member States". As no joint financing mechanism has been set up, Delegated Cooperation was used as a vehicle for channelling contributions from the Member States to the GCCA. Under the Financial Regulations of the EU, the Transfer Agreement was the only option to let EU MS contribute to the GCCA. As the TA funds were added to the EU budget as 'assigned revenues', no real joint fund and/or joint financing mechanism was put in place. The role of the EU MS remained limited to being informed and consulted informally about the use of the TA funds. This has been a reason for a number of MS to refrain from contributing to the GCCA. Although the TAs proved to be a fairly easy procedure for EU MS to quickly channel funds to the GCCA, and as such had an operational added value, a more elaborated mechanism offering more room for influence to the EU MS, could have been more effective to set up a truly EU MS initiative.

Annex A. List of people interviewed

- Tanith Bello, DEVCO C6, GCCA+ Programme and Support Facility Manager).
- Sophie de Coninck, former Policy Officer - Global Climate Change Alliance (GCCA), Unit DEVCO C2 - Climate Change, Environment, Natural Resources, Water (now Programme Manager Climate Finance and Local Development, United Nations Capital Development Fund).
- Etienne Coyette, DEVCO C6, Climate Change Adaptation Focal Point and GCCA+ programme manager.
- Erik Illes, Senior Policy Specialist, EU Coordinator, Swedish International Development Cooperation Agency.
- Walter Kennes, former Head of Sector for Environment and Natural Resources, DG Development and Cooperation (now retired).
- Colin O’Hehir, Department of Environment, Community and Local Government Ireland.

Annex B. List of documents consulted

Global Climate Change Alliance (GCCA) support programme to Timor-Leste

- Atlan, Lionel, EuropeAid/02, Delegated cooperation: State of Play (PPT presentation, 13 December 2011).
- Colebourn, Elizabeth, A study on the Global Climate Change Alliance (GCCA), EDCSP, March 2011.
- GCCA website, <http://www.gcca.eu>.
- Evaluation of the Global Climate Change Alliance (GCCA) Global Programme world-wide, Final Report, revised version, April 2015.
- European Commission (EC), Communication from the Commission to the Council and the European Parliament, Building a Global Climate Change Alliance between the European Union and poor developing countries most vulnerable to climate change, 18 September 2007.
- European Commission (EC), Commission Staff Working Document: Implementation Framework of the Global Climate Change Alliance (GCCA), 18 July 2008.
- European Court of Auditors, EU climate finance in the context of external aid, Special Report no. 17, 2013.
- Renier, Paul, Overview of the GCCA (powerpoint presentation), Deputy Head of Unit DEVCO C2 Environment, Climate Change, Natural Resources and Water (2013).
- The Plus of GCCA +, concept note, Ref. Ares(2015)5956167 - 18/12/2015.
- Thematic evaluation of the EU support to environment and climate change in third countries (2007-2013), Final Report Volume 1 – Main Report, September 2015.

World Resources Institute, Fast Start Finance Contributions,

<http://www.wri.org/resources/data-sets/fast-start-finance-contributions>.

Global Climate Change Alliance (GCCA) support programme to Timor-Leste (TA 23-745)

- Identification Fiche;
- Action Fiche;
- Financing Agreement + Annexes;
- Delegation Agreement + Annexes;
- DA Assessment Fiche;
- Inception Report (2014);
- Finance Report (2014-2015);
- Midterm Report for EU (Jan-Jun 2015);
- CICAL RDP IV progress report 2015;
- Transfer Agreement Ireland.

Support Project to the Government of Mozambique for the Mainstreaming of Climate Change into Policies and Strategies and to Adapt to Climate Change Impact / Environment Sector Programme Support II (2011-2016) – ESPS II (TA 22-341)

- Identification Fiche;
- Action Fiche;
- Financing Agreement + Annexes;
- Delegation Agreement + Annexes;
- Transfer Agreement + Annex;
- DA Assessment Fiche;
- Audit Report 2011;
- Mid-term Review (MTR), October-November 2013;
- Review, April 2015.

GCCA - Global Climate Change Alliance - Contribution to Tanzania (TA 21-477)

- Identification Fiche;
- Financing Agreement + Annexes;
- Transfer Agreement;
- ROM reports (2011, 2013) for "Resilient Landscapes for Resilient Communities" grant contract;
- ROM reports (2011, 2012) for "Chololo Ecovillage - Empowering Vulnerable Rural Communities to Adapt and Mitigate the Impacts of Climate Change in Central Tanzania";
- ROM Report (2012) for "Enhancing climate change adaptation and mitigation capacities of vulnerable communities in eco-villages of different ecosystems of the Uluguru Mountains".

Global Climate Change Alliance (GCCA) Support Facility (TA 19-960)

- Action Fiche;
- Documentation of tendering procedure for the consultancy that could provide the support facility.

Global Climate Change Alliance – Cambodia (TA 21-476)

- Action Fiche;
- Transfer Agreement;
- ROM report 2010;
- Mid Term Review 2012.

Building Climate Resilience in Nepal - Support to Government of Nepal to respond to climate change (TA 22-504)

- Action Fiche;
- Financing Agreement & Annexes;
- Transfer Agreement;
- Delegation Agreement + DA Assessment Fiche;
- ROM report 2012;
- Case Study Nepal, Global Evaluation of the GCCA, April 2012.

Global Climate Change Alliance (GCCA) in the Lower Mekong Basin (TA 23-089)

- Identification Fiche;
- Action Fiche;
- General TA of Ireland.

Global Climate Change Alliance: Adaptation to climate change in Uganda (TA 23-189)

- Identification Fiche;
- Action Fiche;
- General TA of Ireland.

Reduction of Emission from Deforestation and forest degradation (REDD+) and capacity building in Sierra Leone (TA 23-261)

- Identification Fiche;
- Action Fiche;
- Financing Agreement & Annexes;
- General TA of Ireland.

Global Climate Change Alliance - Climate Change Adaptation in the Renewable Natural Resources Sector (Bhutan) (TA 22-962)

- Identification Fiche;
- Action Fiche;
- Financing Agreement Annex 2 (TAPS);
- Transfer Agreement & Annex;
- Inception Report Technical Advisor;
- Case Study Bhutan, Global Evaluation of the GCCA, April 2015.

Global Climate Change Alliance - Response Strategy - Kingdom of Lesotho (TA 23-850)

- Identification Fiche;
- Action Fiche;
- Financing Agreement & Annexes.

Global Climate Change Alliance (GCCA) Project on Climate Change Adaptation (CCA) and Sustainable Land Management (SLM) in the Eastern Caribbean (TA 24-114)

- Action Fiche;
- Financing Agreement & Annexes;
- Summary Interim Implementation Report, Q2 (April - June 2014).

4.11 Questionnaire

List of abbreviations

DA	Delegation Agreement
DC	Delegated Cooperation
EDF	European Development Fund
EQs	Evaluation Questions
EU	European Union
EUD	EU Delegation
GCCA	Global Climate Change Alliance
IFI	International Financial Institution
IO	International Organisation
MS	Member States
NAO	National Authorising Officer
TA	Transfer Agreement
TAO	Territorial Authorising Officer

1 Introduction

Objective

The purpose of the questionnaire was to collect information and views relevant for answering some of the outputs and Evaluation Questions (EQs) from a broader range of EU Delegations (EUDs) than just the EUDs situated in the case study countries (where face-to-face interviews could be held). Moreover the filled-in questionnaires of the nine case study countries served as a starting point for the in-depth interviews with staff from the EUDs during the field missions.

The questionnaire

Use was made of a country level questionnaire, i.e. focussing on Delegation Agreements (DAs) and Transfer Agreements (TAs) in specific countries, managed by the EUD in that country. The EUDs were requested to submit one questionnaire per Delegation. As in many cases not one single EUD staff member has been managing all DAs and TAs being under the responsibility of a particular EUD, filling in the questionnaire was meant to be a joint undertaking of those being involved in managing and/or monitoring the DAs and TAs.

Content of the questionnaire

The questionnaire first asked to indicate the country of the EU Delegation, and to validate the list of DAs and TAs attached to the e-mail message. After these general questions, the survey was structured as follows:

- A: Decision-making process:** 7 questions with regard to the decision-making process of Delegated Cooperation.
- B: Implementation process:** 2 questions about the practical implementation of DC agreements.
- C: Direct results (outputs) of Delegated Cooperation:** 12 questions on the intended outputs of DC.
- D: Outcomes of Delegated Cooperation:** 10 questions on the contribution of DC to achieving a number of aid effectiveness objectives.
- E: Impact of Delegated Cooperation:** 1 overarching question about the contribution of DC towards improved efficiency and effectiveness of aid delivery by the EU.
- F: The future of Delegated Cooperation:** 2 questions asking views on the future of this aid modality.

At the end, final remarks could be made.

Coverage

Out of a total of 61 EUDs which managed Delegated Cooperation (DC) contracts, it was decided to invite the EUDs which dealt with two or more DC agreements or were part of a case study. As a result, the country level questionnaire has been sent to 46 EUDs, of which 35 have actually filled in the questionnaire (76% response rate), namely the EUDs in Angola, Benin, Bhutan, Burundi, Cambodia, Democratic Republic of the Congo, Egypt, Ethiopia, Fiji, Ghana, Guinea (Conakry), Guyana, Haiti, Honduras, Jordan, Kenya, Lesotho, Madagascar, Mali, Mauritius, Moldova, Mozambique, Namibia, Nepal, Nicaragua, Niger, Nigeria, Palestine, Rwanda, Senegal, Tanzania, Timor Leste, Tunisia, Uganda, and Vietnam.

The 35 EUDs which filled in the questionnaire were/are managing 108 DAs and 44 TAs, which is respectively 66% and 81% of the total portfolio. In the first part of the questionnaire, the EUDs were asked to review this original list and correct it for DAs

and/or TAs where they were also or not responsible for. This led to the following adaptations of the coverage:

- The EUD in Nicaragua forwarded the questionnaire to the EUD in Honduras, which was responsible for 2 of the 8 DAs listed for Nicaragua;
- 6 EUDs listed additional contracts as being 'also responsible for'. It turned out that these contracts were rightly excluded from this evaluation, because they were signed after 2014 (Honduras), or were funded from a facility outside the scope of this evaluation (Egypt, Haiti and Cambodia), or were Contribution Agreements (Tunisia) or agreements with a national institute (Rwanda);
- The EUD in Guyana noted a DA contract for which it was no longer responsible since 2015;
- 3 additional DA contracts were mentioned by 3 EUDs (Jordan, Uganda and Haiti), for which it could not be determined immediately why these are not in the portfolio list;
- 1 EUD (Ethiopia) noted that 1 DA was cancelled;
- 3 EUDs (Timor Leste, Burundi and Cambodia) noted that they had no or limited knowledge of the Transfer Agreements.

The analyses of the completed questionnaires presented in the following sections are strictly factual. Interpretations of the questionnaire results will be presented in the final Synthesis Report of this evaluation in the sections dealing with the subjects and questions concerned.

2 Decision making process

The following 7 questions referred to the process of preparing and taking decisions as regards whether or not to conclude new DAs and TAs.

Question 1 dealt with the motivations of entering into a Delegation Agreement (and was posed only to EUDs with one or more DAs); question 2 with the motivations for concluding a Transfer Agreement (and was posed only to EUDs with one or more TAs). Question 3 inquired whether or not the EUD ever abstained from concluding a DA or TA – if so, question 4 and 5 posed further questions about the reasons for not concluding a DA respectively TA. Question 6 asked about the clarity and quality of the guidance notes and instructions to prepare a DC agreement and question 7 explored the reasons why there is an imbalance between the number and amount of DAs and TAs.





1. What were the main motivations of the EUD to prepare and conclude (a) Delegation Agreement(s)?

Please indicate to what extent the following motivations were considered:

(Each respondent could choose only ONE response per sub-question.)

(Question was ONLY posed to EUDs with at least one Delegation Agreement)

a. DA(s) was/were used as an instrument to phase out the EU support to a non-focal sector

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	1						3
Secondary consideration	1						3
Not really an issue	28						85
Don't know	3						9
Total respondents: 33 Skipped question: 2							

b. DA(s) would improve the division of labour among donors within a sector

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	8						24
Secondary consideration	16						48
Not really an issue	9						27
Don't know	0						0
Total respondents: 33 Skipped question: 2							

c. The DC partner (implementing the DA and managing the funds) had/has a clear comparative advantage to manage the DA-funded project(s) / programme(s)

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	25						76
Secondary consideration	6						18
Not really an issue	1						3
Don't know	1						3
Total respondents: 33 Skipped question: 2							

d. The DA modality would enable pooling of funds (joint co-financing), which would otherwise have been spent on separate interventions

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	13						39
Secondary consideration	5						15
Not really an issue	12						36
Don't know	3						9
Total respondents: 33 Skipped question: 2							

e. The DA modality would help to create a project or programme with a larger scope and budget than would have been possible with separate interventions

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	15						45
Secondary consideration	10						30
Not really an issue	7						21
Don't know	1						3
Total respondents: 33 Skipped question: 2							

f. The DA modality would make it possible to save costs by using common procedures

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	3						9
Secondary consideration	13						39
Not really an issue	13						39
Don't know	4						12
Total respondents: 33 Skipped question: 2							

g. The DA modality would reduce the EUD's workload

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	6						18
Secondary consideration	16						48
Not really an issue	11						33
Don't know	0						0
Total respondents: 33 Skipped question: 2							

h. The DA modality would strengthen the relations between the EU and its Member States

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	10						30
Secondary consideration	19						58
Not really an issue	3						9
Don't know	1						3
Total respondents: 33 Skipped question: 2							

i. The partner country preferred the DA modality

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	0						0
2 Secondary consideration	3						9
3 Not really an issue	21						64
4 Don't know	9						27
Total respondents: 33 Skipped questions: 2							

If applicable, please indicate other motivations:

- Encouraging IFI to intervene in new sectors taking into account socio-economic context.
 - Create leverage
 - Ensure additionality.
- Utilize experience and competencies of member states' development experience.
- With DC the visibility of EU is greater than using International Organisations (IOs) as implementing partners. Because of many implementing organisations having in the last years scaled down their interventions or pulled out of the country, an important part of the portfolio managed by the delegation is implemented by a few IOs, most of them UN organisations. Many projects implemented by UN shared the same constraints: weak management, poor reporting, long delays in submission of reports, low execution and implementation delays.
- Pression politique très forte de la part de la FR pour avoir des fonds complémentaires à ceux dont ils disposaient en matière de soutien à la production agricole en ce qui concerne les programmes 309378 et 212743.
- The decisions to recourse to Delegation Agreements in Seychelles (UNDP implementing of flood control activities on the island of La Digue) and in the Terres Australes et Antarctiques Françaises (TAAF) (for marine conservation) rest on the fact

that the UNDP and the TAAF have respectively the necessary expertise and experiences in these domains and consequently offered a considerable comparative advantage, which will lead to higher efficiency in resources mobilisation and utilisations.

- Preference to work with an EU MS agency rather than an UN agency.
- A Drought emergency that required the Delegation to contract quickly with experimented organisation KfW water programme: the ACP-EU water facility was only for pooled funding, which meant no other option than a DA (predefined).
- In the DA with AusAID (322460), the main reason was the suspension of Fiji bilateral cooperation under article 96 of Cotonou Partnership Agreement due to a coup d'état. It was a political decision to sign a DA with AusAID. In addition it was also part of larger trade-off, as Australia was keen to delegate its cooperation in Africa to the EU.

Other comments, including possible differences between individual DAs:

- We had one DA with a Rwandan institution, for the creation of a national fund for water and sanitation; and another one with a development agency of a Member State, namely Belgium. Interesting to compare both!
- Concernant la DA 283071 (PARAQ), au-delà de la pression politique, l'opération est sans doute plus rationnelle car il existe des complémentarités très fortes entre les différentes composantes des projets. Le point faible est que l'opération a été accordée très rapidement ce qui a amenée par la suite à devoir la revoir entièrement pour avoir un document de projet plus clair et complet.
- Difficult to give consolidated judgements, since the DA with AFD was chosen to make blending happen through the use of the Asian Investment Facility (AIF) as the most straightforward means of contracting: above answers mostly apply to DA with GIZ; this comment applies throughout the questionnaire. Some more details on the blending DA below: DA under AIF with AFD helped to strengthen the effectiveness of the loan through Technical Assistance. We would not have been involved in rural electrification or rural water supply without this programme, in all likelihood. Although we are not very active in the sector, it has not reduced the number of donors and not reduced the workload for the Delegation. EU visibility is low; partners who are implementing the Technical Assistance do not understand the EU role, let alone the Government of Cambodia or Electricité du Cambodge, the main Government partner.





2. What were the main motivations of the EUD to prepare and conclude (a) Transfer Agreement(s)?

Please indicate to what extent the following motivations were considered:





(Each respondent could choose only ONE response per sub-question.)

(Question was ONLY posed to EUDs with at least one Transfer Agreement)





a. The TA-funded project(s) would strengthen the EU support to one of its focal sectors

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	8						44
2 Secondary consideration	5						28
3 Not really an issue	2						11
4 Don't know	3						17
Total respondents: 18 Skipped question: 17							

b. The EU has a clear comparative advantage to provide (additional) support to the TA-funded project(s) / programme(s)

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	8						44
2 Secondary consideration	1						6
3 Not really an issue	3						17
4 Don't know	6						33
Total respondents: 18 Skipped question: 17							

c. The TA modality would enable pooling of funds (joint co-financing), which would otherwise have been spent on separate interventions

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	9						50
2 Secondary consideration	4						22
3 Not really an issue	1						6
4 Don't know	4						22
Total respondents: 18 Skipped question: 17							

d. The TA modality would create a programme with a larger budget and scope than would have been possible with separate interventions

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	8						44
2 Secondary consideration	5						28
3 Not really an issue	2						11
4 Don't know	3						17
Total respondents: 18 Skipped question: 17							




e. The TA modality would make it possible to save costs by using common procedures

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	3						17
2 Secondary consideration	5						28
3 Not really an issue	7						39
4 Don't know	3						17
Total respondents: 18 Skipped question: 17							

f. The TA modality would strengthen the relations between the EU and its Member States

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	3						17
2 Secondary consideration	7						39
3 Not really an issue	5						28
4 Don't know	3						17
Total respondents: 18 Skipped question: 17							

g. The Partner Country preferred the TA modality

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Main motivation	0						0
2 Secondary consideration	3						17
3 Not really an issue	8						44
4 Don't know	7						39
Total respondents: 18 Skipped question: 17							




If applicable, please indicate other motivations:

- A contribution of 3 million euros was planned to be committed by Belgium. Since the Justice, Rule of Law and Order (JRLO) sector was not maintained as a priority sector for Belgian Development Cooperation in Rwanda as defined in the division of labour agreement with MINECOFIN, the contribution had to be disbursed in silent partnership through delegated cooperation with the Netherlands. However, in 2012 the Netherlands suspended their sector budget support in response to UN report on the violation of the embargo on supplying arms to the Democratic Republic of the Congo (DRC). The EC was the only other donor providing budget support to JRLO, therefore a transfer agreement was established allowing the rechanneling of the available Belgian sector budget support to JRLO in silent partnership through the EU.
- The staff in charge was not there at the time of the identification.

3. Have there been cases that the EUD decided to abstain from preparing a DC agreement or that a DC preparation process was aborted?

(Each respondent could choose only ONE response per sub-question.)

a. Did that happen in case of a DA?

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Yes	5						14
2 No	24						69
3 Don't know	6						17
Total respondents: 35 Skipped question: 0							

If yes, in how many cases:

- One
- Once
- 1
- Agreements with GIZ

b. Did that happen in case of a TA?

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Yes	1						3
2 No	21						60
3 Don't know	13						37
Total respondents: 35 Skipped question: 0							

If yes, in how many cases:

- WB Procedures lead to some projects to be stopped

Comments:

- Je peux dire ce qui s'est passé ces derniers 4 ans. En tous les cas que je sache la DA/TA n'étaient pas possibles dans le passé.
- Successor programme to the DA with GIZ in question that was contracted as a grant for political reasons of periodic inappropriateness of further DAs with GIZ for considerations of reciprocity under previous Commissioner. From perspective of the programme and the sector the best would have been to conclude a successor DA with GIZ.
- We proposed several times that approach to MS agencies but they were not interested in these specific areas (infrastructure for justice, technical assistance for the Ministry of Environment).

4. Which reasons were at play when the EUD decided to abstain from preparing a DA or when a DA preparation process was aborted?

Please indicate if the following reasons influenced this decision:

(Each respondent could choose only ONE response per sub-question.)

(Question was ONLY posed to the EUDs that responded 'yes' to question 3a.)

a. Administrative and procedural constraints on the side of the EU

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	3						60
Secondary consideration	0						0
Not really an issue	2						40
Don't know	0						0
Total respondents: 5 Skipped question: 30							

b. Administrative and procedural constraints on the side of the DC partner

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	2						40
Secondary consideration	1						20
Not really an issue	1						20
Don't know	1						20
Total respondents: 5 Skipped question: 30							

c. The sector focus of the DC partner did not match with the project(s) / programme(s) the EU wanted to delegate

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	1						20
Secondary consideration	0						0
Not really an issue	3						60
Don't know	1						20
Total respondents: 5 Skipped question: 30							

d. Management constraints at the level of the DC partners

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	1						20
Secondary consideration	0						0
Not really an issue	3						60
Don't know	1						20
Total respondents: 5 Skipped question: 30							

e. No significant added value of transferring EU funds to a DC partner

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	1						20
Not really an issue	3						60
Don't know	1						20
Total respondents: 5 Skipped question: 30							



f. Budget constraints on the side of the EU

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	0						0
Not really an issue	4						80
Don't know	1						20
Total respondents: 5 Skipped question: 30							

g. Fear of loss of EU's visibility

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	1						20
Not really an issue	3						60
Don't know	1						20
Total respondents: 5 Skipped question: 30							

h. The envisaged DC partner had not undergone the Pillar Assessment

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	0						0
Not really an issue	4						80
Don't know	1						20
Total respondents: 5 Skipped question: 30							

If applicable, please indicate other reasons:

- Main motivation for the Slovak Cooperation case.

Other comments, including differences between individual cases of aborted DAs:

- The EU HQ refused at that time to go for DAs possibly because of reciprocity issues as explained under question 6.


5. Which reasons were at play when the EUD decided to abstain from preparing a TA or when a TA preparation process was aborted?

Please indicate if the following reasons influenced this decision:


(Each respondent could choose only ONE response per sub-question.)

(Question was ONLY posed to the EUDs that responded 'yes' to question 3b.)


a. Administrative and procedural constraints on the side of the EU

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	0						0
Not really an issue	1						100
Don't know	0						0
Total respondents: 1 Skipped question: 34							


b. Administrative and procedural constraints on the side of the DC partner

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	1						100
Secondary consideration	0						0
Not really an issue	0						0
Don't know	0						0
Total respondents: 1 Skipped question: 34							


c. The EU's sector focus did not match with the project(s) /programmes(s) for which other donors were willing to provide a TA

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	0						0
Not really an issue	1						100
Don't know	0						0
Total respondents: 1 Skipped question: 34							


d. Insufficient capacity at the level of the EUD to manage the additional funds

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	0						0
Not really an issue	1						100
Don't know	0						0
Total respondents: 1 Skipped question: 34							


e. No significant added value of having the EU to manage such a project or programme

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	0						0
Not really an issue	1						100
Don't know	0						0
Total respondents: 1 Skipped question: 34							

f. Budget constraints on the side of the DC partner

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	1						100
Not really an issue	0						0
Don't know	0						0
Total respondents: 1 Skipped question: 34							

g. Fear of loss of visibility for the DC partner

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Main motivation	0						0
Secondary consideration	0						0
Not really an issue	0						0
Don't know	1						100
Total respondents: 1 Skipped question: 34							

6. Are the guidance and instructions issued to the EUDs as regards preparing a DC agreement, clear and adequate?

Please indicate to what extent you agree with the following statements:

(Each respondent could choose only ONE response per sub-question.)

a. The guidance and instructions issued to the EUDs provide clear and adequate information on the objectives of a DC agreement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	3						9
Agree	20						57
Disagree	2						6
Strongly disagree	0						0
No opinion	10						29
Total respondents: 35 Skipped question: 0							

b. The guidance and instructions issued to the EUDs provide clear and adequate information on the preparation process of a DC agreement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	2						6
Agree	16						46
Disagree	4						11
Strongly disagree	2						6
No opinion	11						31
Total respondents: 35 Skipped question: 0							

c. The guidance and instructions issued as regards the preparation process of a DC agreement are appropriate and well applicable to the actual situation when preparing such an agreement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	11						31
Disagree	8						23
Strongly disagree	1						3
No opinion	14						40
Total respondents: 35 Skipped question: 0							

- d. The DA and TA assessment fiches cover all essential issues to be clarified and analysed when taking a decision on whether or not to conclude a DC agreement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	2						6
Agree	16						46
Disagree	3						9
Strongly disagree	0						0
No opinion	14						40
Total respondents: 35 Skipped question: 0							

- e. Clear instructions and guidance have been provided to the EUDs on how to complete the DA and TA assessment fiches

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	10						29
Disagree	9						26
Strongly disagree	1						3
No opinion	14						40
Total respondents: 35 Skipped question: 0							

f. The objectives of the signed DC agreements are well in line with the envisaged objectives as specified in the DC Guidance Notes and instructions

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	16						46
Disagree	1						3
Strongly disagree	1						3
No opinion	16						46
Total respondents: 35 Skipped question: 0							

Comments:

- I could not comment on some of the statements, as I was not involved in the preparation of DCs.
- Delegations have greatly been affected in 2015 by the preparation of the new PAGODA templates which have led to delays in the signature of new DAs.
- As additional funds were made available for Burundi, the question arose were to find a partner to manage a project in the land management sector. The preparation of the project involved all partners of the sector and GIZ were more indicated to manage the project taking into account its involvement in the sector.
- There are no comprehensive DA guidelines nor a comprehensive compilation of guidance notes. At times, different guidance notes appear to contradict each other. There is no complete set of templates to be used for the different steps of preparing and implementing a DA (budget table; reports...).
- People currently working in delegation have not been involved in the preparation of the transfer agreement (1) subject of this questionnaire and no other DC has been launched afterwards.
- These Delegation Agreements were drawn up many years ago, since then we have not had new ones and we therefore did not work with the guidelines concerned.
- The absence of predefined and transparent procedures guiding the selection process of partners (Member States) under Delegated Cooperation has been raising difficulties for the Delegation and its staff, especially in situations where there are several member states interested in the implementation of the programmes. The Delegation tries as much as possible to introduce competitive mechanisms in the selection process, but a standard approach should be adopted by the Commission services.
- Certaines questions sont à mon avis mal formulées dans la mesure où entre temps les guidances et les formulaires ont changes et le dernier accord que nous avons fait remonte à il y a 4 ans... donc difficile de donner des réponses vraiment pertinentes par rapport aux documents actuellement en vigueur même s'il est vrai que certains principes établis par l'OECD/DAC "Good practices" on delegated cooperation sont toujours valables.

- Strongly agreed in the case of the Environmental Sector. However, the experiences of the TA in the Education Sector could not be recalled as the Task Manager is no longer with the EUD.
- In the case of contribution agreements under the framework of the NIF guidelines and instructions could be highly improved since they relate to programmes adopted by the Headquarters which are afterwards transferred to Delegations to finalise the contracting procedures. The fact that all NIF contracts have to be standardised (for all EUDs and same donors) and that during the process EUDs, donors offices and both Headquarters (Commission and donor) can be involved at certain moment in the discussions makes difficult to understand who is in the lead at each moment and creates additional delays.
- Instructions at the time of the two relevant DAs not known to replying person.
- The ever changing rules and templates present a challenge.
- Please note that in the case of the Pacific ACPs, only GIZ is present as an active EU-MS development cooperation agency (AFD is only present in the French Overseas Countries and Territories).

7. What are the main reasons for having many more DAs than TAs?

Please indicate to what extent you agree with the following statements:

(Each respondent could choose only ONE response per sub-question.)

a. The EU is faced with more constraints to sign a TA than to sign a DA

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	3						9
Disagree	11						31
Strongly disagree	0						0
No opinion	20						57
Total respondents: 35 Skipped question: 0							

b. The DC partner is faced with more constraints to sign a TA than to sign a DA

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	2						6
Disagree	9						26
Strongly disagree	0						0
No opinion	23						66
Total respondents: 35 Skipped question: 0							

c. DAs are much more attractive to DC partners, because they increase their scope of activities

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	5						14
Agree	16						46
Disagree	3						9
Strongly disagree	0						0
No opinion	11						31
Total respondents: 35 Skipped question: 0							

d. EUDs aim for reducing their workload: thus more DAs and less TAs

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	5						14
Agree	9						26
Disagree	8						23
Strongly disagree	3						9
No opinion	10						29
Total respondents: 35 Skipped question: 0							

e. The EU has sufficient funds available for DAs, while DC partners are faced with a scarcity of funds making it difficult to finance (more) TAs

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	4						11
Agree	9						26
Disagree	8						23
Strongly disagree	1						3
No opinion	13						37
Total respondents: 35 Skipped question: 0							

If applicable, please indicate other reasons:

- In the countries under responsibility of the Delegation (Guyana, Suriname, Dutch OCTs, Trinidad) there are hardly European bilateral donors with cooperation programmes. Small interventions of the Dutch (SR but only CSO support), and English (in Guyana).
- We do not have TA to compare with but in any case, the Delegation is facing serious limitations in staff resources and could not consider TA.
- Les EM font parfois de fortes pressions politiques pour avoir (en retour) les fonds de l'UE.
- In the case of the Pacific, GIZ has committed substantial funding to the region.

Comments:

- Strange question....
- There exist no conditions/demand to do TA in Egypt.
- EUDs in some cases are forced to reduce workload following reduction of staff.
- L'analyse est faite sur les DC en cours.
- No comments as there are not many DA and TA contracts.
- There are no TAs signed in the EU DEL of Mauritius. Furthermore, the DA instrument is also not often used.
- See comments to question 1. Even if DEL does not seek to reducing workload by deliberately preferring DA over TA, it cannot be neglected that TA would consider additional workload that is difficult to mobilise in the context of multiplying MIP volumes with no additional HR.
- No experience with TA.

3 Implementation process




The next two questions dealt with the cooperation between the EU and the DC partner during the implementation of the DC-funded projects or programmes.

8. What has been the quality of cooperation between the EU, the DC partner and - if applicable - the implementing entity in the partner country?





Please indicate to what extent you agree with the following statements:

(Each respondent could choose only ONE response per sub-question.)

- a. Rules and procedures as regards the cooperation between the EU, the DC partner and - if applicable - the implementing entity in the partner country were clearly defined

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	3						9
2 Agree	25						71
3 Disagree	7						20
4 Strongly disagree	0						0
5 No opinion	0						0
Total respondents: 35 Skipped question: 0							

- b. Agreed rules and procedures were adhered to by the EU, the DC partner and - if applicable - the implementing entity in the partner countries (e.g. reports were delivered on time, the quality of the reports was satisfactory, etc.)

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	3						9
2 Agree	25						71
3 Disagree	6						17
4 Strongly disagree	1						3
5 No opinion	0						0
Total respondents: 35 Skipped question: 0							

c. In case of DAs, the DC partner has provided timely adequate technical and financial information on the implementation of DA-funded project(s)/programme(s)

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	1						3
2 Agree	21						60
3 Disagree	10						29
4 Strongly disagree	0						0
5 No opinion	3						9
Total respondents: 35 Skipped question: 0							

d. The coordination between the EUD, the DC partner and - if applicable - the implementing entity in the partner country has been satisfactory.

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	4						11
2 Agree	27						77
3 Disagree	4						11
4 Strongly disagree	0						0
5 No opinion	0						0
Total respondents: 35 Skipped question: 0							

Comments, including possible differences between (individual) DAs and TAs:

- Cooperation with DC has been variable. The quality of reporting has been an issue.
- Experience regarding the effective coordination between the EUD, DC partner and the implementing entity has been mixed. For some programmes (tourism and security) it has been satisfactory, whereas in education it has been deficient.
- The management of the project is good, procedures and rules are coherent, measurement indicators are SMART, technical and financial reports are made available accordingly the clauses of the contract, consultations on the management of the project are regular between EU, GIZ and Partner Country. Dans le cas précis de la KfW (contrat 335-337), les règles et procédures applicables dans le cadre du DA signé ont été clairement établies. Et la signature de l'accord de délégation confirme l'acceptation de celles-ci, par les deux parties contractantes. L'une de ces règles concerne le rapportage des activités et, là encore, la KfW a respecté l'accord en soumettant un rapport annuel et en répondant favorablement à mes demandes de rapportages intermédiaires. Aucune coordination, à proprement parler, n'est envisagée

dans ce DA, en dehors du rapportage et la coordination avec le bénéficiaire n'est régie que par la Convention de financement signé entre l'UE et le pays bénéficiaire. Le DA ne couvre que la relation entre l'UE et l'entité délégué.

- ad b) Certain limitations with regard to content and timeliness of reports (reason: no standardised level of detail required for reports, no standardised templates for reporting and financial reporting/budget).
- In one case out of 6, a change in the context concerning the project resulted in a delay of activities; and problems in communication from country level to HQs led to delay in report approval.
- The implementing partner incurred important delays and significant ineligible costs were incurred.
- Les règles semblaient claires, mais en cours de route les deux parties se sont bien rendu compte que les règles n'étaient pas claires voire méconnues ce qui a amené à pas mal de tensions et discussions. Cette question est vrai soit pour les 3 DA et la TA sous responsabilité de la DUE en Haïti.
- The DA has sustained delayed reporting at the beginning of the programme.
- In terms of reporting, respect of delays, quality and accuracy of information could be improved. The role of donors in DC should go beyond the simple transfer of reports produced by the implementing entity, ensuring a proper follow-up and monitoring of programme's implementation and quality review of documents.
- Both DAs are still under first stages of implementation. There are still no strong results to confirm or deny the above questions.
- See comments to question 1. Reply 8.a for AFD project: disagree.
- Problems occurred mainly due to staff shortages in the EUD preventing a close follow-up of DA contracts.
- Some EU financial rules had to be discussed/modified upon request of the DA partner. Financial reporting needed to be improved before proceeding to payment requests. D+3 rule was excessively constraining in the case of 290989 KfW water programme: The programme is delayed and therefore not much experience yet with the provision of information. For now information flow is very informal. DA was drafted by HQ.
- Depends very much on partner and their capacity.

9. To what extent has the visibility of the EU and the DC partners been ensured?

Please indicate to what extent you agree with the following statements:

(Each respondent could choose only ONE response per sub-question.)

a. Concrete actions have been taken to ensure visibility of the EU in the case of DAs

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	4						11
2 Agree	22						63
3 Disagree	6						17
4 Strongly disagree	0						0
5 No opinion	3						9
Total respondents: 35 Skipped question: 0							

b. In case of DAs, the visibility of the EU was satisfactory

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	3						9
2 Agree	20						57
3 Disagree	9						26
4 Strongly disagree	0						0
5 No opinion	3						9
Total respondents: 35 Skipped question: 0							

c. Concrete actions have been taken to ensure visibility of the DC partner in the case of TAs

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	0						0
2 Agree	12						34
3 Disagree	2						6
4 Strongly disagree	0						0
5 No opinion	21						60
Total respondents: 35 Skipped question: 0							

d. In case of TAs, the visibility of the DC partner was satisfactory

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	2						6
2 Agree	9						26
3 Disagree	3						9
4 Strongly disagree	0						0
5 No opinion	21						60
Total respondents: 35 Skipped question: 0							

In case of DAs, which specific actions have been taken to enhance EU visibility:

- The EU visibility in DAs was not always satisfactory despite EU efforts with the DC partner.
- Visibility activities (events) regarding project advance and dissemination of project activities were implemented all along the project.
- Before the launch of the programme, EUD and GIZ agreed on the logo which will be used by the project on any document and material. The actual launch of the program were made by EUD, GIZ and Partner Country and this action was widely disseminated by the press. Many workshops are held each time a new program of activities starts and the programme has a website accessible to anyone wishing to obtain information about the project. Pour le projet KfW, le plan de Communication & Visibilité n'a pas encore été finalisé, deux ans après la signature du DA. Il n'y a donc eu aucune action de Visibilité, à ce jour.
- The usual measures, such as having EU logo visible ... nothing very much particular.
- Meetings, experience sharing workshop among central and provincial stakeholders under GIZ support, and Luxembourg TA project were organized to coordinate the

activities and to enhance visibility of EU and Luxembourg. But somehow, visibility of EU seems not adequately reflected in GIZ technical support activities.

- No DAs for India/Bhutan Delegation.
- We are talking about minor contribution comparing to the program's weight.
- Delegation had to step in to ensure commemorative plaques were placed.
- Press Releases, Joint Events, Trainings, TV interviews, Communication Plans as part of the Project Proposal. In the case with AECID (DCI-ALA/2013/334-111) EU is participating in all steering committees.
- Les actions de visibilité sont celle standard: drapeau de l'UE sur les publications, invitation de l'UE à l'occasion des inaugurations, citation de l'UE dans les éventuels articles de presse.
- Supporting the climate change outreach and organisation of closure workshop.
- The implementation of the DA is delayed and therefore not much has been done in terms of visibility.
- Visibility has been mainly promoted by the implementing partners through their communication channels for contract 290989: EU participated in the equivalent of the Steering Committee even if not directly contractual partner of the Ministry of Agriculture.
- Strong contribution of EU-GIZ to the 2015 European Year of Development. Elaboration of a visibility plan, which has increased media presence of the project.

Comments, including possible differences between individual DAs and TAs:

- Experience regarding visibility of the EU in the implementation of DAs has been mixed. In the case of the education programme, difficulties were encountered in the first visibility activities (launching ceremony, messages to the public). These issues were addressed with the delegatee body and have been corrected since.
- ad c) and d) No TA.
- Dans le cas des DA et des TA le problème est souvent lié au fait que l'UE et les DC partners agissent souvent comme si les ressources leurs appartenaient et finissent pour oublier qu'il existe le partenaire qui finance aussi l'action et qui devrait être fait ressortir. Cette situation se justifie parfois par le surcharge de travail pour la DUE et pour le DC partners qui n'ont pas le temps suffisant pour mettre en marche un système de suivi conjoint qui permettrait de prévenir ce genre de problèmes.
- See comments to question 1. Replies to 9.a and b for AFD DA: disagree.

4 Direct results (outputs) of Delegated Cooperation

The following 12 questions dealt with the effects of using the DC modality on a number of aspects of aid effectiveness. Questions 18 and 19 focussed on Delegation Agreements; questions 20 and 21 dealt specifically with Transfer Agreements. The EUDs were only requested to answer all questions if they had been involved in both types of agreements – otherwise, they were just asked to respond to the questions about either DAs or TAs.

10. To what extent has Delegated Cooperation resulted in a better division of labour amongst donors across various sectors?

(Each respondent could choose only ONE response.)

Definition of division of labour: each donor focuses its support on a limited number of focal sectors in such a way that all sectors and themes are well covered, while the number of donors per sector and theme remains limited.

Response	Total	% of responses					%
		0%	20%	40%	60%	80%	
Strongly	5						14
Modestly	17						49
No change	9						26
Deterioration	1						3
Don't know	3						9
Total respondents: 35 Skipped question: 0							

Comments and clarifications:

- DC is progressively contributing to division of labour on the ground in Palestine between EU and EU Member States. Positive steps have been taken.
- During the joint programming, EU donors tried to do the exercise but the other donors not. For the land management sector, donors are limited and the project did not improve the division of labour. GIZ was chosen because of its knowledge of the sector. Sur le contrat géré par la KfW, il n'y a que deux bailleurs: l'UE et la KfW (et une intervention modérée du gouvernement). La répartition des rôles est plus que limitée compte tenu du nombre limité d'intervenants. Je ne perçois personnellement aucun effet de ce DA sur la répartition du travail entre bailleurs.
- Health and Justice remain for our Delegation a focal sector for EU and DC partner.
- The only other donor, the Netherlands, also worked in the same sector. It was efficient to use the same implementing partner (parallel and joint co-financing respectively).
- Since the end of the war in 2002, MS have considerably reduced their funds for development cooperation with Angola and practically all MS aid has stopped.

- Il s'agit d'une évaluation moyenne. On ne peut pas considérer que notre DC ait effectivement amélioré la coordination entre donateurs tout en sachant qu'il existe quelques petites différences d'un secteur à l'autre (aucun impact sur la coordination en matière d'agriculture/sécurité alimentaire et transport, quelques améliorations pour le secteur urbain).
- The number of focal sectors covered in parallel by several donors could be further reduced while ensuring that all sectors are covered.
- The EU continues to intervene in the same sectors as before (Environment and infrastructure).
- The implementation of 2 projects were shared between 2 EU MS agencies (GIZ, CICL), thus keeping 2 MS in a sector. Also this drew GIZ in a sector that was not a priority of German cooperation.
- For both 290989 and 313184: agriculture and rural development was and remained focal sector even after the DA.
- There is often little coordination during the strategic programming phase in-country, and this is often driven by MS capitals and EU HQ.
- In the case of AusAID, the EU has not traditionally been involve in TVET in Fiji, so it was a very positive contribution to good division of labour. In the case EU-GIZ, it has not brought significant changes as the EU has been significantly involved in climate change and sustainable energy issues under the 9th and 10th EDF.

Please specify, if applicable, differences between (individual) DAs and TAs:

- TAs in Palestine are related to contribution to the PEGASE mechanism (direct financial support to the Palestinian Authority). This is a temporary measure not a focal sector.
- It can be observed that DA experience acquired by certain development partners in specific policy sectors has led to the fact that they tend to 'specialise' in this specific sector also when identifying new joint projects. However, such a 'specialisation' of leading IFI/EFI in certain focal sectors is also linked to a set of other factors and cannot be simply presented as the proven result of the IFI/EFI's role in delegated cooperation with the EU.
- Les DAs ont été faites dans des secteurs où l'UE et l'AFD intervenaient et continuent à intervenir séparément tandis que le TA concerne un secteur de concentration de l'UE mais pas de l'AFD. Il a donc évité l'addition d'un donateur séparé.

11. To what extent has Delegated Cooperation resulted in a better division of labour amongst donors within the sector of the DC-funded project(s) / programme(s)?
(Each respondent could choose only ONE response.)

Definition of division of labour: each donor focuses its support on a limited number of focal sectors in such a way that all sectors and themes are well covered, while the number of donors per sector and theme remains limited.

Response	Total	% of responses					%
		0%	20%	40%	60%	80%	
Strongly	13						37
Modestly	13						37
No change	6						17
Deterioration	1						3
Don't know	2						6
Total respondents: 35 Skipped question: 0							

Comments and clarifications:

- See question no. 10.
- Delegated Cooperation has led to bigger projects involving more donors and allowing donors to divide labour more in line with their particular strengths.
- The DA with GIZ reflected well the division of areas for support between GIZ and EU: GIZ focus more on hospitals while EU focus more on primary health care.
- See reply to previous question.
- Since the end of the war, MS have considerably reduced their funds for development cooperation with Angola and practically all MS aid has stopped.
- Il s'agit d'une moyenne car la situation change d'un programme/secteur à l'autre.
- EU continues to intervene in the same sectors (Environment and Infrastructure).
- AFD DA is ensuring that there is no additional sector addressed by EU, but since this is rather artificial for the use of the AIF and with all likelihood EU would not have been active in the sector, so there would not have been any need to a better division of labour as regards EU and France.
- See comment on questions 10.
- DAs have contributed to reinforce the leadership of some EU MS in Agriculture and Water sectors. For both 290989 and 313184 they have been allowed to be present in the specific subsectors without individual projects.
- Within the good governance section in country coordination is good.
- Strongly for the DC with AusAID as EU has not been less strongly involved in TVET in Fiji. No change for DC with GIZ, as EU has been significant player/donor in climate change and sustainable energy in the Pacific region/countries under 9th and 10th EDFs.

Please specify, if applicable, differences between (individual) DAs and TAs:

- DC partner just intervene through the TA with EU.
- Concernant la TA 21608 (secteur des transports) elle a permis effectivement à l'AFD de ne pas ouvrir un nouveau secteur en laissant la main à l'UE qui avait effectivement plus l'habitude et les capacités de gérer la construction des routes. Concernant les DA, il faut différencier entre la DA 283071 (secteur du développement urbain) où il existe une certaine complémentarité entre l'UE et l'AFD et les DA 309378 et 212744 (secteur agricole) où il existe une complémentarité entre territoires et modalités d'intervention qui est plus formelle que substantielle. Dans un cas comme dans l'autre l'UE et l'AFD restent des acteurs des deux secteurs touchés sans qu'on puisse observer une réelle division du travail.
- See comments to question 1.

12. To what extent has Delegated Cooperation led to increased use of the comparative advantages of individual donors?

(Each respondent could choose only ONE response.)

Definition of comparative advantage: expertise, experience, knowledge and network of a particular donor being greater than those of other donors.

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly	15						43
Modestly	14						40
No change	5						14
Deterioration	0						0
Don't know	1						3
Total respondents: 35 Skipped question: 0							

Comments and clarifications:

- It is actually in between modestly and strongly.
- GIZ has a comparative advantage in the land management sector because in the past it has implemented some “ponctual” actions in the land sector, it is implementing a wide decentralized program and the DC were welcomed by GIZ. La signature de cet accord de délégation avec KfW n’a conduit à aucune utilisation accrue de la moindre analyse comparée des avantages proposés par tel ou tel autre bailleur.
- Delegated cooperation has supported donors in focusing their assistance on their individual strengths. A further consolidation and extension of delegated cooperation is expected to further improve this positive trend.
- The Dutch agency had a lot of experience in implementing Dutch aid, and there were many difficulties with the implementation through the TAO office.

- Thanks to DC some MS agencies have kept their activity, expertise, experience and knowledge in the country.
- L'évaluation est valable uniquement pour l'UE et l'AFD, on ne peut pas dire que la DC (inside the UE) ait eu un impact sur la mise en valeur des avantages comparatifs des différents donateurs.
- Overall, there is a comparative advantage in using the DC with partners with long-standing relations with the concerned country and with programmes being implemented. However, in some cases, existing EUD relations with implementing entities are stronger and deeper than those of DC partners which could have a competitive advantage in certain types of projects (i.e. Infrastructure) but not as regards focal sectors or themes (i.e. environment or education).
- Donors also sought outside expertise as the EU does.
- GIZ DA: each donor continues to support decentralisation outside the DA, so it did not result in any reduction of donors involved.
- DA with CICL (Portuguese Agency) allowed Portugal to implement 'twinning' arrangements between peer institutions in Portugal and Timor Leste which proved to be a very effective modality for building the capacity of new institutions.
- DAs have been instrumental to use specific competences of EU MS, such as experience in the Index based insurance (DFID), or sector coordination (GIZ) or water supply (DANIDA). This is also strongly the case for especially 313184.
- In relation to democratic governance, comparative advantage is high.
- Strongly in the case of DC with AusAID. Strongly in case of DC with GIZ, as they have been involved in climate change issues through their Germany funded Coping with climate change in the Pacific Island Region (CCCPIR) and the project allowed GIZ to recruit at least 15 more qualified staff/experts.




Please specify, if applicable, differences between (individual) DAs and TAs:

- In the case of TAs (PEGASE), the comparative advantage is very strong as the EU has set up and managed the PEGASE mechanism since 2008.
- See comments to question 1. Reply to question 12 for AFD DA: modestly.

13. To what extent has Delegated Cooperation resulted in improved donor coordination and harmonisation in the respective sector(s)?

(Each respondent could choose only ONE response.)

Definition of donor coordination and harmonisation: donors take into account each other's aid strategies, programmes and projects when defining their own strategies, programmes and projects (coordination) and/or donors aim to use the same strategies and approaches when providing development aid (harmonisation).

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly	11						31
Modestly	18						51
No change	6						17
Deterioration	0						0
Don't know	0						0
Total respondents: 35 Skipped question: 0							

Comments and clarifications:

- With regard to this question, DC is a by-product of the work done on joint programming in Palestine since 2011 which resulted in a matrix of 16 sector fiches each led either by the EU or an EU Member State.
- The exercise of coordination is made among EU donors but the generalization of the exercise takes time to be effective because the national institution does not do its duty and some donors escape to his control. The situation is amplified by the crisis which prevails since 11 months and donors become more and more scarce. Il en est de même pour la coordination inter-bailleurs dans le secteur de l'Energie: aucun effet. S'agissant de l'harmonisation, on doit reconnaître que le fait d'inscrire cette action dans un programme régional a probablement conduit à confier la gestion de ce projet au bailleur gérant déjà la branche rwandaise de ce projet régional. Mais était-ce le choix le plus judicieux, compte tenu des résultats ou plutôt de l'absence du moindre résultat concret, deux ans après la signature du DA?
- The provision of a practical structure for tangible and very concrete donor coordination is one of the main comparative advantages of delegated cooperation.
- In the case of Delegation Agreement with Belgian Development Agency, the harmonisation is far from easy. Even a joint contract for final evaluation was, back in 2012, practically impossible (instruments and tools missing).
- Only concerning the DC partnership.
- Coordination is not too difficult when there are only two donors, but the situation improved nevertheless by having the same agency doing both.
- MS have considerably reduced their funds for development cooperation with Angola and practically all MS aid has stopped. Nevertheless, there is a strong interaction with the EU MS as regards development cooperation, especially through the coordination

meetings with EU MS which are held on a regular basis (bimonthly and ad hoc). Besides, MS actively participate in the programming phase, identification and formulation of the actions to be funded with EDF.

- Les mêmes observations faites pour la question 11 sont valables aussi pour cette question.
- More broadly between the EU and DFID.
- DAs provides opportunities for coordinated and harmonised actions on a more regular basis.
- DA encouraged a joint approach to support decentralisation.
- 2 EU MS supported EUD efforts to improve DP coordination in the rural development sector.
- DAs have improved relationships with EU MS and better knowledge of respective cooperation in Agriculture and Water sectors. It led to better alignment of cooperation agencies with the sector policies and improved coordination mechanisms. In some instance, it led to the establishment of common programming framework and peer reviews. For 290989: the DA was in effect linked to coordination of institutional support to the Ministry of Agriculture of Kenya.
- Strategies and programmes are often driven by MS capitals.
- Strongly in both cases.

Please specify, if applicable, differences between (individual) DAs and TAs:

- See comments to question 1. Reply to question 13 for AFD DA: no change.

14. To what extent has Delegated Cooperation resulted in more co-financing?




(Each respondent could choose only ONE response per sub-question.)

Definition of co-financing: financing of projects and programmes is provided by more than one source (apart from funding by the partner government itself)




Definition of joint co-financing: contributions of various donors are put together in one basket (funds of a particular donor not earmarked for funding specific items of the project budget)

Definition of parallel co-financing: contributions of various donors are not put together in one basket and use of funds earmarked for specific project expenditures




a. DC has led to more parallel co-financing in the sector(s) supported by the DC arrangement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	9						26
No	16						46
Don't know	10						29
Total respondents: 35 Skipped question: 0							




b. DC has led to more parallel co-financing of the project(s) / programme(s) supported by the DC arrangement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	15						43
No	12						34
Don't know	8						23
Total respondents: 35 Skipped question: 0							




c. DC has led to more joint co-financing in the sector(s) supported by the DC arrangement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	12						34
No	15						43
Don't know	8						23
Total respondents: 35 Skipped question: 0							




d. DC has led to more joint co-financing of the project(s) / programme(s) supported by the DC arrangement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	18						51
No	11						31
Don't know	6						17
Total respondents: 35 Skipped question: 0							

e. DC has led to a mix of parallel and joint co-financing in the sector(s) supported by the DC arrangement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	9						26
No	16						46
Don't know	10						29
Total respondents: 35 Skipped question: 0							

f. DC has led to a mix of parallel and joint co-financing of the project(s) / programme(s) supported by the DC arrangement

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	10						29
No	15						43
Don't know	10						29
Total respondents: 35 Skipped question: 0							

Please specify, if applicable, the number of donors involved in parallel and joint co-financing (including the EU and DC partner), for each DATA:

- DA with KFW = Joint cofinancing (basket fund, including government's funds) DA with GIZ = parallel cofinancing.
- The amount of the DC 6 000 000 Euro is detailed as below: Contribution of EU: 5 500 000 Euro and contribution of BMZ (GIZ): 500 000 Euro. The contribution of BMZ is assigned for the reinforcement of management expenses.
- DA-1: EU and Belgium, DA-2: EU, Austria and recipient government (considering that it was about the creation of a national fund).
- Two in both cases.
- Three donors (AECID, GIZ and the EU).
- 2 dans chaque DATA (UE et AFD).
- DA 280471: Only the EU. DA 290368: The EU, AFD and EIB. DA 312909: The EU, AFD and EIB. DA 351612: Only the EU. DA 355423 and 355243: The EU and EIB. DA 355439 and 353950: The EU and EIB. DA 354478: Only the EU. DA 289164: Only the EU.
- GIZ DA: 4 donors: EU, SE, UK, DE.
- 349813 Water and Sanitation Services for the ASAL Areas (DANIDA - WSTF): 5.
- EU-GIZ and EU-AusAID respectively.

Comments and clarifications:

- The questions are not clear. In the case of PEGASE mechanisms, there has been pooling of funds in a joint co-financing mode via TAs from Member States to the EU.
- In NIF projects, contributions of the Egyptian government are usually provided as parallel cofinancing (own procedures).
- The DC had no influence or other fundings.
- In the case of DCI-ALA/2013/334-111 AECID's financial contribution was partly co-financing and partly parallel funding.
- La logique de la DC en Haïti était centrée autour des relations EM (FR)/UE. A ma connaissance elle n'a pas été vue comme un moyen de renforcer la coordination/harmonisation/cofinancement entre tous les donateurs.
- The initial DC arrangement in one sector has increased the impacts in other sectors as well. It has encouraged having other DCs in pipelines as well.
- DAs are still very recent instruments and have not yet been used to their full potential. DAs seem to be more useful in blending operations.
- On f. not clear if DC has led, i.e. has caused more donors to parallel financing decentralisation, see comments to question 1. Replies to question 14.a-d for AFD DA: No.
- There was surprisingly no co-financing for all the DAs currently managed by the EU (EDF10 and GCCA). This will change under EDF11 (expected co-financing from Portugal and Germany).
- In the water sector, EU is co-financing jointly with DANIDA, while Sweden and Financial Institutions increased their joint co-financing.

15. To what extent has Delegated Cooperation resulted in larger projects and programmes in the respective sector(s)?

(Each respondent could choose SEVERAL responses.)

Definition of larger projects/programmes: the project/programme is larger in terms of budget and scope of activities compared to the situation before and/or without Delegated Cooperation

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes, larger in terms of budget	25						71
Yes, larger in terms of scope of activities	22						63
No	3						9
Don't know	3						9
Total respondents: 35 Skipped question: 0							

Comments and clarifications:

- The action of inventorying state land were made by some donors (Suisse, Netherland via ZOA NGO) but the actions were limited to some Burundian communes. The present action is implemented in all communes (113 of 135) and methods and materials used are more efficient. The result of the project will be generalized for the inventory of private lands. Bien qu'il soit difficile voire impossible de tirer de conclusion sur un échantillon réduit (qui plus est, à un seul contrat), l'effet principal de la DC apparait comme étant de permettre l'entreprise de projets plus large, en termes financiers. Tirer le même genre de conclusion à propos de l'étendue des activités semble plus hasardeux. Tout cela doit être confirmé par l'analyse des autres cas de DA ou TA de la DUE, pendant la période couverte par ce questionnaire.
- More budget available than without DC.
- Dans le sens que le fait de se mettre ensemble a permis d'augmenter le budget disponible et donc les outputs du/des programme/s que l'UE ou l'AFD auraient pu faire seuls, de leur côté.
- Too early to yield above results.
- GIZ DA: DEL can't know if commitments would have been made anyway.
- One project was even split between 2 DAs with the same EU agency.
- The DA led to increased size and number of water projects implemented by the partner and scaling up of the Index based livestock insurance. KfW water programme: the DA has led to specific actions related to the urban poor which would have been more difficult with only loan funding (the project is a blending project).





Please specify, if applicable, differences between (individual) DAs and TAs:

- DFID planning to extend the programme that the EUD has supported through the DA.
- See comments to question 1. Reply to question 15 for AFD DA: No.

16. Has Delegated Cooperation resulted in increased use of a single management system of the DC-funded project(s) / programme(s)?

(Each respondent could choose only ONE response.)

Definition of single management system: using one management system for operational and financial management of a project/programme. This can be either the system of the partner government, or a specific system of a Project Implementation Unit, or a mixture of the two.

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	24						69
No	5						14
No change	4						11
Don't know	2						6
Total respondents: 35 Skipped question: 0							

Comments and clarifications:

- GIZ uses his management system. There is an exception for grant where the EU operational and financial management is used. L'avantage de l'utilisation d'un seul mode de gestion, d'un seul jeu de règles et procédures, semble être également un avantage évident des DA. Dans le cas du contrat KfW (335-337), on se réfère aux règles UE.
- EU procedures.
- EU participates in the Steering Committees.
- Dans le sens que la DC qui se fait en Haïti uniquement à travers l'approche projet n'a pas renforcé en général l'utilisation d'un seul système de gestion. Il a tout simplement permis d'utiliser le système de gestion de l'UE dans le cas de la TA et de l'AFD dans le cas de la DA.
- DAs use a bit of a mix of EU MS agencies' procedures and EU procedures.
- In Water, partners agree to: (i) receive single financial reporting with detail of accountability per donor's source of funding, (ii) have a single audit mechanism, (iii) have a single monitoring and evaluation function with single set of indicators, and (iv) conduct joint internal monitoring field visits.





Please specify, if applicable, differences between (individual) DAs and TAs:

- The use of single management systems has certainly been increased by delegation cooperation.
- Yes for the TA; not really for one of the DA with Belgium Development Agency; yes for the DA on creating and running a national fund for water and sanitation.
- The TA and the DA to DFID are exactly in line with the question. However, in the case of the TA it is not clear as the responsible Task manager is no more with the EU.

17. Has Delegated Cooperation resulted in a reduced number of active donors in the sector(s) concerned?

(Each respondent could choose only ONE response.)

Definition of reduced number of active donors: less donors in the sector as compared to the situation before DC and/or without DC. In case of a DA, the EU is an inactive donor in the sector, unless the EU has other activities in the sector. The same applies to a TA: the TA partner is an inactive donor in the sector, unless the TA partner has other activities in the sector.

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Yes	6						17
No	15						43
No change	11						31
Don't know	3						9
Total respondents: 35 Skipped question: 0							

Comments and clarifications:








- The reduction in donors in one sector is the outcome of joint programming efforts. DC is an implementation tool.
- The particular question of land is included in rural sector which is an EU focal sector. That is why the EU has an interest in land questions. The rural sector cannot be developed if problems of land are not solved. For the country of Burundi, the problem of accessing to the land is accurate. It constitutes the main problem of over 80% of Burundian resources. The present action will contribute to clarify the situation of state lands so that the country of Burundi will be able to develop programs for the wellbeing of its people. The present action does not reduce the number of active donors, rather donors will easily implement other programs including UNDP. Le nombre d'acteurs du secteur Energie ne me semble pas avoir été piloté par l'introduction de la DC.
- The DC partner remains in the sector.
- We could say that EU is practically the only remaining donor.
- La DC n'a pas eu un réel impact en dehors des 'relations EM/UE'. Le fait que l'AFD se retirera dans le futur du développement urbain n'a aucun lien avec la DC. Cela s'explique surtout pour la réduction des fonds disponibles, mais aussi par le choix politique de la présidence française d'appuyer le secteur éducatif.
- To a limited extent since the EU is still active in many of the concerned sectors through other bilateral programmes.
- GIZ DA: all donors had other activities ongoing in the sector. AFD's DA: since EU in all likelihood would not have been a donor in the sector (active or silent), the DC has not reduced the number of active donors in the sector.
- The division of labour is not really effective in Kenya. In water and agriculture, EU is still engaged in the sectors using other financing instruments and implementing partners.
- Please take note that the EUD is the only EU development partner left in Lesotho.







Please specify, if applicable, differences between (individual) DAs and TAs:







- Amid the particular political and institutional circumstances in Egypt during recent years, several donors reduced the scope of their cooperation with Egypt or even stopped providing ODA. The remaining donors often provide assistance in fairly well-defined focal sectors (water; rural development, energy) and consequently use to count with more than one action per focal sector.
- See comments to question 1.








18. To what extent did the Delegation Agreement(s) contribute to achieving the intended effects of DC?








Please rank the effects in order of the strength of the contribution (rank 1 is strongest contribution; rank 7 is weakest contribution):

Rank 1							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	4						12
Use of comparative advantages among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	8						24
Donor coordination and harmonisation in the respective sector(s)	7						21
Co-financing among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	2						6
Larger projects or programmes in the respective sector(s)	10						30
Use of single management systems of the DA-funded project(s) / programme(s)	1						3
Reduced number of donors in respective sector(s)	1						3
Total respondents: 33							
Skipped question: 2							

Rank 2							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	3						10
Use of comparative advantages among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	7						23
Donor coordination and harmonisation in the respective sector(s)	2						6
Co-financing among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	7						23
Larger projects or programmes in the respective sector(s)	5						16
Use of single management systems of the DA-funded project(s) / programme(s)	7						23
Reduced number of donors in respective sector(s)	0						0
Total respondents: 31 Skipped question: 2							

Rank 3							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	4						13
Use of comparative advantages among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	5						16
Donor coordination and harmonisation in the respective sector(s)	8						26
Co-financing among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	2						6
Larger projects or programmes in the respective sector(s)	7						23
Use of single management systems of the DA-funded project(s) / programme(s)	5						16
Reduced number of donors in respective sector(s)	0						0
Total respondents: 31 Skipped question: 2							

Rank 4							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	6						19
Use of comparative advantages among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	6						19
Donor coordination and harmonisation in the respective sector(s)	6						19
Co-financing among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	7						23
Larger projects or programmes in the respective sector(s)	4						13
Use of single management systems of the DA-funded project(s) / programme(s)	1						3
Reduced number of donors in respective sector(s)	1						3
Total respondents: 31 Skipped question: 2							

Rank 5							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	5						16
Use of comparative advantages among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	4						13
Donor coordination and harmonisation in the respective sector(s)	5						16
Co-financing among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	6						19
Larger projects or programmes in the respective sector(s)	2						6
Use of single management systems of the DA-funded project(s) / programme(s)	6						19
Reduced number of donors in respective sector(s)	3						10
Total respondents: 31 Skipped question: 2							

Rank 6							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	8						26
Use of comparative advantages among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	3						10
Donor coordination and harmonisation in the respective sector(s)	2						6
Co-financing among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	5						16
Larger projects or programmes in the respective sector(s)	2						6
Use of single management systems of the DA-funded project(s) / programme(s)	7						23
Reduced number of donors in respective sector(s)	4						13
Total respondents: 31 Skipped question: 2							

Rank 7							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	2						6
Use of comparative advantages among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	0						0
Donor coordination and harmonisation in the respective sector(s)	1						3
Co-financing among donors in the respective sector(s) and/or DA-supported project(s) / programme(s)	1						3
Larger projects or programmes in the respective sector(s)	1						3
Use of single management systems of the DA-funded project(s) / programme(s)	4						13
Reduced number of donors in respective sector(s)	22						71
Total respondents: 31 Skipped question: 2							

Possible additional comments to understand better the contribution of DAs and please mention also possible differences between individual DAs:

- The rank above is made only for GIZ project.
- Il s'agit d'une évaluation moyenne des DA en cours. En effet cela peut changer légèrement d'une DA à l'autre. En tout état de cause s'il était possible j'aurai mis 7 partout.
- Use of comparative advantages varies between the TA and DA.
- See comments to question 1. Ranking to question 18 for AFD DA: 7-3-5-4-2-1-6.
- In the case of DA with AusAID it is division of labour and use of comparative advantage, which were also important factors (after the political aspects) in the case of DA with GIZ, it is donor coordination, co-financing.

19. Did Delegation Agreements lead to any unforeseen / unintended positive or negative effect?







(obligatory OPEN question)







- No opinion.
- No.
- No.
- Not as far as I know.
- No.
- DAs as an implementation tool is contributing positively to the division of labour between EU Member States defined in the matrix of 16 sector fiches.
- NA.
- La réponse à cette question-ci découle immédiatement de l'expérience KfW (contrat 335-337). L'aspect négatif de ce DA est évidemment d'avoir sélectionné une IFI qui, n'ayant pas les compétences d'une agence d'exécution, s'est elle-même lancée dans un processus d'identification et de sélection d'un exécutant (bureau Intec-Gopa). Tout cela a pris plus d'un an et demi. Et deux ans après la signature du DA, rien de concret n'est encore sorti de terre. Quant à dire que cet effet négatif n'était pas prévisible,.....?
- No unforeseen effects of DA encountered so far.
- No.
- Not that I am aware of. More ownership is certainly created. EU visibility might be hampered.
- No.
- Don't know.
- No.
- The effects were mainly positive. However, there was unforeseen negative effect in one Delegation Agreement regarding fund management.
- We can't see (a) or (c) to question 3.
- Management of the support for the Dutch island countries and territories at a distance is complicated. In my view the Delegation at the time put too much trust in the Delegated Cooperation partner and should have monitored the projects more closely.






- In Honduras, DA have should have a positive impact on policy coherence between EU and Member States and also on visibility for the EU.
- MS are showing a great interest in their agencies implementing some components of the 11th EDF actions that are being formulating.
- Not applicable.
- Difficulties in controlling the actions of delegated bodies, one year reporting requirements do not allow for any possible steering of the project. Lack of pluri-annual planning undermines ability to influence. Systematic delays in implementation and pre-financing based on contractualisation leads to risks.
- Government is not favourable under a financial point of view to the DA modality; however it sees the positive aspects under a technical point of view for the appropriation of the activities.
- Les incompréhensions des règles des jeux de la part de l'AFD ont amené à détecter des inéligibles (suite à un audit externe) ce qui a débouché sur des tensions importantes entre l'AFD et l'UE.
- No.
- Lessons learned in Climate Smart Agricultural formulized in a manual and adopted under the Sustainable Land Management Flagship Programme of the Government of Ethiopia.
- No unforeseen/unintended positive or negative effects have been identified.
- No.
- Not known.
- No.
- Negative: Drawing Germany (GIZ) in a sector outside their focal sectors of cooperation. Positive: support by EU MS to EUD coordination/policy objectives in a sector.
- Yes, establishment of joint programming framework for water supply in ASAL and the use of harmonised M&E system.
- No.
- No, DAs have led to intended effect.






20. To what extent did the Transfer Agreement(s) contribute to achieving the intended effects of DC?








Please rank the effects in order of the strength of the contribution (rank 1 is strongest contribution; rank 7 is weakest contribution):

Rank 1							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour of donor aid in the respective sector(s) and/or TA-supported project(s) / programme(s)	5						28
Use of comparative advantages among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	1						6
Donor coordination and harmonisation in the respective sector(s)	2						11
Co-financing among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	0						0
Larger projects or programmes in the respective sector(s)	6						33
Use of single management systems of the TA-funded project(s) / programme(s)	3						17
Reduced number of donors in respective sector(s)	1						6
Total respondents: 18 Skipped question: 17							

Rank 2							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour of donor aid in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Use of comparative advantages among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	8						47
Donor coordination and harmonisation in the respective sector(s)	3						18
Co-financing among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Larger projects or programmes in the respective sector(s)	1						6
Use of single management systems of the TA-funded project(s) / programme(s)	0						0
Reduced number of donors in respective sector(s)	1						6
Total respondents: 17 Skipped question: 17							

Rank 3							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour of donor aid in the respective sector(s) and/or TA-supported project(s) / programme(s)	3						18
Use of comparative advantages among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Donor coordination and harmonisation in the respective sector(s)	4						24
Co-financing among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	4						24
Larger projects or programmes in the respective sector(s)	0						0
Use of single management systems of the TA-funded project(s) / programme(s)	4						24
Reduced number of donors in respective sector(s)	0						0
Total respondents: 17 Skipped question: 17							

Rank 4							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour of donor aid in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Use of comparative advantages among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	1						6
Donor coordination and harmonisation in the respective sector(s)	5						29
Co-financing among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Larger projects or programmes in the respective sector(s)	7						41
Use of single management systems of the TA-funded project(s) / programme(s)	0						0
Reduced number of donors in respective sector(s)	0						0
Total respondents: 17 Skipped question: 17							

Rank 5							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour of donor aid in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Use of comparative advantages among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	3						18
Donor coordination and harmonisation in the respective sector(s)	1						6
Co-financing among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Larger projects or programmes in the respective sector(s)	3						18
Use of single management systems of the TA-funded project(s) / programme(s)	4						24
Reduced number of donors in respective sector(s)	2						12
Total respondents: 17 Skipped question: 17							

Rank 6							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour of donor aid in the respective sector(s) and/or TA-supported project(s) / programme(s)	3						18
Use of comparative advantages among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Donor coordination and harmonisation in the respective sector(s)	1						6
Co-financing among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	5						29
Larger projects or programmes in the respective sector(s)	1						6
Use of single management systems of the TA-funded project(s) / programme(s)	3						18
Reduced number of donors in respective sector(s)	2						12
Total respondents: 17 Skipped question: 17							

Rank 7							
Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Division of labour of donor aid in the respective sector(s) and/or TA-supported project(s) / programme(s)	0						0
Use of comparative advantages among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	0						0
Donor coordination and harmonisation in the respective sector(s)	1						6
Co-financing among donors in the respective sector(s) and/or TA-supported project(s) / programme(s)	2						12
Larger projects or programmes in the respective sector(s)	0						0
Use of single management systems of the TA-funded project(s) / programme(s)	3						18
Reduced number of donors in respective sector(s)	11						65
Total respondents: 17 Skipped question: 17							

Possible additional comments to understand better the contribution of TAs and please mention also possible differences between individual TAs:

- All Transfer Agreements in Palestine have been from Member States to the EU to contribute to the PEGASE Direct Financial Support towards the Palestinian Authority (PA). Apart from two, all EU Member States providing budget support to the PA go through PEGASE.
- Ces considérations sont (partiellement) vraies si on prend en considération uniquement le DC partner et la DUE, si comme demandé on devait prendre toute la communauté des donateurs l'évaluation serait en générale plutôt mitigée.
- No TA.

21. Did Transfer Agreements lead to any unforeseen / unintended positive or negative effect?

(Obligatory OPEN question.)

- None as far as I know.
- No.
- In 2015 a Result Oriented Framework under PEGASE was introduced which led to an enhanced policy dialogue involving the EU and three EU Member States. TAs to PEGASE have contributed to joint work on the ground.
- Not that we are aware of.
- No.
- Don't know.
- No.
- No.
- None.
- We can't see (b) or (c) on question 3.
- None.
- Difficult to identify effects of donor contribution.
- Negative effects: other donors consider the EU rules as too rigid. As a result they do not intend to renew this experience.
- Difficulté de gestion de la part de l'UE à cause de la méconnaissance des règles du jeu et à la surcharge de travail qui amené à sous-estimer l'importance du reporting et du dialogue continue avec l'AFD ce qui a débouché sur des fortes tensions entre l'UE et l'AFD.
- Don't know. But DFID withdrew from the education sector.
- No TA.
- The GCCA Agreement has not really started yet due to the inability of the GoL to pass the eligibility criteria of Budget Support. TA contract still to be signed.
- No.

5 Outcomes of Delegated Cooperation

The following questions dealt with the contribution of DC to achieving a number of aid effectiveness objectives, namely: reduction of transaction costs, strengthened ownership and leadership of the partner country, strengthened complementarity and added value of the support provided, reduction of aid fragmentation and strengthened alignment of aid.

22. In what way did Delegated Cooperation contribute to reducing transaction costs?

Please indicate to what extent the outputs below had an effect on reducing transaction costs:

(Each respondent could choose only ONE response per sub-question.)

Definition of transaction costs: all costs incurred in the negotiation, management and administration of development aid, on both donor and recipient side

a. Improved division of labour

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	9						26
Modest effect	16						46
No effect	8						23
Don't know	2						6
Not applicable	0						0
Total respondents: 35 Skipped question: 0							

b. More co-financing

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	4						11
Modest effect	19						54
No effect	8						23
Don't know	4						11
Not applicable	0						0
Total respondents: 35 Skipped question: 0							

c. Larger programmes

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	16						46
Modest effect	14						40
No effect	4						11
Don't know	1						3
Not applicable	0						0
Total respondents: 35 Skipped question: 0							

d. Use of single management systems

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	13						37
Modest effect	13						37
No effect	5						14
Don't know	2						6
Not applicable	2						6
Total respondents: 35 Skipped question: 0							

e. Reduced number of donors active in the sector

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	3						9
Modest effect	10						29
No effect	17						49
Don't know	3						9
Not applicable	2						6
Total respondents: 35 Skipped question: 0							

Did DC contribute in other ways to reducing transaction costs?

- The project is at its second year, it is early to assess its impact on the reduction of transaction costs. The indications above will be confirmed during the final evaluation of the project. Sans pouvoir étayer l'affirmation, il apparaît assez évident que, de manière générique, la Coopération Déléguée permette de réduire les coûts de transaction (projets et programme plus volumineux donc moins nombreux, utilisation d'un système unique de gestion). S'agissant des autres aspects (amélioration de la répartition des tâches, cofinancements plus nombreux, nombre réduit de bailleurs actifs dans le secteur), les effets sont soit plus modestes soit inexistants. Une fois encore, il s'agit plus de sentiments que de faits avérés et documentés.
- There was a negative factor in that the Delegation Agreement was a hybrid one, with the DC partner having to apply EDF procurement rules. This undid a lot of the advantages of using the organization's own rules, and caused a lot of difficulties.
- The use of DA has permitted the implementing entities to use national procurement procedures which, despite being sometimes more lengthy than the EU ones, are well known by national bodies which, in return, have reduced management/administrative costs.
- Too early to have an opinion.
- Transaction costs were increased for 2 projects under which the implementation was shared between 2 EU MS agencies.
- Yes for 313184 the reduction of risks for pilot programmes, while for 290989 allowed to have a united position in the support to the Ministry of Agriculture.

Comments, including possible differences between (individual) DAs and TAs:

- The use of DA has positively affected all aspects of reducing transaction costs.
- See comments to question 1. Reply to question 22.a and c for AFD DA: No effect respectively modest effect.

23. In your opinion, what was the overall impact of Delegated Cooperation on reducing transaction costs?

(Each respondent could choose only ONE response.)

Definition of transaction costs: all costs incurred in the negotiation, management and administration of development aid, on both donor and recipient side

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Substantial reduction of transaction costs	10						29
Modest reduction of transaction costs	15						43
No change	5						14
Increase of transaction costs	2						6
Don't know	3						9
Total respondents: 35 Skipped question: 0							

In case of increased transaction costs, please explain why:

- Idem as question n°22: We do not have documentation to conclude on how the transaction costs are reduced or not. La réduction des coûts de transaction est modeste voire substantielles. Il s'agit d'une opinion et non pas d'un fait avéré et documenté.
- See reply to previous question.
- En général les coûts augmentent dans la mesure où les frais de gestion des délégataires dépassent les coûts que l'UE aurait dus supporter en interne pour la gestion du projet.
- See previous comments.
- Please note that the current political paralysis in the country makes every programme extremely labour intensive and therefore a good measurement of the reduction and/or increase in transaction costs is not possible.

Comments, including possible differences between (individual) DAs and TAs:

- The effect has been positive but we believe there is further potential to reduce costs, e.g. by streamlining the preparation and launching processes as well as providing a clearer and more comprehensive regulatory framework for all aspects of DA implementation.
- It is substantial for the EU and DFID and their relations with the Ministry of Education.
- See comments to question 4. Reply to question 23 for AFD DA: modest reduction.






24. In what way did Delegated Cooperation contribute to strengthening ownership and leadership of the partner country?

Please indicate to what extent you agree with the following statements:






(Each respondent could choose only ONE response per sub-question.)

Definition of ownership and leadership: the effective exercise of a government's authority over development policies and activities




a. The partner country was/is involved in the choice / decision to use the DC modality

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	3						9
Agree	15						43
Disagree	10						29
Strongly disagree	4						11
No opinion	3						9
Total respondents: 35 Skipped question: 0							





b. The partner country was/is involved in the formulation of DC project(s) / programme(s)

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	3						9
Agree	24						69
Disagree	5						14
Strongly disagree	2						6
No opinion	1						3
Total respondents: 35 Skipped question: 0							






c. The partner country was/is involved in the implementation of DC project(s) / programme(s)

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	9						26
Agree	22						63
Disagree	4						11
Strongly disagree	0						0
No opinion	0						0
Total respondents: 35 Skipped question: 0							

d. The partner country took/takes part in the monitoring and evaluation of the DC project(s) / programmes

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	9						26
Agree	16						46
Disagree	4						11
Strongly disagree	0						0
No opinion	6						17
Total respondents: 35 Skipped question: 0							

e. DC has caused a reduction of donors active in the sector, which has strengthened ownership and leadership of the partner country government

Answer	Total	% response					%
		0%	20%	40%	60%	80%	
Strongly agree	3						9
Agree	3						9
Disagree	18						51
Strongly disagree	5						14
No opinion	6						17
Total respondents: 35 Skipped question: 0							

Did DC contribute in other ways to strengthening ownership and leadership of the partner country?

- The project is on-going, evaluation is not yet done, but the partner country government is involved in all stages of the project since identification to formulation and implementation. Some actions are focused on strengthening of the owner (partner country). The action is focused on the public land, methods and materials used will also be applied in inventorying of private land. Sur le dossier « KfW » (contrat 335-337), le bénéficiaire n'a pas été concerné, si ce n'est par la formulation.
- I understand that the partner country was not happy with the decision, but previous bad track record of TAO office led the COM and the NL to push for DC, which was eventually accepted by the country.
- En Haïti la DC se fait à travers l'approche projet donc l'appropriation de la part du gouvernement n'est pas meilleur que celle qu'on observe dans le cas d'un projet financé par l'UE ou le DC Partner.
- DC caused to reduce active donors in the sector but not necessarily strengthened ownership of the partner country government.
- Increased ownership/leadership by building capacity of the partner country.
- It contributed: (i) to align with the policies, structures and systems of partner country, (ii) to align cooperation for the sector alongside a single programming framework.
- See answer previous question.






Comments, including possible differences between (individual) DAs and TAs:

- In Palestine there is more involvement of the beneficiary in the case of programmes where there are TAs from EU Member States to the EU than in the case of DAs from the EU towards EU Member States.
- Delegated cooperation has positively affected all above mentioned aspects of Egypt's ownership and leadership.
- The response for a & b is 'don't know' for the TA in education sector as the Task manager is not available to verify the initial processes.
- See comments to question 1. Reply to question 24.c, d, e for AFD DA: strongly agree - agree – agree.
- DC with GIZ: the regional authorising officer organisation (Pacific Islands Forum Secretariat) was involved. DC with AusAID: Fiji was barely involved and rather reluctant at the beginning of the discussions due to political consideration.

25. In your opinion, what has been the overall impact of DC on strengthening ownership and leadership of the partner country government?

(Each respondent could choose only ONE response.)

Definition of ownership and leadership: the effective exercise of a government's authority over development policies and activities

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
DC has contributed substantially to strengthening ownership and leadership of the partner country	3						9
DC has contributed modestly to strengthening ownership and leadership of the partner country	17						49
DC has had no effect on the level of ownership and leadership of the partner country	11						31
DC has resulted in less ownership and leadership of the partner country	3						9
Don't know	1						3
Total respondents: 35 Skipped question: 0							

In case of less ownership and leadership, please explain why:

- As said above the action is still on-going and effective impact will be measured later. Sur le dossier KfW, le DA n'a contribué en rien à accroître l'appropriation ou la direction du projet, au bénéfice des bénéficiaires.
- Dependant on the line-ministry.
- Although the Vietnam government actively participated in the implementation and monitoring of the GIZ Delegation Agreement, their ownership was so high in comparison with the direct agreement with EU.
- The EU and DC partner are already aligned to government policies. Therefore the pooling of some limited funds does not have any impact.
- See reply to previous question. The DC partner was also doing implementation of Dutch cooperation, which had also been the responsibility of the same TAO Office before. This caused bitterness and loss of ownership.
- It is difficult to give a general opinion. In the case of DCI-ALA/2014/33-728 the Government found that the implementing agency (GIZ) did not share the same policy objectives and consequently found itself in opposition to decisions taken. In the case of DCI-ALA/2014/334-111 it was the opposite.
- Voir commentaire pour la question précédente (24).
- In water, through strengthened institutional capacity and use of common procedures, DC has improved the partner country ability to undertake its legal mandate. It has also

supported the local governments with a view to enhancing ownership and create conditions for sustainability of the interventions.

- See answer 23. Currently the Government is not development oriented.

Comments, including possible differences between (individual) DAs and TAs:

- DC has proven to be a good tool to foster ownership and leadership, in particular as concerns its identification and execution. Further improvements in this area could probably be achieved in the appraisal phase of DC-programmes, e.g. blending operations with bilateral funds channelled through the NIF, where the decision making process remains rather distant from beneficiary countries.
- 199-329: certainly a high level of ownership and leadership 199-279: to a lesser extent.
- The strengthening of national ownership and leaderships depends on the DC partner's choice since the level of autonomy given to the implementing entity varies from one to another following the internal procedures and rules of each DC partner.

26. In what way did Delegated Cooperation contribute to strengthening complementarity and added value of the support provided by the EU and the DC Partners?




Please indicate to what extent the outputs below had an effect on strengthening complementarity and added value of the support:

(Each respondent could choose only ONE response per sub-question.)

Definition of complementarity: the optimal division of labour between various actors (here: the EU and DC partners) in order to achieve the best use of human and financial resources

Definition of added value: the benefits the EU or another donor could contribute to a project or programme in order to enhance achievement of the project or programme objectives

a. Improved division of labour

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	6						17
Modest effect	21						60
No effect	8						23
Don't know	0						0
Not applicable	0						0
Total respondents: 35 Skipped question: 0							

b. Increased use of comparative advantages

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	13						37
Modest effect	15						43
No effect	6						17
Don't know	1						3
Not applicable	0						0
Total respondents: 35 Skipped question: 0							

c. Improved coordination and harmonisation between donors active in the sector

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	15						43
Modest effect	15						43
No effect	5						14
Don't know	0						0
Not applicable	0						0
Total respondents: 35 Skipped question: 0							

Did DC contribute in other ways to strengthening complementarity and added value?

- The complementarity with other programs is not obvious. Instead the program will contribute to better organize the land management sector and other projects will be based on the results of this project. The land management sector will be better managed. Toujours sur le seul dossier KfW, aucun effet n'est perceptible s'agissant d'un éventuel renforcement de la valeur ajoutée ou de la complémentarité de l'UE ou de l'entité déléguée.
- The only thing that changes is the managing entity.
- Allowed reduction of risks to finance pilot initiatives for each single donor and ensured adequate scale of activities.

Comments, including possible differences between (individual) DAs and TAs:

- Complementarity and added value are, in our view, the main strengths of DC.




- Les effets sont nettement plus positifs (point a et b) pour ce qui concerne le secteur des transports (TA) et du développement urbain (DA) que ceux qu'on peut observer dans le secteur du développement rural/sécurité alimentaire (DA).
- See comments to question 1. Reply to question 26.b and c for AFD DA: modest effect - no effect.
- DC with AusAID => strong complementarity, good added value and improved coordination as AusAID has been actively involved in TVET while EU less in Fiji DC with GIZ => modest complementarity, good added value and improved coordination with GIZ as we have experience in climate change and sustainable energy.

27. What has been the overall impact of DC on strengthening complementarity and added value?

(Each respondent could choose only ONE response.)

Definition of complementarity: the optimal division of labour between various actors (here: the EU and DC partners) in order to achieve the best use of human and financial resources

Definition of added value: the benefits the EU or another donor could contribute to a project or programme in order to enhance achievement of the project or programme objectives

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
DC has contributed substantially to strengthening complementarity and added value of the support of the EU and DC partners	11						31
DC has contributed modestly to strengthening complementarity and added value of the support of the EU and DC partners	22						63
DC has had no effect on the level of complementarity and added value of the support of the EU and DC partners	2						6
DC has decreased the complementarity and added value of the support of the EU and DC partners	0						0
Don't know	0						0
Total respondents: 35 Skipped question: 0							

In case of decreased complementarity and added value, please explain why:

- See comments on question n°26.
- The position is too general as we have two different experiences in DC in Honduras with different added values.

- Il s'agit d'une appréciation 'moyenne' qui pourrait être plus ou moins positive selon les secteurs. En tous les cas elle ne dépend pas de la nature de la DC.

Comments, including possible differences between (individual) DAs and TAs:

- Complementarity and added value are, in our view, the main strengths of DC.
- Complementarity and added value depends on the choice of DC partner and the level of available resources of the latter to properly manage and follow-up programme implementation. If those resources are not sufficient, the EUD may need to intervene more than desired given the fact that task are supposed to be delegated to the DC partner.
- See comments to question 1. Reply to question 27 for AFD DA: modestly.
- DC is expected to lay the foundation for a more programmatic approach for future programming in the water sector, to result in a division of labour between development partners, and it is furthermore envisaged to contribute to joint EU results in the water sector. Amount of each DA was too small to have a substantial impact and limited to the project scale.
- DC with GIZ potentially but a bit too early to have a decisive opinion in spite of positive signs. DC with AusAID greatly.

28. In what way did Delegated Cooperation contribute to reducing aid fragmentation?

Please indicate to what extent the outputs below had an effect on reducing aid fragmentation:

(Each respondent could choose only ONE response per sub-question.)

Definition of aid fragmentation: each donor supporting many sectors and each sector is supported by a high number of donors, often each with relatively small amounts

a. Improved division of labour

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	7						20
Modest effect	17						49
No effect	9						26
Don't know	1						3
Not applicable	1						3
Total respondents: 35 Skipped question: 0							

b. More co-financing

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	5						14
Modest effect	19						54
No effect	9						26
Don't know	1						3
Not applicable	1						3
Total respondents: 35 Skipped question: 0							

c. Larger programmes

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	13						37
Modest effect	17						49
No effect	3						9
Don't know	1						3
Not applicable	1						3
Total respondents: 35 Skipped question: 0							

d. Improved coordination and harmonisation between donors active in the sector

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strong effect	13						37
Modest effect	15						43
No effect	4						11
Don't know	2						6
Not applicable	1						3
Total respondents: 35 Skipped question: 0							

Did DC contribute in other ways to reducing aid fragmentation?

- DC has an effect on promoting larger programs For DC implemented by GIZ, the action of inventorying state land is generalized in all communes of the country while the same action has been undertaken by some donors. Indeed method and materials used are more efficient and results are more precise. For other criteria as improved division of labour or more coordination and harmonisation between active donors, they do not appear. Si ce n'est le fait de promouvoir des actions plus vastes, les autres effets présumés de la Coopération Déléguée n'apparaissent pas de manière évidente (répartition des tâches, plus de cofinancements, plus de coordination ou harmonisation entre les bailleurs du secteur).
- Not applicable as a result of the Syrian crisis that has changed the scenario in Jordan.
- Globalement parlant notre DC n'a pas eu d'effets. Les seuls vrais effets peuvent s'observer au niveau de l'UE et de l'AFD (seule DC partner).
- DoL per sector agreed for EU support to EDF11, cofinancing agreed with EU MS for EDF11, larger programmes formulated under EDF1.

Other comments, including possible differences between (individual) DAs and TAs:

- Closely linked to the previous point on complementarity and added value, and also one of the main strengths of DC.
- See comments to question 1. Reply to question 28.a-d for AFD DA: No effect - modest effect - modest effect - no effect.

29. In your opinion, what has been the overall impact of DC on reducing aid fragmentation?

(Each respondent could choose only ONE response.)

Definition of aid fragmentation: each donor is supporting many sectors and each sector is supported by a high number of donors, often each with relatively small amounts

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
DC has contributed substantially to reducing aid fragmentation	7						20
DC has contributed modestly to reducing aid fragmentation	22						63
DC has had no effect on the level of aid fragmentation	5						14
DC has caused an increase of aid fragmentation	1						3
Don't know	0						0
Total respondents: 35 Skipped question: 0							

In case of increased aid fragmentation, please explain why:

- See comments on question 28.
- The number of donors in the sector has not changed.
- Bringing Germany to a sector they were not involved in. One EU project implemented by 2 EU MS agencies.
- Too few DPs to be fragmented.

Other comments, including possible differences between (individual) DAs and TAs:

- Closely linked to the previous point on complementarity and added value, and also one of the main strengths of DC.
- Globalement parlant notre DC n'a pas eu d'effets. Les seuls vrais effets peuvent s'observer au niveau de l'UE et de l'AFD (seule DC partner) bien que la fragmentation est surement moins réduite pour les secteurs du développement urbain et de la sécurité alimentaire que pour celui des infrastructures routières. Dans le secteur urbain la fragmentation est en augmentation avec des nouveaux bailleurs. Ce phénomène n'est qu'un constat, non une relation cause à effet avec la DC.
- See comments to question 1. Reply to question 29 for AFD DA: modestly.
- DC led to implementation of ambitious programmes which were not possible using standalone projects (ex: IBLI, transformation agriculture...).
- Substantially for contribution to reducing aid fragmentation for DC with AusAID Modestly for DC with GIZ, as 1) GIZ has been active in climate change and sustainable energy in the region; 2) EU could have channelled funds through Pacific organisations as alternative options, if DC did not come to fruition.




30. In what way did Delegated Cooperation contribute to strengthening alignment of aid?

Please indicate to what extent you agree with the following statements:






(Each respondent could choose only ONE response per sub-question.)

Definition of alignment of aid: donors base their support on partner countries' national development strategies, institutions and procedures





a. The DC project(s) / programme(s) was/were based on and embedded in the policies and strategies of the partner country

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	14						40
Agree	18						51
Disagree	3						9
Strongly disagree	0						0
No opinion	0						0
Total respondents: 35 Skipped question: 0							

b. Implementation of the DC project(s) / programme(s) was based on national procedures and systems

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
1 Strongly agree	2						6
2 Agree	13						37
3 Disagree	16						46
4 Strongly disagree	3						9
5 No opinion	1						3
Mean: 2.66 — Median: 3							
Total respondents: 35 Skipped question: 0							

c. Implementation of the DC project(s) / programme(s) was managed by the regular implementation entities of the partner country

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	3						9
Agree	18						51
Disagree	13						37
Strongly disagree	1						3
No opinion	0						0
Mean: 2.34 — Median: 2							
Total respondents: 35 Skipped question: 0							

Did DC contribute in other ways to strengthening alignment of aid?

- As other management arrangements, the DC is based on the policies and strategies of the partner country but national rules and procedures are not applied. For DC under the responsibility of KfW, EU rules and procedures or procedures of partner entity are used and for DC under GIZ responsibility also. For DC with GIZ it is projected to train members of the country partners involved in the management of the action. Au même titre que d'autres modalités de gestion, la Coopération Déléguée s'appuie sur la politique et les stratégies du pays bénéficiaire. Dans le cas du dossier géré par la KfW, et de manière plus générale des actions menées au Burundi (à confirmer par les collègues), les procédures nationales ne sont pas prises en référence mais bien celles de l'UE ou de l'entité déléguée.
- Ad b) use of national procedures depends on whether the procedures of the delegated body foresee this option.
- Question b. above totally true for DA 199-329, less true for 199-279. Implementation not systematically managed by partner country, for instance for 199-279. Existence of a steering committee, and of co-management but daily management not 100% embedded in entities of partner country.
- The use of EU procedures. The implementation was managed by the regular implementation entity for the EU programmes (COFED) or by NGOs based on EU procedures.
- Better policy dialogue and participation in coordination fora contributed to better alignment of EU MS cooperation with national policies.

Other comments, including possible differences between (individual) DAs and TAs:

- Delegated cooperation has fostered alignment with regard to all above mentioned factors.
- Only the TA was implemented through budget support, i.e. fully aligned.

- En particulier pour la question C. Formellement la réponse est AGREE, cependant la réalité est que sans l'accompagnement et contrôle constants de l'UE et du DC partner, le pays bénéficiaire n'arriverait pas à gérer correctement les opérations.
- Contributed to the sector budget support.
- See comments to question 1. Reply to question 30.c for AFD DA: agree.

31. In your opinion, what has been the overall impact of DC on strengthening alignment of aid?

(Each respondent could choose only ONE response.)

Definition of alignment of aid: donors base their support on partner countries' national development strategies, institutions and procedures

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
DC has contributed substantially to strengthening alignment of aid	8						23
DC has contributed modestly to strengthening alignment of aid	20						57
DC has had no effect on the level of alignment of aid	7						20
DC decreased the alignment of aid	0						0
Don't know	0						0
Total respondents: 35 Skipped question: 0							

In case of decreased alignment of aid, please explain why:

- As said above, the policies and strategies are taken into account during the implementation of the project of KfW not rules and procedures. For GIZ DC, it is expected to involve the national country partner and the generalization of methods and materials used will allow to conduct the action of inventorying private lands. Dans le cas précis du dossier géré par la KfW, il est tenu compte des stratégies nationales et des institutions nationales concernées par l'Action (REGIDESO, Ministère de l'Énergie et des Mines) mais pas des procédures nationales de mise en œuvre.
- EU and DC partner are both aligned.

Other comments, including possible differences between (individual) DAs and TAs:

- All DAs are closely linked to priority sectors of the GoE, as well as to specific sector policies and/or sector reform processes.
- La question de fond est que la DC n'est pas vraiment décidée avec le pays bénéficiaire (Haiti) mais elle est plutôt présentée comme un fait accompli par l'UE et/ou le DC partner.
- See comments to question 1. Reply to question 31 for AFD DA: modestly. It should be noted that DC is not the only way to align aid.
- Better programming aligned with national policies in the respective sectors.

6 Impact of Delegated Cooperation on aid effectiveness

The following question asked the opinion of the respondents on the impact of DC on the efficiency and effectiveness of aid delivered by the EU.

32. In your opinion, to what extent has Delegated Cooperation improved or decreased the efficiency and effectiveness of aid delivered by the EU?





Please indicate to what extent you agree with the following statements:

(Each respondent could choose only ONE response per sub-question.)

General definition of efficiency: extent to which resources and inputs (funds, expertise, time, etc.) have been converted economically into results

General definition of effectiveness: extent to which the development intervention's objectives have been achieved or are expected to be achieved

a. DC has been and is a useful instrument for improving the effectiveness of aid delivered by the EU

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	8						23
Agree	21						60
Disagree	3						9
Strongly disagree	0						0
No opinion	3						9
Total respondents: 35 Skipped question: 0							

b. DC has decreased the effectiveness of aid delivery

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	9						26
Disagree	19						54
Strongly disagree	4						11
No opinion	2						6
Total respondents: 35 Skipped question: 0							






c. DC has been and is a useful instrument for improving the efficiency of aid delivery

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	4						11
Agree	23						66
Disagree	1						3
Strongly disagree	0						0
No opinion	7						20
Total respondents: 35 Skipped question: 0							





d. DC has decreased the efficiency of aid delivery

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	0						0
Agree	5						14
Disagree	20						57
Strongly disagree	4						11
No opinion	6						17
Total respondents: 35 Skipped question: 0							






e. Aid provided via DC is more effective than aid provided for the same purpose in the form of separate direct financing agreements of a few donors

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	2						6
Agree	19						54
Disagree	7						20
Strongly disagree	3						9
No opinion	4						11
Total respondents: 35 Skipped question: 0							





f. Aid provided via DC is less effective than aid provided for the same purpose in the form of separate direct financing agreements of a few donors

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	0						0
Agree	2						6
Disagree	20						57
Strongly disagree	9						26
No opinion	4						11
Total respondents: 35 Skipped question: 0							

g. Aid provided via DC is more efficient than aid provided for the same purpose in the form of separate direct financing agreements of a few donors

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	3						9
Agree	15						43
Disagree	5						14
Strongly disagree	1						3
No opinion	11						31
Total respondents: 35 Skipped question: 0							

h. Aid provided via DC is less efficient than aid provided for the same purpose in the form of separate direct financing agreements of a few donors

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	0						0
Disagree	19						54
Strongly disagree	5						14
No opinion	10						29
Total respondents: 35 Skipped question: 0							

Please shortly motivate your answers:

- There is a great variability between the two DAs, in terms of both efficiency and effectiveness. Our comments reflect an averaged analysis.
- The efficiency or effectiveness of aid depends on the implication of the partner which implements the project or program. For action under KfW responsibility it is not easy to evaluate the efficiency and effectiveness of aid when we do not have results after two years of implementation. On another side the project under GIZ responsibility, some results are already attained after one year of implementation and more results are expected at the end of project. Efficacité et efficience: tout une affaire. Il faut distinguer la théorie et la pratique. En théorie, la Coopération Déléguée devrait participer à améliorer ces deux éléments. Dans le cas du dossier géré par la KfW, l'absence de résultats concrets, deux ans après la signature du DA.
- Difficult to appreciate.
- The case of the Netherlands Antilles is not the best example of increasing efficiency and effectiveness, because there were quite a few downsides, but yet one could say that considering the complexity of managing aid to 6 different islands through a weak TAO office, the choice for DC was reasonable and did result in improvements in effectiveness and efficiency, and results were indeed achieved.
- Implementing Agencies do not always share/understand/agree with EU Policies in the relevant Programmes. There is a need of a thorough analysis of policy coherence before signing the DCs.
- Pas évident donner des réponses générales sur la base de projets spécifiques; en effet la DC devrait être un outil idéale pour renforcer l'efficacité et l'efficience de l'aide, mais entre la théorie et la pratique il existe une certains divergence car on arrive à la DC plus pour des raisons contingents (nécessité de réduire le workflow de la délégation, pression/accord 'politiques' entre UE et EM) que suite à une discussions et échange approfondis qui devraient permettre de développer des objectifs et une vision partagés.
- I consider DC has been more effective in achieving programmes objectives and expected results and implementing national strategies since it has facilitated the work of implementing entities that could follow a single intervention logic and a single set of procedures and rules (in most cases national ones, instead of different ones based on

donors' rules and procedures). As regards its efficiency, I guess a proper study on resources allocated through DC and those that would have been put at the disposal of each concerned donor would be necessary to be able to compare which option is most efficient in terms of resources and inputs.

- It is really difficult to generalise. It depends of the efficiency of EU MS agencies and other agencies and the country context in which they work.
- By improving coordination among donors and contributing to implement larger programmes, using in some cases a common management system, the DCs have improved both effectiveness and the efficiency of EU aid.
- Efficiency of aid very much depends on the environment of aid, not the modality of aid.
- Efficiency and effectiveness increased as both GIZ and AusAID have strong expertise and robust (financial in particular) procedures as compared to UN agencies and several regional organisations for example.

Other comments, including possible differences between (individual) DAs and TAs:

- Delays in the implementation of activities and low levels of financial execution in the TVET programme does not allow us to say that either efficiency or effectiveness of aid has been improved with delegated cooperation.
- Delegated cooperation has fomented efficiency and effectiveness of EU aid delivery, in absolute terms as well as with regard to alternative aid delivery options (e.g. in comparison to separate direct agreements etc.).
- See comments to question 1. Reply to question 32.e and g for AFD DA: strongly agree.

7 The Future of Delegated Cooperation

The last two questions asked the respondents' views on the future of DC as a funding modality.

33. What are your views on the future of the DC funding modality?

(Obligatory OPEN question.)

- DC with MS agencies should remain as one of implementation modalities of the EU funding for development cooperation.
- DC should continue as a funding modality, if and when clear positive effects could be identified. However, it should not be used as a way to simply transfer transaction costs from the EU to the implementing agency, and as a way to adapt the EU development cooperation to further reduction of available resources.
- DC funding is not an objective per se, it will be used if deemed the most optimal solution for a given programme in a given context.
- It depends on the partner. If the partner has not appropriate implementation facilities our DC will be useless.
- Modality to be pursued, especially in case of Joint Programming.
- Delegated cooperation is an important instrument for the implementation of joint strategies based on joint programming efforts. Attention should be put at HQ to devise contractual templates which can be negotiated in a speedy manner avoiding the problems encountered with PAGODA in 2015.
- Delegation agreements will remain important because they provide opportunities to involve other donors in the focal sectors of the EU, and make use of their comparative advantages and added value in those sectors.
- The DC modality has substantial advantages in terms of management arrangements where the EU can use partners which have expertise and we think that it can be continued. Its efficiency will depend on the partner as we have seen that for the two DC agreements, results are different. Some partners encourage the use of this management modality because results are satisfactory. Vu qu'en théorie, cette modalité de gestion offre des avantages substantiels, il y a fort à penser qu'elle se maintiendra. Cela suppose cependant que des mesures soient mises en place pour que Pratique et Théorie finissent par se rejoindre et ce, malgré la délégation et le recul pris par l'entité délégataire vis-à-vis de la gestion du projet ou programme.
- (i) Further focus on aligning DC funded projects to a limited number of integrated sector/institutional reform processes in the beneficiary country. (ii) Emphasis to be put on more coherence of DC funded projects with the EU's own policy goals and priorities in the respective intervention sector (climate change; environment; migration; energy...) and geographical region; (iii) Involved IFI should align to EU policy goals and priorities in the intervention sector/ geographical region. (iv) Involvement of the Delegation in preparation and execution of DC funded projects to be increased.
- Modalité appréciable et à poursuivre.
- As much as possible we have to find tools and approaches that make our support in line with national systems of implementation, and of M&E. If DC modality supports

reaching this goal, let us fine tune it and adapt it to local situations. Development of EU Trust Funds (with their governing structures) are possibly better ways to achieve DA and TA objectives.

- To be continued as it favours the division of labour and reduce the workload of the EUD.
- DC funding should still be used to take advantage of the available expertise and experience of DC partners.
- Can be developed more in Bhutan.
- Under the 11th EDF already four Delegation Agreements are in the pipeline.
- It depends on which project we are talking about. DC to be kept in the toolbox of funding modalities.
- To be encouraged but always with a critical look at the agency in question, and close monitoring is advisable, especially at the beginning to ensure that the DC partner is taking the same care that we would.
- This is a good modality that should help the policy coherence and division of labour between EU and Implementing Agencies.
- DC has important advantages in the context of Angola: (i) Reduce our dependency on International Organisations, especially UN agencies; – (ii) Greater EU visibility and enhanced aid effectiveness; (iii) Delegated cooperation covers large programmes.
- No views.
- A balance has to be established allowing an increased involvement of the EU in the management. Need for more frequent reporting and for active governance structures with the ability of the EU to effectively steer the project when it is a major donor. Delegated partners have to ensure visibility and inclusion of governments of the formulation and monitoring of projects. Contracts between EU and Delegated bodies have to explicitly consider the role of the implementing body.
- Discussions were held at the debriefing of the evaluation mission at the EUD Mali with both Task managers and HoC.
- Il pourrait être un outil très utile pour avancer dans l'harmonisation de l'aide mais aussi pour mettre en œuvre la programmation conjointe. En réalité, il continue d'exister une certaine méfiance au égard de cet outil qui est souvent perçu comme le moyen qui permet aux EM de se (ré) approprier des fonds versés à l'UE pour l'aide au développement. Ce qui amène à la 'distorsion' des principes 'nobles' de la DC. D'ailleurs le niveau de connaissance de la DC intra UE reste assez différent entre les capitales et les sièges des coopérations des EM dans les pays bénéficiaires. Parfois on a constaté aussi que le niveau de connaissance des 'règles partagées' est insuffisant aussi au niveau des institutions concernées qu'il s'agisse des sièges ou des délégations dans le pays bénéficiaire. Il serait utile avoir des messages forts de la part de l'UE (Conseil, EEAS, CE) pour avancer dans la bonne direction (ECD/DAC "Good practices" on delegated cooperation) accompagné par une campagne d'information/formation pour permettre de mieux comprendre le but final de la DC.
- In the context of the reduced human resources in the Delegations it is important having more DAs. Human resources needs to be reinforced while having TAs.

- In principle it is a good modality however in reality it has many challenges. Sometimes losing control, visibility not ensured. It is advantageous in division of labour and reduction of transaction costs.
- In the framework of joint programming, where division of labour, comparative advantage, donor coordination and harmonisation among donors (EU and MS) would be further formalised and become in the short/medium-term the relevant cooperation approach I believe DC will further become an effective instrument to ensure all the above is well implemented. MS should be ready to increase their staffing and resources in order to properly carry-over their responsibilities and tasks as DC partners, which sometimes is not currently the case. In addition, DC procedures should be simplified by trying to develop a single set of documents with common rights and obligations acceptable for all potential DC partners. Otherwise, it becomes difficult and time consuming for both parties (EUD and DC partners) to work under the framework of the DC with the same partner and with different types of DA models (PAGODA normal, PAGODA blending...) depending on the source of financing or the type of intervention or with different applicable rules depending on the DC partner.
- Can be useful to promote efficiency and effectiveness on interventions and to achieve better donor coordination.
- DC is a good funding modality. It allows to capitalise on European partners' comparative strengths and interests allowing EU to speak with one voice and create greater leverage, never mind which EU partner has the lead for a particular action. DC enables translation of joint programming into joint implementation, thereby making division of labour effective. DC provides the potential to contribute to increasing funds with same or less HR as a viable alternative to budget support, although this is not automatic and depends on how programmes can be designed. If realisable in a particular programme this would all the more be welcome in a context where funds increased substantially (multiplied) without more HR provisions.
- We will certainly do more in the future as we move into joint programming and as blending is becoming more common.
- It can be extremely effective in promoting EU expertise, but also EU values. Twinning arrangements between peer institutions of EU MS and beneficiary countries can also be very effective. EU MS agencies have more flexible procedures than the EU.
- DC is considered as instrumental to pave the way for increased use of blending facilities, in particular in infrastructure (AFIF) and agriculture (AGIFI), where the development banks are to be contracted to implement related loans and grants.
- Very useful but given that in Lesotho we are the only EU development partner the workload is fully on EUD shoulders with limited staff.
- With simplified rules and templates, this could be a good option to channel EU support to specific sectors provided EU visibility is catered for.
- The Pacific is a relatively specific case where regional organisations are better performing than in most of the other ACP regions and where GIZ is the only significant EU Member States development cooperation agency in Pacific ACPs (AFD being the only one in French Overseas Countries and Territories). It is important to strengthen EU/EU Member States collaboration and division of labour and the efficiency and effectiveness and impact of EU development cooperation. As regards the workload, it can provide significant help with reducing workload (cf DC with AusAID in Fiji) or less so for the EU Delegation for the Pacific as a whole since joint management (10th and

9th EDF) has been largely used for regional programmes. In addition the EUD in Fiji has seen an increase of its staff.

34. Please indicate to what extent you agree with the following statements:

(Each respondent could choose only ONE response per sub-question.)

a. Delegation Agreements will remain important because it provides an opportunity to provide support to non-focal sectors

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	3						9
Agree	10						29
Disagree	13						37
Strongly disagree	2						6
No opinion	7						20
Total respondents: 35 Skipped question: 0							

b. Delegation Agreements will remain important because it provides opportunities to involve other donors in the focal sectors of the EU, and to make use of their comparative advantages and added value in those sectors

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	9						26
Agree	23						66
Disagree	2						6
Strongly disagree	1						3
No opinion	0						0
Total respondents: 35 Skipped question: 0							

c. More use will be made of Delegation Agreements because it provides opportunities to reduce the workload of the EUDs

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	8						23
Agree	15						43
Disagree	7						20
Strongly disagree	5						14
No opinion	0						0
Total respondents: 35 Skipped question: 0							






d. Transfer Agreements will become less relevant because aid budgets of EU member states are declining

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	7						20
Disagree	8						23
Strongly disagree	0						0
No opinion	19						54
Total respondents: 35 Skipped question: 0							





e. Transfer Agreements will become less relevant because of the growing importance of EU Trust Funds

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	2						6
Agree	3						9
Disagree	3						9
Strongly disagree	1						3
No opinion	26						74
Total respondents: 35 Skipped question: 0							





f. The DC modalities (DAs and TAs) are becoming and will become less relevant because of Joint Programming

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	1						3
Agree	1						3
Disagree	17						49
Strongly disagree	9						26
No opinion	7						20
Total respondents: 35 Skipped question: 0							.





g. The DC modalities (DAs and TAs) are becoming and will become less relevant because the motivation of donors to strengthen donor coordination and harmonisation is declining

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	0						0
Agree	3						9
Disagree	17						49
Strongly disagree	10						29
No opinion	5						14
Total respondents: 35 Skipped question: 0							

h. Less use will be made of the DC modalities (DAs and TAs) because the EU and the DC partners are concerned about loss of their visibility

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	0						0
Agree	8						23
Disagree	23						66
Strongly disagree	2						6
No opinion	2						6
Total respondents: 35 Skipped question: 0							

i. More use will be made of the DC modalities (DAs and TAs) because they are preferred by the Partner Countries

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	0						0
Agree	5						14
Disagree	12						34
Strongly disagree	5						14
No opinion	13						37
Total respondents: 35 Skipped question: 0							

- j. DC needs to be and will be promoted more strongly because it strengthens the relations between the EU and its Member States both in general and as regards development cooperation in particular (more joint actions and strengthening joint approaches)

Answer	Total	% responses					%
		0%	20%	40%	60%	80%	
Strongly agree	10						29
Agree	18						51
Disagree	1						3
Strongly disagree	0						0
No opinion	6						17
Total respondents: 35 Skipped question: 0							

Comments:

- See comments above.
- ad d) and e): No TA in Egypt.
- Implementing Agencies should be chosen on the basis of the sector experience they have.
- The excessive use of delegated cooperation could lead to the question of the value added of the EU intervention.
- As regards statement a. it should be clarified if we talk about non-focal sectors for the EU? the country? other donors?
- c. DA do not necessarily reduce the workload; this depends on how it is designed.
- MS are currently not very comfortable with the current PAGODA rules and templates.
- DC is new for the Pacific region as DCs with GIZ and AusAID are the first experiments. So it is too early to have a decisive opinion on the appreciation of partner countries. Overall DC needs to be promoted in theory as long as it strengthens relations between EU and Member States and also depending on workload of Delegations. However choice of DC needs to be made carefully on a case by case basis and in close collaboration with partners in line of principles of aid effectiveness.

8 Final remarks

In the final question, the EUDs could provide feedback on both the questionnaire or make a final remark on Delegated Cooperation.

Final remarks:

- A delegation managing one or 2 DAs cannot be expected to answer authoritatively the majority of questions raised about DCs, about TAs, about aid efficiency, about other partners intentions, etc. etc. The questionnaire tends to ask the respondents to generalise issues based on single occurrences.
- The structure of the questionnaire was overly complex. A shorter and more focused set of questions would have been preferable. In our view there were a lot of repetitive questions.
- li) The overall experience with DA has been positive. (ii) Delegated cooperation has generally proven to be a good alternative to other implementation modalities like BS, decentralised cooperation, in particular, in policy sectors requiring strategic investment for basic infrastructure etc. (iii) There is still important potential to improve and simplify the preparation and execution of delegated cooperation.
- RAS.
- Considering the time period under consideration, 2007-2014, and the fact that mobility in delegations has increased (now also more mobility of CAs), the institutional memory especially regarding the beginning of the period under consideration is very much reduced.
- The questions in many cases were very general.
- This questionnaire will be of an interest only if it's also given to DC partners to cross check points of views. It's important to know how things are seen from DC partner's side.
- DA through Implementing Agencies recruit more staff to carry out activities. This is increasing effectiveness. Increase out sourcing could risk losing in-house expertise, DA should help to a better Policy Coherence.
- (i) An approach needs to be defined to increase competition between EU MS Agencies. (ii) A reflexion needs to take place on the pros/cons of DC versus traditional Technical Assistance.
- Questionnaire too long. Every single DA has its own experience, so difficult to combine all the opinions as for the EUD Mali, many questions were discussed at the time of the debriefing mission as well as during bi-lateral.
- Prochaine fois merci de trouver un format informatique de questionnaire qui puisse être sauvegardé et travaillé par plusieurs personnes.
- It is not fully true that the DC is encouraging co-financing. TA gradually led DFID to pulling out from the education sector. The government of Nepal may have perceived it negatively. DC is definitely important in terms of harmonisation and enhancing effectiveness of the development cooperation. This exercise has helped in carrying out internal assessment on the effectiveness of the DC in Nepal.

- The Mauritius EU Delegation has also one DC agreement with Seychelles.
- The questions were replied based on experiences with the two DAs signed, so mostly ignoring developments over time on the framework of DC. European partners (8 EU and Switzerland + EU-level) agreed on a joint programme in 2014 including a results framework. More concrete DC for the EU is already decided in PFM with SE SIDA and envisaged in other sectors as well including building on previous experience.
- It is not very relevant to assess the value of DC based on two small agreements.
- Division of labour is still weak in Kenya since its agenda is not really pushed by the government. In addition, the devolution process, which gives more responsibility and mandate to 47 local governments in aid programming and implementation, is complicating the situation. DC has been an opportunity to reinforce coordination and partnerships with EU MS cooperation in several sectors, such as Agriculture and Water, laying the foundation for joint programming and co-financing.
- Overall DAs are a good modality for the EUD, provided that EU visibility is taken into account in the agreement with the implementing partner.

