European Commission

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

Final report
Volume 2 – Context to Information and Methodology

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Evaluation carried out on behalf of the European Commission

International Cooperation and Development
EuropeAid

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The opinions expressed in this document represent the authors' points of view which are not necessarily shared by the European Commission or by the authorities of the concerned countries.

The evaluation is being managed by the DG DEVCO Evaluation Unit

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2.1. Terms of references

1. Mandate and objectives

Systematic and timely evaluation of its programmes, activities, instruments, legislation and non-spending activities is a priority[1] of the European Commission[2] in order to demonstrate accountability and to promote lesson learning to improve policy and practice[3].

The **Evaluation of** the delegated cooperation with Member States and third donor countries ("Delegated cooperation") as an aid delivery mechanism is part of the evaluation programme approved by the Development Commissioner.

The main objectives of the present evaluation of **Delegated cooperation** are:

- to provide the relevant external co-operation services of the European Union and the wider public with an overall independent assessment of the delegated cooperation over the period 2007-2013;
- to identify key lessons and to produce recommendations to improve current and inform future choices on co-operation strategy and delivery.

The main users of this evaluation include the EU Commissioner(s), EU Management, thematic units as well as external partners and donors. The evaluation will also be of interest to the wider international development community.

2. Background

a. Definitions

As per Financial Regulation 2002, applicable during the period under evaluation (2007-2013), delegated cooperation works both ways:

- the management of funds entrusted by the European Commission to delegated “six pillar compliant” development bodies from Member States (or possibly from other third donor countries) led to the signature of ***Delegation agreements*** (DA) (under *indirect centralised management* mode);
- the management of funds entrusted to the European Commission by Member States, other partner countries and organisations, and other public donors led to the signature of transfer agreements (TA).

b. Policy framework

The European Union, along with its Member States, was party to a number of international initiatives aimed at improving the effectiveness of aid: the Paris Declaration on Aid Effectiveness (2005), followed by the High-Level Forums in Accra resulting in the Accra

1 EU Financial Regulation (art. 27); Regulation (EC) No 1905/2000; Regulation (EC) No 1889/2006; Regulation (EC) No 1638/2006; Regulation (EC) No 1717/2006; Council Regulation (EC) No 215/2008.
2 SEC(2007) 213 "Responding to Strategic Needs: Reinforcing the use of evaluation".
3 COM (2011) 637 "Increasing the impact of EU Development Policy: an Agenda for Change".

Agenda for Action (2008) and in Busan, resulting in the Busan Partnership for effective Development Cooperation (2011)[4].

At the EU level, the European Consensus on Development (2006)[5] and the EU Code of Conduct for the Division of Labour (2007)[6] dealt with aid effectiveness and the reduction of aid fragmentation among EU donors at country level. The EU Code of Conduct on Division of Labour introduced a radical change in the way the EU and other donors will provide aid by defining under its guiding principle 4 the modalities for delegated cooperation partnership with other donors. It is stipulated *inter alia* that *"If a given sector is considered strategic for the partner country or the donor, EU donors may enter into a delegated cooperation/partnership arrangement with another donor, and thereby delegate authority to the other donor to act on its behalf in terms of administration of funds and/or sector policy dialogue with the partner government. Partner governments should be consulted on the donors' delegating agreements. Delegating donors should be enabled to review policies and procedures of the lead donor relevant to their delegating agreements. A delegated cooperation/partnership role in a sector will be considered additional to the maximum of three sectors in which a given donor is engaged. The delegation of cooperation from the Commission to other donors will follow the provisions of financial and implementation regulations of EU Budget and the EDF*".

As set out in the Commission communication "Agenda for Change"[7], the EU has been committed to improving the impact of development assistance in order to speed up progress towards the internationally agreed Millennium Development Goals (MDGs).

c. Strategic objectives of delegated cooperation

In line with the aid effectiveness agenda, delegated cooperation was to be considered from the Commission point of view as an effective implementing modality to move towards larger programmes in line with the partner country's policy and jointly funded with other public or private donors. Delegated cooperation and joint co-financing were therefore initially seen as an innovative tool for donors to streamline their participation in a specific country by focusing on a limited number of sectors.

The main objectives of the delegated cooperation were to:

- Promote ownership and leadership of development programmes by partner countries and their accountability to people;
- Deliver aid more efficiently by sharing and maximising use of technical and management capacity and systems;
- Promote the role of the EU with interested Member States, particularly when Member States wish to delegate authority to the Commission;
- Encourage use of common monitoring, evaluation and accounting procedures to reduce number of separate donor reviews and different accounting procedures;
- Promote 'better donorship' practice with EU donors based on a systematic assessment of better cost/benefits/impact ratio.

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4 Find these documents at http://www.oecd.org/dac/effectiveness/.

5 Joint declaration by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on the development policy of the European Union entitled 'The European Consensus' (OJ C 46, 24.2.2006).

6 Communication from the Commission to the Council and the European Parliament of 28 February 2007 entitled 'EU Code of Conduct on Division of Labour in Development Policy' (COM(2007)72).

7 Communication from the Commission to the European Parliament, the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 13 October 2011, "Increasing the impact of EU Development Policy: an Agenda for Change" (COM(2011)637).

d. Legal context

i. Situation set by the Financial Regulation 2002

The Financial Regulation 2002 foresaw the possibility for the Commission under the indirect centralised management mode to delegate budget implementation tasks/exercise of public authority to national public-sector bodies or bodies governed by private law with a public-service mission that offer adequate financial guarantees[8].

Before entrusting the management of EU funds to an entity, to protect EU financial interests, the Commission must have obtained evidence of the existence and proper operation within those entities, namely that the criteria set in the Financial Regulation (Art. 56 FR for budget and art. 26 FR for EDF) are met. The respect of these criteria by the candidate entity is subject to the prior ex-ante 6-pillar assessment performed by EuropeAid.

EuropeAid set additional eligibility criteria drawing the first lessons after one year of implementation and considering the wide scope of the Financial Regulation and the various requests received from different legal entities. Indeed, it clearly appeared that there was a risk for the Commission to quickly find itself in a situation where it would have to handle a much larger number and variety of bodies (both from within and outside the EU) with which to engage in indirect centralised management operations.

To avoid such an unmanageable situation, the EuropeAid management took in February 2009 the decision to limit the possibility to enter into delegated cooperation only to national public-sector bodies or bodies governed by private law with a public-service mission which comply with additional four specific criteria (bodies from Member States, operating at a national or federal level, specialised in technical or financial development cooperation with beneficiary countries of EU external assistance and implementing directly cooperation activities without subcontracting entire programmes or projects to other entities). A specific derogation to the first principle – in exceptional cases duly justified by a specific added value - was foreseen for donors from non-EU countries, (such as the US, Canada, Japan, Australia, etc.).

The choice of the delegated body was, and still is, subject to a number of restrictive conditions such as selection in an objective and transparent manner, following a cost-effectiveness analysis, respect of the principle of non-discrimination, choice based only on body's specific technical and sectorial competences at partner country level and proved added value to implement the targeted action, the delegation must have enhanced the sound financial management and met, in particular, the principles of economy, efficiency and effectiveness.

For each delegation agreement, EuropeAid verified the link between activity and more efficient aid modalities as well as the efficiency gain and reduced transaction cost for the Partner country.

Although co-financing was not an absolute legal condition for the use of the indirect centralised management, some financing instruments (for example DCI) stated that this management mode should be used only in the event of co-financing, except in duly justified cases. The main reason for choosing indirect centralised management would have been to achieve better donor coordination and aid effectiveness by the pooling of funds through one of the co-donors. Consequently, it would normally only be chosen when another donor was considered better placed than the European Commission to manage large, non-focal sector programmes that are co-financed and where the activities fit the

[8] Articles 54(2)(c) and 56(1) of the EU Budget Financial Regulation and 38 of its Implementing Rules and 25 to 28 of the 10th EDF Financial Regulation.

European Commission's programme priorities as agreed with the beneficiary country concerned. Additionally, EuropeAid also verifies that the proposed delegation is not a substitute to the setting up of technical assistance via centralised or decentralised management.

In 2009, EuropeAid has laid a set of criteria aiming at reaching a certain balance between delegation and transfer agreements, following the principle that the division of Labour between the Commission and the Member States should work both ways. However, these balanced criteria were just indicative and did not constitute an overriding requirement for the applicants.

A fixed percentage of direct eligible costs may have been claimed as indirect costs by the delegated entity to cover the administrative overheads incurred, both in the context of delegation agreement and transfer agreement.

Financial Regulation 2002

Entity	Management mode	Legal document to be signed	Assessment of internal procedures
International organisation	joint management	contribution agreement	4 Pillar Assessment
National (public or private) body of a donor country	indirect centralised management	delegation agreement	6 Pillar Assessment

ii. Changes introduced by the Financial Regulation 2012

The Financial Regulation ('FR') applicable to the general budget of the EU has undergone significant changes with regards to management modes which entered into force on 1 January 2014. As a consequence, indirect centralised management and joint management with international organisation were merged and replaced by indirect management.

Delegated cooperation continues to work both ways (donors entrust funds to one another to enhance aid effectiveness). However, as from 1 January 2014, EU funds could be also entrusted under indirect management to (a) partner countries for capacity building purposes (using their systems, ownership); (b) international organisations, specialised EU (traditional/regulatory) agencies, mainly to profit from their specialisation; (c) a Lead Financial Institution (the mechanism in Blending Facilities) which sub-delegates to the partner country[9].

Financial Regulation 2012

Entity/Contracting Authority (CA)	Management mode	Legal document to be signed	Procedures
International organisation	Indirect Management	Indirect Management Delegation Agreement (IMDA)	The Pillar Assessment
National (public or private) body of a donor country			

e. Delegated cooperation in key figures

Since the beginning of the process in 2007, the so-called "6 pillars" assessments for each eligible candidate entity are carried out by external audit companies on the basis of

9 Article 58 and 60 of Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget.

standardised process. The assessment report is a basis for the Commission in deciding whether to entrust the entity with the budget implementation tasks.

By the end of 2013, 23 entities have been assessed positively, out of which 21 are EU entities. The delegated amount represented about 720 M€ through some 130 delegation agreements (120 of them are on-going) and the transferred amount was of about 170 M€ through some 40 transfer agreements signed. The average value is around 5.5 M€ for delegation agreements and 4.5 M€ for transfer agreements.

3. Scope of the evaluation

a. The temporal, thematic, legal and geographic scope

Temporal scope
The evaluation shall cover the period 2007 – 2013.

Thematic scope
The scope of the evaluation is the overall delegated cooperation mechanism used by the Commission for the co-operation with Member States and third donor countries.

The evaluation will focus on the Commission co-operation with the key EU and non-EU delegation agreements' and transfer agreements' stakeholders such as KFW/GIZ (DE), AFD (FR), AECID (ES), DFID (UK), DANIDA (DK) for delegation agreements and MS Governments (FR, IRE, SWE, BE) for transfer agreements. It will also address problems, other than the Pillar Assessment, encountered by other potential stakeholders that prevented them from participation.

The evaluation should refine the mapping currently available of the delegated cooperation actions in terms *inter alia* of financial flows, of geographic and thematic distribution as well as of beneficiaries of delegated funds and of donors.

The evaluation shall lead to a set of conclusions (based on objective, credible, reliable and valid findings) and related lessons and recommendations. It should come to a general overall judgement on the Commission's cooperation with Member States and third donor countries. This judgement should be based upon well-founded conclusions regarding all aspects of the Commission's approach. The final report should contain conclusions and recommendations expressed clearly enough to be translatable into operational guidance by the Commission.

The evaluation shall focus on the subject in the context of the financial regulation 2002 but will make recommendations in the light of its 2012 version and modalities applicable as from 1.1.2014.

When formulating the conclusions, the consultants shall take into account past legal context of Financial Regulation 2002 applicable during the evaluated period[10] and modifications already introduced by Financial Regulation 2012 in force[11]. The recommendations will be formulated in the light of the latter.

Legal aspects
The complete legal framework of Delegated cooperation will be taken into consideration and assessed.

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10 Regulation (EC, Euratom) No 1605/2002.
11 Regulation (EU, Euratom) No 966/2012.

Geographical scope
All regions where the EU cooperation with partner countries is implemented through delegated cooperation are included in the scope of this evaluation.

b. Evaluation criteria

Based on the purpose of the evaluation to identify relevant lessons and to produce recommendations for the current and future implementation through the delegated cooperation, the evaluation will use the five standard OECD/DAC evaluation criteria, namely relevance, effectiveness, efficiency, impact and sustainability.

In addition, delegated cooperation shall be assessed in the light of:
- the added value (at both the strategic and implementation levels);
- the 3Cs: coordination, complementarity and coherence;
- visibility of EU aid provided through delegated cooperation.

c. Evaluation questions

These questions are **indicative** and will be discussed at inception phase:

a. To what extend proposals for DA are prepared on the basis of an assessment of the political relevance, feasibility and whether another donor is better placed than the European Commission to implement the action?
b. How relevant is the delegated cooperation in terms of the aid effectiveness principles and especially the division of labour?
c. To what extent has delegated cooperation improved “better donorship” practice and cost/benefit/impact ratio?
d. How far has delegated cooperation increased ownership and leadership of developing countries?
e. To what extent is the overall workload/transaction cost balance of all involved players positive or negative?
f. To what extent is implementation via the delegated cooperation better than via other management modes, in particular via direct management?
g. To what extent is the visibility of the EU in programmes/projects implemented through delegated cooperation ensured?
h. What measures should be taken to improve the balance between delegated funds and transferred funds?
i. Why did the delegated cooperation with non-EU donors and partner country (indirect management) remain exceptional?
j. How far is better coordination with Member States at an early stage in the programming cycle (such as better division of labour through joint programming) making delegated cooperation less relevant?
k. To what extent can Commission procedures be improved to achieve delegated cooperation’s strategic objectives on one side, and to make its operations smoother so that the instrument is more used?

The number of finally retained questions should not exceed 10.

4. Responsibility for the management of the evaluation

The EuropeAid Evaluation Unit is responsible for the management and the supervision of the evaluation. The progress of the evaluation will be followed closely by a Reference Group consisting of representatives of all concerned services in the Commission and EEAS, under the Evaluation Unit's chairmanship.

Its principal functions are:
- discuss draft reports produced by the evaluation team during meetings in Brussels;
- ensure the evaluation team has access to and consults all information sources and documentation on activities undertaken;
- discuss and comment on the quality of work done by the evaluation team;
- provide feedback on the findings, conclusions and recommendations of the evaluation.

The Reference Group communicates with the Consultant via the Evaluation unit, more specifically via the Evaluation manager.

All meetings with the Reference group will be attended at least by the team leader and by one key expert, member of the evaluation team. Other experts will be available to be reached by phone.

5. Process and deliverables

The overall methodological guidance to be used is available on the web page of the EuropeAid Evaluation Unit under the following address:
http://ec.europa.eu/europeaid/how/evaluation/methodology/index_en.htm.

The basic approach to the assignment consists of three main phases, which encompasses several stages. Deliverables in the form of reports[12] and slide presentations should be submitted at the end of the corresponding stages.

[12] For each Report a draft version is to be presented. For all reports, the contractor may either accept or reject through a *response sheet* the comments provided by the Evaluation manager. In case of rejection, the contractor must justify (in writing) the reasons for rejection. When the comment is accepted, a reference to the text in the report (where the relevant change has been made) has to be included in the response sheet.

Evaluation phases
The table below summaries these phases:

Evaluation phases	Stages	Deliverables[13]
1. Desk phase	• Inception: Structuring of the evaluation	➢ *Slide presentation* ➢ *Inception report*
	• Data collection analysis	➢ *Desk report*
2. Field phase	• Data collection • Verification of the hypotheses	➢ *Slide presentation* ➢ *Case study notes*
3. Synthesis phase	• Analysis • Judgements	➢ *Draft final report* ➢ *Final report* ➢ *Slide presentation adapted* ➢ *Seminar minutes*

Inception Phase, for the design of the evaluation, main data collection and analysis (including the mapping), fine-tuning the evaluation questions, proposal of criteria for selecting case studies;
Desk Phase, to build upon the inception report, collect further data, data analysis and present in details the approach and the tools to the field phase;
Field Phase, visits to selected cases (both delegated entities and delegated projects) of and drafting of case study notes;
Synthesis Phase, drafting of the Final Report, presentation at the dissemination seminar.

a. The Desk phase

The desk phase comprises two components: the Inception stage covering a presentation and the delivery of the Inception report and a second stage which ends with the production of the Desk report.

b. Inception stage

The assignment will start with the Team leader's half-day briefing session in Brussels to discuss the evaluation approach and process, including the scope and the work programme and to clarify any other methodological aspect.

The evaluation team collects and analyses key documentation, interviews key stakeholders in EU Headquarters and other institutions, notably in delegated entities.

The Inception report will contain the complete mapping of financial contributions both under the Delegated and Transfer agreements and analyse all relevant key documents, including the relevant policy, programming documents and agreements, also taking account of key documentation produced by delegated and transferring entities. The

[13] The contractors must provide, whenever requested and in any case at the end of the evaluation, the list of all document reviewed, data collected and databases built.

evaluation team will reconstruct the logic of intervention in partner countries through the delegated cooperation. Given the complex policy framework it may be difficult to develop a proper expected effects diagram. However, it is important that the evaluation team reviews the key objectives. The result of this exercise should be presented in a structured way in a diagram(s) or similar with an accompanying explanatory text.

The report shall also specify how the evaluation team would treat the themes presented in the chapter 3. and, since **methods and tools refer to a channel** (delegated cooperation mechanism) and not to a direct intervention of the European Commission, this could also require the **identification and description of specific methods** to apply in this context.

With the information obtained the consultants will submit to the Evaluation Unit **a draft inception report**, including the following elements:

1. Identifying and prioritizing the **objectives** as observed in relevant documents. The result of this exercise may be presented with the support of diagrams and accompanying narrative texts;
2. **Mapping** of the activities carried out through the delegated cooperation;
3. Defining **evaluation questions** and their rationale; appropriate **judgement criteria** for each evaluation question and relevant quantitative and qualitative **indicators** for each criterion;
4. **Identifying criteria for selecting case studies** (a minimum 10 case studies will have to be carried out)
5. Informing on methods for **data collection,** data **corroboration** (cross-checking) and identified **limitations**.
6. Presenting first data **analysis**.
7. Presenting a detailed **work plan**, specifying the organisation and the time schedule for the evaluation process.

A half-day meeting will be held with the Reference group in Brussels, to present via a slide presentation, the draft Inception report, in particular:

- the Intervention logic diagram;
- the evaluation questions (their justification and judgement criteria).

These documents will be revised to take into account the comments formulated by the Reference group. The evaluation will not continue before the Inception Report has been approved by the Evaluation Unit.

c. Desk phase

The desk phase builds upon the Inception report information and will complement data collection and analysis. The desk report will include at least:

a. The agreed evaluation questions with judgement criteria and their corresponding quantitative and qualitative indicators;
b. Methodological design, including the evaluation design, data collection tools to be applied in the field phase, and appropriate methods to analyse the information, indicating any limitations. The methods of analysis should be **adapted to the specificity of the EC interventions through the channel**;
c. Progress in the gathering of data. The complementary data required for analysis and for data collection during the field mission must be identified;
d. Based on the identification of the appropriate **methods and appropriate mix of tools**, a detailed approach to the **Field phase:** a work plan for the field phase, a list with brief descriptions of activities for in depth analysis in the field, the countries (actions) / institutions to be visited during the field phase. The Evaluators must explain their representativeness and the value added of the planned visits;

e. The comprehensive list of activities examined during the desk phase, bearing in mind that activities analysed in the desk phase must be representative;
f. The basis to be used for making **the judgements**, which should be directly related to the Judgement Criteria but adaptable should the field findings require to do so;
g. First analysis and first elements of response to each evaluation question and the hypotheses and assumptions to be tested in the field phase.

The contractor will present (slides presentation) and discuss the Desk report with the Reference group in a half-day meeting in Brussels. The report will be finalised on the basis of the comments received.

The field mission cannot start without the authorisation of the Evaluation manager.

d. Field phase

The evaluation team is expected to undertake 10 case studies, in 10 different countries and ensuring coverage of the domains ACP, OCT, Asia, Latin America and ENP-South and visit at least 4 different agencies with which Delegated agreements were signed. The selection shall take into account inter alia the size of the action and/or its specificity/interest for the evaluation. The cases should also include at least two "Transfer agreement" cases.

At the conclusion of each of the field missions the team should give a on-the-spot de-briefing to the EU Delegation and relevant stakeholders to validate the data and information gathered.

The fieldwork shall be undertaken on the basis set out in the Desk report. The work plan and schedule of the mission will be agreed in advance (in principle at least three weeks before the mission starts). If it appears necessary to substantially deviate from the agreed fieldwork approach and/or schedule, (duration, number of experts, category etc.), the contractor must ask for the approval of the Evaluation manager before any changes can be applied. The related eligible costs will be revised accordingly. At the conclusion of the field missions the contractor will present during debriefing meetings the preliminary findings of the evaluation:

1) to the EU Delegation and relevant stakeholder; and
2) to the Reference group, in Brussels, with the support of a slide presentation (half-day meeting).

A **case study note** will be delivered to the Evaluation unit within ten working days after returning from each field mission. These notes will become an Annex to the Final report.

e. Synthesis phase and final report

The Contractor shall submit a **draft final report** in conformity with the structure set out in annexe 2. and including the **answers to the evaluation questions** and **an overall judgement** on the delegated cooperation.

The contractor will present (slides presentation) and discuss the Draft Final report with the Reference group in a half-day meeting in Brussels. The report will be finalised on the basis of the comments received.

The Final report must be approved by the Evaluation manager before it is printed. The executive summary, not exceeding 5 pages, shall be included into the Final main (without annexes) report.

The offer will be based on 50 hard copies of the Final main report and 2 copies with annexes. The Evaluation manager will indicate in due time how many copies exactly are to be sent to the DEVCO Evaluation Unit and how many to be put at disposal at the place of the dissemination seminar.

The Evaluation Unit will make a formal judgement on the quality of the evaluation in the "Quality Assessment Grid" (see annex 3) to be sent to the contractor before publication on Internet.

f. Seminar

The Final report will be presented in a public seminar in Brussels using a slide presentation. The purpose of the seminar is to present the results, the conclusions and the recommendations of the evaluation to all the main stakeholders (EU Member States, partner countries' representatives, civil society organisations, European institutions and other donors, etc.). The slide presentation is considered as a product of the evaluation.

The contractor shall submit the minutes of the seminar. These minutes, once approved by the Evaluation manager, will be made available on Internet. If necessary, updated slide presentation will be made available to the Evaluation manager (to be published on Internet).

The seminar logistics (room rental, catering etc.) costs are not to be included in the offer. The cost related to the presence of the experts is to be covered by the offer.

It will be in principle a one-day event requiring the presence of the Team leader and of at least one other key expert of the evaluation team.

g. Reports

All reports and case study notes will be written in English. They must be written in Arial or Times New Roman minimum 11 and 12 respectively, single spacing. Inception and Desk reports as well as the Draft Final report will be delivered only electronically. The Final report will also be delivered in hard copies. The Evaluation manager will indicate in due time how many copies exactly are to be sent to the DEVCO Evaluation Unit and how many to the dissemination seminar location.

The Executive summaries in English, French and Spanish as well as the photo (free of any copy right, free of charge) used on the cover page will be delivered separately in electronic form. The electronic versions of all documents need to be delivered in both editable and not editable format.

The Final report non-editable version on CD-ROM support shall be added to each printed Final main report. The content of the CD-ROM will include the Final report with annexes and all linguistic versions of the executive summary.

The Contractor remains fully responsible for the quality of the report. Any report which does not meet the required quality will be rejected.

6. Evaluation Team

The evaluation team as such shall cover the following skills:

- **Experience with evaluation methods and techniques in general and in the field of development cooperation;**
- **Knowledge of economic and political dimensions of international development, including specific expertise related to activities of EU MS Development agencies;**
- Advising governments of partner countries or donor countries, bilateral or multilateral aid agencies on development policies and strategies in general and on aid effectiveness in particular;
- Contributing to the formulation of aid strategies;
- Knowledge of the EU's and several Member States:
  - **Development policies, practices and implementation methods and instruments;**
  - Financial instruments, in particular the Development Cooperation Instrument (DCI), the European Development Fund (EDF) and the European Neighbourhood and Partnership Instrument (ENPI);
  - **Aid delivery modalities;**
  - Rules of procedure and of the international aid effectiveness agenda, i.e. Paris Declaration, Accra Agenda for Action, Busan Partnership for Effective Development Cooperation and ensuing work streams.
- Expertise in "Environment" and "Food".

The team-leader shall demonstrate experience of managing evaluations of a similar size and complexity.

The Evaluation team shall have **excellent working knowledge of English (written and verbal)** as well as editing skills (in Word and Excel environment).
The key skills are indicated **in bold**. In their absence, the 80 points threshold may not be reached.

It is expected that the Team leader will be an expert of Category Senior.

The team composition should be justified and the team coordination and members' complementarity should be clearly described. A breakdown of working days per expert must be provided.

During the offers evaluation process the contracting authority reserves the right to interview by phone one or several members of the evaluation teams proposed.

In accordance with the rules of the framework contract a declaration of absence of conflict of interest signed by each consultant shall form part of the offer. The team members must be independent from the programmes/projects/policies evaluated. Should a conflict of interest be identified in the course of the evaluation, it should be immediately reported to the Evaluation manager for further analysis and appropriate measures.

The Framework Contractor must make available an appropriate logistical support for the experts, including their travel and accommodation arrangements for each assignment, the secretarial support, appropriate software and communication means. The experts will be equipped with the standard equipment, such as an individual laptop, computer, mobile phones, etc. No additional cost for these items may be included in the offer.

7. Timing

The Evaluation is due to start in May 2014. The expected duration is 15 months.

As part of the technical offer, the framework contractor must fill-in the timetable in the Annex 4.

2.2. Definitions of specific terms used in this evaluation

Output	Definition	Clarifications and remarks
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.	This definition of added value is different from the Commission's evaluation criterion "community value added", which is defined as the additional benefits the EU support will generate compared to "what would have resulted from MS interventions only in the partner country". The latter is too restrictive and does not reflect what is meant with the term "added value" used in the DC documents.
Aid fragmentation	Each donor supporting many sectors and each sector supported by a high number of donors, often each with relatively small amounts.	Fragmentation is the opposite of a good division of labour.
Alignment	Donors base their support on partner countries' national development strategies, institutions and procedures. Source: Paris Declaration (2005).	Alignment encompasses two important components The first is that donors should base their support on the partner country's development priorities, policies and strategies ('**policy alignment'**). The second is that aid should be delivered as far as possible using the country's institutions and systems for managing development activities, rather than through stand-alone project structures ('**systems alignment'**). Source: http://www.aideffectiveness.org/The-Paris-Principles-Harmonization.html.
Basket fund	Bank account to which donors transfer their contributions for the implementation of a jointly co-financed project or programme.	Sometimes also called a "common fund" or "joint fund".
Co-financing	"The modality of cooperation by which financing of projects and programmes is provided by more than one source, other than the recipient government." (source: http://www.cdc-crdb.gov.kh/cdc/development_coor/annix2.htm)	A distinction has to be made between joint and parallel co-financing: ***Joint co-financing:*** contributions of the various donors are put together in one basket and there is only one single management system. Moreover the donor contributions are not earmarked for funding specific project expenditures. ***Parallel co-financing:*** donor contributions for a specific project or programme are earmarked and not put together in a basket fund. In some cases a joint financial management system is used, while in other cases different donor specific systems may be used. When analysing DC and co-financing, a distinction has to be made between: • a DC agreement not being part of a co-financing agreement; • a DC agreement co-funding a project on the basis of parallel co-financing; • a DC agreement co-funding a project on the basis of joint co-financing; • a DC agreement co-funding a programme on the basis of parallel co-financing; • a DC agreement co-funding a programme on the basis of joint co-financing; • a DC agreement funding a project without co-financing, but being part of a broader programme, which is co-funded (parallel co-financing or a mix of joint and parallel co-

Output	Definition	Clarifications and remarks
		financing).
Comparative advantages	Expertise, experience, knowledge and network of a particular donor being greater than those of other donors	Issues playing a role when assessing comparative advantages: • years of provision of support in the sector/ theme to in the country concerned and/or in other countries; • having Implemented similar projects/programmes in the country and/or region; • availability of expert personnel in the partner country concerned; • availability of expertise at Headquarters for back-up and advisory services; • perceptions of the partner country and other donors as regards the comparative advantages of the various donors. Two quotations from the Code of Conduct Division of Labour (2007): • "Comparative advantage is not primarily based on financial resources available, but also on a wide range of issues such as geographic or thematic expertise"; • "The comparative advantage of a given donor should be self-assessed, endorsed by the partner government, and recognized by other donors." In the EU Toolkit and the Compendium on Good Practices on Division of Labour (2008) it is mentioned that there is no commonly agreed framework to determine donors' comparative advantage. The determination is mostly based on 'self-assessments'.
Complementarity	The optimal division of labour between various actors in order to achieve best use of human and financial resources."	"Complementarity starts with coordination, but goes much further: it implies that each actor is focusing its assistance on areas where it can **add most value**, given what others are doing". Definition and quotation borrowed from the Communication from the Commission to the Council and the European Parliament – COM(2007) 72 final, February 2007.
DA partner	An agency or other entity having concluded a DA with the EU and being responsible for the implementation of the DA-funded project.	
DC partner	An EU-MS, agency or other entity having concluded a DA or TA with the EU.	
Delegatee body.	An agency or other entity having concluded a DA with the EU and being responsible for the implementation of the DA-funded project.	Synonym of DA partner and Fund Managing Donor. Delegatee body is a term used in official and legal EU documents.
Division of labour	Each donor focusing its support on a limited number of focal sectors and themes in such a way that all sectors and themes are well covered, while the number of donors per sector and theme remains limited.	Division of labour seeks to rationalise aid flows and create economies of scale. It goes beyond information sharing, consultation and coordination. It looks for joint agenda setting, joint decision making, work sharing, working in a complementary way according to each donor's comparative advantage. (source: EU Toolkit for the implementation of complementarity and division of labour in development policy, 2009). The degree of division of labour can – among others - be assessed on the basis of:

Output	Definition	Clarifications and remarks
		• whether or not each donor has defined a limited number of focal sectors and/or themes; • number of donors per sector or theme; • adequate coverage of all sectors and themes; • use of the joint multi-annual programming mechanism.
Donor coordination and harmonisation	***Donor coordination***: donors taking into account each other's aid strategies, programmes and projects when defining their own strategies, programmes and projects. ***Donor harmonisation***: cooperation between donors aimed at using the same strategies and approaches when providing development aid.	Both donor coordination and harmonisation are aimed at improving the effectiveness of aid and the efficiency of aid delivery. In case of harmonisation, the extent of cooperation between the donors is more advanced than in the case of coordination. The scope and intensity of coordination and harmonisation can – among others - be assessed on the basis of: 1) Existence of an effective donor coordination mechanism, such as a sector working group; 2) Existence of a lead donor coordinating and representing donors supporting a certain sector; 3) Existence of joint programming or harmonised strategies of EU and MS to which the DC is aligned; 4) Existence of similar projects and/or degree of overlap of projects; 5) Adherence to joint approaches and strategies for instance in the context of Sector Wide Approaches. A good division of labour may reduce the efforts needed for coordination and harmonisation.
Effectiveness	Extent to which the development intervention's objectives have been achieved or are expected to be achieved, taking into account their relative importance	Source: OECD/DAC Glossary of key terms in evaluation and results based management.
Efficiency	Extent to which resources and inputs (funds, expertise, time, etc.) have been converted economically into results	Source: OECD/DAC Glossary of key terms in evaluation and results based management.
Fund managing donor	Donor agency or entity having concluded a DA with the EU and being responsible for the implementation of the DA-funded project.	Synonym of DA partner.
Larger projects and programmes.	No specific definition available in the DC documents. Size of the project and or programme will be measured in terms of budget and scope of activities.	This output indicator refers to an evolution/trend. The analysis will be focussed on an analysis of the size of the project/programme before and after the start of the DC funding and changes during the implementation of the DC funding. Delegated Cooperation aims for larger projects and programmes in size, e.g. bundling more activities under one programme. However, no absolute number is mentioned in the documentation, apart from the fact that since 2012 the EU aims for having DC agreements with a budget of at least € million. The rationale of aiming for larger programmes is that it creates economies of scale, and thus leads to a reduction of transaction costs.
Ownership	The effective exercise of a government's authority over development policies and activities. (Source: OECD/DAC, 2006, Guidelines and Reference	In the Paris Declaration (2005), ownership is defined as "partner countries exercise effective leadership over their development policies and strategies, and coordinate the development actions."

Output	Definition	Clarifications and remarks
	Series)	
Partner country	Developing country being the beneficiary of development aid.	Synonym of beneficiary country.
Single management systems	No specific definition available in the DC documents. It is assumed that it refers to both operational and financial management.	A single management system can be either the system of the partner government, or a specific system of a Project Implementation Unit or a mixture of the two.
TA partner	An EU-MS having concluded a TA with the EU and having transferred funds to the EU for the implementation of the TA-funded project.	
Transaction costs	All costs involved in the negotiation, management and administration of development aid, on both donor and recipient sides (source: www.aideffectiveness.org	This includes (also) all costs at the level of the donor and the partner country related to the preparation, mobilisation, implementation, monitoring and evaluation of the provision of aid, excluding the costs actually funded by the project/programme itself.
Visibility of EU and other donors	Awareness of specific or general audiences of the support activities of the EU and/or other donors, as well as of the results and impact of that support. (source: Communication and visibility manual for EU external actions, p.1).	

2.3. Pillar assessed organisations

Organisations having passed the pillar assessment by September 2014

No.	Organisation	Abbreviation	Country
1	Austrian Development Agency	ADA	Austria
2	Assistance au Développement des Échanges des Technologies Économiques et Financières	ADETEF	France
3	Agencia Espanola de Cooperacion Internacional al Desarrollo	AECID	Spain
4	Agence Française de Développement	AFD	France
5	Australian Development Agency	AusAid	Australia
6	British Council	BC	United Kingdom
7	Cooperation Technique Belge	BTC-CTB	Belgium
8	Camões - Instituto da Cooperação e da Língua (results from merger with IPAD)	CICL	Portugal
9	Danish Ministry of Foreign Affairs	DANIDA	Denmark
10	Development Bank of South Africa	DBSA	South Africa
11	Deutsche Investitions- und Entwicklungsgesellschaft mbH	DEG	Germany
12	UK Department for International Development	DFID	United Kingdom
13	France Expertise International	FEI	France
14	Ministry of Foreign Affairs of Finland	FI MoFA	Finland
15	Fundacion International y para Iberoamerica de Administracion y Politicas Publicas	FIIAPP	Spain
16	Deutsche Gesellschaft für Internationale Zusammenarbeit (results from merger DED & GTZ)	GIZ	Germany
17	Ministry of Foreign Affairs of Italy	IT MoFA	Italy
18	Kreditanstalt fur Wiederaufbau	KfW	Germany
19	Lux-Development SA	Lux-Dev	Luxembourg
20	Northern Ireland Co-Operation Overseas LTD	NI-CO	Northern Ireland
21	Netherlands Ministry of Foreign Affairs	NL MoFA	Netherlands
22	Swedish International Development Cooperation Agency	SIDA	Sweden
23	Societa Italiana per le Imprese al'Estero	SIMEST	Italy
24	Stichting Ontwikkeling Nederlandse Antillen	SONA/ USONA	Dutch Antilles

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2.5 List of persons consulted at headquarters

Name	Position and Organisation	Date of interview
European Commission		
Damiana Kubicka	DevCo, B6, Assistant, Finance, Contracts and Audit	05/11/2014
Stefano Cominelli	DevCo, E1, Geographical Coordination Central Africa	11/11/2014
Emilie Wattellier	DevCo, D3, Planning ACP and Horizontal Coordination	11/11/2014
Ute Koch	DevCo, E4, Head of Sector, Finance, Contracts and Audit, Africa	11/11/2014
Lino Molteni	DevCO, A2, Policy Officer Aid and Development Effectiveness and Financing	19/03/2015
Luc Bagur	DevCo, Director of directorate R, Resources; former Head of Unit O2, General Coordination.	25/06/2015
Raya Aguado	DevCo, Directorate R	25/06/2015
Yves Tielemans	DevCo, Unit R1, Planning and Budget	25/06/2015
Aurélie Vernin	DevCo, Unit O2, General Coordination	25/06/2015
Lionel Atlan	DevCo, Unit O2, General Coordination	25/06/2015
Karen De Jonghe	DevCo, Unit A2, Policy Officer Aid and Development Effectiveness and Financing	29/08/2016
European External Action Service		
Alex Gerbrandij	EEAS, Development Cooperation Coordination Division	05/11/2014
Ministry of Foreign Affairs of Germany (BMZ)		
Anette Braun	Division 105, Evaluation of Development Cooperation	04/11/2015
Andreas Hartmann	Deputy Head of Division 102, Procedures of Financial and Technical Cooperation, KfW and DEG (GIZ).	04/11/2015
Anette Seidel	Division 205, Southern Africa.	04/11/2015
Claudia Kornahrens	Senior Evaluator	13/01/2016 (skype)
KfW, Frankfurt		
Florian Rabe	Manager, Promotional Policy and Partnership, KfW Development Bank	25/11/2014
Björn Thies	Senior Advisor, Principles and Procedures, KfW Development Bank	25/11/2014
GIZ, Eschborn		
Horst Fischer	Director, Representation Brussels	26/11/2014
Reiner Forster	Senior Policy Berater	26/11/2014 13/01/2016
Jan Reckmann	EU coordinator / department advisor	26/11/2014 13/01/2016
Johannes Majewski	Senior Advisor, Decentralized M&E systems	26/11/2014
Roland Reich	Co-financing coordinator Africa	26/11/2014 13/01/2016
Klaus Wilhelm	Competenz Center/ Contracting department	26/11/2014
Ms. Suzanne Krebul	Legal Department	26/11/2014
Dirk Betke	Director PACT Mali / Decentralisation in Bamako	13/01/2016
Hajo Honsel	Desk officer Mali	13/01/2016
Birgit Geis	Desk Officer Timor Leste	13/01/2016
Nicole Lindau	Desk Officer Thailand (formerly Timor Leste)	13/01/2016

Name	Position and Organisation	Date of interview
Edgar Koepsell	Desk officer Mozambique	13/01/2016
Karin van Loebenstein	Former head of programme in Nicaragua, currently stationed in Ecuador	13/01/2016 (skype)
Hannes Lambrecht	Head of programme community police stations	13/01/2016
Mohammed Al-Maliki	Head of programme EU TVET	13/01/2016
Martina Craemer	Desk Officer Occupied Palestinian Territories	13/01/2016
	AFD, Paris	
Yves Guicquéro	Responsible Division Agenda de l'Aide et Partenaires Internationaux	15/12/2014 12/02/2016
Martin Foeth	Division API, pôle Europe	15/12/2014 12/02/2016
Sébastien Valleur	Coordonnateur régional Mali	15/12/2014 12/02/2016
Denis Desille	Division Eau et Assainissement	15/12/2014
Estelle Mercier	Coordonnatrice régionale, Congo, RDC, Gabon et Sao Tomé	15/12/2014
Nicolas le Guen	Division Santé et Protection Sociale	15/12/2014
Céline Thionard	Coordonnatrice régionale, Bénin et Ghana	15/12/2014
Jean-Marc Bellot	Directeur-adjoint Département Méditerranée et Moyen-Orient	15/12/2014
Réjane Hugounenq	Coordonnatrice régionale Territoires Autonomes Palestiniens	15/12/2014
Jackie Amprou	Chargé des mission, Agence AFD de Jérusalem	15/12/2014
Corinne de Peretti	Division Evaluation et capitalisation	12/02/2016
Claire Brassart	DAT/ARC	12/02/2016
Dominique de Longevialle	Coordonnateur regional Haiti	12/02/2016
Claude Torre	Chef de projet Div. ARB	12/02/2016
Emmanuelle Babin-Taix	Coordonnatrice regionale, Palestine	12/02/2016
Gautier Kohler	Chef de project CLD	12/02/2016
Céline Thoniard	Coordonnatrice regionale Benin	12/02/2016
Bruno Vindel	Chef de projet IFP	12/02/2016
Mathieu Artiguenave	Chef de projet IFP	12/02/2016
Naomi Noel	Chef de projet ARB	12/02/2016
Denis Desille	Chef de projet EEA	12/02/2016
André Pouilles-Duplaix	Directeur DAT	12/02/2016
	BTC, Brussels	
Grégoire Douxchamps	Advisor, International Services	22/02/2016
	CICL, Lissabon	
Paula Barros	Director of Cooperation	21/04/2016 (phone)

Interviews conducted for the case studies are included in the respective annexes to the case study notes (Volume 4).

2.6. Methodological approach case studies

The selected case studies

The overall selection of the case studies was made during the inception phase. According to the ToR, 10 case studies would have to be carried out in 10 different countries. The ToR provided the following guidelines for selecting the case studies[14]:

- undertake ensure coverage of the domains ACP, OCT, Asia, Latin America and ENP-South;
- visit at least 4 different agencies with which Delegation Agreements were signed;
- include at least two Transfer Agreement cases;
- take into account inter alia the size of the action and/or its specificity/interest for the evaluation.

An initial proposal for the selection of the case study countries, taking into account those criteria, and expanding those further on the basis of the first inventory of the DC portfolio, was presented in the Inception Report. A revised proposal was submitted to the Evaluation Unit on 11 September 2015 and approved about two weeks later (on 28 September).

The criteria used for the initial selection of case study countries presented in the Inception Report are reproduced in table A.2.6.1 (see hereunder). Application of those criteria plus a number of additional considerations have led to a final selection of which the details are presented in the tables A.2.6.2 and A.2.6.3. These case studies thus initially cover 43 DAs and 26 TAs plus an additional 9 TAs being part of the GCCA programme, which are much higher numbers than required by the ToR[15]. During the field visits, an additional DA was discovered in Haiti and five extra TAs in Palestine. Therefore, the total number of DAs and TAs covered by the case studies is 44 DAs and 31 TAs (plus 9 additional TAs signed for the GCCA).

Table A.2.6.1 Criteria of the initial selection of case study countries

	Proposed Criteria	Scoring method	Weight
1	Number of DAs in the country	Pro-rata	0.5
2	Total contract amount of the DAs in the country	Pro-rata	0.5
3	Number of TAs in the country	Pro-rata	0.5
4	Total contract amount of the TAs in the country	Pro-rata	0.5
5	Number of Delegating/Transferring entities involved	Pro-rata	1
	Minimum requirements		
6	At least one country in each of the following regions: ACP, OCT, Asia, Latin America and ENP-South		
7	At least two TAs should be covered (preferably more)		
8	At least 4 partners with which DAs have been signed should be covered (preferably more)		
9	Include a DA or TA signed with a non-EU entity		
10	Include one or two countries which had an agreed Joint Programming document in the period 2012-2014.		

[14] See section 5.3 of the ToR.

[15] In total 12 TAs are part of the GCCA programme, but three of them are implemented in the selected case study countries, and are thus already included in the figure of 26 TAs.

Table A.2.6.2 Classification and characteristics of the case studies

Case study country	Field visit	No. DAs	No. TAs	DA partners	TA partners	Main motivations
Palestine	1 week 2 experts	9	15	AFD, BTC, DFID, GIZ (3x), and KFW (3x).	Austria (7x), Belgium (2x), Japan (2x) and Luxembourg (4x).	Large number of DAs ENPI-South country; TA signed with a non-EU entity (Japan)
Mali	1 week 2 experts	8	4	AFD (3x), BTC (2x), GIZ (2x) and KFW.	Canada, Denmark, Sweden and Switzerland	High total contract amount of DAs in the country TA signed with non-EU entity (CIDA) Joint programming active
Benin	1.5 weeks 1 expert	7	4	AFD (2x), BTX (2x), Danida, GIZ and NL Ministry of Foreign Affairs	Denmark (2x), Belgium and the Netherlands	Large number of TAs in the country 8 partners involved in DAs/TAs
Mozambique	1 week 1 expert	4	3	CICL (Portugal), Danida and GIZ(2x).	Belgium, Ireland and Sweden.	High total contract amount of TAs in the country
Ghana	1 week 1 expert	2	1	Danida and DFID	EIB	Number of delegating/ transferring entities involved
Haiti	Desk study	2	1	AFD	France	First ACP-Caribbean country on the list
Tanzania	1 week 1 expert	2	2	BTC and KFW	Sweden and UK	4 partners involved in DAs/ TAs
Timor-Leste	1 week 1 expert	6	1	CICL (4x) and GIZ (2x).	Ireland	Represents the Asia region. Nepal (no. 12) not selected because of aftermath of earthquake.
Nicaragua	1 week 1 expert	4	0	AECID-Spain (2x), GIZ and Lux-Dev	-	First Latin American country on the list.
GCCA	Desk study	0	9*	-	Czech Republic, Cyprus (2x), Estonia, Ireland (6x) and Sweden (2x).	Interesting case because it covers 12 TAs signed with the smaller EU Member States and covers 13.4% of the total TA amount.
Total		44	40			

*excluding the three TAs covered in the country case studies

Table A.2.6.3 DAs and TAs in the selected case study countries

Country	Number of DAs	DA Funding (in €)	Number of TAs	TA Funding (in €)	Delegating entities	Transferring entities
Palestine	9	54,793,546	15	35,434,559	5	4
Mali	8	63,870,289	4	7,770,633	4	4
Benin	7	49,870,175	4	9,050,000	5	3
Mozambique	4	29,217,000	3	22,080,000	3	3
Ghana	2	7,500,000	1	48,326,732	2	1
Haiti	2	25,367,000	1	39,100,000	1	1
Tanzania	2	54,260,000	2	14,139,416	2	2
Timor-Leste	6	17,900,148	1	3,840,000	2	1
Nicaragua	4	29,780,000	-	-	3	-
TOTAL	**44**	**332,558,158**	**31**	**179,741,339**	**27**	**19**
% of portfolio	*27%*	*26%*	*53%*	*62%*		

Note: Haiti was carried out as a desk study as initially, it was thought that it only covered 2 DC contracts. The second desk case studied focused on the twelve TAs providing financial support to the GCCA (on which three haven been implemented in case study countries). The beneficiaries of these twelve TAs have been: Bhutan, Cambodia, Eastern Caribbean, Lesotho, Mozambique, Nepal, Sierra Leone, Tanzania, Thailand, Timor Leste, Uganda and one TA benefitting all countries (a contribution to the GCCA support facility). These twelve TAs are funded by Ireland (6x), Sweden (2x), Cyprus (2x), Estonia (1x) and Czech Republic (1x)[16].

Desk-based assessment of all the DAs and TAs of the sample

During the desk phase, the original 43 DAs and 35 TAs (including the 9 TAs related to the GCCA) of the sample were subject of a first assessment. The aim of that assessment was first and foremost to provide inputs for the Desk Study Report. At the same time, the results of those analyses fed into the case study phase and will provide the basis for the subsequent in-depth assessments to be carried out in the context of the case studies.

The desk-based assessment of these DAs and TAs was structured by using and filling in a detailed information fiche for each Agreement, covering the following topics:

- description of the project's nature and objectives;
- description of the operationalization of the DC;
- EU's rationale for entering into the DA/TA;
- description of parallel EU support to the sector;
- existence of a sector strategy/programme and ownership of those documents; situation of the DC project within that broader programme/strategy;
- division of labour: number of donors, coordination and harmonisation in the sector;
- size of the project and overarching programme;
- use of single management systems;
- level of co-financing;
- division of tasks and use of comparative advantages;
- arrangements for monitoring and evaluation;
- availability of annual implementation reports, mid-term reviews and final evaluations.

The main documents used for filling in those fiches were:

- DA and TAs and their annexes;
- Identification and/or Action Fiches for the project/ programme;
- Quality Assessment Grids;

16 To be precise, Ireland signed two TAs of which the funds were used for six separate projects; Sweden signed one TA of which the funds were used for two separate projects. Because the funds were used for distinct projects and DEVCO also mentions them as respectively six TAs from Ireland and two from Sweden, this Evaluation does the same.

- National sector strategies;
- Country partnership and programme documents of involved donors;
- Monitoring, progress and evaluation reports.

These information fiches form an integral part of the case studies analyses and were further updated as a first step of the work of the case studies phase.

Further focussing the case studies

While desk-based information fiches made for all DC agreements of the selected case study countries (plus the GCCA case study), a further refinement and focus was necessary in some of the case study countries, because of the high number of DC agreements in those countries, in particular Palestine, Mali and Benin; see table A.2.6.1. In those countries, the number of DC agreements was deemed too high for all being analysed and assessed in-depth during the brief country visits.

The country visit to Benin lasted 1.5 weeks, while the missions to Palestine and Mali lasted one week but were be conducted by two persons. Given these limitations in terms of time and staffing, it was estimated that a maximum of 8 agreements can be analysed in Benin, Mali and Palestine. Thus, a selection had to be made out of the total number of DC agreements in each of those countries. That selection was done on the basis of the following preferences/criteria:

- both DAs and TAs should be analysed, preferably with a DA/TA ratio in the range of 2/1 and 3/1 for each country. This means that 5 to 6 DAs and 2 to 3 TAs will be analysed in detail in Benin, Mali and Palestine;
- a preference for high contract values (>€ 5 million for DAs and > € 2 million for TAs)[17];
- a preference for projects being co-financed by other donors;
- both DC agreements supporting focal sectors and DC agreements supporting non-focal sectors should be selected;
- a preference for DC agreements supporting the same project or programme (clustering of DC agreements).

In the other case study countries (Ghana, Mozambique, Nicaragua, Tanzania and Timor Leste) all DC agreements have been analysed in detail.

A second zooming-in exercise was needed in order to be able to study sector level issues adequately within the time available. In order to be able to analyse complex issues related to DC and aid effectiveness (see the envisaged outcomes of the IED), additional interviews and data collection efforts were necessary. Government counterparts from the programme and sector concerned, as well as other development partners providing support to that sector had to be interviewed and more elaborated documentary analysis was required. This kind of detailed sector level analyses were undertaken as regards one sector in each of the case study countries. For each of the case study countries, the sector with the highest number of DC agreements had been selected for that purpose. As a result, 12 DAs and three TAs will be subject of a detailed and in-depth analysis including the sector context.

Applying this two-steps zooming-in approach does not mean that the rest of the DC agreements in the case study countries were excluded from the analysis. Each of those has already been subject of the comprehensive desk-based assessment.

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[17] In line with the findings of the initial DA/TA inventory. A large size is considered as higher than the upper limit of the size bracket for the majority of DAs/ TAs, which was € 5 million for DAs. For TAs, a lower threshold of € 2 million was set to better reflect the reality of the sample.

The above presented sampling and zooming-in approach is presented in a sequential form in the following table, paired with the appropriate level of analysis:

Table A.2.6.4 Overview of selected DC agreements from countries where sampling is required

Step	DC agreements studied	Main data collection methods and tools	Level of analysis
Analysis step 1	All selected DAs and TAs (43 DAs and 26+9 TAs)	Desk-based assessment fiche.	Output and process/ implementation issues.
Analysis step 2	A maximum of 8 pre-selected DAs/TAs in the 3 countries with a large number of DAs/TAs, and All DAs and TAs in the other six case study countries	Desk-based information fiche + interviews with the EUD and DA/TA donor partner.	Output and process/ implementation issues.
Analysis Step 3	DAs and TAs from one pre-selected sector with the highest number of DAs/ TAs.	Desk-based information fiche + interviews with EUD and DA/TA donor partner + interviews with partner government stakeholders and other donors involved in the sector.	Output, outcome and process/ implementation issues.

During the field visits, it appeared that it was possible to cover almost all contracts on a 'step 2' level. Only for contracts of which hardly any information nor institutional memory was present, the analysis was only based on the assessment fiche.

Questionnaire to be answered by EU Delegations

A questionnaire was sent to 46 EUDs being most involved in DC in terms of number and value of DAs and TAs[18]. Obviously, the Delegations in the nine countries selected for case studies have been part of the group of EUDs, which filled in the questionnaire. The purpose of the questionnaire was to collect information and views relevant for answering some of the outputs and EQs from a broader range of EUDs than just the EUDs situated in the case study countries (where face-to-face interviews can be held). Moreover the filled-in questionnaires has served as a starting point for the in-depth interviews with staff from the EUDs in the case study countries.

In-depth interviews with MS agencies

According to the ToR, a minimum of four agencies with which DAs have been signed should be visited and interviewed during the field phase[19]. The Evaluation Team visited and interviewed staff from AFD, GiZ, KfW and the German Ministry of Foreign Affairs during the inception and desk phases of this evaluation. Those interviews focussed on collecting views and experiences as regards with the implementation of the DC policies and strategies. During the field phase, the Evaluation team visited AFD, GiZ, BTC and interviewed CICL per telephone. For the GCCA case study, the HQs of Ireland and Sweden have been interviewed via telephone.

Implementation of the case studies

Each country visit took 5 to 7 working days in the country concerned and has been carried out by one of the core experts of the evaluation team (see table A.2.6.5, second column for more details). Junior staff provided support to prepare and organise the mission. The detailed assessments for each DC agreement on the basis of available documentation,

[18] The total number of EUDs having been involved in DC agreements amounts to 61.

[19] See page 12 of the ToR.

reviews, reports and evaluations have been a major input towards the case study implementation.

During the country visit, meetings were held with the EUD, representatives of the partner government, other donors and civil society organisations, the National Authorising Officer and independent experts. The emphasis was put on:

- collecting opinions and perceptions of stakeholders (including DC partners and beneficiaries) to assess the credibility of (claimed) associations between different elements of the IED in order to compare and validate various aspects of a theory of change;
- exploring and discussing alternative explanations of why observed changes of selected indicators might (or might not) have occurred;
- drawing on the experience and detailed knowledge of key informants from the partner country in order to reflect upon and validate (or refute) the evaluation hypotheses.

The case studies focussed on verifying/refuting/illustrating the hypotheses and preliminary answers to the EQs, JCs and indicators formulated during the Desk Phase and on collecting additional information and views. The interviews focussed on evaluating the efficiency and effectiveness of the DC funding modality and were not meant to evaluate the development results of the projects/programmes concerned, although those results were considered as useful (context) information when assessing the efficiency and effectiveness of the DC funding modality. For that purpose use was made of available evaluation reports.

Wherever possible, triangulation and cross-checking of data and information was carried out. Each field mission held a debriefing at the EUD, which was sometimes (depending on the preference of the EUD) joined by other MS.

Draft detailed guidelines for the interviews and drafting the Case Study Notes (checklist of questions and issues) were prepared in order to assure that all key issues would be covered, and that information was collected about the same issues so that findings can be synthesised (presented in the Desk Report). These guidelines ensured the structured in-depth analysis of case study findings, including contextual and other explanatory factors. These findings fed into answering the EQs, JCs and indicators and will serve to validate or refute the hypotheses and preliminary answers formulated during the desk phase.

At the beginning of the field visit to a partner country a briefing meeting was held at the EU Delegation. A de-briefing meeting took place at the conclusion of the visit.

After a field mission, a case study note was made and delivered to the Evaluation Unit. As stipulated in the ToR, these notes were annexed to the final report of this evaluation. Comments from the involved EUDs were received and processed by the Evaluation Team, along with a response sheet elaborating and justifying which changes had (not) been made.

After having completed all the case studies, the Evaluation Team presented a summary of the results of the case studies to the Reference Group (RG) on the basis of a slide presentation, during a half-day meeting in Brussels. This meeting took place on 24 June 2016.

2.7. Additional information on policy and legal framework

Delegated Cooperation and the EU aid effectiveness agenda

The first reference to Delegated Cooperation at the EU level was made in the report of the EU Ad-hoc Working Party on Harmonisation submitted to the Council of the EU in November 2004. DC was mentioned as one of the instruments to enhance donor harmonisation and complementarity. It was proposed to "further encourage the use of the instrument of delegated cooperation between Member States as well as between Member States and the Commission"[20].

One year later, in 2005, the EU published its new development cooperation policy entitled "the European consensus on development". Although this document did not refer explicitly to delegated cooperation and improving the division of labour among donors, it reiterated the EU commitments as regards the Paris Declaration on Aid Effectiveness and it underlined the importance of reducing the transaction costs of delivering aid, strengthening the complementarity of the various donor contributions and making better use of the comparative advantages and added value of the EU support[21].

In March 2006, the Commission issued a Communication entitled: "EU aid: delivering more, better and faster". That document contained an action plan on how the EU envisaged to enhance aid effectiveness. This document did not contain a reference to delegated cooperation, but it elaborated on enhancing the division of labour and increasing joint EU activities and co-financing. It was announced that the Commission would "define a strategic approach to co-financing which will give a catalytic role to a substantial part of the EC funds in promoting the development of more joint EU activities"[22].

In 2007, the '*EU Code of Conduct on Complementarity and Division of Labour in Development Policy'* was adopted by the EU Council. The Code aimed *"to enhance effectiveness by improving overall development results and impact on poverty reduction and reducing transaction costs through a division of labour between donors*" (p.10). According to the guiding principle of the Code, the aid from one particular donor in a certain partner country should be focused on a maximum of three focal sectors[23]. The document can be considered as the cradle and origin of Delegated Cooperation at EU level[24]: DC was presented as an important funding modality for either (gradually) phasing out or continuing to be involved (indirectly) in non-focal sectors.

In October 2011 the European Commission sent a Communication to the European Parliament entitled "Increasing the impact of EU Development Policy: an Agenda for Change"[25]. That Agenda was not meant to rewrite basic development cooperation

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[20] Council of the European Union (15 November 2004), "Advancing coordination, harmonisation and alignment: the contribution of the EU", report of the ad-hoc working group on harmonisation, pp. 26, 28 and 46.

[21] See in particular pp, 16-17 of the "European consensus on development".

[22] "EU aid: delivering more, better and faster", page 6. See also page 10 of that document.

[23] In the Communication from the Commission to the Council and the European Parliament (COM (2007) 72 final, dd 28.02.2007) it is mentioned that the EU donors will focus on two focal sectors (see p.9), but in the final version of the Code of Conduct (annexed to the Conclusions of the Council, dd 15.05.2007) a maximum of three focal sectors is mentioned, while in exceptional cases more than 3 focal sectors would be acceptable (see p.12).

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

[25] COM (2011) 673 final dd. 13.10.2011.

policies, but to reiterate and update the major orientations already set out in the European Consensus on Development (2005). As regards aid effectiveness, division of labour and delegated cooperation, the document contained the following relevant observations and statements:

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

The design and evolution of the Delegated Cooperation modality

After the adoption of the Code of Conduct in May 2007, the concept of Delegated Cooperation was developed into several internal Guidance Notes from the Director General of AIDCO issued in 2007, 2008, and two in 2009.

Following a first note in 2007[26], which elaborated on when to consider Delegated Cooperation and how it could work in practice and which established a close connection between joint co-financing and DC, the Director General of AIDCO sent a second note in July 2008 to the Heads of Delegations and Directors of the Commission, in which various Delegated Cooperation issues were specified[27]:

- in case the management of a project/programme is delegated to an international organisation, a Contribution Agreement is signed with that organisation[28];
- in case the management is delegated to a national organisation in a donor country, a DA is signed;
- in case the management is delegated to an entity in the recipient country, a Financing Agreement is signed[29];
- DAs are in principle used for (joint) co-financing of large projects and not for small projects solely financed by the EU. But in specific cases, management of projects solely financed by the EU can also be delegated to another entity;
- TAs are meant to receive funds from other donors for co-financing activities implemented by the Commission.

In February 2009, the Director-General of AIDCO issued a Note intending to limit the number of entities eligible for DAs, because it was feared that too many entities (from both within and outside the EU) would apply for getting access to the DA funding modality. According to that note, only "national public sector bodies or bodies governed by private law with a public-service mission" from the EU-27 would qualify for DAs, provided that they[30]:

- operate at national or federal level (no regional or local authorities);
- are specialised in technical or financial development cooperation with beneficiary countries of EC external assistance; and

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

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

28 Contribution agreements are not part of this evaluation.

29 Financing agreements are not part of this evaluation.

30 Note from the Director General of AIDCO to the attention of the Head of Cabinet of the Commissioner for Development Cooperation, AIDCO D(2009) 4160, dd. 27.02,2009.

- implement cooperation activities without subcontracting entire programmes or projects to other entities.

The Commission estimated that about 42 bodies would meet these criteria. The Note added that “donors from EU third countries (such as the USA, Canada, Japan, etc.) should only be accepted in exceptional cases and when justified”.

In June 2009, the “EU Toolkit for the implementation of complementarity and division of labour in development policy” was published. That Toolkit paid some attention to DC by summarising the main characteristics of DC already mentioned here above. DC was (again) explicitly presented as one of the forms of co-financing. An interesting observation was made as regards why EU-MS could be interested in co-financing (and thus possibly in a TA): “EU-MS which do not have sufficient capacity on the ground in a particular country or sector, or which do not have a local presence, may find co-financing an attractive option for nevertheless providing support to that country or sector”[31].

In another Note from the Director-General of AIDCO issued in October 2009, it was observed that the number of DAs was increasing substantially in 2009, but the number of TAs was lagging behind. Therefore, measures/criteria were proposed to enhance an adequate balance between DAs and TAs, namely:
- at global level, the total amount of TAs shall be in principle at least half of the total amount of DAs;
- at the level of each relevant entity, the total amount of TAs shall be in principle at least half of the total amount of DAs with the same entity (to be assessed on the basis of a minimum of 5 agreements);
- the total amount of DAs of one entity shall not exceed one third of the total amount of DAs.

In March 2012, the Commission published the **Report on Delegated Cooperation 2007-2012**. In that report it was recalled that Delegated Cooperation was a modality for moving towards larger programmes aligned with the partner country’s policy jointly funded with Member States and other bilateral donors. “Delegated cooperation and joint co-financing were seen as innovative tools for donors to streamline their participation in a specific country by focussing on a limited number of sectors”[32] (2012 review report, p.1-1). Delegated Cooperation and co-financing were thus seen as intertwined concepts.

According to that report, the following general conditions had been considered for Delegated Cooperation since 2007[33].
- DAs should be envisaged in coordination with the partner country and must be aligned with the national development strategy. The partner country should agree with a lead donor arrangement;
- TAs must fit sectoral/thematic priorities of the EU and “should be covered by EC focal sectors”;
- Delegated Cooperation must result in quantifiable efficiency gains;
- Appropriate visibility of each of the involved donors must be ensured;
- Delegated Cooperation should be based on reciprocity (both DAs and TAs);
- Two or more donors (including the Commission) have agreed to finance the programme/project[34];
- One of the donors has well established and recognised technical and financial management to lead on behalf of the donors and is willing to be the lead donor. The partner country should be in agreement with that lead donor arrangement.

[31] EU Toolkit for the implementation of complementarity and division of labour in development policy, June 2009, p.21.
[32] Report on Delegated Cooperation 2007-2012, pp.1-2, ARES(2012) 388917, dd. 30.03.12.
[33] Report on Delegated Cooperation 2007-2012, p.2, ARES(2012) 388917, dd. 30.03.12.
[34] This “condition” implies that DC is in principle always associated with co-financing.

Apart from figures about the volume of Delegated Cooperation, this report contained a number of conclusions and recommendations of which the most important ones were[35]:

- Division of labour to reduce aid fragmentation within sectors was the main reason for Delegated Cooperation. It increases the size of the projects and programmes[36]. Delegated Cooperation was a means to support lead donor arrangements and to make use of their technical capacity and comparative advantages;
- To a much lesser extent, Delegated Cooperation has contributed to cross-sectoral division of labour. But, Delegated Cooperation opens the opportunity to provide support to a non-focal sector (of the funding donor) without increasing sector fragmentation. (However this is not confirmed by the results of our data analysis which shows that DAs have mainly been used in focal sectors: see Volume 3, section 3.1.4);
- Work load reductions and making use of the expertise and experience of Member States' agencies were the main reasons for EU Delegation staff to opt for the DA modality;
- It was not possible to conclude whether the overall workload (transaction costs) of all players involved in a DA or TA has been positive or negative so far[37]. On the one hand a better division of labour, larger programmes and less aid fragmentation will reduce transaction costs, but on the other hand the six-pillar assessments, negotiations with delegated entities, additional monitoring and handling derogations cause additional work. Partner countries may benefit from reduced transaction costs due to larger projects and programmes, while having to deal with less donors;
- There is no clear evidence that Delegated Cooperation has improved the quality of projects and programmes, although there are some examples of improved quality due to Delegated Cooperation and lead donor arrangements;
- The visibility of the EU in projects and programmes implemented through Delegated Cooperation has generally been satisfactory;
- There is need for a more coherent and global approach aimed at federating EU donors around bigger projects in key strategic focal sectors in partner countries (in which Delegated Cooperation can play a role);
- The current situation with various small Delegated Cooperation arrangements is not viable in view of the level of staff resources required at both Delegation and Head Quarters level;
- The (perceived) contradiction between a strategy focussed on supporting three focal sectors, and Delegated Cooperation allowing to support additional sectors, should be clarified;
- The ceiling of 7% administration costs for DAs should be reconsidered, because that percentage might be too low in case of small projects;
- Criteria as regards the balance between DAs and TAs should be (better) respected;
- Delegated Cooperation with non-EU donors should remain exceptional, because Delegated Cooperation is primarily meant to enhance division of labour among the EU and MS agencies.

In 2012 the Commission issued also a '**Guidance paper on Delegated Cooperation with Member States'.** Delegated Cooperation was explicitly presented as "a joint co-financing modality, by which one EU donor entrusts the management of funds to another" [38]. This statement implies that there must be at least one other funding agency involved – most likely the fund managing donor of the DA or TA – next to the delegating or transferring entity. This link between Delegated Cooperation and co-financing is further confirmed by the following statement in the same report: through Delegated Cooperation "it is possible to concentrate the implementation of similar actions in one hand (the fund managing donor), thereby

[35] Report on Delegated Cooperation 2007-2012, pp.14-17, ARES(2012) 388917, dd. 30.03.12.
[36] No evidence provided.
[37] No clear evidence provided.
[38] Guidance paper on Delegated Cooperation, 2012, page 1.

avoiding that several EU donors implement such actions in parallel. This should result in a reduction of aid fragmentation and proliferation, but also in a reduction of transaction costs due to economies of scale"[39]. It was also mentioned that Delegated Cooperation was considered as a "modality to move towards larger programmes …. jointly funded with other public or private donors"[40].

As regards the near future, the Guidance paper recalled that a substantial portion of the EU's assistance under the Multi-annual Financial Framework 2014-2020 will be subject to Joint Programming by the EU and its Member States. This Guidance paper postulates that "it is expected that joint programming will result in a complementarity of actions where Delegated Cooperation will be less relevant"[41].

According to that Guidance Paper, there are five strategic objectives of Delegated Cooperation, namely (see page 4 of the Guidance paper)[42]:

- delivering aid more efficiently by sharing and maximising the use of technical and management capacity and systems;
- promoting 'better donorship' practice with EU donors based on a systematic assessment of better cost/benefit/ impact ratio[43];
- promoting the role of the EU with interested EU member states, particularly in case of TAs;
- promoting ownership and leadership of development programmes by partner countries and their accountability to people; and
- encouraging the use of common monitoring, evaluation and accounting procedures in order to reduce the number of separate donor reviews and different accounting procedures.

Surprisingly these five strategic objectives do not refer to division of labour, strengthening complementarity, reducing aid fragmentation and improving the effectiveness of aid.

Furthermore, the Guidance Paper lists ten criteria, which have to be met before Delegated Cooperation can be considered. These criteria are[44]:

- The programme is owned and led by the partner country and two or more donors, including the Commission, have agreed to fund;
- The partner country agrees with the Delegated Cooperation arrangement;
- The fund managing donor has adequate technical and financial management capacity;
- The fund managing donor will remain active in the programme/sector in the near future;
- Delegated Cooperation results in visibility gains for the EU and efficiency gains and reduced transaction cost for both the EU and the partner country;

39 See "Guidance paper on Delegated Cooperation"(2012), page 2. However a different view is presented in the document "EU Joint Programming Guidance Pack, section 2: FAQs", where it is stated that "Division of labour should promote more joint implementation activities in cases where more than one DP do want to work on the same sector or thematic issues", and "where multiple donors who are participating in Joint Programming do want to contribute to the same sector it can be useful to consider joint implementation options such as sector-wide approaches, pooled funding and delegated cooperation" (see pages 5 and of the version available on the website of Training4development on 09.04.15).

40 Guidance paper on Delegated Cooperation, 2012, page 1. See also pages 4-5 of the 2012 Review Report where it was mentioned that although co-financing is not a legal condition for Delegated Cooperation, regulations of some programmes (DCI for example) state that the DA modality can only be used in case of co-financing, except in duly justified cases. Because the main reason for choosing the DA modality is to strengthen donor coordination and aid effectiveness by the pooling of donor funds, and in cases where another donor is better placed to be the lead donor than the EU.

41 Guidance paper on Delegated Cooperation, 2012, p. 2.

42 Guidance paper on Delegated Cooperation, 2012, p. 4.

43 The concept of "better donorship" was not defined in that Guidance Paper.

44 Guidance paper on Delegated Cooperation, 2012, p. 4-5.

- Delegated Cooperation results in larger and cost effective programmes with a measurable/quantifiable operational impact[45];
- Delegated Cooperation covers large programmes and the delegated EC amount is not less than €3 million;
- Appropriate visibility of each of the donors involved is ensured;
- Pure technical assistance projects should not be considered for DAs;
- Co-financing should, in principle, be a major prerequisite for DAs.

Summarizing, it can be concluded that the DC modality was proposed/launched in particular as a funding modality facilitating the division of labour among DPs and the application of the three focal sectors approach. However, quickly after that, the emphasis of the DC approach shifted to promoting joint co-financing and funding larger programmes. The highlights of this evolution are summarised in the following table.

Table A.2.7.1 Highlights of the evolution of the DC strategy

May 2007	In the *Code of Conduct on complementarity and division of labour*, DC was presented as an important funding modality for either (gradually) phasing out or continuing to be involved (indirectly) in non-focal sectors. No specific reference was made to joint co-financing.
December 2007	In the *Guidance on Joint Co-financing,* a close connection between joint co-financing and DC was established, while it was also mentioned that in principle (only) large programmes qualify for DC.
July 2008	DG AIDCO confirmed in another official Guidance Note that DAs and TAs are in principle used for (joint) co-financing of large programmes and projects.
February 2009	DG AIDCO issued a Guidance Note aimed at limiting the use of the DC modality to entities from EU Member States operating at national level and being specialised in development cooperation.
October 2009	DG AIDCO issued another Note aimed at enhancing an adequate balance between DAs and TAs (roughly 2 : 1 in value terms), because the value of TAs was lagging (much) behind the value of DAs
March 2012	In a progress report about the use of the DC modality it was recalled that it was meant for funding larger programmes jointly funded with other donors and also for streamlining donor support by focussing on a limited number of sectors.
Second half of 2012	In a Guidance Paper on DC, DC was explicitly presented as a joint co-financing modality and as a modality to move towards larger programmes.

Delegated Cooperation in relation to the EU Financial Regulations

The link between the DC instrument and the EU Financial Regulations is as follows:

1. DAs and TAs signed during the period 2007-2013 are subject to the Financial Regulations (FR) of 2002. On the first of January 2014, the FR-2012 became effective and DAs and TAs signed from that date onwards are subject to that new FR;
2. The FR-2002 foresaw the possibility for the Commission under the indirect centralised management mode to delegate budget implementation tasks/exercise of public authority *to national public-sector bodies or bodies governed by private law with a public-service mission that offer adequate financial guarantees*[46];
3. Before entrusting the management of EU funds to an entity, to protect EU financial interests, the Commission must have obtained evidence of the existence and proper operation within those entities, namely that the criteria set in the FR are met (Art. 56 FR for budget and art. 26 FR for EDF). The respect of these criteria by the candidate entity is subject to the prior ex-ante pillar assessment (see following section);

[45] It is not clear what is meant with measurable/quantifiable operational impact.

[46] Articles 54(2)(c) and 56(1) of the EU Budget Financial Regulation (No 1605/2002) and 38 of its Implementing Rules and 25 to 28 of the 10th EDF Financial Regulation.

4. The FR-2012 applicable to the general budget of the EU has undergone significant changes with regards to management modes which entered into force on January 1, 2014[47]. As a consequence, indirect centralised management and joint management with international organisations were merged and replaced by indirect management. Delegated cooperation continued to work both ways, i.e. donors entrust funds to one another to enhance aid effectiveness.
5. The fact that the FR apply to DAs and TAs implies that DA projects are subject to the D+3 rule. The rule requires that all funds have to be committed within three years after signing the Financing Agreement. The consequence is that for DA projects with no co-financing, all contacts have to be signed within a period of three years after signature of the FA, otherwise funds would be blocked. The application of that rule can be particularly challenging in the case of DC because the DAs are often signed several months after the signature of the Financing Agreement, which further limits the time for entering commitments.

Delegated Cooperation and Pillar Assessments

Delegating tasks to other actors does not reduce the responsibility of the Commission but only modifies its nature. This responsibility changes from the actual implementation to the control and monitoring of the tasks implemented by the entrusted entity. It also creates new requirements, which the Commission must impose on the entrusted entity (visibility, reporting, transparency about who the final beneficiaries are, etc.).

The candidate entity to be entrusted with the budget implementation tasks should demonstrate a level of financial management and protection of the EU financial interests equivalent to that of the Commission. This is verified by carrying out an ex-ante assessment of the entity, a so-called Pillar Assessment. The financial guarantees are specified in the FR of the10th EDF in the form of six criteria with which delegation partners have to comply, namely:

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

The Pillar Assessment needs to be carried out by a professional auditor before an entity can get access to delegated funds. The assessment report is the basis for the Commission for deciding whether to entrust the entity with the budget implementation tasks of a DA.

In the Note issued in February 2009 (as described earlier in this section), the Commission decided to limit the range of entities that could potentially enter into a DA, because it feared that too many entities would possibly qualify[48]. From then onwards, access to DAs was limited to bodies:

- from EU Member States (but derogations were possible when duly justified because of specific added value);
- operating at a national or federal level (which excludes regional and local authorities);
- specialised in technical or financial development cooperation with beneficiary countries and;
- implementing directly cooperation activities without subcontracting entire programmes or projects.

47 Article 58 and 60 of Regulation (No 966/2012) on the financial rules applicable to the general budget.
48 Note from the Director General of AIDCO to the attention of the Head of Cabinet of the Commissioner for Development Cooperation, AIDCO D(2009) 4160, dd. 27.02,2009.

By September 2014, 24 entities had been assessed positively, out of which 22 EU entities (see annex 1 for the full list)[49]. The pillar assessments of two other EU entities were not processed because their public service mission was unclear or not acceptable[50].

In the same Note of February 2009, it was specified that a delegated body must be chosen in an objective, transparent and non-discriminatory manner. It was furthermore stipulated that before signing a DA, the Commission should verify the Delegated Body's technical and financial management capacity to implement the project or programme concerned, and its comparative advantage. (see 2012 Review Report, p.4).

Pursuant to the FR-2012, a new Pillar Assessment entered into force. The objective of that Pillar Assessment is to verify whether the entity fulfils the requirements of the FR[51]. Under this new Pillar Assessment, the Commission obtains evidence for each relevant pillar out of the seven pillars as to whether the candidate entrusted entity[52]:

- has set up and ensures the functioning in all material respects of an effective and efficient internal control system;
- uses an accounting system that provides in all material respects accurate, complete and reliable information in a timely manner;
- is subject to an independent external audit, required to be performed in all material respects in accordance with internationally accepted auditing standards;
- applies appropriate rules and procedures for providing financing from EU funds through grants;
- applies appropriate rules and procedures for providing financing from EU funds through procurement;
- applies appropriate rules and procedures for providing financing from EU funds through financial instruments (i.e. equity, quasi-equity, loan, guarantee, other risk-sharing instrument); and
- has taken measures which ensure that Sub-Delegatees and Financial Intermediaries to which the entity sub-delegates budget-implementation tasks, will implement EU-funded actions with systems and procedures that comply with international standards.

As regards agencies of Member States and third donor countries, the Pillar Assessment under the FR-2012 corresponds to the Pillar Assessment under FR-2002, with the exception of the last two pillars (on financial instruments and sub-delegation). Consequently, in the transitory period Indirect Management Delegation Agreement (IMDA) may still be concluded with the agencies assessed in the past. Only where a financial instrument is entrusted in indirect management to them or where sub-delegation takes place, the additional pillar(s) has to be assessed beforehand.

Entities that have never been assessed before, have to pass the new Pillar Assessment successfully before being entrusted any budget-implementation tasks. This assessment should include 4 to 7 pillars. The first three pillars, (1) internal control, (2) accounting and (3) independent external audit, are obligatory for each assessment. Moreover, each assessment must also include at least one of the other four pillars, so that the entity can be entrusted with the corresponding budget-implementation tasks: (4) procedures and rules for grants, (5) for procurement, (6) for financial instruments, as well as (7) a specific pillar for sub-delegation.

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49 The two non-EU entities are Australian Development Agency (AusAid) and the Development Bank of Southern Africa (DBSA).

50 The rejected entities were the Dutch Volunteers Foundation in the Netherlands and Crown Agent in the UK.

51 As set out in points (a) to (d) of the first subparagraph of Article 60(2) of the FR-2012 (applies both to Budget and the EDF).

52 DEVCO Companion to financial and contractual procedures, Version 4.2 - November 2014.

2.8. Portfolio analysis

DC inventory data

All information in the tables below are based on data retrieved from CRIS in 2015, and on the DEVCO inventory list of DC. They relate to the DC agreements within the scope of this evaluation (therefore excluding DA with financing facilities, IPA and IFS instruments, and DAs signed after 2014).

Table A.2.8.1 Number of DAs and TAs signed in the period 2008-2014

Year	Number of Delegation Agreements signed	Number of Transfer Agreements signed
2008	12	4
2009	14	8
2010	29	9
2011	45	12
2012	43	9
2013	72	10
2014	82	5
Total signed	**297**	**59***
Outside scope of this evaluation	**133**	**-**
Agreements subject of evaluation	**164**	**59**

*Including 2 TAs of which year is not known.

Table A.2.8.2 Geographic and thematic breakdown and financial volumes of signed DAs and TAs

Delegation Agreements					Transfer Agreements				
Regions	Number of DAs		Total value of DAs		Regions (as per EC Directorate)	Number of TAs		Total value of TAs	
	Nr.	%	M €	%		Nr.	%	M €	%
ACP countries	96	59%	742.9	59%	East & Southern Africa + other ACP countries (Directorate D)	6	10%	34.8	12%
					West and Central Africa (Directorate E)	20	34%	115.1	40%
Asia	7	3%	43.8	3%	Asia, Central Asia, Middle East/Gulf and Pacific (Direct. H)	5	8%	22.2	8%
ENPI	29	18%	294.0	24%	Neighbourhood (Directorate F)	16	27%	38.2	13%
Latin America	10	6%	83.5	7%	Latin America and Caribbean (Directorate G)	1	2%	39.1	13%
Total geographic	**141**	**87%**	**1,143.9**	**92%**	**Total geographic**	**48**	**81%**	**249.4**	**86%**
Environment	14	9%	64.0	5%	Sustainable Growth and Development (Directorate C)	11	19%	41.8	14%
Food	5	3%	13.8	1%					
Migration	2	1%	17.3	1%					
Sugar	1	1%	4.0	0%					
Total thematic	**22**	**13%**	**99.1**	**8%**	**Total thematic**	**11**	**19%**	**41.8**	**14%**
TOTAL	**164**	**100%**	**1,263.4**	**100%**	**TOTAL**	**59**	**100%**	**291.2**	**100%**

Note: Figures are rounded off, which explains why some numbers do not add up.

Table A.2.8.3 Delegated Cooperation (DA and TA) contracted value as % of commitments of Official Development Aid (ODA) provided by the EU and its Member States (in millions of Euros)

	2010	2011	2012	2013	2014
Official Development Aid from the EU and EU Member States.	57,000	62,910	63,656	63,226	n.d.
EU Delegated Cooperation	115	182	164	498	458
%	0.2%	0.3%	0.3%	0.8%	n.d.

Source: OECD International Development statistics, stats.oecd.org (current prices - USD converted to EUR).
Note: ODA statistics 2014 not yet available.

Table A.2.8.4 DAs and TAs – Breakdown by partner

Delegation Agreements					Transfer Agreements				
Partner	**No. of DAs**	**%**	**Value (M €)**	**%**	**Partner**	**No. of TAs**	**%**	**Value (M €)**	**%**
GIZ (Germany)	56	34%	325.9	26%	France	2	3%	49.1	17%
AFD (France)	30	18%	288.3	23%	EIB	1	2%	48.3	17%
KfW (Germany)	16	10%	248.4	20%	Belgium	9	15%	47.8	16%
DANIDA (Denmark)	7	4%	57.8	5%	Ireland	6	10%	30.4	10%
AECID (Spain)	8	5%	52	4%	UK	4	7%	29.1	10%
DFID (UK)	10	6%	46	4%	Sweden	6	10%	25.8	9%
SONA (NL Antilles)	3	2%	42.6	3%	Spain	2	3%	12.5	4%
FIIAPP (Spain)	3	2%	40.8	3%	Denmark	4	7%	10.2	4%
MoFA of Italy	3	2%	34.9	3%	Japan	2	3%	6.2	2%
CICL (Portugal)	7	4%	29.2	2%	Austria	7	12%	7.5	3%
BTC (Belgium)	8	5%	25.3	2%	Netherlands	2	3%	5.5	2%
MoFA Netherlands	1	1%	19.8	2%	Luxembourg	5	8%	5.7	2%
FEI (France)	3	2%	12.1	1%	Germany	1	2%	3.5	1%
LUX-DEV (Luxemb.)	2	1%	10.4	1%	Switzerland	1	2%	2.3	1%
ADA (Austria)	3	2%	10	1%	Canada	1	2%	2.2	1%
ADETEF (France)	1	1%	7.6	1%	Australia	1	2%	1.8	1%
British Council (UK)	1	1%	5.5	0%	Cyprus	2	3%	1.2	0%
AusAID (Australia)	1	1%	4	0%	Italy	1	2%	1.1	0%
République Francaise	1	1%	2.9	0%	Estonia	1	2%	0.8	0%
					Czech Rep.	1	2%	0.2	0%
Total	**164**	**100%**	**1,263.4**	**100%**	**Total**	**59**	**100%**	**291.2**	**100%**

Table A.2.8.5 DAs and TAs – Breakdown by country

Partner countries	Delegation Agreements		Transfer Agreements		Total DC contracts	
	Number	M €	Number	M €	Number	M €
Palestine	9	54.8	15	35.4	24	90.2
Mali	8	63.9	4	7.7	12	71.6
Benin	7	49.9	4	9.1	11	58.9
Mozambique	4	29.2	3	22.1	7	51.3
Timor Leste	6	17.9	1	3.8	7	21.7
Congo (DR)	1	2.5	5	22.5	6	25.0
Egypt	6	125.8	-	-	6	125.8
Liberia	4	11.1	1	3.6	5	14.7
Tanzania	2	54.3	2	14.1	4	68.4
Burundi	2	21.3	2	5.9	4	27.2
Uganda	3	8.5	1	11.0	4	19.5
South Sudan	3	17.4	1	1.8	4	19.2
Pakistan	3	30.9	1	5.0	4	35.9
Tunisia	4	47.8	-	-	4	47.8
Kenya	4	16.0	-	-	4	16.0
Nicaragua	4	29.8	-	-	4	29.8
Niger	4	15.5	-	-	4	15.5
Jordan	4	25.6	-	-	4	25.6
Ethiopia	4	21.2	-	-	4	21.2
Ghana	2	7.5	1	48.3	3	55.8
Haiti	2	25.4	1	39.1	3	64.5
Nepal	1	7.6	2	12.2	3	19.8
Togo	3	46.2	-	-	3	46.2
Netherlands Antilles	3	42.6	-	-	3	42.6
Mauritania	3	14.8	-	-	3	14.8
Dominican Republic	3	3.9	-	-	3	3.9
Other countries (37)[53]	40	394.5	12	36.6	52	331.2
Total country specific DCs	**139**	**1,085.8**	**56**	**178.4**	**195**	**1,264.2**
ACP countries	16	118.6	2	12.6	18	131.2
ENPI region	2	24.8			2	24.8
All countries	4	17.0	1	0.2	5	17.2
Central America	2	14.2			2	14.2
OCT	1	2.9			1	2.9
Total regional DAs	**25**	**177.6**	**3**	**12.8**	**28**	**190.4**
TOTAL	**164**	**1,263.4**	**59**	**191.2**	**223**	**1,454.6**

53 Countries with 2 or 1 DC agreement(s).

Delegation Agreements

Table A.2.8.6 Number of Delegation Agreements signed per year

Year	Number of DAs		Total value of DAs		Average value of DAs
	No.	%	M€	%	M€
2008	5	3%	48.3	4%	9.7
2009	8	5%	22.4	2%	2.8
2010	9	5%	31.1	2%	3.5
2011	29	18%	150.1	12%	5.2
2012	18	11%	154.1	12%	8.6
2013	42	26%	419.7	33%	10.0
2014	53	32%	437.7	35%	8.3
TOTAL	**164**	**100%**	**1,263.4**	**100%**	**7.7**

Table 2.8.7 Number of DAs and value per amount interval (2008-2014)

Amount interval	Number of DAs		Total value of DAs	
	No.	%	M€	%
< 1 M Eur	3	2%	1.2	0%
1 - < 5 M Eur	77	47%	218.7	17%
5 - < 10 M Eur	47	29%	304.0	24%
10 - < 20 M Eur	23	14%	344.1	27%
20 - < 50 M Eur	13	8%	344.1	27%
> 50 M Eur	1	0%	51.3	4%
TOTAL	**164**	**100%**	**1,263.4**	**100%**

Table A.2.8.8 Delegation Agreements per Financing Instrument

Instrument	Member States	Non Member States
EDF	93	
ENPI	27	
ENI	2	
DCI-ENV	14	
DCI-ALA	10	
DCI-ASIE	7	
DCI-AFS	2	
DCI-FOOD	5	
DCI-MIGR	2	
DCI-Pan African	1	
DCI-SUGAR		1
TOTAL	**163**	**1**
IcSP, IfS and RRM	19	
IPA	24	
TOTAL	**205**	**1**

Table A.2.8.9 Delegation agreements 2008-2014 – Breakdown by sector

SECTOR	Number of DAs		Value of DAs	
	Number	%	M€	%
Water and sanitation	24	15%	245.0	19%
Agriculture	23	14%	160.6	13%
Government and civil society, general	24	15%	116.0	9%
General environmental protection	13	8%	101.1	8%
Secondary education	6	4%	53.7	4%
Other social infrastructure and services	3	2%	48.2	4%
Energy generation and supply	7	4%	40.3	3%
Industry	8	5%	34.1	3%
Transport and storage	4	2%	31.5	2%
Conflict prevention and resolution, peace and security	4	2%	28.1	2%
Basic health	5	3%	23.5	2%
Population policies/programmes and reproductive health	3	2%	20.3	2%
Trade policy and regulations and trade-related adjustment	5	3%	18.9	1%
Business and other services	4	2%	18.7	1%
Health, general	2	1%	13.4	1%
Forestry	3	2%	10.0	1%
Tourism	1	1%	6.9	1%
Developmental food aid/food security assistance	2	1%	6.8	1%
Education, level unspecified	3	2%	5.5	0%
Communication	1	1%	4.8	0%
Banking and financial services	2	1%	3.0	0%
Other multisector	17	10%	273.0	22%
TOTAL	**164**	**100%**	**1,263.4**	**100%**

Transfer Agreements

Table A.2.8.10 Number of Transfer Agreements signed per year

Year	Number of TAs		Total value of TAs		Average value of TAs
	Number	%	M €	%	M €
2008	4	7%	5.8	2%	1.5
2009	8	14%	38.3	13%	4.8
2010	9	16%	84.2	29%	9.4
2011	12	21%	31.9	11%	2.7
2012	9	16%	30.4	11%	3.3
2013	10	18%	78.1	27%	7.8
2014	5	9%	20.3	7%	4.1
TOTAL	**57***	**100%**	**289.0***	**100%**	**5.1**

*excluding 2 TAs without year.
Source: CRIS data 2015.

Table A.2.8.11 Transfer Agreements 2008-2014 - Total amounts and breakdown by amount interval

Amount interval	Number of TAs		Total value of TAs	
	Number of TAs	%	M€	%
< 1 M Eur	7	12%	3.9	1%
1 - < 3 M Eur	28	47%	49.0	17%
3 - < 5 M Eur	9	15%	35.1	12%
5 - < 10 M Eur	7	12%	47.0	16%
10 - < 20 M Eur	6	10%	68.7	24%
20 - < 50 M Eur	2	3%	87.4	30%
TOTAL	**59**	**100%**	**291.2**	**100%**

Table A.2.8.12 Transfer agreements 2008-2014 – Breakdown by sector

SECTOR	Number of TAs		Total value of TAs	
	Number of TAs	%	M€	%
General budget support	2	3%	60.5	21%
Government and civil society	17	29%	50.7	17%
Transport and storage	2	3%	42.7	15%
Environmental protection	12	20%	29.7	10%
Other social infrastructure and services	13	22%	29.2	10%
Agriculture	2	3%	22.9	8%
Water and sanitation	1	2%	12.0	4%
Education, level unspecified	1	2%	11.6	4%
Basic health	1	2%	10.0	3%
Other multisector	3	5%	8.8	3%
Industry	2	3%	6.2	2%
Health, general	2	3%	5.0	2%
Developmental food aid/food security assistance	1	2%	1.8	1%
TOTAL	**59**	**100%**	**291.2**	**100%**

2.9. Dynamics of Delegated Cooperation

Table A.2.9.1 Time line policy and portfolio developments

Period	Developments
May 2007	In the *Code of Conduct on complementarity and division of labour*, DC was presented as an important funding modality for either (gradually) phasing out or continuing to be involved (indirectly) in non-focal sectors. No specific reference was made to joint co-financing.
Dec 2007	In the *Guidance on Joint Co-financing with Member States and other bilateral donors (the* first Guidance Note)*,* a close connection between joint co-financing and DC was established, while it was also mentioned that in principle (only) large programmes qualify for DC.
Dec 2007 – Jun 2008	• **One DA was signed** (April 2008, DA with Belgium in Rwanda) for an amount of €1.2 million, which was solely funded by the EC; • It seems as if no specific contract format was yet developed for DC, as the contract for that DA is called a 'grant contract'. Also, correspondence indicates that it is unclear whether BTC should be treated as a public or private entity.
Jul 2008	DG AIDCO confirmed in a second official Guidance Note that DAs and TAs are in principle used for (joint) co-financing of large programmes and projects: • DAs are in principle used for (joint) co-financing of large projects and not for small projects solely financed by the EU. But in specific cases, management of projects solely financed by the EU can also be delegated to another entity; • TAs are meant to receive funds from other donors for co-financing activities implemented by the Commission.
July 2008 – Jan 2009	• **Four DAs were signed**. One with GIZ (in Ivory coast, €4.5 million which was still 100% financed by the EU (from Flex funding), but fitted within a larger programme of GIZ). There were still internal issues on how to code a DA in CRIS. Three contracts were signed with USONA for projects in the Netherlands Antilles (where the EU has no representative office). In fact, there were only two projects, but one of them needed two separate contract numbers as it consisted of funds from the 8th and the 9th EDF. These were large contracts which were co-financed by the Netherlands Ministry of Foreign Affairs. These agreements were signed in December 2008; • **Three TAs were signed** in late 2008. One with Sweden under the GCCA programme (for two projects – therefore registered as two TAs), one with the Czech Republic under the GCCA, and one with Austria for the PEGASE programme; • 14 DC partners had expressed interest in conducting the Pillar Assessment of which 6 (SONA (January 2008); GTZ (February 2008); BTC/CTB (March 2008); ADA (March 2008); AFD (April 2008); KfW (April 2008)) were already approved and 8 were going through the ex-ante assessment.
February 2009	In February 2009, the Director-General of AIDCO issues a third official Guidance Note intending to limit the number of entities eligible for DAs in order to prevent that too many entities (from both within and outside the EU) would apply for getting access to the DA funding modality. According to that note, in principle only "national public sector bodies or bodies governed by private law with a public-service mission" from the EU-27 would qualify for DAs, provided that they[54]: • operate at national or federal level (no regional or local authorities); • are specialised in technical or financial development cooperation with beneficiary countries of EC external assistance; and • implement cooperation activities without subcontracting entire programmes or projects to other entities. The Note added that exceptions to this principle (e.g. interested donors from third countries) would be

[54] Note from the Director General of AIDCO to the attention of the Head of Cabinet of the Commissioner for Development Cooperation, AIDCO D(2009) 4160, dd. 27.02,2009.

Period	Developments
	possible in duly justified cases – but would remain an exception.
Feb – Sep 2009[55]	• Between February and October, **four DAs were signed**: two DAs with AFD (in Mali and Togo, for resp. €1.5 million (co-financed) and €3.4 million (not co-financed)). Two DAs in Benin: one with GIZ, which was very small (only €700,000 to a larger GIZ programme) and PAFIRIZ with BTC (€5.28 million, not co-financed); • **Three TAs were signed**. A TA was signed with Belgium in Mozambique for the MDG contract (i.e. budget support), for €12.18 million. A TA was signed with Luxembourg for a €2 million project in Vietnam; and a TA with Sweden for a project in DRC, for €8 million; • One TA of €9 million was signed with Belgium for Palestine, but since the date is not known, it is not certain whether this was before or after October.
October 2009	In a fourth official Guidance Note from the Director-General of AIDCO issued in October 2009, it was observed that the number of DAs realised, on-going or foreseen was increasing substantially, while the number of TAs was lagging behind. Therefore, measures/criteria were proposed to enhance an adequate balance between DAs and TAs, namely: • at global level, the total amount of TAs should be in principle at least half of the total amount of DAs; • at the level of each relevant entity, the total amount of TAs should be in principle at least half of the total amount of DAs with the same entity; • the total amount of DAs of one entity should not exceed one third of the total amount of DAs.
Oct 2009 – Dec 2009	• For the remainder of 2009, **four more DAs were concluded** (all with GIZ) for a value of €11.5 million, in Vietnam (first non-EDF financed DA), ACP regional, South Africa and Mozambique. This probably explains the second criteria introduced in the note in 2009: probably the agreements with GIZ were in the pipeline, while there was no TA with Germany; • **Four TAs were signed**: Another contribution from Austria to PEGASE and three TAs in Benin, contributing to the same project. This was the first “multiple DCs project”; • At the time of the publication of the note, the ratio between TAs and DAs was close to 0.5 (counted in signed contracts): €28 million for TAs against €59 million for DAs as of Sept. 2009. At the end of 2009, the balance between DAs and TAs was more equal with €70.7 million in DAs (13 contracts) and €44.2 million in TAs (12 contracts); • At the end of 2009, from the 13 signed DAs, 6 were signed with GIZ. This might explain the concerns about the balance. However, the 6 DAs with GIZ only constituted €16.7 million of the €70.7 million (24%). The concern with regard to the third criterion was probably linked to SONA, which had three DAs signed for a total of €42.6 million – more than half of the total value of DAs at the end of 2009; • Another explanation behind the concerns around the balance is that at that time, there was a different understanding of what was a DA and what not. The Report on DC, published in 2012, speaks about 18 DAs. This may have included DAs signed under investment facilities or grant contracts; • In addition to the 6 approved DC partners in 2008, 6 more partners were approved in 2009: IPAD (May 2009); Lux-Development (May 2009); NL MoFA (June 2009); DFID (September 2009); Finnish MoFA (December 2009); DANIDA (December 2009).
2010	• In 2010, 9 DAs were signed for a value of €31.1 million; • Four more DAs with GIZ (Zambia, Senegal and two for a similar initiative of the African Union and one more with AFD in Senegal). The DAs with GIZ for Zambia and with AFD for Senegal were part of the same project: this was the first time that more than one DA were signed for the same project; • The first DAs were signed with KfW (global), IPAD (Mozambique), and ADA (regional one in Central America and one for Moldova);

[55] In June 2009, ‘the EU Toolkit for the implementation of complementarity and division of labour in development policy’ was published. This Toolkit presented DC as one of the forms of co-financing and why EU-MS could be interested in co-financing (and thus possibly in a TA): “EU-MS which do not have sufficient capacity on the ground in a particular country or sector, or which do not have a local presence, may find co-financing an attractive option for nevertheless providing support to that country or sector” (p. 21).

Period	Developments
	• All DAs were co-financed in 2010; • In 2010, 9 TAs were signed – notably the value (compared to the DAs of this year) was much higher: €84.2 million; • This was mainly due to four large TAs: one of AFD (Haiti – €39.1 million), Spain (€12million to the water facility), UK (€11.6million in Nepal) and Ireland (GCCA project in Uganda for €11m); • Three more TAs were signed under the GCCA programme (2 by Ireland, in Sierra Leone and Thailand, and 1 by Cyprus), one TA from Austria to PEGASE and one TA from Denmark for a project in Benin; • In 2010, one additional DC partner was approved: DED (July 2010), which later merged with GTZ, and was renamed GIZ.
2011	• In 2011, the number of DAs was significantly higher than the previous years: 29 DAs were signed (total value: €150.1m); • GIZ was the leading DC partner, with 12 DA contracts (value: €72m, app. 48% of total), followed by AFD with 5 contracts (€18.6m); • DANIDA signed its first contracts, immediately having 4 DAs in 2011 of a value of €29.5 million (20% of total); • DFID had 4 DAs, CICL 3 DAs and BTC – after two years without a DA – signed one; • 4 DAs were signed for Timor-Leste, 3 for Mali and 3 for Ethiopia (of which one was eventually cancelled); • 6 DAs were not co-financed (of which 4 in Timor-Leste). Three of those were signed with IPAD, the other three with GIZ; • The number of TAs was 12, but the value in 2011 was lower than in 2010 (31.9m): all TAs were not larger than 5 million. Four TAs were signed under the GCCA programme (3 by Ireland; 1 by Estonia), three TAs for Palestine (one by Austria and two by the first non-EU TA partner – Japan), and three TAs in Mali (Denmark, Sweden, Switzerland) contributing to the same programme; • One TA was signed by the UK for a project in Burundi and Germany signed its first TA (for a project in Lesotho); • In 2011, 6 new DC partners were approved, including 2 non-EU entities: AusAID (January 2011), British Council (January 2011), FEI (March 2011), AECID (July 2011), FIIAPP (August 2011), DBSA (September 2011).
Jan-Feb 2012	• SIDA added to the list of pillar-assessed bodies; • One large DA was signed with AFD (€20.2 million) in the context of post-earthquake relief in Haiti. While the DA was already signed in January 2011 by the EC, AFD countersigned only in Feb 2012. This DA was only discovered in the field, and is excluded from DEVCO's internal list –also it does not appear in CRIS.
March 2012	The Report on Delegated Cooperation 2007-2012 gave an overview of the situation and pin-pointed some particular issues: sub-delegation, the height of management fee, the justification of the EuropeAid eligibility criteria set in 2009 for DC partners, the balance criteria set for DAs/TAs were not met, the case of working with non-EU bodies. With regard to the outputs, an improvement of division of labour was noted at the intra-sectoral level but not inter-sectoral. The report explains this for the reason that DC should take place in focal sectors (which is not the case except for TAs). The report also makes a suggestion towards JP, saying "Better coordination at an early phase in the programme/project cycle, such as better division of labour through joint programming, would render delegated cooperation less relevant". The report does not draw any conclusions on increase or decrease of transaction costs and workload. However, it does indicate that workload has been a main driver for entering into DAs. Furthermore, the report says "quality and visibility have often not been incentives or disincentives for delegated cooperation as the implementation mode has had limited influence on them".

Period	Developments
	The report makes some recommendations for the future of DC: • The need for a more coherent and global approach which would increase the operational impact of delegated cooperation by federating EU donors around bigger projects in key strategic focal sectors in partner countries; • The flexibility of the concept should be preserved in the future but the main challenge should consist in a better rationalisation of the projects in terms of financial size and also a clear limitation of the concept to keep it manageable in terms of scope and of both financial and human resources for the Commission; • A more strict EC approach in terms of compliance with the balanced criteria for TA/DA is needed; • Delegated cooperation with non-EU donors should remain exceptional.
Mar 2012	• First DA with Lux-Dev was signed (in Nicaragua, €6.88 million). This DA was not co-financed by another donor (only by the beneficiary); • One TA signed with Sweden, €4.9 million for support in Mozambique.
Apr-Jun 2012	• Five DAs were signed. Two in Benin, with AFD and BTC, for the same project. Another one with Lux-Dev, in Niger (€3.5 million), one in Tunisia (AFD, €8 million) and one in Kenya (GIZ, €4 million). All these DAs were co-financed; • Belgium signed one TA of €9 million to support the PEGASE programme.
Jul – Aug 2012	• Two DAs signed with GIZ, in Pakistan (€3.9 million) and a large one in Egypt (€19.7 million). The DA in Pakistan was not co-financed; • Two TAs signed with Belgium and Sweden, for the same project in the DRC (resp. €2million and €6 million).
September 2012	The new Guidance Paper was issued. The main points are as follows: • The reference to JP is made and “It is expected that joint programming will result in a complementarity of actions where Delegated Cooperation will be less relevant”; • Emphasis on large programmes: a requirement on this is included, stating “the EC amount delegated to the fund managing donor is not less than €3 million”; • The formal DA/TA balance criteria are dropped; • Criterium on the nature of projects: Projects concerning pure technical assistance where a Member State agency uses mainly its staff to implement the project should be not considered under Indirect Centralised Management and contracted instead through a service contract; • The importance of co-financing is emphasised but it is not made an obligation: Operational co-financing should be, in principle, a major pre-requisite for the Commission to delegate authority to manage funds to another donor; • New contract templates and assessment fiches are included in the annex to the guidance.
Sept 2012 – Feb 2013	• Nine DAs were signed. Two with GIZ (Burkina Faso, €2.1 million and a global one, €1.5 million); three with AFD (Congo Brazzaville, €4.7 million; Mauritania, €5 million; Haiti, €5 million); three with KfW, of which one very large DA of €51.3 million (Tanzania), €3.5 million in Palestine and €5 million in Ukraine. One DA of €5 million was signed with DFID (Liberia); • It is noticeable that the €3 million threshold, introduced in the new guidance, is not met in the contracts with GIZ. The DA with GIZ for Burkina Faso was already signed by the EC in July (only in September signed by GIZ). The other contract was signed in December 2012, when the guidance should have been clear; • 2 DAs were not co-financed; • 5 TAs were signed. One with a non-EU donor (Canada – €2.2 million for support to Mali), one of €4 million by Belgium to support Burundi. Spain contributed €0.5 million to Angola. Austria made its annual contribution to PEGASE (€1.5million). Cyprus contributed €0.6 million to the Eastern Caribbean region in the context of the GCCA programme; • By November 2012, four more entities passed the pillar assessment (ADETEF, DEG, SIMEST and IT MoFA), which brings the number on 23 certified organisations.

Period	Developments
March 2013	Management of DC is rearranged within DG DEVCO. Instead of unit 02 (Communication and Transparency), DC policy development and monitoring was transferred to unit A2 (Financing and Effectiveness), while statistical monitoring was transferred to unit R1 (Planning and Budget) and legal/contractual issues to unit R3 (Legal Affairs). Moreover, approval of each individual DA project does not require approval of the DG. Only in particularly politically sensitive cases should the decision on Delegated Cooperation with a Member State's agency be submitted to DG DEVCO Management. By contrast, all cases of Delegated Cooperation with a third donor country agency must be approved by DG DEVCO Management. Also it was no longer obligatory to obtain management approval after the Action Document passed the QSG, i.e. before the Financing Decision. So every DA Action Document was sent to a designated person who approved these, looking especially at the balance within the whole range of DAs. Other simplifications of the rules were introduced, for example the former rule that the contract is signed in the same year in which the Financing Decision is approved was softened in 2013: the contract has to be signed at least by the end of the subsequent year (n+1). This has been changed because it took quite some time to set up the contract.
Mar 2013 – Dec 2013	• No less than 42 DAs were signed in this period (total value €419.7 million); • 5 DAs with AECID (3 in Nicaragua, 2 in Dominican Republic) and one with FIIAPP in Cuba; • 10 with AFD (8 for African countries; 7 in the water sector); • 8 with KfW (4 in ENPI, 4 in Africa; 4 in water sector); • Four with DFID (Kenya, Liberia, South Sudan, Palestine); • One with CICL (Timor-Leste, implementation of GCCA project); • One with DANIDA (global, environmental initiatives); • One with IT MoFA in Sudan (€8.6 million); • 11 with GIZ (among others 2 in West Bank, 2 in Nicaragua, another large on in Egypt); • For 10 of the 42 DAs, the EC contribution was lower than €3 million; • 12 DAs do not seem to be co-financed (including 2 in Palestine and 2 in Nicaragua); • 10 TAs were signed (total value €78.1 million). The gap between TAs and DAs becomes larger; • The amount of TAs is largely influenced by a large TA for Ghana, a residue of the HIPC which is transferred from the EIB to the EU for the purposes of budget support (value: €48.1 million); • Furthermore, there are three TAs contributing to Palestine's PEGASE instrument (Austria, Luxembourg (2x)), and two TAs of Belgium for DRC; • Non-EU partner Australia transferred €1.8 million to South Sudan; • Other TAs of France (€10 million to Guinea Conakry), the UK (€3.6 million to Liberia) and Denmark (€5 million to Pakistan).
Jan 2014	New Financial Regulations. • On January 2014 significant changes to the Financial Regulation applicable to the General Budget of the EU entered into force, esp. with regards to management modes. In the spirit of simplification a single mode of 'Indirect Management' replaced the previous forms of decentralised, joint and indirect centralised management. Indirect Management is the modality that groups together the partnership with International Organisations, MS Agencies/bodies, and Beneficiary Countries; • For the delegations of tasks to International Organisations and MS Agencies/bodies the new contractual template which is used is called IMDA (Indirect Management Delegation Agreement). Both International Organisations and MS Agencies therefore sign the same template. In the past there were two separate templates (Contribution Agreement and Delegation Agreement); • The new contractual rules clarify certain issues and simplify the treatment of Indirect Management. Delegated cooperation benefits most from these harmonised rules. Most of the significant changes are for the International Organisations and not for MS agencies. The revisions took into account many of

Period	Developments
	MS' comments during an in-depth consultation (among which presentations at the Practitioners Network in March, September 2013, February and June 2014); • Among the 2014 changes, included in the IMDA, the issue of sub-delegation and associated responsibility by the MS body/agency is much clearer and addresses MS' concerns. There is now a systematic possibility for the EC to recover funds directly at the sub-delegatee's level in case the agency has not been able to recover them. This is possible under certain conditions (when the agency has applied good diligence and taken all necessary measure to recover) to ensure a "contractual security"; • Regarding the new "declaration of assurance" (Management Declaration), there is a pragmatic approach to its timing and format. The declaration is followed by an "audit opinion" (and not a full audit) by an external auditor on the EU funds managed by the Agency; • The added flexibility on contracting deadlines (only possible in case of Multi-Donor Actions) is a tool to allow a better implementation on the ground and encourage co-financing from the Agency/MS side; • New methodology for Pillar Assessment: A new Pillar Assessment Methodology has been introduced since 2014. This is a consequence of the new Financial Regulation which sets stricter requirements for Indirect Management. Pillar assessments now cover internal controls, accounting and independent external audit and may include procedures and rules for grants, procurement and financial instruments as well as a specific Pillar for Sub-Delegation. At least one of the latter four Pillars should always apply otherwise no budget implementation tasks can be entrusted. The main change introduced by the new Financial Regulation is the pillar "financial instruments", in addition to the key principles and criteria used for the assessment of the grant and procurement Pillars under the old Financial Regulation.
Jan 2014 – Dec 2014	• **53 DAs were signed** (value €437.7 million); • A number of countries have multiple DAs: Egypt (3), Jordan (3), Niger (3), Benin (2), Mali (2), Mauritania (2), Nigeria (2), South Sudan (2), and Palestine (2); in addition, 4 DAs were signed for the West African region, and 2 for the PALOP region; • 34% (18) DAs were signed with GIZ; • Numbers were, compared to the previous year, lower for AFD (6) and KfW (4); • Four contracts were signed with BTC, three with AECID, three with FEI, two with CICL and two with DANIDA, two with FIIAPP, two with It MoFA; • In addition, there was one DA signed with ADA; one with ADETEF; one with British Council; one with DFID; one with NL MoFA; one with Expertise Française; • Notably, one DA with AusAid (in Fiji); • 16 DAs do not seem to be co-financed; • 8 DAs did not meet the threshold of €3 million; • Only 5 TAs signed (value €20.3 million); • The largest one was with the UK (Tanzania, €11.9 million). €3 million of Belgium to Rwanda, as a contribution to Sector Budget Support. The other TAs consist of contributions to conflict states – Italy to Afghanistan (€1.1 million); Netherlands to Lebanon (€2.75 million); and Austria to Palestine (€1.5 million); • The total number of pillar assessed bodies is now 24. Since the end of 2012, only one additional entity has passed the assignment (NICO).
2015	PAGODA has replaced IMDA templates. Further simplification of the procedures (only one Quality Support Group has to approve instead of two).
Jan 2015 – Dec 2015	• Excluding the ENPI region, 19 DAs were signed for a total amount of €182.3 million (compared to 37 for an amount of € 255.5 million in 2014). The drop is partly explained by delays in operationalisation of the 11th EDF and change of templates (to PAGODA); • As part of those DAs, 7 were signed with GIZ and 1 with KFW for a total of €48.9 million representing 27% of the total amount of DAs signed in 2015. 4 DAs were signed with Spanish agencies for a total of €20 million and 3 with French agencies for a total of €13.2 million; • The biggest share of contractual amount signed in 2015 relates to one DA signed with the

Period	Developments
	"Nederlandse Financierings-maatchappij voor ontwikkelingslanden" in the framework of "ElectiFI" for a total of €74.9 million; • In 2015, 4 TAs were signed with The Netherlands (2), United Kingdom (1) and Sweden for a total amount of €21.7 million (excluding ENPI region).
2016	PAGODA 2 (the differentiation in sub-delegation has been removed).

Table A.2.9.2 Profile and involvement of pillar-assessed organisations in TAs

Organisation	Profile
ADA	• Pillar assessed since March 2008; • Only 3 DAs: two in 2010; and one in 2014. The latter one in Uganda was merely because a DA with DANIDA did not work out (so the EU contributed via a DA with ADA to a DANIDA-managed fund); • All co-financed; • Average management fee: 7%; • Average contract size: €3.3 million.
ADETEF	• Pillar assessed since 2012; • One DA (support to Libya) in 2014 (€7.6 million); • Co-financed; • Management fee: 7%.
AECID	• Pillar assessed since July 2011; • 8 DAs signed in 2013 (5) and 2014 (3); • 7 in the Central American region (managed by 2 EUDs: Nicaragua and Dominican Republic); 1 in West Africa; • 6 contracts do not seem to be co-financed; • Average management fee: 6.4%; • Average contract size: €6.5 million.
AFD	• Pillar assessed since April 2008; • 30 DAs in total. 2 DAs signed in 2009; 1 in 2010; 5 in 2011; 6 in 2012; 10 in 2013; 6 in 2014; • 22 DAs in the ACP region; • 5 DAs do not seem to be co-financed; • Average management fee: 5.2%; • Average contract size: €9.6 million.
AusAid	• Pillar assessed since January 2011; • 1 DA in Fiji, signed in 2014, not co-financed (4 million); • Management fee: 7%.
British Council	• Pillar assessed since January 2011; • 1 DA in South Sudan, signed in 2014, co-financed (€5.5 million); • Management fee: 7%.
BTC	• Pillar assessed since March 2008; • 8 DAs, 1 in 2008, 1 in 2009, 1 in 2010, 1 in 2011 – and then again 4 in 2014; • 7 DAs in Africa, 1 in Palestine; • 3 DAs do not seem to be co-financed; • Average management fee:6.96%; • Average contract size: €3 million.
IPAD / CICL	• Pillar assessed since May 2009; • 7 DAs, 1 in 2010, 3 in 2011, 1 in 2013 and 2 in 2014; • All in Portuguese-speaking countries; • 3 DAs do not seem to be co-financed;

Organisation	Profile
	• Average management fee: 6.43%; • Average contract size: €3.7 million.
DANIDA	• Pillar assessed since December 2009; • 7 DAs: 4 in 2011, 1 in 2013 and 2 in 2014; • Five contracts in Africa; 1 in ENPI region and 1 global programme; • All projects are co-financed; • Average management fee: 4.1%; • Average contract size: €8.2 million.
DFID	• Pillar assessed since September 2009; • 10 DAs: 4 in 2011, 1 in 2012, 4 in 2013, 1 in 2014; • 8 DAs in Africa, 1 in Nepal and 1 in Palestine; • Average management fee: 2.33% (for 6 DAs, management fee was 0); • Average contract size: €4.6 million.
FEI	• Pillar assessed since March 2011; • 3 DAs, all in 2014; • All projects in African countries (Tunisia, Morocco, Togo); • 2 DAs do not seem to be co-financed; • Average management fee: 6.96%; • Average contract size: €4 million.
FIIAPP	• Pillar assessed since August 2011; • 3 DAs, 1 in 2013 and 2 in 2014; • All in Spanish-speaking countries; • 2 DAs do not seem to be co-financed; • Average management fee: 6.3%; • Average contract size: €3.7 million.
GIZ	• Pillar assessed since February 2008; • 56 DAs: 1 in 2008, 5 in 2009, 4 in 2010, 12 in 2011, 5 in 2012, 11 in 2013 and 18 in 2014; • 25 DAs signed under EDF (ACP countries), 11 for ENPI/ENI, 6 for DCI-ASIE, 2 for DCI-ALA and 2 for South Africa (DCI-AFS and DCI-Pan Africa); • Notably, 10 DAs for thematic facilities (DCI-FOOD and DCI-ENV); • 13 contracts (of which 3 in Palestine) do not seem to be co-financed; • Average management fee: 7% (no recording of a lower fee); • Average contract size: €5.6 million.
IT MoFA	• Pillar assessed since 2012; • 3 DAs, 1 in 2013 and 2 in 2014; • 2 in Sudan (both in Health), 1 in Egypt; • The 2 DAs in Sudan do not seem to be co-financed; • Average management fee: 6.74%; • Average contract size: 11.6 million (influenced by one large DA of €21.9 million).
KfW	• Pillar assessed since April 2008; • 16 DAs, 1 in 2010, 3 in 2012, 8 in 2013 and 4 in 2014; • 8 DAs in ACP countries (EDF); 8 in the Neighbourhood (ENPI). 8 in water & sanitation; • 2 DAs do not seem to be co-financed (Jordan and Palestine); • Average management fee: 5.3%; • Average contract size: €15.2 million.
Lux-Dev	• Pillar assessed since may 2009; • 2 DAs, both in 2012 (Nicaragua and Niger); • 1 DA only co-financed by beneficiary (Nicaragua); • Average management fee: 6.6%;

Organisation	Profile
	• Average contract size: €5.2 million.
NL MoFA	• Pillar-assessed since June 2009; • 1 DA in Benin, singed in 2014 (large contract of 19.8 million) and co-financed; • Management fee: 2%.
République Française (Conseil régional du Guadeloupe)	• Not an officially pillar-assessed entity, but part of the French government; • DA signed in December 2014, for €2.94 million; • No management fee, not co-financed.
SONA	• Pillar assessed since January 2008; • 3 DAs, all in Netherlands Antilles and all signed in 2008; • All co-financed; • Average management fee: 6.5%; • Average contract size: €14.2 million.

Table A.2.9.3 Overview dynamics of DA partners (blue = year of pillar assessment)

	Row Labels	2008	2009	2010	2011	2012	2013	2014	Grand Total
1	ADA			2				1	3
2	ADETEF							1	1
3	AECID						5	3	8
4	AFD		2	1	5	6	10	6	30
5	AusAID							1	1
6	BC							1	1
7	BTC	1	1		1	1		4	8
8	CICL			1	3		1	2	7
9	DANIDA				4		1	2	7
10	DFID				4	1	4	1	10
11	FEI							3	3
12	FIIAPP						1	2	3
13	GIZ	1	5	4	12	5	11	18	56
14	IT MoFA						1	2	3
15	KfW			1		3	8	4	16
16	LUX-DEV					2			2
17	NL MoFA							1	1
??	REPUBLIQUE FRANCAISE (Conseil du Guadeloupe)							1	1
18	SONA	3							3
19	Finnish MoFA								
20	DBSA								
21	SIDA								
22	DEG								
23	SIMEST								
24	NI-CO								
	Grand Total	5	8	9	29	18	42	53	164

Table A.2.9.4 Profile and involvement of TA partners

Country	Profile
Australia	• 1 TA for South Sudan (2013), 1.7 million, food aid.
Austria	• 7 TAs for Palestine (PEGASE), yearly between 2008 and 2014; • Average contract size: 1.1 million.
Belgium	• 9 TAs; 3 in 2009, 3 in 2012, 2 in 2013 and 1 in 2014; • 3 TAs for DRC, 2 for Palestine. One TA in 2009 GBS to Mozambique; and in Benin in 2009 contribution to a larger PFM programme (other TAs also contributed). In 2014 in Rwanda contribution to sector budget support. (i.e. contributions to sector-wide programmes and budget support); • Average contract size: 5.3 million.
Canada	• 1 TA for Mali (2012), 2.2 million, CSO support (also supported by other TAs).
Cyprus	• 2 TAs of 0.6 million (2010 and 2012) for projects funded under the GCCA programme (in Eastern Caribbean and Nepal).
Czech Republic	• 1 TA for 0.2 million (2008) for the set-up of the GCCA programme.
Denmark	• 4 TAs: 2 in Benin (2009 and 2010), 1 in Mali (2011) and 1 in Pakistan). All in the field of governance and civil society; • Average contract size: 2.6 million.
EIB	• 1 TA of 48.3 million to transfer leftover funds of the HIPC to budget support in Ghana.
France	• 2 TAs, one large one in Haiti (2010, 39.1 million) and one in Guinea Conakry (2013, 10 million); • Average contract size: 24.6 million.
Germany	• 1 TA in Lesotho (2011, 3.5 million).
Luxembourg	• 5 TAs to contribute to the PEGASE mechanism in Palestine (1 in 2009, 2 in 2013 and 2 undated – were discovered during the field mission); • Average size: 1.1 million.
Ireland	• 6 TAs, all related to the GCCA programme. It appeared to be actually 2 TA contracts, which were used to fund 6 projects. All committed in 2010 and 2011; • Average contract size: 5.1 million.
Italy	• 1 TA signed for support to agriculture in Afghanistan (2014, 1.13 million).
Japan	• 2 TAs to private sector development in Palestine. Actually 1 TA of which part of the funds were transferred to another project via an addendum. TA signed in 2011; • Average contract value: 3.1 million.
Estonia	• TA of 0.8 million to support climate change in Bhutan (contribution to GCCA programme). Signed in 2011.
Spain	• 2 TAs, one contributing to the ACP Water Facility (2010, 12 million) and one of 0.5 million to Angola (2012); • Average contract size: 6.25 million (but out of balance because one TA was large and one small).
Sweden	• 6 TAs. 2 TAs (signed in 2008) were contributing to the GCCA (actually 1 TA contract used to fund 2 different projects in Tanzania and Cambodia). 2 TAs contributed to the justice sector in the DRC (one in 2009 and one in 2012). Two other TAs funded projects in Mozambique (2012) and Mali (2011); • Average contract size: 4.3 million.
Switzerland	• 1 TA for a project in Mali (2011) of 2.3 million. Also funded by TAs of Denmark and Canada.
The Netherlands	• 2 TAs, one support to Benin (2009) and one to Lebanon (2014); • Average contract size: 2.7 million.
United Kingdom	• 4 TAs, two TAs around 11 million in Nepal (2010) and Tanzania (2014), and two smaller ones in Burundi (1.9 million, 2011) and in Liberia (3.6 million, 2013).

Table A.2.9.5 Overview dynamics of TA partners (red = PEGASE; green = GCCA)

Row Labels	2008	2009	2010	2011	2012	2013	2014	No date	Total
Australia						1			1
Austria	1	1	1	1	1	1	1		7
Belgium		3			3	2	1		9
Canada					1				1
Cyprus			1		1				1
Czech Republic	1								1
Denmark		1	1	1		1			4
EIB						1			1
France			1			1			2
Germany				1					1
Luxembourg		1				2		2	3
Ireland			3	3					6
Italy							1		1
Japan				2					2
Republic of Estonia				1					1
Spain			1		1				2
Sweden	2	1		1	2				6
Switzerland				1					1
The Netherlands		1					1		2
UK			1	1		1	1		4
Grand Total	4	8	9	12	9	10	5	2	59

2.10. Quality of Evidence for Judgement Criteria

JC	Title of JC	Quality of evidence	Justification
EQ 1: To what extent has Delegated Cooperation reduced transaction costs?			
JC 1.1	Delegated Cooperation has led to improved division of labour between the donors which has contributed to a reduction of transaction costs	Satisfactory	The portfolio analysis and case studies provided detailed information on the contribution of DC to division of labour, which was supported by the questionnaire and literature review. Less specific evidence was found on the links between division of labour and transaction costs.
JC 1.2	Delegated Cooperation has led to more co-financing of projects and programmes, which has contributed to a reduction of transaction costs	High	The portfolio analysis and case studies provided detailed quantitative information on the use of co-financing, which was broadly supported by the questionnaire. These tools provided more limited information on the links between co-financing and transaction costs. Literature review provided some evidence on the link between co-financing and transaction costs.
JC 1.3	Delegated Cooperation the programmes/projects became larger (budget and/or scope) which has led to a reduction of transaction	High	The portfolio analysis and case studies provided detailed quantitative information on the size of DC projects, and the questionnaire and desk review provided additional information, in particular on the links between the size of programmes and transaction costs.
JC 1.4	Through Delegated Cooperation at least two donors are using a single project/programme management systems, which has led to a reduction of transaction costs	Satisfactory	Clear findings were found from the case studies on the effect of DC on management systems, and to some extent on the links between management systems and transaction costs, which were not fully supported by the questionnaire.
JC 1.5	Delegated Cooperation has reduced the number of	High	Both the case studies and questionnaire

JC	Title of JC	Quality of evidence	Justification
	active donors in the sector, which has contributed to a reduction of transaction costs		underscored clearly the limited effects of DC on the number of donors, and as such the overall limited effect of the output on transaction costs.
JC 1.6	Delegated Cooperation has generated limited additional transaction costs.	Satisfactory	The desk review provided some (quantitative) data on the transaction costs of DC. The case studies provided some additional, non quantitative, data, which broadly confirmed the findings from the desk review.
EQ 2: To what extent has DC strengthened the ownership and leadership of the partner countries as regards the DC funded projects and programmes and the policy formulation and implementation in the sector of the DC project or programme?			
JC 2.1	DC has strengthened the partner country's leadership as regards formulation of the policies and strategies of the sector of which the DC project or programme is part of, and of the DC project or programme itself	High	The case studies provided information on the involvement of partner countries in policy formulation, supported by evidence from the questionnaire.
JC 2.2	DC has strengthened the partner country's leadership as regards implementation of the relevant sector policies and strategies in general and the DC project/programme in particular	High	The case studies provided some relevant quantitative data about the extent to which partner countries were involved in DC projects (in the form of existence of Steering Committees). The questionnaire findings were in line with that data.
JC 2.3	DC has strengthened the partner country's leadership as regards monitoring the implementation of the relevant sector strategy and of the DC project or programme in particular	High	
JC 2.4	DC has reduced the number of donors directly active in the sector, which has contributed to strengthened ownership and leadership of the partner country as regards the DC project/programme and the related sector policy formulation and implementation	Satisfactory	The literature review provided relevant data on the link between the number of donors and ownership. The positive relationship between DC and fewer donors was rejected in JC 1.5.
EQ 3: To what extent has Delegated Cooperation strengthened complementarity and added value of the support provided by the EU and other Delegated Cooperation partners?			
JC 3.1	DC has helped donors in the partner country to implement the division of labour	High	The portfolio analysis and case studies in particular provided detailed

JC	Title of JC	Quality of evidence	Justification
	principles, which has strengthened the complementarity and increased the added value of the support provided by the EU and other DC partners		information on the contribution of DC to division of labour, which was supported by the questionnaire.
JC 3.2	Assistance provided by the various donors involved in DC was in line with their comparative advantages, which has strengthened the complementarity and increased the added value of the support provided by the EU and other DC partners	High	The case studies provided detailed information on the use of comparative advantages, which was supported by the questionnaire.
JC 3.3	DC has led to improved donor coordination and harmonisation, which has contributed to strengthened complementarity and increased added value of the EU and other DC partners, in particular as regards the DC project or programme and/or sector concerned	High	The case studies provided evidence on the links between DC and harmonisation/coordination, which was broadly supported by the questionnaire.
EQ 4: To what extent has Delegated Cooperation reduced the fragmentation of aid?			
JC 4.1	Division of labour among donors providing support to the DC project or programme and/or the sector concerned has been carried out in such a way that the aid provided to this project or programme and to the sector became less fragmented	High	Findings were confirmed by the case studies and desk study.
JC 4.2	Delegated Cooperation has led to more co-financing of projects and programmes, which has contributed to reduced aid framentation	High	The portfolio analysis and case studies provided detailed quantitative information on the use of co-financing, which was broadly supported by the questionnaire. The link between co-financing and fragmentation was further informed by the results of other JCs.
JC 4.3	Through Delegated Cooperation the programmes/projects became larger (budget and scope) which has reduced aid fragmentation	High	The portfolio analysis and case studies provided detailed quantitative information on the size of DC projects. The link between size of project and fragmentation was assessed partly on the

JC	Title of JC	Quality of evidence	Justification
			basis of JC 4.1 and 4.2.
JC 4.4	Delegated Cooperation has improved donor coordination and harmonization, which has contributed to reducing the fragmentation of aid	Satisfactory	The case studies provided evidence on the links between DC and harmonization/coordination, which was broadly supported by the questionnaire and desk study.
EQ 5: To what extent has Delegated Cooperation strengthened the alignment of aid with policies and procedures of the recipient country?			
JC 5.1.	Delegated Cooperation projects and programmes were based on and embedded in the policies and strategies of the partner country, which strengthened the alignment of aid	High	The case studies provided clear findings on policy alignment and about the role of DC in strengthening that alignment, broadly confirmed by the questionnaire and desk study.
JC 5.2	Implementation of the Delegated Cooperation projects and programmes was managed by the regular implementation entities of the partner country and was based on national procedures and systems, which strengthened the alignment of aid.	High	The case studies provided clear findings on systems alignment and about the role of DC in strengthening that alignment, confirmed by the questionnaire and desk study.
EQ 6: To what extent has the visibility of the EU and other participating donors been ensured in case of projects and programmes funded via Delegated Cooperation?			
JC 6.1	Concrete actions have been taken to ensure the visibility of the EU in the case of Delegation Agreements.	High	Detailed information was provided on visibility actions from the case studies. Findings from questionnaire were broadly in line.
JC 6.2	Concrete actions have been taken to ensure the visibility of the delegating donors in case of Transfer Agreements	High	Detailed information was provided on this from the case studies. Findings from questionnaire were broadly in line.
EQ 7: What have been the main reasons why to date, the number and value of TAs have been much lower that the number and value of DAs?			
JC 7.1	The number and value of TAs were relatively low because of constraints at the level of the EU	High	Detailed information on the constraints at the level of the EU was obtained from the desk phase and the case studies.
JC 7.2	The number and value of TAs were relatively low because of constraints at the level of the transferring partner	High	Evidence based on the desk phase, the case studies and the interviews.

JC	Title of JC	Quality of evidence	Justification
JC 7.3	DAs are much more attractive than TAs	High	Factors identified behind the imbalance were identified in the desk study, the case study phase, and the questionnaire.
EQ 8: What has been the quality of the decision making process and the assessment of DC proposals in view of the DC objectives and assessment criteria as defined by the EU?			
JC 8.1	The motivation of the EU Delegations to enter into a DC agreement is in line with the objectives of DC as defined in the EC's Guidance Paper	Satisfactory	Many DC assessment fiches were missing, and finding people involved in the decision-making processes was difficult, however other sources (desk phase, questionnaire, case studies) provided some evidence.
JC 8.2	The format of the Assessment Fiches is appropriate for making an informed decision	High	Analysis of the template and of the available DA fiches let to clear evidence, which was supplemented by the questionnaire.
JC 8.3	The DA Assessment and Action Fiches (actually submitted) provide sufficient and relevant information for taking a deliberate and well-motivated Financing Decision as regards DAs	Weak	Few DA Assessment Fiches were available
JC 8.4	The TA Assessment Fiches (actually submitted) provide sufficient and relevant information for taking a deliberate and well-motivated decision to accept the transfer of another donor agency	Weak	There was only one TA Assessment Fiche available.
EQ 9: What has been the scope and quality of the cooperation between the EU, the DC partner and the implementing entity in the partner country during implementation of the project/programme (partly) funded through DC?			
JC 9.1	The EU, the DC partner, the partner country and the implementing entity cooperate on the basis of clearly defined rules and procedures	High	Detailed information on the cooperation between DC partners was obtained from the desk phase and the case studies.
JC 9.2	The fund managing donor has provided timely and adequate technical and financial information on the implementation of the project/programme	High	Detailed information on implementation and financial reports was obtained, mostly through the case studies.
JC 9.3	The coordination between the DC partners has been satisfactory	Satisfactory	Comprehensive, albeit sometimes contradictory, information was obtained

JC	Title of JC	Quality of evidence	Justification
JC 9.4	The DC partner has organised a mid-term review and/or final evaluation of the project/programme concerned		about the coordination between DC partners from the desk study, the case studies and the questionnaire.
JC 9.5	The DC partners have reviewed and/or evaluated their cooperation in the context of the DC agreement		