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**Draft Roadmap for EU Joint Programming in Nepal**

1. **Overview**
* Joint programming may be **defined** as the establishment of a single EU country analysis and Joint Strategy for a partner country, with the latter aligned to the timing of the country’s national development plan.
* Joint programming is seen to offer several potential **benefits** for Nepal:
* Less **gaps** and **overlaps** as EU DPs plan together and implement in a coordinated fashion (though not necessarily jointly) and thus higher impact aid and better value for money.
* More opportunities for **joint** **initiatives** on the ground as everyone is planning at the same time and for the same period, and subsequent savings in terms of economies of scale and reduced overheads.
* Better **alignment** and more **ownership** as GoN sets its strategy, then EU DPs lay out their support for it, at the same time and for the same period
* Increased **predictability** and **transparency** as EU DPs plan together, at the same time and for the same period.
* Lower **transaction** **costs** for GoN as it has only one strategy to deal with and the timing is aligned to the national plan.
* More EU DP **influence** vis-à-vis Government and other players as EU DPs can speak with a single voice, backed up by a single strategy with a substantial overall funding envelope behind it.
* Heightened **visibility** as all participating DPs can claim credit for work done under the Joint Strategy even if they are not implementing themselves in the specific area in question. At the same time, each participating DP will still have their agency’s “stamp” on the projects and programmes that they are implementing directly.
* Less pressure on each participating DP to be in **multiple** **sectors** given that they are all now part of an overall Joint Strategy which has a holistic approach but with an agreed division of labour parcelling out the work to be done, thus allowing each DP to specialise while still ensuring that all bases are covered.
* In Nepal, EU DPs provide approximately **25% of total ODA**, and therefore the potential benefits to be reaped by better planning and delivering this support are likely to be significant, even more so given a current aid landscape that is characterised by the OECD as exhibiting both fragmentation (high number of donors per sector) and proliferation (high number of donors per sector).
* Earlier in 2014 **GoN** released its new Development Cooperation Policy[[1]](#footnote-1), an assertive document in which it states its intention to improve the delivery and use of development assistance, increasing ownership, alignment and accountability and improving impact. Combatting high transaction costs and aid fragmentation are both highlighted in the document. Given that joint programming seeks to meet these goals, it can be seen as fully aligned with GoN’s policy.
* EU DPs have made several **commitments** at the headquarters level to take forward joint programming, including in their Common Position for the Fourth High Level Forum on Aid Effectiveness in Busan[[2]](#footnote-2) and in the Agenda for Change[[3]](#footnote-3) which sets out the particular European way of “doing business” in order to maximise the impact of development cooperation work.
* In February 2013, **EU Heads of Mission** in Kathmandu reached agreement to take forward joint programming (see Annex 1), building on the strong tradition of EU cooperation in the country. It was agreed that a joint analysis of the country context would be undertaken followed by the formulation of a Joint Strategy running from mid-2016 to align to the next national plan. This should give EU DPs adequate time to fulfil existing commitments, adjust procedures and formulate the Joint Strategy itself. It should be noted that, in terms of implementation, the Joint Strategy will limit itself to saying which sectors each DP will work in and will not go into the details of how this work will be carried out, i.e. aid modalities or individual initiatives to be pursued. These details will instead be left to each DP’s bilateral implementation plan.
* In August 2014, the EU Delegation organised a **dedicated joint programming technical assistance mission** to Kathmandu which met with GoN, DPs, civil society and the private sector to gather additional momentum for the process and pin down next steps. During this mission, it was agreed by EU DPs that the process should be kept as light and simple as possible and that it should reduce complexity as opposed to adding an additional layer. They also highlighted the usefulness of a Joint Strategy in providing more influence with GoN and recommended to use it as a one-stop-shop bringing together all EU commitments to the country, thus increasing both the value of the Strategy and the visibility of these commitments. Ideally, the reporting on these various initiatives would also be combined into one annual update on implementation of the Strategy.
* In order to make joint programming a reality, participating DPs will **need** **to**:
* Synchronise their **programming** **cycles** to the national cycle.
* Undertake a **joint** **analysis** of the country context.
* Agree on a common **vision** and **approach** for their work in Nepal.
* Agree on a **division** **of** **labour** between them, setting out who does what.
* Signal **indicative** **financial** **commitments** from each DP to each sector for the period of the Joint Strategy.
* Agree on what other **content** the Strategy should include.
* Exchange information on the **approval** **procedures** that each participating DP will apply to the Joint Strategy.
1. **Participation**

In addition to the EU Delegation, the following **countries** have expressed an interest in participating in joint programming in Nepal:

* Denmark
* Finland
* Germany
* Netherlands
* UK

Norway and Switzerland cooperate closely with EU DPs in Nepal as like-minded donors and have expressed an interest in participating in joint programming, however this may be with some caveats, on which their advice is currently awaited. A standing invitation also remains open for other like-minded DPs to join the process, however joint programming should not be delayed while their participation is sought, indeed other DPs are actually more likely to come on board once they can see that the process has momentum and is going ahead with or without their participation.

1. **Draft Template for the Joint Strategy**

Please see the dedicated document in Annex 2.

1. **Division of Labour**

An overview of the current division of labour between EU DPs is presented below and may be used to guide discussions on where each DP will focus under the new Strategy. Each EU DP would also work on the central and cross-cutting issues of good governance (including democratisation and human rights), the peace process, gender and supporting civil society.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sector** | **EUD** | **Denmark** | **Finland** | **Germany** | **Netherlands** | **UK** | **Norway** | **Switzerland** | **Total** |
| **Agriculture / RD** |  |  |  |  |  |  |  |  | **3** |
| **Education** |  |  |  |  |  |  |  |  | **4** |
| **Employment** |  |  |  |  |  |  |  |  | **2** |
| **Energy** |  |  |  |  |  |  |  |  | **4** |
| **Environment** |  |  |  |  |  |  |  |  | **3** |
| **Health** |  |  |  |  |  |  |  |  | **2** |
| **Trade / PSD** |  |  |  |  |  |  |  |  | **4** |
| **Transport** |  |  |  |  |  |  |  |  | **1** |
| **Vocational Training** |  |  |  |  |  |  |  |  | **2** |
| **WASH** |  |  |  |  |  |  |  |  | **2** |
| **TOTAL** | **4** | **2** | **3** | **3** | **3** | **5** | **3** | **4** |  |

Decisions on future division of labour should also take into account the current and planned work of non-EU DPs in Nepal. As such it is recommended that the Aid Management Platform (an existing online aid information management system in Nepal) be updated and then used to source this data and to assess where gaps and overlaps lie. As with any such assessment, the absorptioncapacity of different sectors and the level of coordination of existing support need to be taken into account before drawing any conclusions. Where overcrowding is evident but a DP has difficulty in leaving a sector (for example for political reasons), then delegated cooperation, silent partnerships and basket funds could all be considered as ways of reducing fragmentation. Where there is still more than one EU DP working in the same sector, those present may want to undertake a joint sector review and / or establish a lead EU DP for the sector.

Any division of labour agreement that is reached should be discussed with GoN and subsequently refined as necessary. EU DPs will need to decide to what degree they are prepared to see GoN shape their sectoral focus.

Many DPs’ HQs provide support to Nepal via thematic and vertical funds that is outside the remit of Heads of Cooperation in Kathmandu. HQs could be asked to limit these, for example only activating those funds that deal with sectors they have agreed to focus on in Nepal or channelling any support through existing DP initiatives in the country that have been established to work on the sector in question. On the other hand, some of these funds may in fact be able to serve a useful purpose in demonstrating to GoN that EU DPs are still responding to their support requests in areas such as infrastructure.

EU DP sector commitments should then be adhered to for the duration of the Joint Strategy. Intra-sectoral coordination should take place within the existing sectoral working groups.

1. **Synchronisation**

Current GoN and EU DP planning cycles are shown below:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| GoN |  | Three Year Plan | Three Year Plan | Three Year Plan |  |  |
| EU |  |  |  |  |  |
| Denmark |  |  |  |  |  |  |  |
| Finland |  |  |  |  |  |  |  |  |  |  |
| Germany |  |  |  |  |  |  |  |  |  |  |
| Netherlands | TBA |
| UK |  |  |  |  |  |  |  |
| Norway |  |  |  |  |  |  |  |  |  |  |  |
| Switzerland |  |  |  |  |  |  |  |  |

As can be seen above, the next window of opportunity to align with the national planning cycle, i.e. to commence a Joint Strategy at the same time as the national plan, is mid-2016. NB. GoN may move to a seven year plan in 2016 but this is not confirmed as yet. In order for EU DPs to align with the national cycle in mid-2016, the following is proposed:

* **EU:** the EU’s planning cycle is standardised globally, covering 2014-20 in its current iteration. However mid-term reviews allow for re-focusing of resources during the cycle. It is therefore suggested that such a mid-term review be scheduled for mid-2016 in order to allow the EU to re-align its support with the first Joint Strategy.
* **Denmark:** it is suggested that Denmark, if possible, shorten its existing strategy by 18 months in order to conclude work in mid-2016. This would allow the Joint Strategy to be used as its guiding framework from mid-2016 on. NB This is in line with Denmark’s commitment to synchronisation in DANIDA’s 2013 “Policy Note on Joint Programming”[[4]](#footnote-4).
* **Finland:** no further action will be needed by Finland given that they already follow the national planning cycle.
* **Germany:** it is suggested to extend the current programme by six months in order to conclude in mid-2016. This would allow the Joint Strategy to be used as its guiding framework from mid-2016 on.
* **UK:** the UK’s planning cycle is standardised globally. Given this, it is suggested to use a mid-term review mechanism in order to allow the UK to re-align its support with the first Joint Strategy.
* **Norway:** TBA.
* **Switzerland:** it is suggested that Switzerland, if possible, shorten their existing strategy by six months in order to conclude work in mid-2016. This would allow the Joint Strategy to be used as its guiding framework from mid-2016 on.
1. **Approach to Other Stakeholders**

GoN, other DPs, civil society and the private sector need to be kept informed of the joint programming process, sensitised to its implications for them, and invited to provide inputs at relevant junctures.

* **GoN**: as mentioned above, the aims of joint programming are fully in line with GoN’s 2014 Development Cooperation Policy[[5]](#footnote-5), which aims to increase the ownership, accountability and impact of development assistance, inter alia by increasing alignment, tackling fragmentation and reducing transaction costs. As would therefore be expected, meetings on joint programming with the Ministry of Finance and the National Planning Commission in August 2014 showed them to be very much in favour of joint programming. Government officials highlighted the need to improve ownership, alignment and fragmentation in particular and stated that joint programming comes ‘at the right time’ given their intention to take a more hands-on approach to aid management and to streamline ‘business processes’. It was recalled by EU representatives in meetings with GoN that the existence of a robust National Development Plan following a predictable cycle and key sector plans are vital for joint programming to go ahead in practice. Participating DPs should seek to engage GoN throughout the process, including in discussions on division of labour, and encourage them to be a signatory to the Joint Strategy. However, it has been flagged by EU Heads of Cooperation in Kathmandu that there are limits to GoN ownership given that DPs do not always see eye-to-eye with Government on the country’s development path and that GoN does not always reflect ‘European values’, such as those set out in the Agenda for Change. Therefore, while seeking to put GoN in the driver’s seat as far as possible, it was recognised that EU DPs may not always follow their wishes.
* **Other DPs:** as mentioned above, a standing invitation remains open for other like-minded DPs to join the process, as was made clear in a presentation to the International DPs Group (which brings together all major bilateral and multilateral DPs and meets every two weeks) on joint programming in August 2014. In addition, they should be updated on progress and invited to provide input to, and comment on, specific content of the joint analysis and subsequently the Joint Strategy as these documents are being developed. Exactly what content is opened to such scrutiny should be left at the discretion of European Heads of Cooperation in Kathmandu. Taking account of other DPs’ current and planned work when deciding upon a division of labour among EU DPs will however be a key issue. Updates and inputs should be channelled through the International DPs Group.
* **Civil society**: a workshop organised by the EU Delegation with civil society in August 2014 explained the concept of joint programming and sought inputs as well as making the first steps towards formulating an EU Civil Society Roadmap which it has been proposed should form part of the Joint Strategy. Civil society expressed support for a more coherent approach from EU DPs. Reassurances were provided by EU representatives that, should one EU DP who is currently funding them pull out of a sector due to division of labour commitments, another is likely to still be present there. Asserting EU support for civil society in the Joint Strategy could be of particular value given recent moves by GoN to move away from partnering with civil society and towards more work with the private sector – while recognising the rights work that NGOs often perform, GoN officials reported that they are less convinced about their service delivery role and called into question their transparency, accountability and sustainability.
* **Private sector**: consultations with the two main chambers of commerce operating in Nepal have shown the private sector to be in favour of joint programming, recognising its potential benefits in terms of streamlining EU support and increasing its impact. Future consultations should take place to help inform the relevant sections of the joint analysis and the Joint Strategy, for example those dealing with trade, FDI, private sector development and employment. This should happen at an early stage of the joint programming process.
1. **Messages for Capitals**

In spite of strong support from European Heads of Mission / Heads of Cooperation in Kathmandu, it was emphasised during the joint programming mission in August 2014 that moving ahead will be impossible without **specific support from EU capitals**. While EU Ministers have already endorsed the general concepts of synchronising planning cycles, agreeing on a joint strategy paper, and establishing a division of labour and indicative financial allocations, turning these political promises into practice will require **specific changes** to how business is currently done.

Therefore, it is proposed that Heads of Mission / Heads of Cooperation in Kathmandu send a **Joint Letter** to their capitals, detailing what will be needed from them to make joint programming a reality in Nepal from mid-2016 on. It is suggested that this Communication include both messages that are applicable to all capitals and those that apply only to specific countries.

**Messages for All**

* Brief on the intention to go ahead with joint programming in Nepal (referencing the 2013 HoMs proposal), and the perceived **benefits**.
* Emphasise that the Joint Strategy should replace **bilateral country strategies**. Acknowledge that some DPs may still need to draft an additional technical / legal document to satisfy internal demand but that this should be kept as light as possible, referring the reader to the Joint Strategy document or copy-pasting from it if absolutely necessary.
* Recall capitals’ **commitments** on joint programming and that each EU DP present in Nepal is already involved in joint programming processes in other countries.
* Mitigate **fears** by making it clear what joint programming does *not* involve (e.g. adopting EU procedures, undertaking all projects / programmes jointly, abandoning bilateral implementation plans, letting non-present EU DPs influence the Strategy), as well as what it *does*.
* Emphasise the **visibility** gains offered – all can claim credit for the impact of the whole strategy as well as continuing to maintain their “flag” on the projects and programmes they actually implement.
* Confirm the **start** **date** and **duration** of the initial Joint Strategy and request agreement from capitals to adhere to this timetable for the future programming of their aid to Nepal. Emphasise that it is understood that existing **financing** **cycles** may be difficult to alter where a DP has a uniform global cycle but that this should not prevent planning cycles from being synchronised locally given that planning can conceivably be de-linked from financing (with the understanding that financial predictions made for the programming period will therefore be indicative only and updated on an annual basis).
* Mention that **other** **DPs** have been invited to join the process but will not be allowed to hold it up.
* Request that **decision-making** regarding the joint analysis and Joint Strategy is devolved to the country level as far as possible, including on division of labour.
* Request agreement that each country’s **bilateral implementation plan** will restrict itself to the implementation details of their respective agreed contribution to the Joint Strategy, i.e. setting out the projects and programmes to be undertaken. Thus content such as country analysis, overall priorities, aid effectiveness commitments etc. should be transferred from the bilateral implementation plan to the Joint Strategy. NB. While each country’s bilateral implementation plan will be in a different format due to their respective administrative and legal requirements, it could be useful to summarise all the various projects and programmes in one place and in one format, thus providing an overall European portfolio that can be showcased to GoN and other development partners.
* Request clarification on the mechanics and timing of the **approval** **process** for the Joint Strategy by each capital.
* Request agreement that such approval processes will only involve capitals commenting on the general sections and their **own** **country's** **contribution** to the overall Joint Strategy (i.e. their specific sectors of concentration and indicative financial allocations), as has previously been committed to globally by EU MS.
* Request a **commitment** that support to Nepal and to the agreed sectors will be maintained for the duration of the Joint Strategy, regardless of domestic political changes. This is important to ensure predictability and continuity and to maintain the coherence of the Joint Strategy.

**Messages for Individual EU DPs**

* **Brussels** should be asked to agree that a deep mid-term review will take place in mid-2016 to ensure its sectoral focus is in line with the Joint Strategy.
* **Copenhagen** should be asked to agree that it will shorten its existing strategy by 18 months in order to conclude work in mid-2016 and that, from that point on, the Joint Strategy will serve as Denmark’s country strategy for Nepal.
* **Berlin** should be asked to extend its current bilateral implementation plan by six months in order to conclude in mid-2016.
* **London** should be asked to agree to a mid-term review mechanism in order to allow the UK to re-align its support with the first Joint Strategy.
* **Oslo** should be asked to confirm Norway’s interest in jointing the joint programming process with it made clear what this will involve.
* **Bern** should be asked to confirm Switzerland’s interest in jointing the joint programming process with it made clear what this will involve.
1. **Delivery Schedule**

The below provides an indicative recommended schedule that will be modified by Heads of Mission / Heads of Cooperation in Kathmandu as appropriate.

* **October 2014:** sending of joint programming mission brief to EU MS and GoN. Request to GoN to provide written endorsement for joint programming.
* **October 2014:** endorsement of Roadmap by EU MS.
* **November 2014:** analysis of requirements that each EU DP has for a country strategy paper so that these can be incorporated in the proposed Joint Strategy structure, thus enabling the latter to replace bilateral country strategies.
* **November 2014:** agreement on structure of Joint Strategy.
* **December 2014:** joint communication sent by HoMs to capitals briefing on progress, attaching the Roadmap and GoN’s endorsement and flagging actions needed at the HQ level (see above).
* **January 2015:** update to civil society and private sector.
* **February 2015:** update of the Aid Management Platform and subsequent division of labour analysis using data from it.
* **March 2015:** combination of existing analysis and update to give joint analysis.
* **March 2015:** agreement on indicative future division of labour.
* **April 2015:** drafting of Joint Strategy commenced.
* **June 2015:** drafting of Joint Strategy completed.
* **March 2015:** Joint Strategy sent to capitals for approval.
* **October 2015:** Joint Strategy approved by all capitals.
* **January 2016:** signing ceremony for Joint Strategy – HoMs and GoN.

**Annexes:**

1. EU Heads of Mission Note on Joint Programming

2. Draft Template for the Joint Strategy

1. <http://www.mof.gov.np/uploads/publications/file/DCP_English_20140707120230.pdf> [↑](#footnote-ref-1)
2. <http://consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/126060.pdf> [↑](#footnote-ref-2)
3. <http://ec.europa.eu/europeaid/infopoint/publications/europeaid/documents/257a_en.pdf> [↑](#footnote-ref-3)
4. <http://amg.um.dk/en/technical-guidelines/policy-notes-and-action-plans/> [↑](#footnote-ref-4)
5. <http://www.mof.gov.np/uploads/publications/file/DCP_English_20140707120230.pdf> [↑](#footnote-ref-5)