



EUROPEAN COMMISSION

EuropeAid Co-operation Office

Quality of Operations

Quality monitoring systems and methodologies

Brussels, 18th December 2007

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Subject: Conclusions and Report of the workshop: EU Member States' Workshop on "How to work together towards better quality Technical Cooperation (TC) and Project Implementation Units (PIUs)" – Brussels, 6th December 2007 -

Summary and conclusions

EuropeAid has taken the initiative to organize the first EU Member States (MS) meeting to inform on the ongoing work on developing an EuropeAid strategy on TC and PIU, provide an opportunity to exchange and cross-learn on current policy reform in MS, and engage in a first discussion on how to address the two EU targets related to TC and PIU.

Eleven Member States attended the meeting (mainly technical experts / staff working on TC and PIUs). There was an interesting discussion on current work ongoing in the various agencies, including important research and reviews.

The meeting succeeded in sharing experiences and information on current work on TC and PIUs. A number of agencies are engaged in important research work, studies and reviews of their practices. Some of them are developing more structured policy/positions.

Participants agreed on the interest of developing a "light reference group" in order to exchange on ongoing policy developments and review work and support peer-learning. MS were invited to comment on the draft of EC strategy on TC and PIU (to be presented in the spring 08). Following the debate, areas for discussion included: the challenges related to the use of local expertise, the various roles of TAs, ranging from gap-filler to advisor; how to revisit procurement and procedures in order to allow more control/ inputs from partner government side, accountability and TC in a PBA setting

More specifically on the EU targets issues, there was a first exchange on an operational interpretation of target n.o. 2, following a scheme presented by Europe Aid (see annexe to the Annotated agenda in attachment for definitions and options). Many participants shared the view that interpretation should stick to the Paris definition of indicator 4. Nevertheless the majority of participants were not fully aware of the EU targets and their political and technical implications. Nobody could take a position on how to move forward and there was a need to consult with their agencies and discuss their own positions further. One of the outcomes of the workshop was that MS representatives will take home this issue to sensitise their respective agencies/ ministries on the EU targets on which to build a common EU approach. Another message was that one would risk losing sight of the real objectives of the (Paris) reform agenda through a too strict definitional focus on TC and PIUs and too narrowly focusing on meeting the targets.

It was also agreed that participants would feed information from this meeting to colleagues attending the technical seminar on "Roadmap on EU Aid Effectiveness – Accra & Beyond " (Brussels 12-13 December 07) to ensure that issues highlighted in the present meeting would be adequately represented there. MS and the Commission agreed to link the preparations of the EuropeAid strategy on TC & PIUs with the overall EU preparations for Accra. The forthcoming EU technical meetings (February and March 2008) will provide options to ensure that progress on TC and PIU are fully in line with the overall EU approach to the Accra (and beyond).

It was noted that MS should develop a clear position on these issues at the latest for the External Relations Council meeting in May 2008 (GAERC) where the EU contribution to Accra will be agreed upon.

Report

Rationale/background of the seminar

EuropeAid is currently in the process of developing a strategy on its use of Technical Cooperation and Project Implementation Units. The overall objectives of this strategy are to improve the quality of TC, promote an approach on PIUs consistent with the principles of Aid Effectiveness, and to meet the Paris and EU targets on Aid Effectiveness. The EU has gone further than other OECD members in demonstrating its commitment to Aid Effectiveness, by signing up to an additional four EU targets, two of which link directly to TC and PIUs (see annotated agenda). Within the context of the harmonisation and alignment agenda of Paris, and the Division of Labour process/ Code of Conduct, consultation with Member States is a crucial element of this strategy. This meeting therefore sought to draw the views of other MS on a shared approach to TC and PIU reform, and identify future areas for joint work.

Objectives and agenda of the seminar

- Presentation of EuropeAid's work in this area and initial results from research and consultation
- Presentation of an external review of donor agencies policies and guidelines on TC and PIUs - by ECDPM
- Exchange on current state of play for all agencies present, allowing MS to map out any new policy developments in this area
- Exchange on agencies' understanding and interpretation of the two EU targets

See annotated agenda in the Annex.

Participants

The meeting was attended by thirty-one participants. Eleven Member States were represented (mainly TC and Capacity Development experts): UK, Belgium, France, Germany, Ireland, Sweden, Finland, Slovenia, Romania, Hungary, and Czech Republic. See list of participants in the Annex.

Introduction by Androulla Kaminara, Director of Quality of Operations in EuropeAid

Ms Kaminara opened the meeting with a speech emphasising the need to rethink the ways in which Technical Cooperation is designed and managed and the way projects are implemented. The September 2008 mid term review of the Paris Declaration (in Accra) requires joint and targeted EU efforts due to the additional EU targets and corresponding political ambitions. She

emphasized that donors have a special responsibility in the area of TC to "make alignment happen". Ms Kaminara also reviewed the following highlights from the first DAC survey, published in July 2007: Technical Cooperation is "still too much donor driven" ; Donors and partners should review whether the expectations they currently have of each other and of themselves are sufficiently far sighted and ambitious.

State of Play of preparation of the EuropeAid strategy on TC and PIU - by Felice Zaccheo – unit E5 (presentation attached):

The presentation highlighted the objectives of the EC strategy (see "background of the meeting") and presented key stages and timeframe of the ongoing work: cases review, procedures review, screening of other donor practices, interviews with partner governments, consultation with 46 delegations. MS were invited to comment on the draft strategy in April 2008, with a view to finalize the strategy by the end of first semester 2008, well in advance to the Accra Forum. The presentation introduced initial results from consultation with delegations showing that alignment and harmonisation of TC is limited; there is a need for greater sensitisation of EC staff on better approaches to TC and PIUs; TA is still largely supply-driven and design of TA projects tends to be largely Delegation-driven.

Delegations also reported that the areas they would most like to see change were the following: support to coordination with MS and other donors; support to increased country sector dialogue with partner countries; policy and guidance and greater focus on management issues and delegation management/capacity. The presentation also explored partner government views on TC, which echo the issues stated by delegations.

Presentation of an external desk review of donor agencies policies and guidelines on TC and PIUs - by ECDPM (presentation attached):

Tony Land and Volker Hauck for ECDPM presented the main findings of a desk review of donor policies and guidelines on TC and PIUs conducted to feed the preparation of the EuropeAid Strategy. The desk study reviewed the policies, guidelines and emerging practices of two multilateral (UNDP and WB), and seven bilateral agencies (DFID, AFD, BTC, SIDA, BMZ/GTZ, DANIDA, DGIS, AusAid). The research found that two MS (Danida and Dfid) had formal policies or guidelines on TC, and that there were few formal positions on PIUs (largely multilaterals). While all MS had signed the Paris Declaration and had prepared/were preparing action plans, few have indicated how they intend to address indicators 4 and 6 specifically. This signalled a wide variation of progress on reform of TC and PIUs to improve quality and meet agreed targets. The presentation also highlighted that the lack of a clear or shared understanding of the Paris indicators and EU targets remained a key stumbling block for progress. Similarly, the research identified that improvements in TC effectiveness depended on also making progress on several of the other indicators, particularly in the areas of Programme Based Approaches, PFM and procurement.

The presentation also identified elements of an emerging consensus on good practices around TA management, and proposed key shared principles and areas for progress in the areas of programming and design; procurement; and day to day management and accountability (see presentation).

"Towards an emerging consensus on good practices around TA management "
- Extract from ECDPM presentation -

Programming / Design

- overcoming supply-driven approaches and ensuring that TC provision reflects country partner demands
- Improving diagnosis/analysis of need to ensure a better understanding of capacity development challenges and the potential contribution of TC
- Joint understanding of needs and outputs based on a participatory process involving both development partners and country partners
- Development partners need to be more transparent about costs and motives of providing TC so as to enable country partners to make choices based on fuller information
- Several agencies are increasingly working within programme/sector frameworks which help to draw attention to sector capacity needs.
- Finding the right balance between the pressures to address short-term implementation demands and long-term CD objectives

Procurement and Contracting

- Donors should assess partner procurement capacity as a basis for determining whether or not to work through national procurement systems and what kind of capacity strengthening support might be provided
- Even if donor procurement systems are used, every effort should be made to increase partner participation in the preparation of TORs/calls for proposals, appraisal of bids/interviews
- Financial and TA Pooling mechanisms can help to facilitate host country leadership in the management of TC. It can also encourage harmonisation of donor TC and alignment behind country strategies
- Several agencies have decentralised spending authority to the country level – this can facilitate the procurement of TA services through the local market

Day-to-day Management & Supervision

- Day-to-day management of TA personnel should be a host responsibility. In practice, lines of accountability can become blurred when donors remain the paymasters.
- There is need for greater clarification of TA roles and functions and better specification of expected results (in terms of supporting capacity development) .
- Various arrangements for mutual/joint accountability offer ways to respond to partners' respective accountability requirements
- A number of agencies are taking on a more "hands-off" role, engaging at a higher level of programme performance review

Need to improve CD practice on the ground

- Partners need to develop a more informed understanding of capacity development and the role that TC can play in supporting local processes : this requires dialogue & knowledge exchange at the country level
- Efforts are needed to improve the quality of CD interventions through better assessment of needs and through more thorough scrutiny of alternative intervention strategies
- More attention should be paid to making effective use of TA personnel as one strategic input within an overall CD support package
- Appropriate mechanisms and indicators for monitoring and evaluating TA performance in relation to capacity development are required. These should encourage and reward TA personnel for focusing on process dimensions and supporting the realisation of longer - term capacity development results.

Round table: "What is changing on TC and PIUs in the Member States"

As stated in the annotated agenda (annexe 2), the objectives of the RT were to map out major ongoing policy changes and reform processes on TC and PIU. Participant's interventions completed the presentation made by ECDPM as follows.

France (AFD):

France's use of long-term French TA has dramatically reduced over the last decades: in the 80's France provided around 23.000 long-term TA; it currently employs around 1200, the majority of which are French nationals. This reduction in numbers has signalled a big shift in French TA practices. Approximately 25% of French TA is funded through the Agence Française de Développement (AFD), the remainder through the French Ministry of Foreign Affairs (MFA). AFD-financed TA is procured by the partner government which is the formal contracting party with the AFD retaining an "avis de non objection". 80% of the AFD-financed TA is French, sourced either through the market place (competitive bidding) or directly from the French civil service (through the services of a specialised agency). There are no statistics on local TA. The majority of TA (75%) are assigned to work on projects linked to core government sectors (PFM; justice; police etc.). According to AFD, TA personnel are accountable directly to the local organisation which has contracted them and in this sense there are no parallel PIUs. France is currently working on guidance on TC/TA and Capacity Development that will be finalized once the reform of the overall aid system is completed.

Belgium (BTC):

TC reform is currently a "hot issue" within BTC and there is a significant amount of work on TC going on. BTC favours careful consideration of TA reform and a pragmatic approach. The Paris indicators do not in themselves constitute objectives, the issues are complex and should be addressed in a "context sensitive" way (particularly on PIUs for Belgium which works most in fragile states). Key then is to bridge the gap between the policy, that should not become a strait jacket, and practice s.

Currently, BTC is in the process of formulating a policy on how to work with TA. This will take account of the specificities of a number of fragile states in which BTC operates. This work builds on an earlier study done by BTC on how its provision of TA could more effectively feed into the ongoing aid reform efforts, in particular at the sector level. As a small agency, BTC plays a role in complementing joint donor support initiatives at the sector level by providing TA to build PG capacities to bridge the divide between policy and implementation as well as between national and sub-national levels.

UK (DFID):

DFID has been increasingly engaged with the TC debate over recent years. There has been a big reduction in DFID's use of TAs in recent years: TC constitutes 11% of DFID's managed assistance. Use of British consultants is still an issue as between 70 -80% of DFID's TA contracts are managed by UK consultants or UK consultancy groups. In 2005, DFID carried out a "stocktake" of its existing TC; this included an assessment which presented mixed reviews of DFID's performance on TC. This assessment and other elements of the stocktaking were used to produce a guidance "How to" note on TC. The DFID vision for TC is to increased market oriented TC, which is untied from suppliers, and managed and procured by partner governments. DFID's 2007 White Paper reinforced commitment to reform TC. Several projects are currently ongoing:

1. Review of the "How To" paper – to ascertain if the approach is being implemented, and also if it fits with the newer White Paper commitments. The process for this review will start in January, and the final report is expected to be ready by December 2008.
2. Procurement review – DFID's head of procurement is carrying out a review of barriers to partner countries consultants getting TC work. Work has already begun in Nigeria and South Africa. It will also analyse Bangladesh and India, and is expected to be ready by March 2008.

3. Joint Donor and Partner review on TC – this has been initiated by JICA, and will carry out case studies in 12 partner countries. The draft report is expected to be ready by May 2008, and will be followed by a workshop, and the final version of the report in Accra.
4. Evaluation of TC in the Paris Declaration – this will consist of a mapping study from January 2008 leading to decisions about a full review to be carried out after Accra.
5. Statistics – there is ongoing work on the production of a more useful set of statistical data on TC.

Germany (BMZ & GTZ):

There has been an increasing focus on capacity development ahead of Accra, specifically on different instruments and what they can contribute to CD. This debate has taken place in all of the major development agencies (GTZ; KfW and others) and a task team of all different institutions involved in CD is currently drafting a set of papers on the relevant Paris indicators. GTZ is in the process of completing a study on TC pooling (taking into account 46 cases across SSA; Latin America and Asia), analysing a wide spectrum of management and procurement models and different roles of partners. A draft report has just been completed. The study has found that there are very positive effects on ownership of pooled TC, as long as the TC pool is embedded in the SWAp. Stand alone pools were found to be much less effective. It also found that the result of pooling was for transaction costs (for donors) to increase initially, and then decrease in the longer run. Another interesting result relates to the high cost of local TA. There is also a new working group in GTZ looking at establishing a uniform policy on use of TC. Beyond GTZ, the issue is of concern to the Federal Ministry of Economic Cooperation and Development (BMZ). It was a partner in the "Joint Evaluation Study on Provision of Technical Assistance Per sonnel", financed by Danida, AusAID and BMZ and is now participating in the Joint Donor and Partner review on TC (see above, DFID, point 3).

Ireland (Irish Aid):

Irish Aid is not currently undertaking any major work on TC. Neither is there a formal written policy. However, in the mid -1990s, Irish Aid made a move towards sector programmes away from use of TC and as a result makes marginal use of TAs. There are examples of support for TA which is recruited locally at the request of the partner. Any TA must be fully embedded in the PG structure and managed locally. Ireland also contributes to pooled funding arrangements for local recruitment of technical support. According to the Paris Declaration Baseline Survey, Irish Aid has six PIUs.

Sweden (SIDA):

A key concern in current policy thinking in SIDA is how to align with Partner Government priorities. SIDA is not setting up any new PIUs, and there are plans to phase out the existing PIUs. It is currently working on its Paris Action Plan, and in 2008, country offices will have to specify Paris Declaration targets and report back on their progress against them. SIDA is in the process of writing a "position paper" on TC, which will incorporate the DAC principles and act as a good practice paper. Issues around use of TC in fragile states have not yet been finalised. Sweden is also developing a position paper on programme based approaches which looks to go beyond the PD and set out how to really align in practice. A key challenge is the division between HQ and the field, where staff have a disinclination to be self-critical. There is also a tendency to wash hands of PIUs/TC issues when carrying out joint work which other partners are leading on. Further issues which Sweden and other agencies are struggling with include: establishing different approaches to long- and short-term TA/TC; competitive (market) procedures for procurement of TA/TC and gap-filling TA/TC; the general tendency to require (too much) multi-tasking TA and how to avoid that general and sector support just 'hides' the TA/TC challenges by letting PG establish PIUs.

OECD / DAC

Ben Dickinson from GOVNET made the following points on the ongoing work on TC within the DAC

1. Statistics – OECD statistics on TC are in need of improvement, as currently , it is impossible disaggregate and for example find out to what extent programmes are using local consultants. This is a long -term necessary process which has already begun.
2. Fragile states and PIUs – It needs to be recognised that issues of ownership are completely different in fragile states which carries implications for the use of TC and PIUs . It is important to address this issue which is not properly addressed with in the Paris Declaration. .
3. Focus on TA expertise – this is the right element to focus on out of the TC bundle, as most experts are in "delivery mode" rather than "Capacity Development mode" because of the incentives for judging performance and results. This is a potential area for change since donors have control over setting the incentives for experts' behaviour.
4. Indicator 4 of the Paris Declaration – there is a risk of negative side effects generated by the wording of indicator 4 , there needs to be caution in asking PCs to articulate their CD needs in an abstract sense , since doing so may fail to address the reality of how public administration works: the real issues are what happens in the key sectors such as health and education, and it is through these issues that capacity is developed, not via a national capacity plan. Partner countries should not therefore be pushed towards rhetorical and abstract discussion of a capacity plan.
5. Case material – there is an increasing need for useful case material to support the application of the guidance on the measurement of indicator n. 4

Key messages from participants

There was a strong recognition that TC was a problem area in need of greater attention, and that some sort of information/research sharing interface was needed to facilitate joint progress on TC and PIUs amongst Member State agencies. It is also important to recognise that the field may in some cases be ahead of HQ – innovative practices should be capitalised upon and shared . Key messages are sub-divided into sections below.

1. Ownership

- Many of the flaws associated with TC are linked donors taking too much of a "pro -active" role. Donors should take responsibility for asking the partner country: "shouldn't you do this?"
- Donors need to think more about giving procurement responsibility for partner governments. There is another – efficiency and accountability – side to the coin, but essentially we cannot promote more ownership without giving more control (we can't have our cake and eat it)
- Pooling – we need to aim at pooled capacity development and TC work, but must bear in mind that it does not necessarily lead to ownership
- Harmonisation and Alignment – currently we risk taking the smaller and easier step of harmonisation whilst avoiding alignment .

2. Capacity

- If we want to increase ownership, we have to recognise that "capacity for ownership" is a real issue and donor approach should be reviewed in this respect
- It is however important to distinguish between short -term and long-term changes; "quick wins" in the area of TC are important

3. Use of local expertise

This is a complex and relatively unexplored area. Local consultants are recognised in some donor procurement processes and not in others (e.g. the distinction is not recognised in the EDF). Neither is its use well defined. There need to be more careful questions about what we mean by use of local consultants:

- Use of consultants on local salaries?
- Incentives and risks (brain drain)
- Use of nationals (nationality/residence criterion)?
- Use of consultants drawn from within region?

- Locally rather than centrally recruited?

Neither is it clear that there is a strong link between government procured TA and ownership. (it was noted that essentially, who pays for the consultant controls). This issue needs greater consideration.

Overview of the key results from the monitoring survey on the Paris Declaration – presentation by Alex Gerbrandij, EuropeAid – unit 01 – (presentation attached)

This presentation covered the background of monitoring the Paris Declaration and findings from the Paris baseline monitoring survey on TC and PIUs. The survey was carried out in 34 partner countries and with 30 donors for the year 2005.

Findings on TC from the baseline monitoring survey demonstrate that TC amounts to around 21% of total aid to the countries surveyed. The overall baseline score for OECD members on TC indicator was 48%, however, there was across the board agreement that this score has been overstated due to an absence of shared understanding. The EU scored 39%, therefore lagging behind the overall score, and well below the EU Aid Effectiveness target which cites “all” capacity building assistance rather than the 50% in the Paris Indicator. It was also found that there was wide variation amongst EU donors (9 are below 50%).

On Parallel PIUs (PPIUs), the baseline survey found there was a total number of 1832 PPIUs, which according to commitments on the Paris indicator, needs to be brought down by two thirds. This will mean that by 2010 there should in theory be only 611 PPIUs remaining. There was also agreement that the total figure of 1832 was, like TC, an underestimation due to different, and loose interpretations of the criteria. In PPIUs there was also a wide variation on EC and MS indicator scores: EC scores 204 PIU to be reduced to 68; DK, BL, SP, FR scoring 60; UK and GE scoring 40; IT and SW scoring 30; FL, IR, PL, LX lesser than 10.

Round Table: “Where do we stand in relation to the implementation of the EU targets on TC and PIUs”

The discussion focused on the interpretation of the EU targets, particularly that of target no 2 on providing: *“all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements”*. To unpack the understanding of this target, EuropeAid presented two main options for its interpretation (annex of the annotated agenda):

- Interpretation of the wording of the EU target according to the Paris Declaration. This would imply that “capacity building assistance” is measured as TC. “Coordinated assistance” is interpreted according to the DAC Paris Declaration guidelines and definitions. This would have the advantage of buying into the Paris monitoring and system for measurement of progress.
- Developing a new more nuanced definition for the term “capacity building assistance” which could be more narrowly defined by Member States. The more narrow definition would focus on support to PC “core government functions”. This would require that all signatories to the EU aid effectiveness targets agree on such a definition and would be willing to set up an alternative monitoring and evaluation system to be established, including an agreement on what should be understood as “core government functions”.

Many of the participants were not fully aware of these EU targets and needed to further exchange with their headquarters before taking any decisions. Therefore it was not possible to address many of the issues suggested for discussion in the annotated agenda (as reporting and monitoring arrangements). Positions emerged from participants include:

- The majority of participants felt that with regards to the interpretation of the EU objective, stick to the use of the Paris definitions and guidance present many advantages

- There was concern that through a strict definitional focus on PIUs, member states would be in danger of losing sight of the real objectives, and focusing too narrowly on meeting the targets. Also linked to this, was the point that at the moment, it is not adequately clear exactly where the EU and Paris objectives on PIUs are leading us , and this may impact on our long - term effectiveness
- It was suggested that rather than work on an all -encompassing strategy, MS should begin to put in place a step by step towards improvement on PIU usage.

Enclosures:

- List of Participants
- Agenda
- Presentation "on State of Play on Developing an Europeaid Strategy to meet EU Targets on TC and PIUs" by EuropeAid – unit E5
- Presentation by ECDMPM on Desk Review of Donor Agencies Policies and Guidelines on TC and PIUs
- Presentation on "Monitoring the Paris Commitments on Strengt hening capacity" – by EuropeAid unit 01
- Final Draft "Review of Donor Agencies Policies and Guidelines on TC and PIUs" – By ECDPM

List of participants

Member State Representatives :

1. Mike Battcock, DFID, UK
2. Regine Debrabandere, BTC, Belgium
3. Heidy Rombouts - BTC
4. Jildaz Evin, AFD, France
5. Liz Higgins, Irish Aid, Ireland
6. Camilla Salomonsson, SIDA, Sweden
7. Dagmar Kubinova, Permanent representation to the EU, Czech Republic
8. Dr. Petr Jelinek, Czech Development Centre, Institute of International Relations
9. Ulrike Ebeling, BMZ, Germany
10. Dr Thomas Kampffmeyer, GTZ, Germany
11. Ana-Maria Popeia, Diplomatic Attaché to Romania, Romania
12. Miklos Barczy, Hungarian International Development Assistance, Hungary
13. Dimitrij Pur, Permanent representation to the EU, Slovenia
14. Pekka Seppala, Ministry of Foreign Affairs, Finland (I don't think he was present)
15. Susana Rajala, Development Policy and Planning, Ministry of Foreign Affairs, Finland

Other participants:

16. Ben Dickinson, OECD/ Govnet
17. A. Kaminara – EuropeAid Director E n - Quality of Operations
18. Sabato Della-Monica, EuropeAid – HoU E5
19. Patrice Lenormand, DG Development – unit A2
20. Margrita Maria Koeleman, DG Development – A2
21. Paal Aavatsmark, DG Development – A2
22. Karima Saqui, RELEX
23. Felice Zaccheo, EuropeAid – E5
24. Virginia Manzitti, EuropeAid – E5
25. Alex Gerbrandij, EuropeAid - 01
26. Alexis Hoyaux, EuropeAid – E3
27. Walter Seidel, EuropeAid – E3
28. Enrica Pellacani, EuropeAid - C1
29. Jasmine Burnley, expert - Aid Delivery Methods Programme -
30. Volker Hauck – expert ECDPM
31. Tony Land, expert – ECDPM
32. Jonas Frederiksen, expert - ECDPM

Agenda
EU Member States Workshop on Technical Cooperation and PIUs strategy
“How to work together towards better quality TC and PIUs”
Brussels, December 6th

Venue: Hôtel Bloom
Rue Royale 250
1210 Brussels
Tel: +32 (0)2 220 66 11

In 2005, the EU committed to four additional targets on Aid Effectiveness. Two of these targets relate directly to TC and PIUs¹. The focus of this meeting will be issues and ways forward for addressing these targets on TC and PIUs. The nature of the event will be informal, and will seek to focus on exchange of experiences and identification of possible areas of concern to be jointly addressed.

9.15 – 09.30h **Welcome and objectives of the meeting – A. Kaminara - Director of Quality of Operations in EUROPEAID**

9.30- 9.45h **Presentation of participants**

09.45-10.00h **State of play of the preparation of EC strategy on Technical Cooperation and Project Implementation Units – EuropeAid unit E5**

10.00-11.00 h **Results of the desk study “Review of Donor Agencies’ Policy and Practice on TC and PIUs” - Towards a set of shared policy elements on TC and PIUs - ECDPM followed by Q&A**

Coffee

11.45 – 13.00h **Round Table: "What is changing on TC and PIUs in the Member States"**

Each agency will have the opportunity to briefly present major ongoing work on TC and PIUs issues at the policy and at the operations level (max 5-10 mins per agency depending on the final number of participants).

A "menu à la carte" of issues/questions that may be addressed by participants include:

- *Progress in defining policy/strategy/actions plans for meeting the Paris and EU targets on TC and PIUs*
- *Focus on major policy changes in design/procurement/monitoring accountability of TC/TA*
- *Focus on major changes in project implementation arrangements (policy, incentives, rules, etc...)*
- *Experience/ideas on how to foster policy dialogue with Partner Government*

¹ See definitions in the Annexe

13.00 – 14.00h	Lunch
14.00 – 14.30h	Overview of the key results from the monitoring survey on the Paris Declaration – EUROPEAID - Unit 01
14.30– 15.30h	<p>Round Table: “Where do we stand in relation to the implementation of the EU targets on TC and PIUs ”</p> <p><i>Open exchange and discussion to share the respective understanding of the EU targets on TC and PIUs, and what each agency is doing to address them.</i></p> <p><u>Suggested issues to be addressed on EU target no. 2 include:</u></p> <ul style="list-style-type: none"> • What’s your understanding of the wording of EU indicator n. 2 (see matrix in annexe 2) : <ul style="list-style-type: none"> - "Capacity Building"? = How do you interpret t his term? - "Coordinated “ = What do you understand by "coordinated"? - Should we use/refer to the DAC definition of "Technical Cooperation" and "Coordinated Programmes" (see annexe 1 and 2) to buy into the Paris monitoring system? • Is any monitoring of this EU target taking place in your agency? Or are you buying into Paris monitoring system? • Ideas on what should be done to facilitate coordinated & aligned TC <p><u>Suggested issues/to be addressed by participants on EU target no. 3:</u></p> <ul style="list-style-type: none"> • How do you interpret the EU target ("avoid the set up of any new <u>parallel</u> PIUs?) • Does the DAC distinction between " <u>parallel</u>" and "<u>integrated</u>" fit with your agency system and practices? • Are you doing any monitoring of progress? Or alternatively are you buying into the DAC Survey? • Are you considering closing down existing PIUs? • How to succeed in making a new paradigm to implement projects succeed?
15.30-15.45h	Coffee
15. 45 – 16.30h	<p>Moving ahead and next step s</p> <ul style="list-style-type: none"> • Conclusions on future collaboration • Discussion on possible areas for joint work (as emerge d during the discussion)

Annexe 1 : Indicators, Targets and Definitions

Indicators

Indicators on TC :

Paris Declaration - Indicator 4: ***“50% of TC flows are implemented through coordinated programmes consistent with national development strategies”***.

EU's target no. 2 : ***“to provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements”***.

Indicators on PIUs :

Paris Declaration - Indicator 6: ***“to reduce by two-thirds the stock of parallel implementation PIUs”***.

EU target no. 3 : ***“to avoid the establishment of new PIUs”*** .

DAC Definitions used in the Paris Survey

Technical Cooperation - DAC definition: Technical Cooperation (also referred to as technical assistance) is the provision of know-how in the form of personnel; training; research and associated costs. (OECD DAC Statistical Reporting Directives §§ 36 -39). It comprises donor -financed:

- Activities that augment the level of knowledge; skills; technical know-how or productive aptitudes of people in developing countries; and
- Services such as consultancies; technical support or the provision of know-how that contributes to the execution of a capital project:

Technical cooperation includes both free standing technical cooperation and technical cooperation that is embedded in investment programme -based approaches. In order to report against this question donors are invited to review their portfolio of projects and programmes and estimate the share of technical cooperation:

Coordinated TC - DAC definition: Donors should only record technical cooperation (free -standing and embedded technical cooperation) provided in the context of coordinated programmes to strengthen capacity development. To this end, the national coordinator should establish, in consultation with donors, a list of coordinated programmes that meet all of the following criteria:

- Capacity development programmes support partners' national development strategies
- Partner country exercises effective leadership over the capacity development programme supported by donors. This implies clearly communicated objectives, from senior country officials.
- Donors integrate their support within country -led programmes to strengthen capacity development.
- Where more than one donor is involved, arrangements for coordinating donor contributions are in place. This includes, for example, arrangements for pooling technical assistance.

Capacity Development - DAC definition: Different organisations use different definitions for capacity development: According to the OECD -DAC Network on Governance; capacity development is the process whereby people; organisations and society as a whole unleash; strengthen; create; adapt and maintain capacity over time: Recent research (OECD 2005) shows that capacity development is more likely to be effective when:

- Capacity development is treated as a goal in its own right and that increased efforts are made to identify the objectives it seeks to achieve ("Capacity development for what?").
- Support for capacity development addresses three dimensions: human capacity; organisational capacity; and broader institutional capacity
- Capacity development is country owned rather than donor driven

Annexe 2 : options for interpretation of EU indicator n. 2

This matrix articulates options on interpreting the EU target no. 2 and explores implications, in particular around reporting and monitoring.

Paris Indicator n. 4	EU Indicator n. 2		
		Option 1 - Stick to Paris	Option 2 - Adopt a new definition for "Capacity Building"
50%	All/ 100%	100%	100%
of Technical Cooperation flows	Capacity Building Assistance	= interpret "Capacity Building" as Technical Cooperation (DAC definition - Annexe 1)	Agree on and hoc "" definition, " narrower" than TC = assistance supporting key government functions (institutional support) Or = Study + research o+ training assistance
Are implemented through Coordinated programmes	through Coordinated Programmes	Use DAC definition/ guidance (Annexe 1)	Use DAC definition/guidance
Consistent with national development strategies	With an increasing use of Multi-donor arrangements		
	Baseline / monitoring	Use DAC baseline and surveys	No baseline: impossible/very cumbersome to have quantitative/financial baseline and monitoring
	Reporting	Follow Accra system/timeframe	
	Comments/Implications	The target becomes quite " ambitious"; Monitoring is reliable	Requires important effort to agree on a definition - Maybe focus on pilot, qualitative and "case-based" monitoring