



Donor Coordination Architecture

DG Enlargement - Donor Coordination Conference, Brussels 23-24 October 2008

1



Main principles

- **Consistency (with EU policies)**
- **Coherence (of EU action)**
- **Coordination (with IFIs and bilateral assistance)**



Policy Agenda

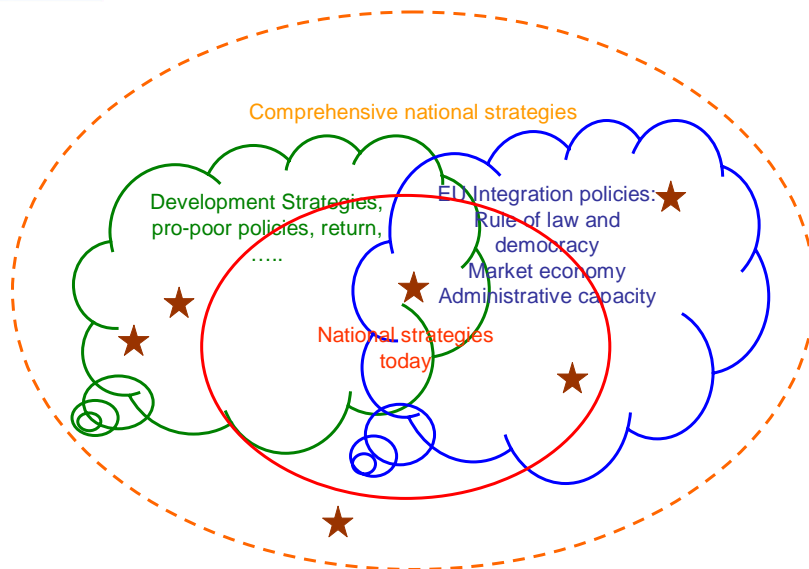
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Millenium Development Goals	IPA assistance
➤ Eradicate Poverty	➤ Human Rights
➤ Universal Primary education	➤ Public Administration Reform
➤ Gender equality	➤ Economic Reform
➤ Reduce Child Mortality	➤ Civil Society
➤ Improve Maternal Health	➤ Social Inclusion
➤ Combat HiV/Aids, Malaria	➤ Regional - Cross Border Cooperation
➤ Environmental Sustainability	➤ Acquis Communautaire
➤ Global Partnership (trade and aid)	➤ Socio-Economic Development



Strategic framework

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How does it fit?

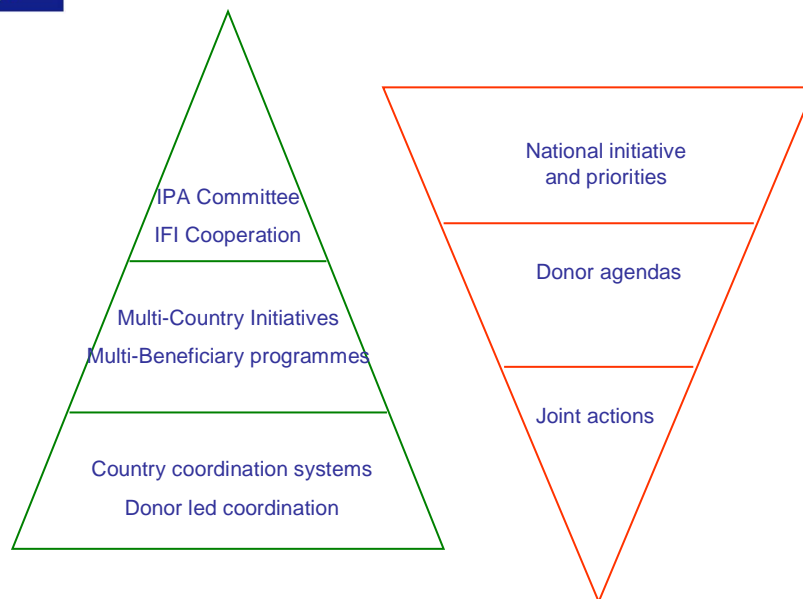
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Paris Declaration	Indicators	EU framework
Ownership	Country Development Strategies	National Dev Plans /SCF NPAA Economic Fiscal Programme /PEP
Alignment	Predictability Public Finance management Procurement systems Programme Units	MIFF Decentralisation Co-financing Internalising
Harmonisation	Programme based approach Joint missions	Project based ?
Managing for Results	Monitoring framework	Association Committees Joint monitoring Committees
Mutual accountability	Mutual assessment of progress	Under construction



Architecture of Donor Coordination

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Regional Cooperation

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- “Enhancing regional cooperation” as a main priority highlighted in the **Thessaloniki Agenda** of June 2003
- Regional cooperation also supported financially under the **IPA Regulation**



Regional Cooperation

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- Projects covering specific regional needs under the CARDS/PHARE/IPA multi-Beneficiary programmes
- Additional EC support through the Special Coordinator of the Stability Pact for South East Europe from 1999 to June 2008
- Ownership of regional cooperation passed on to the region of South East Europe with the creation of the Regional Cooperation Council (RCC), which many of you support politically and/or financially
- In the transition from the Stability Pact to the RCC, substantial streamlining of regional activities and initiatives



Regional Initiatives I

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- Education Reform Initiative
- Task Force Fostering Human Capital
- Gender Task Force
- Energy Community Treaty Secretariat
- SEE Transport Observatory
- European Common Aviation Area Agreement (ECAAA) Governing Council
- Danube Cooperation Process
- CEFTA
- Investment Compact / SEE Investment Committee
- Business Advisory Council (BAC)
- SECIPRO
- Regional Development Centre
- electronic SEE (eSEE)
- Initiative for Social Cohesion (ISC)
- SEE Health Network
- Housing and Urban Management Initiative (HUMI)



Regional Initiatives II

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- SECI Centre
- MARRI
- SPOC
- SPAI
- Ohrid Border Process
- SEE Police Chiefs Association (SEPCA)
- Organised Crime Training Network (OCTN)
- RACVIAC
- SEE Small Arms Clearing House (SEESAC)
- Disaster Prevention and Preparedness (DPPI)



Regional Facilities

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- [Transport Project Preparation Facility]
- [Danube Investment Support Facility]
- [SME Finance Facility]
- [Municipal Finance Facility]
- [Environment Project Preparation Facility]
- European Fund for South East Europe (EFSE)
- Energy Efficiency Facility
- Infrastructure Project Facility / Western Balkans Infrastructure Initiative

***Streamlining through
enhanced cooperation and coordination with IFIs***



Coordination and Cooperation with IFIs

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- IPA Regulation: coordination and cooperation with IFIs (art. 20)
- Coordination with IFIs: a) Memorandum of Understanding with IFIs; b) IFI Advisory Group;
- Cooperation with IFIs: a) three strand approach; b) Multi-annual Indicative Planning Document; c) specific programmes/projects;



Coordination with IFIs Memorandum of Understanding between the EC and IFIs

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- **Signatory IFIs (2006)** → (EIB, EBRD, CEB, WB, NIB, NEFCO, BSTDB);
- **Objective** → Enhance coordination in the field of socio economic development
- **Target** → Ensure regular meetings and exchanges on topics of common interest at least once a year
- **MoU** → IFI Advisory Group

13



Coordination with IFIs IFI Advisory Group (IFI AG)

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- **IFI AG set up and chaired by the EC**
- **Participating IFIs** → (EIB, EBRD, CEB, WB, NIB, NEFCO, BSTDB, KfW)
Participation of Regional Cooperation Council (RCC)
- **Objective** → Ensure adequate coordination at policy, technical and operational level between the Commission and participating IFIs
- **Operations:**
 - IFI AG – Plenary Group
 - IFI AG Working Groups
 - Transport
 - Energy
 - Environment
 - Social & Human development

NB: web-site: www.seerecon.org

14



Cooperation with IFIs Blending grants with loans



- MIPD 2008-2010 → addressing economic criteria; focus on cooperation with IFIs
- Three Strand Approach/specific initiatives:
 1. **Private Sector Development and SMEs:** Promote access to finance for micro and small-sized enterprises (European Fund for Southeast Europe – EFSE)
 2. **Energy Efficiency** (2006) → Romania, Bulgaria, Croatia and Turkey
Energy Efficiency (2007) → WB and Turkey
 3. **Infrastructure:** Infrastructure Projects Facility (2007) → Western Balkan Infrastructure Initiative (2008-2009)

15



In-country Systems



	Country structures	Coordination fora	Sectoral coordination	Tools
Albania		C	D/C	C
Bosnia and Herzegovina		D/C	D/C	D
Croatia		D	?	?
fYRoM		D	D	C
Kosovo		D	D	?
Montenegro		D	?	G
Serbia		D	D	G
Turkey		D	D	D



Main issues for donor coordination

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Different local situation	↔	Different responses
One common feature: EU driven structures for external assistance	↔	NIPAC how to capitalise on the experience built?
Standard model for all?	↔	Tailor made approaches per country
Donor lead still relevant?	↔	Countries lead through national strategies
How can donors plug in national IPA systems?	↔	From « unilateral » to « negotiated » assistance
How to articulate Central, regional and local levels?	↔	Multi beneficiary initiatives as communication platforms



What the EU can do

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- **EC and EU-MS have a common mandate**
 - Ensure coherence (of EC-MS-EIB actions)
 - Ensure coordination (of own assistance programmes) in line with « established guidelines »
- **EC responsible to**
 - ensure coordination, harmonisation, cooperation with IFIs, multilateral organisations and non-EU donors
- **Key principles of EU Code of conduct**
 - division of labour
 - based on comparative advantages and added value
 - lead donor principle



Cooperation methods

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➤ **Build on best practice**

➤ **Pool funding**

**European Fund for Southeast Europe (Regional)
Public Administration Reform Fund (BiH)**

➤ **Delegated management**

**to EU Member States agencies (Albania IPA 2008)
to EC (none so far)
to IFIs (State Prison BiH - CoEDB)**



Next steps

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To be engineered tomorrow!

