

COORDINATION, EFFECTIVENESS AND IMPACT

KEY ASPECTS OF EU FUNDING
DELEGATED TO SPAIN



Photo: AECID.

The European Union is the world's largest development cooperation donor. The wide-ranging and diverse challenges presented by international circumstances, and the new Agenda for Sustainable Development assumed by the international community and –therefore– by the European Union (EU) and its Member States, call for coordinated and effective cooperation, with real impact, to attain the specific development outcomes sought. One way of achieving this is through entities, such as the Spanish Agency for International Development Cooperation (AECID), that the European Commission has certified to manage such development funds.

Since 2010, AECID has managed development cooperation initiatives funded by other Member States, as well as by the EU itself.

increased the **effectiveness** of Spanish Cooperation, improved **coordination and harmonization between donors**, and reduced transaction costs.

Spain ranks third, after Germany and France, in the volume of EU delegated cooperation funds managed

The management of funds delegated to AECID, **totalling 380,4 million euros**, has

WHAT IS IT, THE DELEGATED COOPERATION?

Delegated Cooperation is a means of providing **Official Development Assistance (ODA)** in which one or several agencies (“silent donors”) entrust another (a “lead donor”) with undertaking all or part of the activities for which aid has been allocated.

WHERE WE COOPERATE

While AECID's management of delegated funds was initially focused on **Latin America** – region that continues to present the highest accumulated total of delegated funding –, the creation of the EU Regional Trust Fund, in Response to the Syrian Crisis (“the Madad Fund”) in 2014, and of the European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa in 2015, raised the profile of **Africa and Asia**.

The figures for 2019 allows us to confirm the growing significance of the management of delegated funds by AECID.

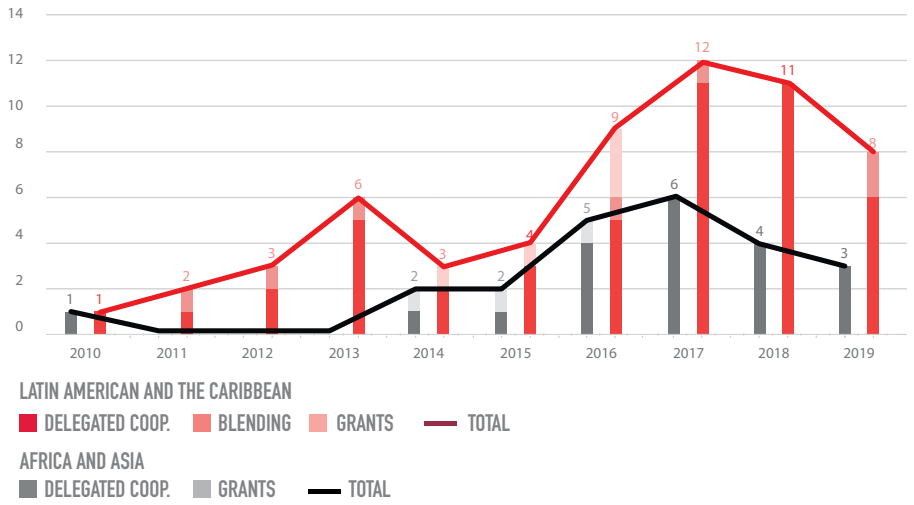
In 2019, **8 agreements** totalling **43,1 million euros** were signed:

- Latin America: 5 delegation agreements, **33,7 million euros**
- Africa: 3 delegation agreements, **9,4 million euros**

In 2019, the first “Contribution Agreements” were signed as a result of the entry into force of

the new European Union Financial Regulation, agreements that replace the PAGODA agreements.

Graphic 1. Number of agreements signed to date.



Graphic 2. Geographic distribution of delegated funds 2019 (in Millions of euros).



START - Mozambique



Special mention deserves the deployment for the first time of the START (Spanish Technical Aid Response Team) also called “Red Vests” to respond to the emergency caused by the cyclone Idai. Supported by the EU and Spain, in total, the field hospital attended to 2,275 people, of which 835 women and 671 children. Moreover, 17 boys and 14 girls were born in the hospital.

Euroclima+



This regional program on *environmental sustainability and climate change* in Latin America allows AECID to multiply the impact of its interventions in a sector in which it has been working for more than 25 years. AECID leads the components of risk management, water, and energy efficiency.

Mauritania



Some 13,500 artisanal fishermen, 1,800 retailers and 800 processors are the beneficiaries of the support to the sustainable artisanal fishing sector through its diversification. The objective is to optimize the management capacity of this sector as a source of employment through which to contribute to fix the population.

Nicaragua



More than 190,000 people will have potable water service for the first time, and access to sanitation will be extended to some 180,000 new users. This Comprehensive Water and Sanitation Program is the result of an important coordination exercise between financial organizations and international cooperation.

NEW CONTEXT, NEW PARADIGM

The emergence of a new **international, regional and national context** has led Spanish Cooperation to embark on a **regeneration process**.

Development challenges, such as poverty and climate change, are global and shared; therefore, it is essential to focus on the international system's coordination and effectiveness if we are to tackle these challenges strategically.

Spanish Cooperation's Fifth Master Plan emphasizes the importance of collaborative efforts with the EU through its **delegated cooperation** and joint programming mechanisms to launch more ambitious, **wider-reaching initiatives** that will step up the **effectiveness**, and **strengthen the impact**, of our cooperation.

Similarly, the **International Development Cooperation Agenda** has propelled Spanish Cooperation towards increasingly effective and coordinated action with real impact. Different world forums, agreements and declarations on development all agree – and have agreed for a decade – on the need to place partner countries at the core of development actions, as well as on the need to prioritize coordinating actors, harmonizing donors, and avoiding aid fragmentation and the division of work. All of these are common aspects of the different forms of delegated cooperation.

As to Spanish Cooperation, the modality of delegated cooperation represents an opportunity, not only to improve and redirect our cooperation to more strategic lines of action, but also to strengthen alliances with key partners, such as the EU, while

at the same time following the OECD Development Assistance Committee's recommendation to concentrate our actions both geographically and by sector.

For Spanish Cooperation, the management of delegated funds is **not an end in itself, but rather a means to achieving the development outcomes** set jointly with our partner countries.

THE EU AND SPAIN, PARTNERS FOR STRATEGIC COOPERATION

The steady increase in the volume of funds managed, and in the number of operations formalized, by AECID has **reaffirmed the strategic value of our partnerships**, both with the **EU** and with **other Member States**, as regards our experience and our level of responsibility. Such partnerships have highlighted the value of the work carried out by Spanish Cooperation over the years, and have enabled us to reap the benefits of extensive dialogue with **partner country institutions**.

Spain currently ranks third in the volume of delegated EU cooperation funds managed, after Germany and France. This position highlights the effectiveness of our work model, which is committed to the principle of harmonization, and is **in line with the national procedures of the countries with which we collaborate**, which is why it is these same countries that so frequently propose AECID as a Delegated Entity.

This association with the European Union has enabled Spanish Cooperation not only to participate in decision-making processes, but also to underscore **Spain's input** regarding European cooperation priorities, and to strengthen our **position** with partner country governments, especially for negotiating strategic cooperation documents.

AECID is also a member of the Network of European Cooperation Agencies' "**Practitioners' Network**" (**PN**), which chairs from May 2019 to May 2020. The PN provides an ideal forum for sharing experiences and best practices with other Agencies and with the European Commission.

SPANISH COOPERATION'S REGENERATION

In 2011 AECID successfully completed the European Commission's 6-pillar assessment – a prerequisite for receiving and managing EU cooperation funds. Since then, there has been a steady increase in the number of operations to manage delegated funds, for which AECID has received funds from other donors, primarily from the European Union, to finance development initiatives. The accreditation to the EU was completed in 2016, with the accreditation in the financial pillar.

As this is a new instrument, it requires AECID – Spanish Official Development Assistance's key organization – to create specific work mechanisms and models, as well as to review and adapt AECID's tools and procedures to this new way of working. A roadmap has been launched that is transforming our model of cooperation with our partners, and in Spanish Cooperation's priority countries.

GLOBAL DATA

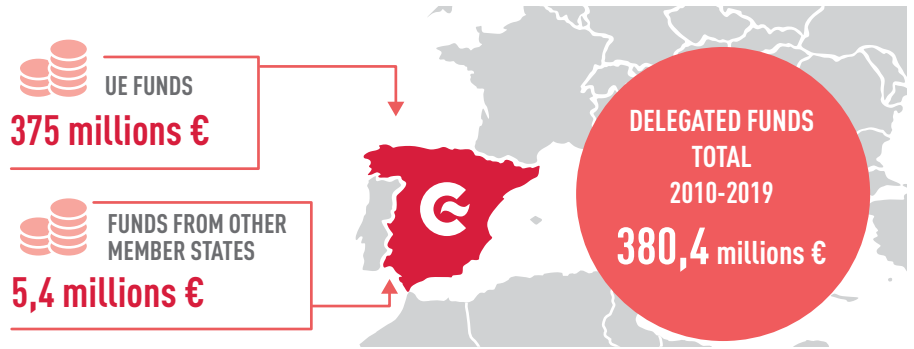
Today, the **management of delegated funds** is a key instrument for AECID. In December 2019, AECID had 60 ongoing agreements totalling **380,4 million euros**. **Most of the projects – 56 out of 60 – are development initiatives formalized with the European Union, with AECID managing 375 million euros.**

During 2020, 13 new cooperation agreements, totalling 82,2 million euros, are expected to be formalized.

TYPES OF DELEGATED COOPERATION

Delegated funds are channelled through agreements entered into between the European Union or the donor Member State and AECID, whether in the form of delegated cooperation, blended cooperation – combined funding – or grants.

Delegated cooperation, a form of technical-financial cooperation entailing the transfer of both resources and the



responsibility for oversight, is the modality most commonly used by AECID and its European partners – in **47** out of 60 operations formalized –. This form of cooperation accounts for **69,6% of the total delegated funds managed**, or **264,6 million euros**.

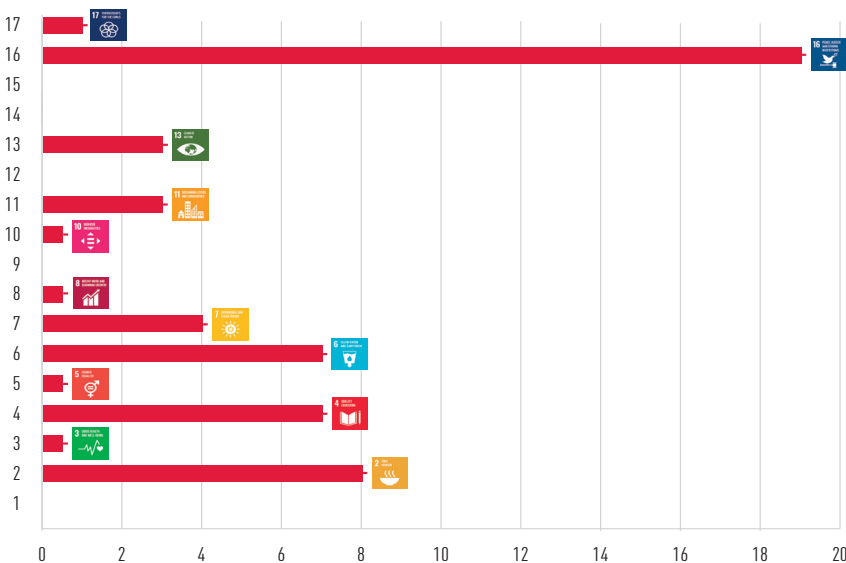
Blended cooperation combines repayable and non-repayable cooperation funds in order to leverage funds, with lower finance costs for the recipient. This form of financing represents **28,8% of the EU cooperation funds** delegated to AECID—a total of **109,7 million euros** deriving from **7** agreements.

Grants from “silent donors” or direct awards of funds through a “call for proposals” represent the management model that to date has received the lowest volume of funds, with the **6 operations** agreed accounting for a total of **6,1 million euros** delegated to AECID, i.e., **1,6% of the funds delegated** to the Spanish institution.

DELEGATED COOPERATION AND THE INTERNATIONAL DEVELOPMENT AGENDA

The **2030 Agenda for Sustainable Development** requires effective instruments that contribute to the achievement of the Sustainable Development Goals (SDGs) it proposes. In this new universal agenda, donor countries play a crucial role in ensuring that the most vulnerable countries can meet the goals considered for global sustainable development. The role of new financing instruments, such as those relating to delegated funds, is key to achieving this development through coordinated and effective actions with the greatest possible impact.

The suitability of this modality is reinforced by its inclusion in **SDG 17**, which seeks to **revitalize the Global Partnership for Sustainable Development**.



The following chart shows the extent to which delegated cooperation projects managed by AECID contribute to the achievement of the SDGs.