



## The European Union's ENPI Programme for Ukraine

Support for the implementation of the EU-Ukraine Association Agreement / A4U Project

Project Identification No.  
EuropeAid/137074/DH/SER/UA  
Contract N°: 2015/370-128

### **A4U Reviews-Comments-Briefs N10**

**Initial comments on draft proposals on effective aid coordination model (draft)**

***May 2018***

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This project is funded by  
the European Union



A project implemented by Consortium led by  
GFA Consulting Group GmbH



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## Methodology<sup>1</sup>

The presentation “*Proposals on effective aid coordination model*” and its several concrete proposals constitute a valuable starting point for further work to be implemented by the different units of the government.

However, assessing the proposals without the supposedly large previous, background and analytical work done is having the risk to formulate inadequate opinions on the proposed solutions. We still are happy to be involved, since we believe it is largely necessary and timely. It should be systematised and continued to provide usable results/proposals.

*It has to be mentioned that the A4U Project within its “Coordination task” is not dealing with the “donor coordination” issues, as such.* Our knowledge and expertise in these specific areas stems from previous and present professional (national and international) experiences of our experts and the publicly available information. We regard donor coordination as part of the generic coordination obligations of the center of government and believe that our experience in that field may contribute to new ideas in developing an improved foreign assistance coordination system.

## Introductory remarks

The conceptual shaping of a new model of managing foreign/donor assistance – especially the envisaged creation of new institutions dedicated to this area of governmental activity (National aid coordination forum, working groups, etc.) – should in our opinion be based on:

1. **Analysis and review of the existing regulations.** Today stipulations defining institutional and procedural framework of foreign assistance management are spread in several separate regulations. A list including “historic” and binding regulations is available on the [openaid.gov.ua](http://openaid.gov.ua) website.
2. **Assessment of weaknesses/bottlenecks of the current institutional framework.** It is i.e. not clear (not explained in the presentation) how the initial diagnosis reflected in the SCMU concept indicating the problem of “*insufficient coordination at the Centre of Government /MEDT, SCMU, MinFin/*” is to comply with the confirmation of MEDT’s role as main governmental body responsible for “*overall coordination of issues related to international technical assistance*”. The presentation does not contain any suggestions/proposals on how to improve the functioning of MEDT in this respect and how to re-organize/streamline its cooperation with other stakeholders/“owners”.
3. **Drafting and establishing a clear chain of command defining the main coordinator, involved institutions/bodies, their competencies and procedures** (rules of procedure and other legislation if necessary) to be followed by institutions/“owners” managing/using foreign assistance encompassing all project/program phases (planning, introducing, monitoring, assessing, reporting).
4. **Attribution of clear coordination competencies to coordinative bodies on intra-ministerial level**, where it is recommended to entrust with uniform coordinative

<sup>1</sup> The Comments were prepared as a response to the Presentation, prepared by the Policy Coordination and Strategic Development DG of the SCMU, sent to us.

competencies: a) the newly introduced strategic planning and European integration directorates (DGs-SPEI) and b) dedicated ministerial units/substantive departments in non-reformed ministries cooperating with “project owners”). **Concerning the intra-ministerial coordination level**, few ideas in this respect were presented in the second part of this paper. They include the recommended creation of a new governmental committee on foreign assistance acting under the auspices of the PM, Head of the SCMU or one of the VPMs and/or increasing the scope of competence of existing committees – depending on the coordination model to be adopted.

5. **Overview and analysis of selected essential programmes and projects financed from foreign aid over the last 2-3 years** – already implemented and in progress in view to precisely determine/re-identify the main sectoral areas of foreign assistance needs and to confirm their relevance from the point of view of governmental/ministerial priorities (i.e. taking into account the strategic plans of the government), responsible institutions and donors, assessment of the quality of obtained results.
6. **Attribution of well-tailored “sectoral competencies” and responsibilities to line ministries (DGs-SPEI and dedicated units) regarding especially the “pre-selection” phase to ensure desired foreign programs or projects to be consistent with all ministerial activities and avoid content duplication in projects offered by various donors.** The ToR of the ongoing PAR support project can serve as an example of consequences of the lack of such attribution. It contains a broad list of PAR related foreign assistance financed and realized projects that have to be taken into account by the project provider. Listed on few pages they do not seem to constitute in each element a coherent vision of a future public administration model.
7. **Strengthening cooperation and exchange of information between donors and government** (main coordinative body(-ies), line ministries) **and supervision of line ministries by the coordination responsible body** in order to prevent foreign bilateral projects to overlap i.e. with projects financed by multilateral organizations (EU, OCDE, etc).
8. **Transformation, in the first step, of the existing MEDT website openaid.gov.ua from a rather statistical/informative one into a reliable source on results and best practices of implemented programs and projects as expected by the approach described in the presentation.** At the same time, it should be noticed that the goals of the planned new institutional setup are “already” covered by the objectives listed on the MEDT donor-website. They include i.e.: improvement of information flow, promoting transparency, assuring monitoring of aid and control of its efficiency and providing national aid in line with national reform priorities.
9. **Drafting of ministerial (sectoral) strategies foreseeing and planning the use of foreign assistance** or supplementing existing ones subjected to strategic analysis and horizontal assessment at the SCMU and MEDT levels. In case of the SCMU this analysis should be performed by the strategic planning (DG-PCSP) and European Integration (GOCEEI) directorates general. The aim of this screening being the setting up of final priorities to be approved/endorsed by the main decision body (Aid Coordination Forum, government, governmental committee).
10. **Establishing of a central training program for ministerial staff dealing with donor coordination in view to enforce institutional capacities.**

### Specific observations & recommendations referring to the content of the presentation.

- **“Proposed solutions”** include several important findings reflecting essential elements of the diagnosis of the existing weaknesses. However some of the envisaged measures can/should be introduced only at a later stage of building the “new” coordination system/proceedings. It concerns i.e. the envisaged creation of a new information platform intended to monitor the ongoing projects and aid effectiveness that in its details might be designed only after clarifying all relevant systemic issues and making the new system operational.
- **“Aid coordination layout”** foreseeing the creation of a National aid coordination Forum is to be considered as interesting response to the need of broader coordination mechanisms/platforms. However, this idea needs to be further developed, especially the *modus operandi* has to be precisely defined if the Forum is expected to become the main decisional body i.e. addressing cross-sectoral problems and identifying ways of improving the effectiveness of donor assistance (as described in the presentation).

The question is whether this kind of “internationalized” body – assuming not only the presence of all the VPMs, representatives of recipients/“project owners”, social society, but also partner countries and development agencies – is able to generate real and legally binding decisions. If yes, the question remains how they should be prepared and made operational.

It is not clear whether decisions on the list of adopted projects should be taken by the Prime Minister or the Forum acting as collective body (with participation of foreign partners) and/or giving recommendations/orders to MEDT. If this is the concept it is necessary to precisely define appropriate RoP, the role and tasks of the “Forum supporting bodies” (including DG-PCSP, GOCEEI within the SCMU), especially their reciprocal relations with MEDT and their role related to the Forum preparations and monitoring of its outcomes.

As alternative or supplement to this approach it is suggested to consider the creation of a new governmental committee – as Forum preparatory body – with precisely defined tasks, headed by a National Aid Coordinator (NAC). This function could be attributed to the VPM (or VPMs) responsible for donor coordination. One of the priority tasks of this intra-ministerial coordination body would be to discuss and to endorse all the donor projects before their formal adoption (by the Forum, government or NAC itself) and to monitor their introduction, results and effectiveness.

Another option would be to divide the foreign assistance portfolio between two VPMs attributing the responsibility for European Integration donor financed projects to VPM responsible for coordination of AA-implementation. In this situation, the committee could be alternately led by both VPMs acting as National Aid Coordinators. Such division of tasks would be conducive to a better effectiveness of the use of foreign assistance and the administrative capacity of both supporting ministerial institutions – MEDT and GOCEEI. In addition, VPM and GOCEEI would gain an important asset (bargaining tool) to be used in their AA-implementation coordination activities i.e. inciting line ministries to use available donor/assistance opportunities in especially sensible areas and/or areas (issues) with biggest implementation deficits.

It is also worth considering to attribute in each ministry to Deputy Ministers for European Integration the responsibility for the management of all foreign assistance projects related to AA-implementation. This would internally i.e. require to define their systemic relations with ministerial SPEI-DGs.

The adoption of one of those suggested institutional solutions would allow the National aid coordination Forum to concentrate its deliberations i.e. on specific – planned and introduced – projects, presentation/discussion on their effectiveness assessment but also to learn the opinions of the donor community about cooperation with governmental institutions and its expectations in this area. The sessions of the Forum could be then preceded by preparatory meetings (governmental committees) chaired by the National Aid Coordinator(s), assuming functions described in the presentation as tasks of the “*Sectoral working groups*”.

- The role of ministerial SPEI-DGs, that are almost not mentioned in the presentation, has to be taken into account in the description of “**Ministries and Central executive bodies**” responsibilities. These entities should play an important internal systemic and coordinative role: analysing the respective line ministries/DGs demand for foreign assistance, assessing the conformity of donor projects with ministerial (sectoral) strategies and monitoring their implementation. The SPEI-DGs have in addition to constitute the source of information for the SCMU (DG-PCSP) on sectoral donor assistance projects planned/realized by the respective governmental institutions. The SPEI-DGs have to be attributed the role of inter-ministerial coordination centres in the preparations of aid Forums and governmental committee meetings, respectively at PM’s and VPM’s levels.

It should be emphasized that the presentation does not answer the essential question how to organize the management of foreign aid in institutions where coordinative DGs have not been introduced yet.

- “**Monitoring system of aid usage**”. It is recommended to improve/develop in the first step the existing information platform provided by MEDT by adding information about the results of completed and ongoing projects. Such information should be prepared in accordance with a horizontally approved template by ministerial SPEI-DGs or dedicated organizational units responsible for the inter-ministerial monitoring of foreign assistance projects in non-reformed ministries. Main elements of the content of that information are described in the presentation. The introduction of a single information and analytical platform should be proceeded only after making the foreign/donor assistance management system operational on inter- and intra-ministerial level. This will require the introduction of the current pilot reform of the ministries' structure also in the remaining governmental institutions, including MEDT.
- “**Strategic Documents**”. One of the issue that has to be considered and precisely defined is the division of tasks between the GOCEEI and the PCSP-DG within the SCMU, which are both expected to be entrusted with the elaboration of “concepts of attracting foreign aid”. The analysis of regulations defining their tasks do not provide answers about the systemic/reciprocal interconnections and proceedings neither with other line ministries and especially their SPEI-DGs nor between both DGs themselves. If MEDT is supposed (as suggested in the presentation) to remain the single responsible foreign aid coordinator it has to be taken into account in this exercise.

It is suggested to re-consider within the ongoing conceptual works on the new foreign aid management system the role and competencies of the existing governmental committees that – after the introduction of necessary modifications of the RoP – could be used more effectively and play an important role in the system. The proposals/recommendations presented by the A4U regarding the organization and competence of the governmental committees on matters of European integration can also be used for this purpose.

- The presentation does not mention any institutional solutions/proceedings in the sphere of controlling the spending of public/foreign funds, which is an inherent element of any foreign aid management system and its coordination. This sphere has to be further explored.

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