SPF Reuniting Europe Programme: Trilateral Projects – a rough guide

What is a Trilateral Project?

A trilateral project is one where the UK works in partnership with another country to deliver a project in a third country. Typically, in the SPF RE context, the partner country will be a new member state and the beneficiary country an accession, candidate, Western Balkan (SAP) or neighbourhood country. But there is also potential to work in partnership with an accession, candidate or SAP country.

Past examples in the SPF RE programme include work with Poland on promoting democracy in Ukraine, Belarus and Armenia, with Estonia in developing capacity in Moldova to deal with EU integration issues and with Slovenia in the western Balkans in helping business to understand and benefit from the opportunities of EU integration.

Why bother with trilateral projects?

Because everyone benefits!

- The UK wins political kudos for helping the partner country with its own foreign policy objectives and (in the case of new member states or countries not yet in the EU) for regarding them as equal partners rather than assistance targets
- It allows us to derive additional value from the funds and expertise we and others have invested in new member states in recent years
- It may allow us to leverage additional funding
- There may be additional public diplomacy benefits
- It is usually cost-effective to work with implementers from the new member states, where costs are cheaper than in the UK
- For all the above reasons it earns us approval in Parliament and from the Foreign Affairs Committee
- The partner country learns from the experience of working with its neighbours
- It can thereby promote regional co-operation and networking
- The partner country benefits from working alongside a member state experienced in overseas assistance. This is a particular opportunity now as new member states begin to set up their own overseas development agencies, often still small and sparsely resourced, but very enthusiastic
- The target country benefits from having access to political, cultural, linguistic and social experience that mirrors its own much more closely than the UK's does
- Working with a partner country of similar size gives the target country reassurance that reforms are manageable within their context and resource levels
- In some cases (e.g. Belarus) bringing the target audience out of the country can be the only effective way to operate. It is often easier logistically, financially and culturally to bring them to a partner country than to the UK.

What are the drawbacks?

- Difficulty in matching multiple needs, expectations and priorities – project design and implementation can often take more time than for a single country and there may be risks in trying to reconcile different systems
- Complexity in managing multiple stakeholders – decision-taking can be time-consuming, and there is greater propensity for misunderstandings and communication lapses
- Implementer capacity may be stretched in coping with the additional demands of a trilateral approach
- Can generate bad feeling if one party feels that a trilateral project is somehow in competition with a "home-grown" one
- Potential for confusion over apportionment of funding, responsibilities for payments, monitoring, evaluation and reporting
- Multiple exchange rates
- There may be political sensitivities e.g. resentment in the target country that a recently acceded country thinks it knows what is best for them (though the presence of the UK in the mix can help to avert this)
- Development divisions in new member states may be inexperienced and need more guidance than anticipated

So how can we ensure that a trilateral project runs smoothly?

General Principles

- Ensure that everyone involved feels a sense of ownership in the project, not an unwilling accomplice. But be clear about who is in overall control
- Establish clear roles and responsibilities at all stages

- Communicate regularly, openly and where possible face-to-face or over the phone
- Allow more time at every stage than you initially anticipate
- Ensure that your line manager understands the time involved in running trilateral projects – show them this paper!
- Seek advice from the Programme Team in London if there's anything you're unsure about

Each of these applies throughout the project cycle. The sections below contain more specific tips for each stage of the project's life.

NB

1. Not all projects will require the same degree of involvement by both posts: in some cases it may be adequate simply to keep the post in the partner country informed of what is happening. But they should always be given the opportunity of a more active role if they wish. The decisive criterion should be whether a post can add value or not.
2. Posts in new member states will need to consider whether their post priorities justify significant involvement in trilateral projects. To ensure adequate buy-in at all levels of post, and adequate resourcing, ideally post objectives should include a commitment to trilateralism, or to helping the host country with its regional foreign policy objectives.

Project Identification and Design

- The impetus might come from either the target or the partner country, or from the British post in either country. Early contact between the relevant project officers at each post is likely to help get things off on the right foot.
- Start work as far in advance of the bidding deadline as you can – it may take several months to design a project that everyone is happy with.
- Identify needs in the target country and expertise in the UK and partner country and be absolutely sure that both match – beware of being driven by the partner country's (or UK's) agenda alone. If the match is not good, is there a different partner country or beneficiary country which would be a better match? The target country may like to approach posts in all the new member states to identify the one(s) most likely to be open to a partnership.
- Carry out a full identification and analysis of all relevant stakeholders in all three countries and devise ways of involving as many of them as possible in project design. A face-to-face meeting of all parties, if feasible, is the ideal. Otherwise consider teleconferencing or arranging a meeting between just one representative of each country.
- At this stage determine which post will be the overall lead for the project, if successful.
- Determine also who will be in the lead in drafting the project bid – probably, but not necessarily, the overall lead. The important thing here is to ensure that everyone has a chance to comment and input.
- If ring-fenced allocations are involved, clarify whose allocation the proposal would come from and be clear about where it sits in that post's list of priorities: it might avoid resentment later that a project has been foisted on someone ahead of a different pet project, or frustration that efforts on preparation have been wasted.
- Ensure that the intended implementers have the capacity to manage a complex cross-border project. If there is a risk that post(s) might end up picking up the pieces consider bringing in a separate organisation to project manage, leaving the implementers to focus on delivery
- If co-funding from the partner country is involved clarify respective timelines for decisions and what will happen if one side's contribution fails to materialise – can the project still go ahead with the same partners on a reduced scale, or will it become a bilateral initiative?
- In drawing up the budget be sure to include adequate funding for monitoring and evaluation – cross-border trips, meetings of joint Steering Committees etc
- Be realistic about timelines for the project. With three countries involved the factors that could send things off track multiply threefold. You may well be looking at a multi-year project.

Preparing for Implementation

Your project has been approved. What next?

- If it does not already exist consider setting up a Steering Committee of all relevant players and plan regular meetings. Set up a group e-mailing list so that all key communications about the project reach everyone. Make sure that everyone has everyone else's contact details, and ensure that the implementers understand the need to keep in close touch with everyone, particularly the lead post
- Decide who will sign the contract – probably the overall lead post and the project implementers or, if different, the project managers
- Draw up a clear and agreed schedule of roles and responsibilities: who will pay what, who will keep overall track of project finances, who will monitor which aspects, who will complete progress reports etc

Be particularly careful about finances. One person should maintain overall control of the project spreadsheet and be informed of all payments made in any of the countries. Financial oversight will probably be in the lead post but could be elsewhere if the majority of payments are to be made there. Ensure that accounts staff at each post understand how the project is structured and where payment requests might come from/go to

If co-funders are involved agree who will pay for what – will each be responsible for particular budget lines, or will the money be pooled and drawn down as needed? Also check reporting cycles and requirements. If they are different try to negotiate a compromise, or if that is not possible be clear about who is responsible for each and ensure that the two sets of reports are consistent

In the contract write in arrangements for payments, communications, monitoring and reporting. Maybe annex the schedule of responsibilities

Monitoring, Evaluating and Assessing Impact

Apart from the project implementers/managers, both posts should be involved in monitoring and evaluation. The degree may vary depending on where most activities are taking place, but both should always be given the opportunity to attend events and meetings, feed into progress reports etc

One post should assume lead responsibility for M&E, including commissioning of progress and evaluation reports, but in consultation with the other post

The lead for impact assessment, if carried out, will probably need to lie in the beneficiary country, since that is where we are trying to achieve change. But there may also be impacts in the partner country (improved bilateral relations with the third country, changes in working and consultation methods of officials there etc) so again both posts will need to be involved

Any issues related to audits of accounts will need to be dealt with by the post in the country of the implementer/project manager

In tracking finances keep an eye on exchange rate movements and consult the Programme Team if they seem likely to lead to an over- or under-spend.